FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **2006-11-14** | Period of Report: **2006-09-30**
SEC Accession No. 0000932440-06-000525

FILER

ACCESS INTEGRATED TECHNOLOGIES INC

CIK:**1173204**| IRS No.: **223720962** | State of Incorp.:**DE** | Fiscal Year End: **0331**
Type: **10QSB** | Act: **34** | File No.: **000-51910** | Film No.: **061216963**
SIC: **7389** Business services, nec

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)
☒(QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2006

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from --- to ---

Commission File Number: 000-51910

Access Integrated Technologies, Inc.

(Exact Name of Small Business Issuer as Specified in its Charter)

Delaware	**22-3720962**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

55 Madison Avenue, Suite 300, Morristown New Jersey 07960
(Address of Principal Executive Offices)

(973-290-0080)
(Issuer' s Telephone Number, Including Area Code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90
days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 6, 2006, 23,163,006 shares of Class A Common Stock, $0.001 par value, and 825,811 shares of Class B Common Stock, $0.001 par value, were outstanding.

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

ACCESS INTEGRATED TECHNOLOGIES, INC.

CONTENTS TO FORM 10-QSB

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share data)

ASSETS	**March 31, 2006**	**September 30, 2006 (Unaudited)**
Current assets		
Cash and cash equivalents	$ 36,641	$ 21,602
Investment securities, available-for-sale	24,000	-
Accounts receivable, net	1,593	12,492
Unbilled revenue	1,492	1,659
Prepaid and other current assets	700	1,842
Note receivable, current portion	43	45
Total current assets	64,469	37,640

Deposits on property and equipment	8,673	8,153
Property and equipment, net	35,878	101,476
Intangible assets, net	2,056	14,125
Capitalized software costs, net	1,680	2,955
Goodwill	9,310	15,415
Accounts receivable, net of current portion	-	188
Deferred costs	148	2,455
Note receivable, net of current portion	1,122	1,290
Unbilled revenue, net of current portion	42	557
Security deposits	389	431
Restricted cash	180	180
Total assets	$ 123,947	$ 184,865

See accompanying notes to Unaudited Consolidated Financial Statements

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share data)
(continued)

	March 31, 2006	September 30, 2006 (Unaudited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 13,282	$ 6,011
Current portion of notes payable	1,203	5,554
Current portion of customer security deposits	176	156
Current portion of capital leases	89	77
Current portion of deferred revenue	768	8,475
Current portion of deferred rent expense	100	114
Total current liabilities	15,618	20,387
Notes payable, net of current portion	1,948	54,045
Customer security deposits, net of current portion	40	43
Deferred revenue, net of current portion	66	207
Capital leases, net of current portion	5,978	5,942
Deferred rent expense, net of current portion	918	858
Deferred tax liability	898	742
Total liabilities	25,466	82,224
Commitments and contingencies (see Note 9)		
Stockholders' Equity		
Class A common stock, $0.001 par value per share; 40,000,000 shares authorized; 22,059,567 and 23,167,696 shares issued and 22,008,127 and 23,116,256 shares outstanding at March 31, 2006 and September 30, 2006, respectively	22	23
Class B common stock, $0.001 par value per share; 15,000,000 shares authorized; 925,811 and 825,811 shares issued and outstanding, at March 31, 2006 and September 30, 2006, respectively	1	1
Additional paid-in capital	136,929	149,630
Treasury stock, at cost; 51,440 shares	(172)	(172)
Accumulated deficit	(38,299)	(46,841)
Total stockholders' equity	98,481	102,641
Total liabilities and stockholders' equity	$ 123,947	$ 184,865

See accompanying notes to Unaudited Consolidated Financial Statements

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for share and per share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2005	2006	2005	2006
Revenues	$ 3,902	$ 9,965	$ 7,873	$ 15,541
Costs and Expenses:				
Direct operating	2,892	5,194	5,629	8,616
Selling, general and administrative	2,041	3,970	3,792	6,456
Provision for doubtful accounts	12	110	35	129
Research and development	154	156	287	179
Non-cash stock-based compensation	–	2,779	–	2,779
Depreciation and amortization	1,189	3,102	2,453	5,145
Total operating expenses	6,288	15,311	12,196	23,304
Loss from operations	(2,386)	(5,346)	(4,323)	(7,763)
Interest income	81	135	83	444
Interest expense	(1,091)	(801)	(1,524)	(1,104)
Non-cash interest expense	(1,109)	(23)	(1,293)	(46)
Debt conversion expense	(6,083)	–	(6,083)	–
Other (expense) income, net	1,250	(61)	1,234	(229)
Loss before income tax benefit	(9,338)	(6,096)	(11,906)	(8,698)
Income tax benefit	78	78	156	156
Net loss	$ (9,260)	$ (6,018)	$ (11,750)	$ (8,542)
Net loss per common share:				
Basic and diluted	$ (0.71)	$ (0.26)	$ (1.00)	$ (0.37)
Weighted average number of common shares outstanding:				
Basic and diluted	13,047,151	23,613,396	11,730,966	23,288,537

See accompanying notes to Unaudited Consolidated Financial Statements

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Six Months Ended September 30,	
	2005	2006
Cash flows from operating activities		
Net loss	$ (11,750)	$ (8,542)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,453	5,145
Amortization of software development costs	296	325
Amortization of deferred tax liability	(156)	(156)
Amortization of debt issuance costs	-	49
Provision for doubtful accounts	35	129
Non-cash stock-based compensation	-	2,779
Non-cash interest expense	1,293	46
Fair value change of common stock warrants	(1,250)	-
Debt conversion expense	6,083	-
Changes in operating assets and liabilities:		
Accounts receivable	(122)	(3,759)
Prepaids and other current assets	95	(145)
Note receivable for digital projectors, net	-	(70)
Unbilled revenue	(553)	(682)
Other assets	453	11
Accounts payable and accrued expenses	1,357	(8,492)
Other liabilities	(63)	149
Net cash used in operating activities	(1,829)	(13,213)
Cash flows from investing activities		
Purchases of property and equipment	(6,796)	(55,145)
Deposits on property and equipment	-	520
Purchases of intangible assets	(91)	(1)
Additions to capitalized software costs	(102)	(463)
Acquisition of PLX Systems Incorporated	-	(1,582)
Acquisition of UniqueScreen Media, Inc.	-	(1,135)
Maturities and sales of available-for-sale investment securities	-	24,000
Net cash used in investing activities	(6,989)	(33,806)
Cash flows from financing activities		
Repayment of notes payable	(1,370)	(1,116)
Proceeds from credit facilities	-	35,544
Payments of debt issuance costs associated with credit facilities	-	(2,338)
Principal payments on capital leases	(271)	(34)

Costs associated with prior year issuance of Class A common stock	-	(190)
Net proceeds from issuance of Class A common stock	19,816	114
Net cash provided by financing activities	18,175	31,980
Net increase (decrease) in cash and cash equivalents	9,357	(15,039)
Cash and cash equivalents at beginning of period	4,779	36,641
Cash and cash equivalents at end of period	$ 14,136	$ 21,602

See accompanying notes to Unaudited Consolidated Financial Statements

ACCESS INTEGRATED TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2006
($ in thousands, except for per share data)
(Unaudited)

1. NATURE OF OPERATIONS

Access Integrated Technologies, Inc. ("AccessIT") was incorporated in Delaware on March 31, 2000. We provide fully managed storage, electronic delivery and software services and technology solutions for owners and distributors of digital content to movie theaters and other venues. We have generated revenues from two primary businesses, media services ("Media Services") and internet data center ("IDC" or "data center") services ("Data Center Services"). Our Media Services business provides software, services and technology solutions to the motion picture and television industries, primarily to facilitate the transition from analog (film) to digital cinema. Our Data Center Services are comprised of three leased IDCs that provide corporate customers with secure and fail-safe off-site locations to house their computer and telecommunications equipment, as well as related services such as equipment monitoring and back-up and protection of customers' data. These existing businesses have positioned us to deliver and manage digital cinema and other content to entertainment and other remote venues worldwide.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND CONSOLIDATION

The Company' s consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for financial information and in accordance with Regulation S-B. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

The Company' s consolidated financial statements include the accounts of AccessIT, Access Digital Media, Inc. ("AccessDM"), Hollywood Software, Inc. d/b/a AccessIT Software ("AccessIT SW"), Core Technology Services, Inc. ("Managed Services"), FiberSat Global Services, Inc. d/b/a AccessIT Satellite and Support Services, ("AccessIT Satellite"), ADM Cinema Corporation ("ADM Cinema") d/b/a the Pavilion Theatre (the "Pavilion Theatre"), Christie/AIX, Inc. ("Christie/AIX"), PLX Acquisition Corp. and UniqueScreen Media, Inc. ("USM"). AccessDM and AccessIT Satellite will together be known as the Digital Media Services Division ("DMS"). All intercompany transactions and balances have been eliminated.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company' s most significant estimates related to software revenue recognition, capitalization of software development costs, amortization and impairment testing of intangible assets and depreciation of fixed assets. On an on-going basis, the Company evaluates its estimates, including those related to the carrying values of its fixed assets and intangible assets, the valuation of deferred tax liabilities, and the valuation of assets acquired and liabilities assumed in purchase business combinations. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates under different assumptions or conditions.

The results of operations for the respective interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in AccessIT' s Form 10-KSB for the fiscal year ended March 31, 2006 filed with the Securities and Exchange Commission ("SEC") on June 29, 2006. Certain reclassifications of prior period data have been made to conform to the current presentation.

REVENUE RECOGNITION

Media Services

Media Services revenues are generated as follows:

Revenues consist of:	Accounted for in accordance with:
Software licensing, including customer licenses and application service provider ("ASP Service") agreements.	Statement of Position ("SOP") 97-2, "Software Revenue Recognition"
Software maintenance contracts, and professional consulting services, which includes systems implementation, training, custom software development services and other professional services, delivery revenues via satellite and hard drive, data encryption and preparation fee revenues, satellite network monitoring and maintenance fees, movie theatre admission and concession revenues and virtual print fees ("VPFs").	Staff Accounting Bulletin ("SAB") No. 104 "Revenue Recognition in Financial Statements" ("SAB No. 104").
Cinema advertising service revenue.	SOP 00-2, "Accounting by Producers or Distributors of Films" ("SOP 00-2")

Software licensing revenue is recognized when the following criteria are met: (a) persuasive evidence of an arrangement exists, (b) delivery has occurred and no significant obligations remain, (c) the fee is fixed or determinable and (d) collection is determined to be probable. Significant upfront fees are received in addition to periodic amounts upon achievement of contractual events for licensing of the Company' s products. Such amounts are deferred until the revenue recognition criteria have been met, which typically occurs upon delivery and acceptance.

Revenues relating to customized software development contracts are recognized on a percentage-of-completion method of accounting.

Deferred revenue is recorded in cases where: (1) a portion or the entire contract amount cannot be recognized as revenue, due to non-delivery or acceptance of licensed software or custom programming, (2) incomplete implementation of ASP Service arrangements, or (3) unexpired pro-rata periods of maintenance, minimum ASP Service fees or website subscription fees. As license fees, maintenance fees, minimum ASP Service fees and website subscription fees are often paid in advance, a portion of this revenue is deferred until the contract ends. Such amounts are classified as deferred revenue and are recognized as revenue in accordance with the Company' s revenue recognition policies described above.

Cinema advertising service revenue, and the associated direct selling, production and support cost, is recognized on a straight-line basis over the period the related advertising is displayed in-theatre, pursuant to the specific terms of each advertising contract. The Company has the right to receive or bill the entire amount of the advertising contract upon execution, and therefore such amount is recorded as a receivable at the time of execution, and all related advertising revenue and all direct costs actually incurred are deferred until such time as the advertising is displayed in-theatre.

The right to sell and display such advertising, or other in-theatre programs, products and services, is based upon advertising contracts with exhibitors which stipulate payment terms to such exhibitors for this right. Payment terms generally consist of either fixed annual payments or annual minimum guarantee payments, plus a revenue share of the excess of a percentage of advertising revenue over the minimum guarantee, if any. The Company recognizes the cost of fixed and minimum guarantee payments on a straight-line basis over each advertising contract year, and the revenue share cost, if any, as such obligations arise in accordance with the terms of the advertising contract.

Data Center Services

Data Center Services revenues are generated as follows:

Revenues consist of:	Accounted for in accordance with:
License fees for data center space, web hosting fees, electric, cross connect fees and riser access charges, non-recurring installation and consulting fees, network monitoring and maintenance fees.	SAB No. 104

AccessIT Data Center' s revenues are recognized ratably over the term of the contract, generally one to nine years. Certain customer contracts contain periodic increases in the amount of license fees for data center space to be paid, and are recognized as license fee revenues on a straight-line basis over the term of the contracts. Installation fees are recognized on a time and materials basis in the period in which the services were provided and represent the culmination of the earnings process as no significant obligations remain. Amounts collected prior to satisfying revenue recognition criteria are classified as deferred revenue. Amounts satisfying revenue recognition criteria prior to billing are classified as unbilled revenue. Managed Services' revenues, which consist of monthly recurring billings pursuant to network monitoring and maintenance contracts, are recognized as revenues in the month earned, and other non-recurring billings which are recognized on a time and materials basis as revenues, in the period in which the services were provided.

DIRECT OPERATING COSTS

Direct operating costs consists of facility operating costs such as rent, utilities, real estate taxes, repairs and maintenance, insurance and other related expenses, direct personnel costs, film rent expense, amortization of capitalized software development costs and other deferred expenses, such as advertising production, post production and technical support related to developing and displaying advertising. These other deferred expenses are capitalized and amortized on a straight-line basis over the same period as the related cinema advertising revenues are recognized.

CAPITALIZED SOFTWARE DEVELOPMENT COSTS

Internal Use Software

The Company accounts for these software development costs under Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" ("SOP 98-1"). SOP 98-1, states that there are three distinct stages to the software development process for internal use software. The first stage, the preliminary project stage, includes the conceptual formulation, design and testing of alternatives. The second stage, or the program instruction phase, includes the development of the detailed functional specifications, coding and testing. The final stage, the implementation stage, includes the activities associated with placing a software project into service. All activities included within the preliminary project stage would be considered research and development and expensed as incurred. During the program instruction phase, all costs incurred until the software is substantially complete and ready for use, including all necessary testing, are capitalized and amortized on a straight-line basis over estimated lives ranging from three to five years. The Company has not sold, leased or licensed software developed for internal use to its customers and has no intention of doing so in the future.

Software to be Sold, Licensed or Otherwise Marketed

The Company accounts for these software development costs under Statement of Financial Accounting Standards ("SFAS") No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed" ("SFAS No. 86"). SFAS No. 86 states software development costs that are incurred subsequent to establishing technological feasibility are capitalized until the product is available for general release. Amounts capitalized as software development costs are amortized periodically using the greater of revenues during the period compared to the total estimated revenues to be earned or on a straight-line basis over estimated lives ranging from three to five years. The Company reviews capitalized software costs for impairment on a periodic basis. To the extent that the carrying amount exceeds the estimated net realizable value of the capitalized software cost, an impairment charge is recorded. No impairment charge was recorded during the six months ended

September 30, 2005 and 2006, respectively. Amortization of capitalized software development costs, included in costs of revenues, for the six months ended September 30, 2005 and 2006 amounted to $296 and $325, respectively. Revenues relating to

customized software development contracts are recognized on a percentage-of-completion method of accounting using the cost to date to the total estimated cost approach. Unbilled receivables under such customized software development contracts at September 30, 2005 and 2006 aggregated $1,107 and $1,523, respectively.

BUSINESS COMBINATIONS AND INTANGIBLE ASSETS

The Company adopted SFAS No. 141, "Business Combinations" ("SFAS No. 141") and SFAS No. 142, "Goodwill and other Intangible Assets" ("SFAS No. 142"). SFAS No. 141 requires all business combinations to be accounted for using the purchase method of accounting and that certain intangible assets acquired in a business combination must be recognized as assets separate from goodwill. SFAS No. 142 addresses the recognition and measurement of goodwill and other intangible assets subsequent to their acquisition. SFAS No. 142 also addresses the initial recognition and measurement of intangible assets acquired outside of a business combination, whether acquired individually or with a group of other assets. This statement provides that intangible assets with indefinite lives and goodwill will not be amortized but will be tested at least annually for impairment. If impairment is indicated, then the asset will be written down to its fair value, typically based upon its future expected discounted cash flows. As of September 30, 2006, the Company' s finite-lived intangible assets consisted of covenants not to compete, Federal Communications Commission licenses (for satellite transmission services), trade names and trademarks, and a liquor license (for the Pavilion Theatre), which are estimated to have useful lives ranging from two to ten years. During the three months ended September 30, 2006, the amount of goodwill related to the Pavilion Theatre was reduced by $107 for the remaining unpaid amount related to the holdback of funds at the time of purchase.

Information related to the segments of the Company and its subsidiaries regarding goodwill and other intangible assets is detailed below:

	As of September 30,	
	2005	**2006**
Intangibles, net:		
Media Services	$ 2,084	$ 13,904
Data Center Services	433	211
Corporate	27	10
Total Consolidated	$ 2,544	$ 14,125
Goodwill, net:		
Media Services	$ 9,123	$ 15,228
Data Center Services	187	187
Corporate	-	-
Total Consolidated	$ 9,310	$ 15,415

DEPOSITS ON PROPERTY AND EQUIPMENT

Deposits on property and equipment represent amounts paid when digital cinema projection systems (the "Systems") are ordered from Christie Digital Systems USA, Inc. ("Christie") in connection with Christie/AIX' s Digital Cinema Roll-Out (see Note 8). These amounts are classified as long-term due to the nature of the assets underlying these deposits, although such deposits will be fully utilized against invoices from Christie within six months from such payment date.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are being amortized over the shorter of the lease term or the estimated useful life of the improvement. Maintenance and repair costs are charged to expense as incurred. Major renewals, improvements and additions are capitalized.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews the recoverability of its long-lived assets on a periodic basis in order to identify business conditions, which may indicate a possible impairment. The assessment for potential impairment is based primarily on the Company' s ability to recover the carrying value of its long-lived assets from expected future undiscounted cash flows. If the total of expected future undiscounted cash flows is less than the total carrying value of the assets, a

loss is recognized for the difference between the fair value (computed based upon the expected future discounted cash flows) and the carrying value of the assets.

NET LOSS PER SHARE

Computations of basic and diluted net loss per share of the Company' s Class A common stock ("Class A Common Stock") and Class B common stock ("Class B Common Stock"), and together with the Class A Common Stock, (the "Common Stock") have been made in accordance with SFAS No. 128, "Earnings Per Share". Basic and diluted net loss per share have been calculated as follows:

$$\text{Basic and diluted net loss per share} = \frac{\text{Net loss}}{\text{Weighted average number of common shares outstanding during the period}}$$

Shares issued and reacquired during the period are weighted for the portion of the period that they are outstanding.

The Company has incurred net losses for each of the three and six months ended September 30, 2005 and 2006 and, therefore, the impact of dilutive potential common shares from outstanding stock options, warrants (prior to the application of the treasury stock method), and convertible notes (on an as-converted basis) were excluded from the computation as it would be anti-dilutive.

STOCK-BASED COMPENSATION

The Company has two stock-based employee compensation plans, which are described more fully in Note 7. Effective April 1, 2006, the Company adopted SFAS No. 123 (revised 2004), "Share-Based Payment", which is a revision of SFAS No. 123, Accounting for Stock-Based Compensation ("SFAS No. 123(R)"). Under SFAS 123(R), the Company will be required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions) and recognize such cost in the statement of operations over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). Pro forma disclosure is no longer an alternative.

The Company adopted SFAS 123(R) using the "modified prospective" method in which non-cash stock-based compensation cost is recognized beginning with the April 1, 2006 adoption date (a) based on the requirements of SFAS 123(R) for all share-based payments granted after April 1, 2006 and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to April 1, 2006 that remain unvested on the adoption date. There were no unvested stock options as of March 31, 2006, as the compensation committee of the Company' s Board of Directors (the "Board") approved the acceleration of the vesting of all unvested stock options awarded under the Company' s stock incentive plans as of March 31, 2006. Non-cash stock-based compensation expense of $2,779 was recorded for the 431,747 stock options awarded in excess of the Company' s stock incentive plan, as such stock options were subject to shareholder approval, which was obtained at the Company' s 2006 Annual Meeting of Stockholders held on September 14, 2006. The Company has estimated that the non-cash stock-based compensation expense, using a Black-Scholes option valuation model, related to such shares will be approximately $2,856 in fiscal 2007.

Previously, the Company accounted for its stock-based employee compensation plans in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB Opinion No. 25"), and related interpretations. As such, stock-based compensation expense was recorded on the date of grant only if the current fair value of the underlying stock exceeds the exercise price. The Company has adopted the disclosure standards of SFAS No. 148 "Accounting for Stock-Based Compensation - Transition and Disclosures", which amends SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which requires the Company to provide pro forma net loss and loss per share disclosures for stock option grants made in 1995 and future years as if the fair-value based method of accounting for stock options as defined in SFAS No. 123 had been applied.

The following table illustrates the effect on net loss if the Company had applied the fair-value recognition provisions to stock-based compensation:

	Three Months Ended September 30, 2005	Six Months Ended September 30, 2005
Net loss as reported	$ (9,260)	$ (11,750)
Add: Stock-based compensation expense included in net loss	–	–
Less: Stock-based compensation expense determined under fair-value based method	(339)	(561)
Pro forma net loss	$ (9,599)	$ (12,311)
Basic and diluted net loss per share:		
As reported	$ (0.71)	$ (1.00)
Pro forma	$ (0.74)	$ (1.05)

The Company estimated the fair value of stock options at the date of each grant using a Black-Scholes option valuation model with the following assumptions for the six months ended September 30, 2005:

Weighted-average risk-free interest rate	4.3%
Dividend yield	-
Expected life (years)	10
Weighted-average expected volatility	109%

3. ACQUISITIONS

In June 2006, the Company through its indirect wholly-owned subsidiary, PLX Acquisition Corp., purchased substantially all of the assets of PLX Systems Inc. ("PLX"). PLX provides technology, expertise and core competencies in intellectual property ("IP") rights and royalty management, expanding the Company' s ability to bring alternative forms of content, such as non-traditional feature films, to movie-goers in addition to supporting IP license contract management, royalty processing, revenue reporting and billing.

The total purchase price of approximately $1.6 million, including estimated transaction costs, allocated to the net assets acquired based upon the preliminary results of an appraisal of fair value, was as follows:

Accounts receivable	$ 153
Prepaid and other current assets	27
Property and equipment	45
Intangible assets	210
Capitalized software costs	1,137
Goodwill	150
Total assets acquired	1,722
Deferred revenues	140
Total liabilities assumed	140
Net assets acquired	$ 1,582

In July 2006, the Company acquired all of the issued and outstanding stock of USM (the "USM Acquisition") for a combination of an aggregate of 974,184 shares of the Company' s Class A Common Stock, $1,000 in cash and promissory notes issued by the Company in favor of the stockholders of USM (the "USM Stockholders") in the principal amount of $5,204 (see Note 6). The Company also agreed to pay to the USM Stockholders certain amounts, up to a maximum of $1,000 in cash or the equivalent of the Company' s Class A Common Stock, at the Company' s sole discretion, if certain conditions are met. The Company also assumed $5,914 of USM' s debt, of which, $5,598 relates to USM' s revolving credit facility (see Note 6). USM is one of the leading movie-theatre advertising companies in North America, providing pre-show ads and entertainment to over 3,000 movie screens in over 300 theatres in 42 states.

The total purchase price of approximately $16.3 million, including estimated transaction costs, allocated to the net assets acquired based upon the preliminary results of an appraisal of fair value, was as follows:

Accounts receivable	$ 7,304
Prepaid and other assets	972
Property and equipment	4,320
Intangible assets	12,230
Goodwill	6,062
Deferred Costs	71
Note receivable	100
Total assets acquired	31,059
Accounts payable and accrued expenses	1,300
Deferred revenues	7,498
Notes payable	5,914
Capital leases	7
Total liabilities assumed	14,719
Net assets acquired	$ 16,340

4. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, "Accounting Changes and Error Corrections," ("SFAS 154"). SFAS 154 establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. The statement also addresses the reporting of a correction of error by restating previously issued financial statements. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company adopted SFAS 154 on April 1, 2006 and does not anticipate that its adoption will have a material effect on its financial position or results of operations.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments" ("SFAS 155"). SFAS 155 amends FASB Statements No. 133 and No. 140. SFAS 155 permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of Statement No. 133, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and amends Statement No. 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS 155 is effective for all financial instruments acquired or issued after the beginning of an entity' s first fiscal year that begins after September 15, 2006. The Company does not believe it will be affected by the adoption of SFAS 155.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise' s financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company is currently reviewing the impact, if any, that FIN 48 will have on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. SFAS 157 applies to derivatives and other financial instruments measured at fair value under SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities"

("SFAS 133") at initial recognition and in all subsequent periods. Therefore, SFAS 157 nullifies the guidance in footnote 3 of the Emerging Issues Task Force ("EITF") Issue No. 02-3, "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities" ("EITF 02-3"). SFAS 157 also amends

SFAS 133 to remove the similar guidance to that in EITF 02-3, which was added by SFAS 155. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier application is encouraged, provided that the reporting entity has not yet issued financial statements for that fiscal year, including financial statements for an interim period within that fiscal year. Any transition adjustment, measured as the difference between the carrying amounts and the fair values of those financial instruments at the date SFAS 157 is initially applied, should be recognized as a cumulative-effect adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for the fiscal year in which SFAS 157 is initially applied. The Company is currently reviewing the impact, if any, that SFAS 157 will have on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans–an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ("SFAS 158"). SFAS 158 requires the recognition of the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in the reporting entity's statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. SFAS 158 also requires the reporting entity to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. A reporting entity with publicly traded equity securities is required to recognize the funded status of a defined benefit postretirement plan and to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. The Company does not believe it will be affected by the adoption of SFAS 158.

5. NOTES RECEIVABLE

Notes receivable consisted of the following:

	As of March 31, 2006		As of September 30, 2006	
Notes Receivable (as defined below)	Current Portion	Long Term Portion	Current Portion	Long Term Portion
Exhibitor Note	$43	$ 188	$45	$ 165
Exhibitor Install Notes	-	934	-	1,025
TIS Note	-	-	-	100
	$43	$1,122	$45	$1,290

In March 2006, in connection with Christie/AIX' s Digital Cinema Roll-Out (see Note 8), a certain motion picture exhibitor issued to the Company a 7.5% note receivable for $231 (the "Exhibitor Note"), in return for the Company' s payment for certain financed digital projectors. The Exhibitor Note requires monthly principal and interest payments through September 2010. As of September 30, 2006, the outstanding balance of the Exhibitor Note was $210.

In connection with Christie/AIX' s Digital Cinema Roll-Out (see Note 8), the Company agreed to provide financing to certain motion picture exhibitors upon the billing to the motion picture exhibitors by Christie for the installation costs associated with the placement of Systems in movie theatres. In April 2006, certain motion picture exhibitors agreed to issue to the Company two 8% notes receivable for an aggregate of $1,287 (the "Exhibitor Install Notes"). Under the Exhibitor Install Notes, the motion picture exhibitors are required to make monthly interest only payments through October 2007 and quarterly principal and interest payments thereafter through August 2009 and August 2017, respectively. As of September 30, 2006, a certain motion picture exhibitor paid a portion of their installation costs directly to Christie. As a result, the Company did not receive any payments related to such Exhibitor Install Note and has reduced the receivable to reflect the amount the Company will be paying to Christie.

Prior to the USM Acquisition (see Note 3), Theatre Information Systems, Ltd. ("TIS"), a developer of proprietary software, issued to USM a 4.5% note receivable for $100 (the "TIS Note") to fund final modifications to certain proprietary software and the development and distribution of related marketing materials. Interest accrues monthly on the outstanding principal amount. The TIS Note and all the accrued interest is due

in one lump-sum payment in April 2009. Provided that the TIS Note has not been previously repaid, the entire unpaid principal balance and any accrued but unpaid interest may, at USM' s option, be converted into a 10% limited partnership interest in TIS.

6. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt consisted of the following outstanding principal balances:

Long-Term Debt and Credit Facilities (as defined below)	As of March 31, 2006		As of September 30, 2006	
	Current Portion	Long Term Portion	Current Portion	Long Term Portion
HS Notes	$ 753	$1,187	$ 620	$ 1,028
Boeing Note	450	761	450	356
First USM Note	-	-	376	829
Second USM Note	-	-	4,000	-
SilverScreen Note	-	-	108	190
Excel Credit Facility	-	-	-	5,244
GE Credit Facility	-	-	-	46,398
	$1,203	$1,948	$5,554	$54,045

In November 2003, the Company issued two 5-year, 8% notes payable aggregating $3,000 (the "HS Notes") to the founders of AccessIT SW as part of the purchase price for AccessIT SW. During the six months ended September 30, 2006, the Company repaid principal of $292 on the HS Notes. As of September 30, 2006, the outstanding principal balance of the HS Notes was $1,648.

In March 2004, in connection with the acquisition of certain digital cinema related assets of the Boeing Company (the "Boeing Digital Asset Acquisition"), the Company issued a 4-year, non-interest bearing note payable with a face amount of $1,800 (the "Boeing Note"). The estimated fair value of the Boeing Note was determined to be $1,367 on the closing date. Interest is being imputed, at a rate of 12%, over the term of the Boeing Note, and is being charged to non-cash interest expense. During the six months ended September 30, 2006, principal repayments of $450 were made and non-cash interest expense resulting from the Boeing Note was $46**.** As of September 30, 2006, the outstanding balance of the Boeing Note, net of imputed interest, was $806.

In August 2005, the Company reached an agreement (the "Conversion Agreement") with the investors holding the Convertible Debentures and Convertible Debenture Warrants for the investors to: (1) convert all of their Convertible Debentures into 1,867,322 shares of Class A Common Stock; and (2) exercise all their Convertible Debenture Warrants for $2,487 into 560,196 shares of Class A Common Stock, and for the Company to: (1) issue to the investors 760,196 warrants to purchase Class A Common Stock at an exercise price of $11.39 per share (the "New Warrants"); and (2) issue to the investors 71,359 shares of Class A Common Stock (the "New Shares"). Because the issuance of the New Warrants and New Shares, when combined with the shares of Class A Common Stock underlying the Convertible Debentures and the Convertible Debentures Warrants, exceeded 20% of the Company' s then-outstanding shares of Class A Common Stock, under the rules of the American Stock Exchange, where the Class A Common Stock was traded at the time, stockholder approval was required to be obtained. The Company obtained such stockholder approval by written consent of a majority of the holders of Common Stock and a Schedule 14(C) Information Statement was required, and was filed with the SEC on October 6, 2005. The Company was required to register the resale of the New Shares and the Class A Common Stock underlying the New Warrants on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

The Company accounted for the Conversion Agreement under the provisions of SFAS No. 84, "Induced Conversions of Convertible Debt", which requires the value of the New Warrants and the New Shares to be recorded as an expense. The New Warrants were valued by an independent appraiser at a value of $4,990, and the New Shares were valued at $906, based on the AMEX closing price of the Company' s Class A Common Stock on August 26, 2005, the date the Conversion Agreement was finalized. The value of the New Warrants plus $200 for professional fees and the value of the New Shares were charged to debt conversion expense. Additionally, the Company issued 8,780 shares to the placement agent (the "Placement Agent Shares") involved in the Conversion Agreement, which were valued at $112, based on the AMEX

closing price of the Company' s Class A Common Stock on August 26, 2005. The value of the Placement Agent Shares was charged to debt conversion expense. The remaining accretion on the value of the Convertible Debentures Warrants of $999 was charged to non-cash interest expense, and the remaining unamortized debt issuance costs of $730 were charged to interest expense. As a result of the Conversion Agreement, there were no Convertible Debentures outstanding as of September 30, 2006.

In July 2006, in connection with the USM Acquisition (see Note 3), the Company issued an 8% note payable in the principal amount of $1,204 (the "First USM Note") and an 8% note payable in the principal amount of $4,000 (the "Second USM Note"), both in favor of the stockholders of USM. The First USM Note is payable in twelve equal quarterly installments commencing on October 1, 2006 until July 1, 2009. The Second USM Note is payable on November 30, 2006, or earlier if certain conditions are met, plus accrued interest. Both the First USM Note and the Second USM Note may be prepaid in whole or from time to time in part without penalty provided that the Company pays all accrued and unpaid interest. During the three months ended September 30, 2006, the Company did not repay any principal on either the First USM Note or the Second USM Note. As of September 30, 2006, the outstanding principal balance of the First USM Note and the Second USM Note was $1,204 and $4,000, respectively.

Prior to the USM Acquisition (see Note 3), USM had purchased substantially all the assets of SilverScreen Advertising Incorporated ("SilverScreen") and issued a 3-year, 4% notes payable in the principal amount of $333 (the "SilverScreen Note") as part of the purchase price for SilverScreen. The SilverScreen Note is payable in equal monthly installments until May 2009. During the three months ended September 30, 2006, the Company repaid principal of $17 on the SilverScreen Note. As of September 30, 2006, the outstanding principal balance of the SilverScreen Note was $298.

CREDIT FACILITIES

In July 2006, also in connection with the USM Acquisition (see Note 3), the Company assumed $5,473 of debt relating to USM' s $7.5 million revolving credit facility with Excel Bank (the "Excel Credit Facility"). The Excel Credit Facility bears interest at a rate between 2.75% to 3.5% over the current one-month London Interbank Offered Rate (LIBOR), depending on USM' s leverage ratio. A quarterly unused line fee is due equal to 0.25% of the excess of $7.5 million over the average outstanding balance of the Excel Credit Facility during the quarter. Under the Excel Credit Facility, USM must pay interest only through December 31, 2008. The balance of the principal amount, together with all unpaid interest on such borrowings and any fees incurred by USM pursuant to the Excel Credit Facility are due on the maturity date of December 31, 2008. Pursuant to the Excel Credit Facility, USM' s bank deposits in excess of a minimum balance are swept from time to time by Excel Bank toward the repayment of the Excel Credit Facility. During the three months ended September 30, 2006, the Company repaid principal of $354 on the Excel Credit Facility. As of September 30, 2006, the outstanding principal balance of the Excel Credit Facility was $5,244.

In August 2006, Christie/AIX entered into an agreement with General Electric Capital Corporation ("GECC") pursuant to which GECC and certain other lenders agreed to provide to Christie/AIX a $217 million Senior Secured Multi Draw Term Loan (the "GE Credit Facility"). Proceeds from the GE Credit Facility will be used for the purchase and installation of up to 70% of the aggregate purchase price, including, all costs, fees or other expenses associated with the purchase acquisition, receipt, delivery, construction and installation of Systems in connection with Christie/AIX' s Digital Cinema Roll-Out (see Note 8) and to pay transaction fees and expenses related to the GE Credit Facility, and for certain other specified purposes. The remaining cost of the Systems is to be funded from other sources of capital. Each of the borrowings by Christie/AIX bears interest, at the option of Christie/AIX and subject to certain conditions, based on the bank prime loan rate in the United States or the Eurodollar rate, plus a margin ranging from 2.75% to 4.50%, depending on, among other things, the type of rate chosen, the amount of equity contributed into Christie/AIX and the total debt of Christie/AIX. Under the GE Credit Facility, Christie/AIX must pay interest only through July 31, 2008. Beginning August 31, 2008, in addition to the interest payments, Christie/AIX must repay approximately 71.5% of the principal amount of the borrowings over a five-year period with a balloon payment for the balance of the principal amount, together with all unpaid interest on such borrowings and any fees incurred by Christie/AIX pursuant to the GE Credit Facility on the maturity date of August 1, 2013. In addition, Christie/AIX may prepay borrowings under the GE Credit Facility in whole or in part, after July 31, 2007 and before August 1, 2010, subject to paying certain prepayment penalties ranging from 3% to 1%, depending on when the prepayment is made. The GE Credit Facility is required to be guaranteed by each of Christie/AIX' s existing and future direct and indirect domestic subsidiaries (the "Guarantors") and secured by a first priority perfected security interest on all of the collective assets of Christie/AIX and the Guarantors, including real estate owned or leased, and all capital stock or other equity interests in Christie/AIX and its subsidiaries, subject to specified exceptions. As of September 30, 2006, $35,544 was borrowed under the GE Credit Facility at a weighted average interest rate of 9.97% and $10,854 related to amounts that have been invoiced by Christie and will be paid with borrowings from the GE Credit Facility in a subsequent period.

In August 2006, the GE Credit Facility was amended to allow borrowings by Christie/AIX to be in aggregate amounts not in exact multiples of $1.0 million.

7. STOCKHOLDERS' EQUITY

CAPITAL STOCK

In July 2005, the Company entered into a purchase agreement with certain institutional and other accredited investors in a private placement (the "July 2005 Private Placement") to issue and sell 1,909,115 unregistered shares of Class A Common Stock at a sale price of $9.50 per share and warrants to the investors for gross proceeds of $18,137. The Company agreed to register the resale of the shares of Class A Common Stock issued with the SEC. The Company filed a Form S-3 on August 18, 2005, which was declared effective by the SEC on August 31, 2005.

In August 2005, in connection with the Conversion Agreement (see Note 6), all Convertible Debentures Warrants were exercised for $2,487 and the Company issued 560,196 shares of Class A Common Stock. The Company also issued 71,359 New Shares to the investors, and another 8,780 Placement Agent Shares. The Company was required to register the resale of the shares of the Class A Common Stock underlying the Convertible Debentures Warrants with the SEC. The Company filed a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005. The Company was also required to register the New Shares and the Placement Agent Shares on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

In September 2005, in connection with the Exchange Offer completed in March 2004, the AMEX 30-day average closing price of the Company' s Class A Common Stock exceeded $12.00, and therefore, the Company converted all of the 6% Convertible Notes into 307,871 shares of Class A Common Stock, of which 248,282 shares of Class A Common Stock were issued to certain officers and directors of the Company. The Company registered the resale of 59,589 of these shares of Class A Common Stock on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

In December 2005, the Company filed a shelf registration statement on Form S-3 with the SEC (the "Shelf"), which was declared effective on January 13, 2006. The Shelf provided that the Company may offer and sell in one or more offerings up to $75,000 of any combination of the following securities: Class A Common Stock, preferred stock in one or more series and warrants to purchase Common Stock or preferred stock.

In January 2006, in connection with the Shelf, the Company entered into: (1) a placement agency agreement to issue and sell up to 1,145,000 registered shares of Class A Common Stock at a price to the public of $10.70 per share to certain institutional and other accredited investors, and (2) a purchase agreement with an underwriter for 355,000 registered shares of Class A Common Stock at a price to the public of $10.70 per share (together the "January 2006 Offering") for gross aggregate proceeds of $16,050. The offering and sale of the 1,500,000 shares was completed on January 25, 2006. The securities were offered by the Company, pursuant to the Shelf.

In March 2006, in connection with the Shelf, the Company entered into a purchase agreement with two underwriters for 5,126,086 registered shares of Class A Common Stock at a price to the public of $10.00 per share (the "March 2006 Offering") for gross proceeds of $51,261, which was completed on March 17, 2006. The Company granted the underwriters a 30-day option to purchase up to an additional 768,913 shares of Class A Common Stock at a price to the public of $10.00 per share (the "March 2006 Second Offering") to cover over-allotments, which was exercised by the underwriters on March 21, 2006 for gross proceeds of $7,689 and was completed on March 24, 2006. The securities were offered by the Company, pursuant to the Shelf.

As a result of the January 2006 Offering, the March 2006 Offering and the March 2006 Second Offering, substantially all of the Shelf amount of $75,000 has been utilized. The de minimus remainder has been deregistered.

In April 2006, the Company issued 23,445 shares of unregistered Class A Common Stock to R & S International, Inc., in connection with the purchase of the domain name, website, customer list and the IP address space for Ezzi.net and certain data center related computer equipment of R & S International, Inc. The Company agreed to register the resale of these shares with the SEC. The Company filed a Form S-3/A on September 15, 2006, which was declared effective by the SEC on September 19, 2006.

In July 2006, in connection with the USM Acquisition (see Note 3), the Company issued 974,184 shares of unregistered Class A Common Stock (the "USM Shares") as part of the purchase price. Under the stock purchase agreement entered into by the Company in connection with the USM Acquisition, the Company was required to register the resale of the USM Shares with the SEC. The Company filed a Form S-3 on August 30, 2006, which was declared effective by the SEC on September 19, 2006.

STOCK OPTION PLAN

AccessIT' s stock option plan ("the Plan") provided for the issuance of up to 1,100,000 options to purchase shares of Class A Common Stock to employees, outside directors and consultants. The Company obtained shareholder approval to expand the Plan to 2,200,000 options at the Company' s 2006 Annual Meeting of Stockholders held on September 14, 2006.

During the six months ended September 30, 2006, under the Plan, the Company granted 60,000 stock options to its employees all at an exercise price range from $8.86 to $13.52 per share, all of which were subject to shareholder approval, which was obtained at the Company' s 2006 Annual Meeting of Stockholders held on September 14, 2006.

The following table summarizes the activity of the Plan:

	Shares Under Option	Weighted Average Exercise Price Per Share
Balance at March 31, 2006	1,100,000	$6.61
Granted	431,747(1)	$10.96
Exercised	(500)	$4.81
Cancelled	-	-
Balance at September 30, 2006	1,531,247	$7.84

(1) The issuance of the 431,747 stock options was subject to shareholder approval, which was obtained at the Company' s 2006 Annual Meeting of Stockholders held on September 14, 2006.

As of September 30, 2006, AccessDM' s separate stock option plan (the "AccessDM Plan") currently provides for the issuance of up to 2,000,000 options to purchase shares of AccessDM common stock to employees. During the six months ended September 30, 2006, there were no AccessDM options issued.

The following table summarizes the activity of the AccessDM Plan:

	Shares Under Option	Weighted Average Exercise Price Per Share
Balance at March 31, 2006	1,055,000	$ 0.95 (1)
Granted	-	-
Exercised	-	-
Cancelled	-	-
Balance at September 30, 2006	1,055,000 (2)	$ 0.95 (1)

(1) Since there is no public trading market for AccessDM' s common stock, the fair market value of AccessDM' s common stock on the date of grant was determined by an appraisal of such options.

(2) As of September 30, 2006, there were 19,213,758 shares of AccessDM' s common stock issued and outstanding.

WARRANTS

Warrants outstanding consisted of the following:

Outstanding Warrant (as defined below)	As of March 31, 2006	As of September 30, 2006
Underwriter Warrants	3,775	3,775
July 2005 Private Placement Warrants	477,275	467,275
New Warrants (see Note 6)	760,196	760,196
	1,241,246	1,231,246

In November 2003, in connection with the Company' s initial public offering, the Company issued to the underwriter, warrants to purchase up to 120,000 shares of Class A Common Stock at an exercise price of $6.25 per share (the "Underwriter Warrants"). The Underwriter Warrants were immediately exercisable and expire on November 7, 2007. The exercise price is subject to adjustment in certain circumstances, and in fiscal 2004 the exercise price was adjusted to $6.03 per share. As of September 30, 2006, 3,775 Underwriter Warrants remained outstanding.

In July 2005, in connection with the July 2005 Private Placement, the Company issued warrants to purchase 477,275 shares of Class A Common Stock at an exercise price of $11.00 per share (the "July 2005 Private Placement Warrants"). The July 2005 Private Placement Warrants are exercisable beginning on February 18, 2006 for a period of five years thereafter. The July 2005 Private Placement Warrants are callable by the Company, provided that the closing price of the Company' s Class A Common Stock is $22.00 per share, 200% of the applicable exercise price, for twenty consecutive trading days. The Company agreed to register the resale of the shares of the Class A Common Stock underlying the July 2005 Private Placement Warrants with the SEC. The Company filed a Form S-3 on August 18, 2005, which was declared effective by the SEC on August 31, 2005. During the six months ended September 30, 2006, 10,000 of the July 2005 Private Placement Warrants were exercised for $110 in cash, and the Company issued 10,000 shares of Class A Common Stock. As of September 30, 2006, 467,275 July 2005 Private Placements Warrants remained outstanding.

In August 2005, in connection with the Conversion Agreement (see Note 6), all Convertible Debentures Warrants were exercised for $2,487 and the Company issued 560,196 shares of Class A Common Stock and the Company issued to the investors the New Warrants to purchase 760,196 shares of Class A Common Stock at an exercise price of $11.39 per share. The Company was required to register the resale of the shares of the Class A Common Stock underlying the Convertible Debentures Warrants with the SEC. The Company filed a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005. The New Warrants were immediately exercisable upon issuance and for a period of five years thereafter. The Company was required to register the resale of the shares of Class A Common Stock underlying the New Warrants with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005. As of September 30, 2006, 760,196 New Warrants remained outstanding.

8. COMMITMENTS AND CONTINGENCIES

Pursuant to a digital cinema framework agreement and related supply agreement, as amended, entered into with Christie through the Company' s indirect wholly-owned subsidiary, Christie/AIX, in June 2005, Christie/AIX may order up to 4,000 Systems (the "Digital Cinema Roll-Out").

As of September 30, 2006, in connection with Christie/AIX' s Digital Cinema Roll-Out, Christie/AIX has entered into digital cinema deployment agreements with six motion picture studios and a digital cinema agreement with one alternative content provider, for the distribution of digital movie releases and alternate content to motion picture exhibitors equipped with the Systems, and providing for payment of VPFs to Christie/AIX. As of September 30, 2006, Christie/AIX has entered into master license agreements with eight motion picture exhibitors for the placement of the Systems in movie theatres covering a total of 3,040 screens (includes screens at AccessIT' s Pavilion Theatre) and has installed 1,042 Systems.

As of September 30, 2006, Christie/AIX has ordered 2,000 of the Systems from Christie and has paid $85,184 towards Systems ordered in connection with Christie/AIX' s Digital Cinema Roll-Out. The Company has agreed to

provide financing to certain motion picture exhibitors upon the billing to the motion picture exhibitors by Christie for the installation costs associated with the placement of the Systems in movie theatres. Christie has agreed to sell to Christie/AIX Systems which, or upgrade Systems already sold to Christie/AIX to, comply with the Digital Cinema System Specification v1.0 dated July 20, 2005 issued by Digital Cinema Initiatives, LLC.The motion picture exhibitors are required to make monthly interest only payments through October 2007 and quarterly principal and interest payments thereafter (see Note 5). Under a master license agreement with a certain motion picture exhibitor, Christie/AIX has agreed to pay the installation costs associated with the placement of the Systems in movie theatres directly to Christie on behalf of the motion picture exhibitor, up to $14,550, which is expected to be paid over the next two years, and these installation costs will be included in the cost of property and equipment. As of September 30, 2006, Christie/AIX has paid $2,053 in such installation costs.

As of September 30, 2006, purchase obligations for the 2,000 Systems ordered, but not delivered, in connection with Christie/AIX' s Digital Cinema Roll-Out, which have not been included in the Company' s consolidated financial statements totaled $57,167.

9. SUPPLEMENTAL CASH FLOW DISCLOSURE

	Three Months Ended September 30,		Six Months Ended September 30,	
	2005	2006	2005	2006
Interest paid	$ 357	$ 478	$ 813	$ 784
Issuance of warrants to purchase Class A Common Stock	$ 3,490	$ –	$ 3,490	$ –
Reduction of goodwill related to the Pavilion Theatre	$ –	$ 107	$ –	$ 107
Equipment in long-term notes payable purchased from Christie	$ –	$10,854	$ –	$10,854
Issuance of Class A Common Stock for the USM Acquisition	$ –	$ 9,999	$ –	$ 9,999
Issuance of notes for the USM Acquisition	$ –	$ 5,204	$ –	$ 5,204

10. SEGMENT INFORMATION

Segment information has been prepared in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The Company has two reportable segments: Media Services and Data Center Services. The segments were determined based on the products and services provided by each segment. Accounting policies of the segments are the same as those described in Note 2. Performance of the segments is evaluated on operating income before interest, taxes, depreciation and amortization.

The Media Services segment consists of the following:

Operations of:	Products and services provided:
AccessIT SW	Develops and licenses software to the theatrical distribution and exhibition industries, provides ASP Service, and provides software enhancements and consulting services.
DMS	Stores and distributes digital content to movie theaters and other venues having digital projection equipment and provides satellite-based broadband video, data and Internet transmission, encryption management services, video network origination and management services and a virtual booking center to outsource the booking and scheduling of satellite and fiber networks and provides forensic recovery services for content owners.

Pavilion Theatre	A fully functioning nine-screen movie theatre and showcase to demonstrate the Company' s integrated digital cinema solutions.

Operations of:	Products and services provided:
Christie/AIX	Financing vehicle and administrator for Christie/AIX' s Digital Cinema Roll-Out to motion picture exhibitors, collects VPFs from motion picture studios and other content providers.
USM	Provides cinema on-screen advertising services and entertainment.

The Data Center Services segment consists of the following:

Operations of:	Products and services provided:
AccessIT Data Centers	Provides services through its three IDCs including the license of data center space, provision of power, data connections to other businesses, web hosting and the installation of equipment.
Managed Services	Provides information technology consulting services and managed network monitoring services through its global network command center.

Information related to the segments of the Company and its subsidiaries is detailed below:

	Three Months Ended September 30,				Six Months Ended September 30,			
	2005		2006		2005		2006	
Revenues:								
Media Services	$2,266	58%	$8,543	86%	$4,626	59%	$12,613	82%
Data Center Services	1,636	42%	1,422	14%	3,247	41%	2,928	18%
Total Consolidated	$3,902		$9,965		$7,873		$15,541	

	Three Months Ended September 30,		Six Months Ended September 30,	
	2005	2006	2005	2006
Media Services:				
(Loss) income before interest, taxes, depreciation and amortization	$ (347)	$ 2,253	$ (443)	$ 3,162
Depreciation and amortization	703	2,820	1,484	4,552
Loss from operations	$ (1,050)	$ (567)	$ (1,927)	$ (1,390)
Data Center Services:				
Income (loss) before interest, taxes, depreciation and amortization	$ 350	$ (285)	$ 792	$ (366)
Depreciation and amortization	473	262	928	542
Loss from operations	$ (123)	$ (547)	$ (136)	$ (908)
Corporate:				
Loss before interest, taxes, depreciation and amortization	$ (1,200)	$ (4,212)	$ (2,219)	$ (5,414)
Depreciation and amortization	13	20	41	51
Loss from operations	$ (1,213)	(4,232)	$ (2,260)	$ (5,465)
Total Consolidated:				

Loss before interest, taxes, depreciation and amortization	$ (1,197)	$ (2,244)	$ (1,870)	$ (2,618)
Depreciation and amortization	1,189	3,102	2,453	5,145
Loss from operations	$ (2,386)	$ (5,346)	$ (4,323)	$ (7,763)

	As of September 30,	
	2005	2006
Total Assets:		
Media Services	$ 33,499	$174,360
Data Center Services	3,509	5,318
Corporate	13,227	5,187
Total Consolidated	$ 50,235	$184,865

11. RELATED PARTY TRANSACTIONS

A non-employee officer of Christie/AIX is also an officer of Christie, from whom Christie/AIX purchases the Systems for Christie/AIX' s Digital Cinema Roll-Out. Purchases of such Systems from Christie totaled $64,127 for the six months ended September 30, 2006. This individual is not compensated by Christie/AIX.

12. SUBSEQUENT EVENTS

On October 5, 2006, the Company entered into a securities purchase agreement (the "Purchase Agreement") with the purchasers party thereto (the "Purchasers") pursuant to which the Company issued 8.5% Senior Notes (the "Senior Notes") in the aggregate principal amount of $22 million (the "October 2006 Private Placement"). The term of the Senior Notes is one year and may be extended for up to two 90-day periods at the discretion of the Company if certain market conditions are met. Interest on the Senior Notes may be paid on a quarterly basis in cash or, at the Company' s option and subject to certain conditions, in shares of its Class A Common Stock. In addition, each quarter, the Company will issue shares of Class A Common Stock to the Purchasers as payment of interest owed under the Senior Note based on a formula ("Additional Interest"). Pursuant to the Senior Notes, the Company issued 46,750 shares of Class A Common Stock as Additional Interest in payment of the first quarterly interest on the Senior Notes, due December 31, 2006. Subsequent Additional Interest payments will be made quarterly in arrears at the end of each quarterly period beginning March 31, 2007. The Company may prepay the Senior Notes in whole or in part, without penalty, subject to paying the Additional Interest. The net proceeds of approximately $21.1 million from the October 2006 Private Placement will be used for the expansion of the Company' s digital cinema rollout plans to markets outside of the United States, and any one or more of the following: (i) the payment of certain existing outstanding indebtedness of the Company due within twelve months of the issuance of the Senior Notes, (ii) working capital and (iii) other general corporate purposes, including acquisitions. The Purchase Agreement also requires the Senior Notes to be guaranteed by each of the Company' s existing and, subject to certain exceptions, future subsidiaries (the "Guarantors"), other than Christie/AIX and USM and their respective subsidiaries. Accordingly, each of the Guarantors entered into a subsidiary guaranty (the "Subsidiary Guaranty") with the Purchasers pursuant to which it guaranteed the obligations of the Company under the Senior Notes. The Company also entered into a Registration Rights Agreement with the Purchasers pursuant to which the Company agreed to register the resale of any shares of its Class A Common Stock issued pursuant to the Senior Notes at any time and from time to time.

On November 2, 2006, the Company entered into a second letter amendment to the Amended and Restated Supply Agreement dated as of September 30, 2005 with Christie, to amend the pricing of the 4,000 Systems that may be ordered under Christie/AIX' s Digital Cinema Roll-Out.

On November 3, 2006 and November 14, 2006, an additional $8,905 and $16,179 were borrowed under the GE Credit Facility (see Note 6) at interest rates of 9.87% and 9.88%, respectively.

ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements within the meaning of the federal securities laws. These include statements about our expectations, beliefs, intentions or strategies for the future, which are indicated by words or phrases such as "believes," "anticipates," "expects," "intends," "plans," "will," "estimates, "and similar words. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "believe," "expect," "may," "will," "should," "seek," "plan," "intend" or "anticipate" or the negative thereof or comparable terminology, or by discussion of strategy. Forward-looking statements represent as of the date of this report our judgment relating to, among other things, future results of operations, growth plans, sales, capital requirements and general industry and business conditions applicable to us. Such forward-looking statements are based largely on our current expectations and are inherently subject to risks and uncertainties. Our actual results could differ materially from those that are anticipated or projected as a result of certain risks and uncertainties, including, but not limited to, a number of factors, such as:

- successful execution of our business strategy, particularly for new endeavors;
- the performance of our targeted markets;
- competitive product and pricing pressures;
- changes in business relationships with our major customers;
- successful integration of acquired businesses;
- economic and market conditions; and
- the effect of our indebtedness on our financial condition and financial flexibility, including, but not limited to, the ability to obtain necessary financing for our business and our ability to meet our financial and other covenants pursuant to our credit agreements.

Except as otherwise required to be disclosed in periodic reports required to be filed by public companies with the SEC pursuant to the SEC' s rules, we have no duty to update these statements, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, we cannot assure you that the forward-looking information contained in this report will in fact transpire.

In this report, "AccessIT," "we," "us," "our" and the "Company" refers to Access Integrated Technologies, Inc. and its subsidiaries unless the context otherwise requires.

OVERVIEW

AccessIT was incorporated in Delaware on March 31, 2000. We are a leading provider of fully managed storage, electronic delivery and software services and technology solutions for owners and distributors of digital content to movie theaters and other venues. To date, we have generated revenues from two primary businesses, media services ("Media Services") and internet data center ("IDC" or "data center") services ("Data Center Services"). Our Media Services business provides software, services and technology solutions to the motion picture and television industries, primarily to facilitate the transition from analog (film) to digital cinema. Our Data Center Services are comprised of three leased IDCs that provide corporate customers with secure and fail-safe off-site locations to house their computer and telecommunications equipment, as well as related services such as equipment monitoring and back-up and protection of customers' data. These existing businesses have positioned us at what we believe to be the forefront of an emerging industry opportunity relating to the delivery and management of digital cinema and other content to entertainment and other remote venues worldwide. This is currently our primary strategic focus.

Our primary business focus is to create a secure, managed and complete digital cinema system that consists of software to book, track and perform record keeping functions for digital content in theatres, electronically deliver digital content to multiple locations primarily via satellite and provide the content management software for in-theatre playback systems for the digital cinema marketplace. This digital cinema system is intended to use all of our businesses.

We have two reportable segments: Media Services, which represents the operations of AccessIT SW, DMS, the Pavilion Theatre, Christie/AIX and USM, and Data Center Services, which consists of the operations of our three IDCs and the operations of Managed Services. Revenues for our reportable segments were ($ in thousands):

	Three Months Ended September 30,				Six Months Ended September 30,			
	2005		2006		2005		2006	
Revenues:								
Media Services	$2,266	58%	$8,543	86%	$4,626	59%	$12,613	82%
Data Center Services	1,636	42%	1,422	14%	3,247	41%	2,928	18%
Total Consolidated	$3,902		$9,965		$7,873		$15,541	

We have incurred net losses of $11.8 million and $8.5 million in the six months ended September 30, 2005 and 2006, respectively, and we have an accumulated deficit of $46.8 million as of September 30, 2006. We anticipate that, with our recent acquisitions and the operations of DMS and Christie/AIX, our results of operations will improve. As we grow, we expect our operating costs and general and administrative expenses will also increase for the foreseeable future, but as a lower percentage of revenue. In order to achieve and sustain profitable operations, we will need to generate more revenues than we have in prior years and we may need to obtain additional financing.

Results of Operations for the Three Months Ended September 30, 2005 and 2006

The following table sets forth, for the period indicated, the comparative changes to amounts included in our unaudited consolidated statements of operations.

($ in thousands)	Summary Operating Results For the Three Months Ended September 30,			
			Increase/(Decrease)	
	2005	2006	$	%
Revenues	$3,902	$9,965	$6,063	155%
Costs and Expenses:				
Direct operating	2,892	5,194	2,302	80%
Selling, general and administrative	2,041	3,970	1,929	95%
Provision for doubtful accounts	12	110	98	NM*
Research and development	154	156	2	2%
Non-cash stock-based compensation	-	2,779	2,779	NM*
Depreciation and amortization	1,189	3,102	1,913	161%
Interest expense	1,091	801	(290)	(27)%
Non-cash interest expense	1,109	23	(1,086)	(98)%
Debt conversion expense	6,083	-	(6,083)	(100)%
Total costs and expenses	14,571	16,135	1,564	11%
Other income:				
Interest income	81	135	54	67%
Other income (expense), net	1,250	(61)	(1,311)	(105)%
Income tax benefit	78	78	-	-
Total other income	1,409	152	(1,257)	(90)%
Net loss	$(9,260)	$(6,018)	$3,242	35%

*NM Not meaningful

Revenues

Revenues were $3.9 million and $10.0 million for the three months ended September 30, 2005 and 2006, respectively, an increase of $6.1 million or 155%. The increase was entirely in the Media Services segment, driven largely by the USM Acquisition (see Note 3), VPF revenues and license fees earned for its Theatre Command Center software.

Direct Operating Costs

Total direct operating costs were $2.9 million and $5.2 million for the three months ended September 30, 2005 and 2006, respectively, an increase of $2.3 million or 80%. The increase was predominantly in the Media Services segment, most of which was attributable to the USM Acquisition (see Note 3), payroll and other operating costs. In our Data Center Services segment, the increase was due to higher data circuit expenses combined with additional personnel costs.

Selling, General and Administrative Expenses

Total selling, general and administrative expenses were $2.0 million and $4.0 million for the three months ended September 30, 2005 and 2006, respectively, an increase of $2.0 million or 95%. The increase was primarily due to the USM Acquisition (see Note 3) and increased company-wide staffing costs, mainly within the Media Services segment. As of September 30, 2005 and 2006 we had 108 and 317 employees, respectively, of which 47 and 41, were part-time employees and 0 and 98 were salespersons, respectively.

Non-cash Stock-based Compensation Expense

Total non-cash stock-based compensation expense was $0 and $2.8 million for the three months ended September 30, 2005 and 2006, respectively, related to the Company' s adoption of SFAS 123(R) (see Note 2).

Depreciation and Amortization Expense

Total depreciation and amortization expense was $1.2 million and $3.1 million for the three months ended September 30, 2005 and 2006, respectively, an increase of $1.9 million or 161%. The increase was primarily attributable to the depreciation for the assets to support Christie/AIX' s Digital Cinema Roll-Out. We anticipate that we will experience an increase in our total depreciation and amortization expense consistent with the depreciation of an increasing number of Systems purchased by Christie/AIX in support of its Digital Cinema Roll-Out.

Interest expense

Total interest expense was $1.1 million and $0.8 million for the three months ended September 30, 2005 and 2006, respectively. The decrease was primarily due to the reduced interest expense associated with the $7.6 million of 7% Convertible Debentures and $1.7 million of 6% convertible notes issued in February 2005 (the "6% Convertible Notes") converted to equity, offset by interest expense on our capital lease at the Pavilion Theatre and unused credit facility fees incurred on the GE Credit Facility. Additionally, the three months ended September 30, 2005 included $730 thousand of debt issuance costs which was charged to interest expense in connection with the conversion of all of our Convertible Debentures and 6% Convertible Notes. We anticipate that we will experience an increase in our total interest expense consistent with the increase in our obligations under the GE Credit Facility in support of Christie/AIX's Digital Cinema Roll-Out.

Non-cash interest expense

Total non-cash interest expense was $1.1 million and $23 thousand for the three months ended September 30, 2005 and 2006, respectively. Non-cash interest expense for the three months ended September 30, 2005 resulted from the accretion of the value of warrants to purchase shares of our Class A Common Stock attached to the $7.6 million Convertible Debentures (which bore interest at 7% per year) and the 5-Year Notes. During the three months ended September 30, 2005, $1.0 million representing the remaining accretion of the notes in connection with the conversion of the $7.6 million of the Convertible Debentures was expensed.

Debt conversion expense

Total debt conversion expense was $6.1 million and $0 for the three months ended September 30, 2005 and 2006. The decrease was due to the value of the New Shares and New Warrants issued as a result of the conversion of the $7.6 million Convertible Debentures in August 2005.

Interest Income

Total interest income was $81 thousand and $135 thousand for the three months ended September 30, 2005 and 2006, respectively, an increase of $54 thousand. The increase was directly attributable to the amount of cash, cash equivalents and investments on hand of $21.6 million at September 30, 2006 compared to $14.1 million at September 30, 2005.

Other Income (Expense), Net

Total other income, net was $1.3 million for the three months ended September 30, 2005 compared to other expense, net of $61 thousand for the three months ended September 30, 2006, a decrease of $1.3 million. The decrease was directly attributable to the change in the estimated fair values of the July 2005 Private Placement Warrants and the New Warrants in the three months ended September 30, 2005. The July 2005 Private Placement Warrants and the New Warrants were reclassified to equity as of August 31, 2005 and November 16, 2005, respectively, and therefore there was no change in their estimated fair values during the three months ended September 30, 2006.

Results of Operations for the Six Months Ended September 30, 2005 and 2006

The following table sets forth, for the period indicated, the comparative changes to amounts included in our unaudited consolidated statements of operations.

($ in thousands)	**Summary Operating Results For the Six Months Ended September 30,**			
			Increase/(Decrease)	
	2005	**2006**	**$**	**%**
Revenues	$7,873	$15,541	$7,668	97%
Costs and Expenses:				
Direct operating	5,629	8,616	2,987	53%
Selling, general and administrative	3,792	6,456	2,664	71%
Provision for doubtful accounts	35	129	94	269%
Research and development	287	179	(108)	(38)%
Non-cash stock-based compensation	-	2,779	2,779	NM*
Depreciation and amortization	2,453	5,145	2,692	110%
Interest expense	1,524	1,104	(420)	(28)%
Non-cash interest expense	1,293	46	(1,247)	(97)%
Debt conversion expense	6,083	-	(6,083)	(100)%
Total costs and expenses	21,096	24,454	3,358	16%
Other income:				
Interest income	83	444	361	NM*
Other income (expense), net	1,234	(229)	(1,463)	(119)%
Income tax benefit	156	156	-	-
Total other income	1,473	371	(1,102)	(75)%

Net loss	$(11,750)	$(8,542)	$3,208	28%

*NM Not meaningful

Revenues

Revenues were $7.9 million and $15.5 million for the six months ended September 30, 2005 and 2006, respectively, an increase of $7.6 million or 97%. The increase was entirely in the Media Services segment, driven largely by the USM Acquisition (see Note 3), VPF revenues and license fees earned for its Theatre Command Center software.

Direct Operating Costs

Total direct operating costs were $5.6 million and $8.6 million for the six months ended September 30, 2005 and 2006, respectively, an increase of $3.0 million or 53%. The increase was predominantly in the Media Services segment, most of which was attributable to the USM Acquisition (see Note 3), payroll and other operating costs. In our Data Center Services segment, the increase was due to higher data circuit expenses combined with additional personnel costs.

Selling, General and Administrative Expenses

Total selling, general and administrative expenses were $3.8 million and $6.5 million for the six months ended September 30, 2005 and 2006, respectively, an increase of $2.7 million or 71%. The increase was primarily due to the USM Acquisition (see Note 3) and increased company-wide staffing costs, mainly within the Media Services segment. As of September 30, 2005 and 2006 we had 108 and 317 employees, respectively, of which 47 and 41, were part-time employees and 0 and 98 were salespersons, respectively.

Non-cash Stock-based Compensation Expense

Total non-cash stock-based compensation expense was $0 and $2.8 million for the six months ended September 30, 2005 and 2006, respectively, related to the Company' s adoption of SFAS 123(R) (see Note 2).

Depreciation and Amortization Expense

Total depreciation and amortization expense was $2.4 million and $5.1 million for the six months ended September 30, 2005 and 2006, respectively, an increase of $2.7 million or 110%. The increase was primarily attributable to the depreciation for the assets to support Christie/ AIX' s Digital Cinema Roll-Out. We anticipate that we will experience an increase in our total depreciation and amortization expense consistent with the depreciation of an increasing number of Systems purchased by Christie/AIX in support of its Digital Cinema Roll-Out.

Interest expense

Total interest expense was $1.5 million and $1.1 million for the six months ended September 30, 2005 and 2006, respectively. The decrease was primarily due to the reduced interest expense associated with the $7.6 million of 7% Convertible Debentures and $1.7 million of 6% convertible notes issued in February 2005 (the "6% Convertible Notes") converted to equity, offset by interest expense on our capital lease at the Pavilion Theatre and unused credit facility fees incurred on the GE Credit Facility. Additionally, the six months ended September 30, 2005 included $730 thousand of debt issuance costs which was charged to interest expense in connection with the conversion of all of our Convertible Debentures and 6% Convertible Notes. We anticipate that we will experience an increase in our total interest expense consistent with the increase in our obligations under the GE Credit Facility in support of Christie/AIX's Digital Cinema Roll-Out.

Non-cash interest expense

Total non-cash interest expense was $1.3 million and $46 thousand for the six months ended September 30, 2005 and 2006, respectively. Non-cash interest expense for the six months ended September 30, 2005 resulted from the accretion of the value of warrants to purchase shares of our Class A Common Stock attached to the $7.6 million Convertible Debentures (which bore interest at 7% per year) and the 5-Year Notes. During the three months ended September 30, 2005, $1.0 million representing the remaining accretion of the notes in connection with the conversion of the $7.6 million of the Convertible Debentures was expensed.

Debt conversion expense

Total debt conversion expense was $6.1 million and $0 for the six months ended September 30, 2005 and 2006. The decrease was due to the value of the New Shares and New Warrants issued as a result of the conversion of the $7.6 million Convertible Debentures in August 2005.

Interest Income

Total interest income was $83 thousand and $444 thousand for the six months ended September 30, 2005 and 2006, respectively, an increase of $361 thousand. The increase was directly attributable to the amount of cash, cash equivalents and investments on hand during the six month period ended September 30, 2006 compared to the six month period ended September 30, 2005.

Other Income (Expense), Net

Total other income, net was $1.2 million for the six months ended September 30, 2005 compared to other expense, net of $229 thousand for the six months ended September 30, 2006, a decrease of $1.5 million. The decrease was directly attributable to the change in value of the July 2005 Private Placement Warrants and the New Warrants in the six months ended September 30, 2005.

Liquidity and Capital Resources

We have incurred operating losses in each year since we commenced our operations. Since our inception, we have financed our operations substantially through the private placement of shares of our common and preferred stock, the issuance of promissory notes, our initial public offering and subsequent private and public offerings, notes payable and Common Stock used to fund various acquisitions. In August 2006, Christie/AIX, an indirect wholly-owned subsidiary of the Company, entered into a definitive credit agreement (the "Credit Agreement") with General Electric Capital Corporation, as administrative agent and collateral agent for the lenders party thereto, and one or more lenders party thereto. Pursuant to the Credit Agreement, at any time prior to August 1, 2008, Christie/AIX may draw up to $217.0 million in the form of a senior secured multi draw term loan (the "GE Credit Facility"), in one or more borrowings. Proceeds from the Credit Facility will be used for the purchase and installation of up to 70% of the aggregate purchase price, including, all costs, fees or other expenses associated with the purchase acquisition, receipt, delivery, construction and installation of digital cinema systems in connection with Christie/AIX' s Digital Cinema Roll-Out and to pay transaction fees and expenses related to the Credit Facility, and for certain other specified purposes. The remaining cost of the Systems would be funded from other sources of capital.

In December 2005, the Company filed a shelf registration statement on Form S-3 with the SEC (the "Shelf"), which was declared effective on January 13, 2006. The Shelf provided that the Company may offer and sell in one or more offerings up to $75.0 million of any combination of the following securities: Class A Common Stock, preferred stock in one or more series and warrants to purchase common stock or preferred stock. The proceeds from sales of securities under this shelf registration was used for the purchase, installation and maintenance of Systems by Christie/AIX in connection with Christie/AIX' s Digital Cinema Roll-Out, and for general working capital.

In January 2006, in connection with the Shelf, the Company entered into: (1) a placement agency agreement to issue and sell up to 1,145,000 registered shares of Class A Common Stock at a price to the public of $10.70 per share to certain institutional and other accredited investors, and (2) a purchase agreement with an underwriter for 355,000 registered shares of Class A Common Stock at a price to the public of $10.70 per share (together the "January 2006 Offering") for gross aggregate proceeds of $16.1 million. The offering and sale of the 1,500,000 shares was completed on January 25, 2006. The Company used the net proceeds for the purchase, installation and maintenance of Systems by Christie/AIX in connection with Christie/AIX' s Digital Cinema Roll-Out and for general corporate purposes. The securities were offered by the Company pursuant to the Shelf.

In March 2006, in connection with the Shelf, the Company entered into a purchase agreement with two underwriters for 5,126,086 registered shares of Class A Common Stock at a price to the public of $10.00 per share (the "March 2006 Offering") for gross proceeds of $51.3 million, which was completed on March 17, 2006. The Company granted the underwriters a 30-day option to purchase up to an additional 768,913 shares of Class A Common Stock

at a price to the public of $10.00 per share (the "March 2006 Second Offering") to cover over-allotments, which was exercised by the underwriters on March 21, 2006 for gross proceeds of $7.7 million and was completed on March 24, 2006. The Company intends to use the estimated net proceeds from the March 2006 Offering and the March 2006 Second Offering of approximately $54.6 million, for the purchase, installation and maintenance of Systems by Christie/AIX in connection with Christie/AIX' s Digital Cinema Roll-Out and for general corporate purposes. The securities were offered by the Company pursuant to the Shelf.

As a result of the January 2006 Offering, the March 2006 Offering and the March 2006 Second Offering, substantially all of the Shelf amount of $75.0 million has been utilized. The de minimus remainder has been deregistered.

As of September 30, 2006, Christie/AIX has paid $85.2 million for Systems ordered in connection with Christie/AIX' s Digital Cinema Roll-Out.

As of September 30, 2006, we had cash and cash equivalents of $21.6 million and our working capital was $17.3 million.

Operating activities used net cash of $1.8 million and $13.2 million for the six months ended September 30, 2005 and 2006, respectively. The increase in cash used by operating activities was primarily due to an increase of accounts receivable and reduction of accounts payable and accrued expenses, offset by a reduced net loss and adjustments not requiring cash, specifically depreciation and amortization, non-cash stock-based compensation and debt conversion expense.

Investing activities used net cash of $7.0 million and $33.8 million for the six months ended September 30, 2005 and 2006, respectively. The increase was due to the purchase of and deposits on additional computer related equipment and other assets, primarily in connection with Christie/AIX' s Digital Cinema Roll-Out along with the purchase of PLX and USM (see Note 3) offset by the maturities and sales of available-for-sale investment securities. We anticipate that we will experience an increase in our capital expenditures consistent with the anticipated growth in our operations, infrastructure and personnel mainly in the support of Christie/AIX' s Digital Cinema Roll-Out.

Financing activities provided net cash of $18.2 million and $32.0 million for the six months ended September 30, 2005 and 2006, respectively. The increase was primarily due to the net proceeds from the GE Credit Facility (see Note 6) offset slightly by the repayments of notes payable.

We have acquired property and equipment under non-cancelable long-term capital lease obligations that expire at various dates through July 2022. As of September 30, 2006, we had outstanding capital lease obligations of $6.0 million. Our capital lease obligations are at the following locations and in the following principal amounts ($ in thousands):

Location	Purpose of capital lease	Outstanding Capital Lease Obligation
The Pavilion Theatre	For building, land and improvements	$ 6,011
Managed Services	For computer equipment used in IDC' s	4
USM	For theatre equipment	5
		$ 6,020

As of September 30, 2006, minimum future capital lease payments (including interest) totaled $18.1 million, are due as follows ($ in thousands):

For the twelve months ending September 30,	
2007	$ 1,134
2008	1,128

2009	1,128
2010	1,128
2011	1,128
Thereafter	12,448
	$ 18,094

As of September 30, 2006, obligations under non-cancelable operating leases totaled $14.1 million, are due as follows ($ in thousands):

For the twelve months ending September 30,	
2007	$ 2,822
2008	2,834
2009	2,670
2010	2,017
2011	929
Thereafter	2,800
	$ 14,072

As of September 30, 2006, obligations under theatre agreements with exhibitors for displaying cinema advertising totaled $6.8 million, are due as follows ($ in thousands):

For the twelve months ending September 30,	
2007	$ 3,481
2008	2,286
2009	907
2010	130
2011	-
Thereafter	-
	$ 6,804

As of September 30, 2006, purchase obligations for Systems ordered in connection with Christie/AIX' s Digital Cinema Roll-Out, which have not been included in our consolidated financial statements totaled $57.2 million.

Management expects that we will continue to generate losses for the foreseeable future due to depreciation and amortization, interest on funds advanced under our senior credit facilities (see Note 6), software development, the continued efforts related to the identification of acquisition targets, marketing and promotional activities and the development of relationships with other businesses. Certain of these costs could be reduced if working capital decreased. We may attempt to raise additional capital from various sources for future acquisitions or for working capital as necessary, but there is no assurance that such financing will be completed as contemplated or under terms acceptable to us, or our existing shareholders. Failure to generate additional revenues, raise additional capital, meet our financial covenants or other obligations under our credit agreement or manage discretionary spending could have a material adverse effect on our ability to continue as a going concern and to achieve our intended business objectives.

Our management believes that the net proceeds generated by our recent financing transactions, combined with our cash on hand, cash receipts from existing operations and funds available under our senior credit facilities (see Note 6), will be sufficient to permit us meet our obligations through December 31, 2007.

Seasonality

Media services revenues derived from our Pavilion Theatre and from the collection of VPFs from motion picture studios are seasonal, coinciding with the timing of releases of movies by the motion picture studios. Generally, motion picture studios release the most marketable movies during the summer and the holiday season. The unexpected emergence of a hit movie during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily

indicative of results for the next quarter or any other quarter. We believe the seasonality of motion picture exhibition, however, is becoming less pronounced as the motion picture studios are releasing movies somewhat more evenly throughout the year.

Subsequent Events

On October 5, 2006, the Company entered into a securities purchase agreement (the "Purchase Agreement") with the purchasers party thereto (the "Purchasers") pursuant to which the Company issued 8.5% Senior Notes (the "Senior Notes") in the aggregate principal amount of $22 million (the "October 2006 Private Placement"). The term

of the Senior Notes is one year and may be extended for up to two 90-day periods at the discretion of the Company if certain market conditions are met. Interest on the Senior Notes may be paid on a quarterly basis in cash or, at the Company' s option and subject to certain conditions, in shares of its Class A Common Stock. In addition, each quarter, the Company will issue shares of Class A Common Stock to the Purchasers as payment of interest owed under the Senior Note based on a formula ("Additional Interest"). Pursuant to the Senior Notes, the Company issued 46,750 shares of Class A Common Stock as Additional Interest in payment of the first quarterly interest on the Senior Notes, due December 31, 2006. Subsequent Additional Interest payments will be made quarterly in arrears at the end of each quarterly period beginning March 31, 2007. The Company may prepay the Senior Notes in whole or in part, without penalty, subject to paying the Additional Interest. The net proceeds of approximately $21.1 million from the October 2006 Private Placement will be used for the expansion of the Company' s digital cinema rollout plans to markets outside of the United States, and any one or more of the following: (i) the payment of certain existing outstanding indebtedness of the Company due within twelve months of the issuance of the Senior Notes, (ii) working capital and (iii) other general corporate purposes, including acquisitions. The Purchase Agreement also requires the Senior Notes to be guaranteed by each of the Company' s existing and, subject to certain exceptions, future subsidiaries (the "Guarantors"), other than Christie/AIX and USM and their respective subsidiaries. Accordingly, each of the Guarantors entered into a subsidiary guaranty (the "Subsidiary Guaranty") with the Purchasers pursuant to which it guaranteed the obligations of the Company under the Senior Notes. The Company also entered into a Registration Rights Agreement with the Purchasers pursuant to which the Company agreed to register the resale of any shares of its Class A Common Stock issued pursuant to the Senior Notes at any time and from time to time.

On November 2, 2006, the Company entered into a second letter amendment to the Amended and Restated Supply Agreement dated as of September 30, 2005 with Christie, to amend the pricing of the 4,000 Systems that may be ordered under Christie/AIX' s Digital Cinema Roll-Out.

On November 3, 2006 and November 14, 2006, an additional $8,905 and $16,179 were borrowed under the GE Credit Facility (see Note 6) at interest rates of 9.87% and 9.88%, respectively.

Off-balance sheet arrangements

We are not a party to any off-balance sheet arrangements.

ITEM 3. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

There was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

On August 2, 2006, the Motion Picture Projectionists Video Technicians & Allied Craft Union, Local 306, IATSE brought a charge against ADM Cinema before the National Labor Relations Board for failure to execute a collective bargaining agreement. ADM Cinema is negotiating an employment agreement with the four projectionist employees on behalf of whom the charge was brought. Although there are no assurances, management believes the Company will not incur any significant costs in connection with the outcome of this claim.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Our Annual Meeting of stockholders was held on September 14, 2006. Proxies for the meeting were solicited pursuant to Regulation 14A under the Exchange Act. There was no solicitation of proxies in opposition to management' s nominees as listed in the proxy statement and all of management' s nominees were elected to our Board of Directors. Details of the voting are provided below:

Proposal 1:

To elect nine (9) members of the Company' s Board of Directors to serve until the 2007 Annual Meeting of Stockholders (or until successors are elected or directors resign or are removed).

	Votes For	Votes Withheld
A. Dale Mayo	27,202,858	414,982
Kevin J. Farrell	27,202,858	414,982
Gary S. Loffredo	27,203,258	414,582
Wayne L. Clevenger	27,297,312	320,528
Gerald C. Crotty	27,297,712	320,128
Robert Davidoff	27,209,940	407,900
Matthew W. Finlay	27,350,791	267,049
Brett E. Marks	27,208,783	409,057
Robert E. Mulholland	27,351,891	265,947

Proposal 2:

	Votes For	Votes Against	Abstentions
To amend the Company' s First Amended and Restated 2000 Stock Option Plan to increase the total number of shares of the Company' s Class A Common Stock available for the grant of options thereunder from 1,100,000 to 2,200,000 shares.	21,589,412	2,546,461	14,500

Proposal 3:

	Votes For	Votes Against	Abstentions
To ratify the appointment of Eisner LLP as our independent auditors for the fiscal year ending March 31, 2007.	27,271,924	208,088	40,347

ITEM 5. OTHER INFORMATION.

On November 14, 2006, Christie/AIX undertook its fifth borrowing in the amount of $16.2 million (the "Borrowing") under its $217 million credit agreement dated as of August 1, 2006, as amended on August 30, 2006 (the "Credit Agreement") with General Electric Capital Corporation, as administrative agent and collateral agent for the lenders party thereto, and one or more lenders party thereto. The Borrowing

will bear interest at a rate of 9.88% per annum, subject to adjustment, and brings the total amount borrowed under the Credit Agreement to $60.6 million.

ITEM 6. EXHIBITS.

The exhibits are listed in the Exhibit Index beginning on page 32 herein.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACCESS INTEGRATED TECHNOLOGIES, INC.
(Registrant)

By: /s/ A. Dale Mayo
A. Dale Mayo
President and Chief Executive Officer
and Director
(Principal Executive Officer)

Date: November 14, 2006

By: /s/ Brian D. Pflug
Brian D. Pflug
Senior Vice President - Accounting & Finance
(Principal Financial Officer)

Date: November 14, 2006

EXHIBIT INDEX

Exhibit Number	Description of Document
2.1*	Stock Purchase and Sale Agreement, dated as of July 6, 2006, by and among Access Integrated Technologies, Inc., UniqueScreen Media, Inc., the holders of all of the capital stock of UniqueScreen Media, Inc. listed on the signature pages thereto and Granite Equity Limited Partnership, as the Stockholder Representative.
2.2	First Amendment to Stock Purchase and Sale Agreement, dated as of July 31, 2006, by and among Access Integrated Technologies, Inc., UniqueScreen Media, Inc., the holders of all of the capital stock of UniqueScreen Media, Inc. listed on the signature pages thereto and Granite Equity Limited Partnership, as the Stockholder Representative.
4.1	Form of Promissory Note, dated as of July 31, 2006, executed by Access Integrated Technologies, Inc. in favor of Granite Equity Limited Partnership in the principal amount of $1,204,402.34.
4.2*	Form of Promissory Note, dated as of July 31, 2006, executed by Access Integrated Technologies, Inc. in favor of Granite Equity Limited Partnership in the principal amount of $4,000,000.00.
4.3	Form of Note, to be executed by Christie/AIX, Inc. in connection with that certain Credit Agreement, dated as of August 1, 2006, among Christie/AIX, Inc., the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders.
4.4	Registration Rights Agreement, dated as of July 31, 2006, by and among Access Integrated Technologies, Inc. and the stockholders signatory thereto.
4.5	Pledge Agreement, dated as of August 1, 2006, between Access Digital Media, Inc. and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders.
4.6	Guaranty and Security Agreement, dated as of August 1, 2006, among Christie/AIX, Inc. and each Grantor from time to time party thereto and General Electric Capital Corporation, as Administrative Agent and Collateral Agent.
4.7	Form of Revolving Note, dated as of December 29, 2005, executed by UniqueScreen Media, Inc. in favor of Excel Bank Minnesota in the principal amount of $7,500,000.
4.8	Security Agreement, dated as of December 29, 2005, by and between UniqueScreen Media, Inc. and Excel Bank Minnesota.
10.1*	Credit Agreement, dated as of August 1, 2006, among Christie/AIX, Inc., the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders.
10.2	First Amendment, effective as of August 30, 2006, with respect to that certain Credit Agreement, dated as of August 1, 2006, among Christie/AIX, Inc., the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders.
10.3	Amendment No. 4 to the First Amended and Restated 2000 Stock Option Plan of Access Integrated Technologies, Inc.
10.4	Credit Agreement, dated as of December 29, 2005, by and between UniqueScreen Media, Inc. and Excel Bank Minnesota, as amended on March 10, 2006 and July 25, 2006.
31.1	Officer' s Certificate Pursuant to 15 U.S.C. 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Officer' s Certificate Pursuant to 15 U.S.C. 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Confidential portions have been omitted and filed separately with the Securities and Exchange Commission.

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

EXHIBIT 2.1

EXECUTION VERSION

STOCK PURCHASE AND SALE AGREEMENT

THIS STOCK PURCHASE AND SALE AGREEMENT (this "**Agreement**") is entered into as of July 6, 2006, by and among Access Integrated Technologies, Inc., a Delaware corporation (the "**Buyer**"), UniqueScreen Media, Inc., a Delaware corporation (the "**Company**"), the holders of all of the capital stock of the Company listed on the signature pages hereto (collectively, "**Sellers**" and, individually, a "**Seller**"), and Granite Equity Limited Partnership, as the Stockholder Representative.

W I T N E S S E T H

WHEREAS, the Company is engaged in the business of providing content, including pre-movie entertainment and advertising, to movie exhibitors in North America;

WHEREAS, the Sellers own beneficially and of record all of the issued and outstanding shares of capital stock and stock options of the Company and the Sellers who own stock options or shares of preferred stock of the Company will exercise or convert, as the case may be, such stock options or preferred stock, respectively, prior to or concurrently with the Closing;

WHEREAS, the Sellers desire to sell all of the issued and outstanding shares of capital stock of the Company and all of the shares of capital stock of the Company to be issued upon the exercise of stock options or conversion of preferred stock of the Company prior to or concurrently with the Closing (collectively, the "**Shares**"), and the Buyer desires to purchase the Shares, on the terms and conditions set forth herein;

NOW, THEREFORE, as of the Effective Time and subject to the approval and authorization of the Buyer' s Board of Directors, in consideration of the premises, representations and warranties and the mutual covenants and agreements contained herein and other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, the Company, the Sellers, the Buyer and the Stockholder Representative (collectively, the "**Parties**" and, individually, a "**Party**"), intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) Certain Definitions. As used in this Agreement, the following terms have the following meanings unless the context otherwise requires:

"**Action**" means any action, suit, proceeding, hearing, litigation, investigation, charge, complaint, claim, demand or notice.

"**Actual Long-Term Debt**" has the meaning set forth in **Section 2(e)(ii)**.

"**Advertising Contracts**" has the meaning set forth in **Section 4(k)(vi)**.

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly,

of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of capital stock or other equity ownerships, by contract or otherwise.

"**Affiliated Group**" means any affiliated group within the meaning of Section 1504 of the Code or any similar combined, consolidated or unitary group defined under state, local or foreign Law.

"**Auditor**" shall mean an independent accounting firm of recognized national standing selected by the Company and reasonably acceptable to the Buyer.

"**Average Price**" shall mean the average Closing Price of Buyer' s Common Stock on Nasdaq for the ten (10) Business Days prior to the date which is two (2) calendar days prior to the Closing Date.

"**Base Price**" shall mean the average Closing Price of Buyer' s Common Stock on Nasdaq for the ten (10) Business Days prior to the date hereof.

"**Breaching Party**" has the meaning set forth in **Section 11(a)**.

"**Business**" means the businesses conducted by the Company as of the date of this Agreement, which includes providing entertainment and advertising content to exhibitors in North America to display prior to a movie.

"**Business Day**" means any day other than a Saturday, a Sunday, a day on which commercial banks are authorized by Law to be closed in the State of New York or a day on which the New York Stock Exchange is not open for trading.

"**Buyer**" has the meaning set forth in the preamble to this Agreement.

"**Buyer' s Common Stock**" means the class A common stock, par value $0.001 of the Buyer.

"**Buyer Indemnified Parties**" has the meaning set forth in **Section 9(b)**.

"**Capitalization Table**" has the meaning set forth in **Section 4(c)(iv)**.

"**Capital Lease Obligation**" means the capital lease obligations of the Company as of the Closing Date, determined in accordance with GAAP.

"**Capital Stock**" means (i) any and all shares, interests, participations or other equivalents (however designated) of capital stock or equity interests of a corporation, (ii) any and all equivalent membership or equity ownership interests in a Person (other than a corporation), (iii) any security or instrument which is exchangeable for or convertible into any of the foregoing, and (iv) and any and all warrants, rights or options to purchase, acquire or subscribe for any of the foregoing, or any warrants, rights or options to purchase, acquire or subscribe for any such warrants, rights or options.

"**Cash Payment**" shall mean One Million Dollars ($1,000,000).

"**Certificate**" means certificates representing Company Shares outstanding immediately prior to the Closing Date.

"**Certificate of Incorporation**" means the Amended and Restated Certificate of Incorporation of the Company filed with the Secretary of State of the State of Delaware on September 29, 2005, a true, correct and complete copy of which has heretofore been delivered to the Buyer by the Company.

"**Claim**" has the meaning set forth in **Section 9(d)**.

"**Claimant**" has the meaning set forth in **Section 9(d)**.

"**Claim Notice**" has the meaning set forth in **Section 9(d)**.

"**Closing**" has the meaning set forth in **Section 2(b)**.

"**Closing Date**" has the meaning set forth in **Section 2(b)**.

"**Closing Price**" means, for any date, the last reported closing sale price of the Buyer' s Common Stock for such date on Nasdaq as reported by Bloomberg Financial L.P.

"**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any and all rules and regulations promulgated thereunder.

"**COBRA Individuals**" has the meaning set forth in **Section 4(n)(vii)**.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Common Stock**" has the meaning set forth in **Section 4(c)(i)**.

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Company Officers**" means the officers of the Company identified on **Schedule 1(a)** and any individual who succeeds to a position with the Company held by any such individual between the date of this Agreement and the Closing.

"**Company Shares**" means all issued and outstanding shares of the Capital Stock of the Company on a fully diluted basis.

"**Company Statement**" has the meaning set forth in **Section 2(e)(iv)(A)**.

"**Company Stockholder**" has the meaning set forth in **Section 4(c)(iv)**.

"**Company Theaters**" has the meaning set forth in **Section 12(b)(i)**.

"**Confidential Information**" has the meaning set forth in the Nondisclosure Agreement.

"**Consent**" means any permit, license, certificate, approval, consent, ratification, waiver, acquiescence, order or other authorization required from or notice to any Person, including any Governmental Authority, which may be necessary or advisable to consummate the Transactions.

"**Contract**" means any agreement, understanding, undertaking, obligation, contract, license, option or lease (or series or groups of related agreements, understandings, undertakings, obligations, contracts, licenses, options or leases), whether written or oral, that is legally binding.

"**Earn Out Amount**" has the meaning set forth in **Section 12(b)(ii)**.

"**Earn Out Determination Date**" has the meaning set forth in **Section 12(b)(iii)**.

"**Earn Out Master License Agreement**" has the meaning set forth in **Section 12(b)(ii)**.

"**Earn Out Payment**" has the meaning set forth in **Section 12(b)(iv)**.

"**Earn Out Period**" has the meaning set forth in **Section 12(b)(v)**.

"**Earn Out Statement**" has the meaning set forth in **Section 12(b)(vi)**.

"**Effective Time**" means 5:00pm Eastern Time on Thursday, July 6, 2006, following the approval and authorization in writing by the Buyer' s Board of Directors of the Buyer' s execution of, and entry into, each of the Transaction Documents.

"**Employee Benefit Plan**" has the meaning set forth in **Section 4(n)(i)**.

"**Employment Agreement**" means the employment agreements to be entered into at or prior to Closing between the Company and each Company Officer, each in substantially the form attached hereto as **Exhibit A**.

"**Environmental Claims**" means any and all administrative, regulatory or judicial Actions, Liabilities, Liens, Losses, notices of non-compliance or violation, notice of Liability or potential Liability, investigations, costs of consultants and experts, proceedings, consent orders or consent agreements relating in any way to any Environmental Law, any environmental Permit or Regulated Substance or arising from alleged injury or threat of injury to health, safety or the indoor or outdoor environment, including, without limitation, (a) by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any Person for sanctions, fines, penalties, damages (including punitive, consequential or treble damages), contribution, indemnification, cost recovery, compensation or injunctive relief.

"**Environmental Law**" means all Laws relating to pollution, the indoor or outdoor environment (including ambient air, surface water, groundwater, land surface or subsurface strata), or protection of human health as it relates to the indoor or outdoor environment, or occupational health and safety, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, et seq.) ("CERCLA"), the Hazardous Materials Transportation Act (49 U.S.C. § 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.), the Federal Clean Water Act (33 U.S.C. § 1251 et

seq.), the Clean Air Act (42 U.S.C. § 7401, et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.) and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and any other present or future Laws relating to release or threatened release of Regulated Substances, damage to the indoor or outdoor environment, resource extraction or other activities that could have an impact on the environment, or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Regulated Substances.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**Existing Lenders**" means Excel Bank Minnesota, Eugene K. Schreder and Alyssa M. Schreder, SilverScreen Advertising, Incorporated and Granite Equity Limited Partnership.

"**Financial Statements**" has the meaning set forth in **Section 4(h)(i)**.

"**First Promissory Note**" means that certain Promissory Note, dated as of the date of Closing, issued by the Buyer in favor of the Sellers in the principal amount of One Million Dollars ($1,000,000), as adjusted pursuant to **Section 2(e)(ii)**, having a three (3) year term and bearing interest at the rate of eight percent (8%) per annum compounded quarterly, in substantially the form attached hereto as **Exhibit B-1**.

"**GAAP**" means accounting principles generally accepted in the United States of America as in effect from time to time, consistently applied.

"**Governmental Authority**" means any governmental or quasi-governmental agency or authority, whether administrative, executive, judicial, legislative or other or any combination thereof, including any federal, state, territorial, county, municipal or other government or governmental or quasi-governmental agency, arbitrator, authority, board, body, branch, bureau, central bank or comparable agency or entity, commission, corporation, court, tribunal, department, instrumentality, master, mediator, panel, referee, system or other political unit or subdivision or other entity of any of the foregoing, whether domestic or foreign.

"**HIPAA**" means the Health Insurance Portability and Accountability Act and all rules and regulations promulgated thereunder.

"**Indemnification Basket**" has the meaning set forth in **Section 9(f)(i)**.

"**Indemnification Cap**" has the meaning set forth in **Section 9(f)(ii)**.

"**Intellectual Property**" has the meaning set forth in **Section 4(f)**.

"**IRS**" means the Internal Revenue Service.

"**Judicial Authority**" shall mean any court, arbitrator, special master, receiver, tribunal or similar body of any kind.

"**Knowledge**", "**to the Company' s Knowledge**", "**known to**" or similar phrase, means the actual knowledge of any officer of the Company as of the date of this Agreement after reasonable inquiry given the nature of such individual' s position and responsibilities.

"**Law**" means any applicable common law, constitution, statute, ordinance or code enacted, adopted, promulgated, applied or followed by any Governmental Authority and, unless the context otherwise requires, all rules and regulations promulgated thereunder, and any injunction, judgment, determination, order, decree, writ, ruling, charge, or other restriction of any Governmental Authority, except for city, township or municipal ordinances.

"**Liability**" means any liability, indebtedness or obligation of whatever kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"**Lien**" means any mortgage, pledge, security interest, lien, claim, charge or other restriction or encumbrance of every nature and description whatsoever.

"**Long-Term Debt**" means the long-term debt of the Company as of the Closing Date, determined in accordance with GAAP.

"**Long-Term Debt Target**" has the meaning set forth in **Section 2(e)(ii)**.

"**Losses**" means all Actions, injunctions, judgments, determinations, orders, decrees, writs, rulings, charges, damages, dues, penalties, sanctions, fines, costs, expenses, amounts paid in settlement, Liabilities, obligations, Taxes, Liens, and losses, including court costs and attorneys' fees and expenses; provided, however, that the term "Losses" shall not include, or shall otherwise be reduced by the following: (i) any amount that a Person seeking recovery for Losses receives under any insurance policy on account of such Losses, (ii) the amount of any net Tax benefit of the Claimant from the deduction of such Losses and (iii) Losses that are speculative.

"**Material Adverse Effect**" or "**Material Adverse Change**" means any effect, change or development or combination of developments relating to the Company that could reasonably be expected to be materially adverse to the Business, assets, financial condition, prospects or operating results of the Company, taken as a whole, or on the ability of the Company to consummate timely the Transactions.

"**Most Recent Financial Statements**" has the meaning set forth in **Section 4(h)(i)**.

"**Nasdaq**" shall mean the Nasdaq Global Market.

"**Non-Breaching Party**" has the meaning set forth in **Section 11(a)**.

"**Nondisclosure Agreement**" means that certain Mutual Nondisclosure Agreement, dated as of June 8, 2006, between the Company and the Buyer.

"**Nonvoting Common**" has the meaning set forth in **Section 4(c)(iii)**.

"**Ordinary Course of Business**" means the ordinary course of business in the industries in which the Business is conducted and consistent with past custom and practice (including with respect to quantity and frequency).

"**Options**" mean the options to purchase any shares of the Company.

"**Organizational Documents**" means (i) with respect to any corporation, its certificate or articles of incorporation or organization and its bylaws, (ii) with respect to any limited partnership, its certificate of limited partnership and its limited partnership agreement, (iii) with respect to any general partnership, its partnership agreement, and (iv) with respect to any limited liability company, its articles or certificate of organization or formation and its operating or limited liability company agreement.

"**Outside Date**" has the meaning set forth in **Section 11(b)(ii)**.

"**Party**" has the meaning set forth in the preamble of this Agreement.

"**Payment Fund**" has the meaning set forth in **Section 2(d)(i)**.

"**Payoff Statement**" has the meaning set forth in **Section 8(a)(i)**.

"**Permits**" has the meaning set forth in **Section 4(e)**.

"**Permitted Liens**" means (i) any Lien for Taxes not yet due and payable, (ii) any leases and any Lien arising out of deposits made to secure Contracts of a like nature arising in the Ordinary Course of Business, and (iii) Liens of carriers, warehousemen, mechanics, vendors, carriers, workmen, repairmen, laborers and materialmen or other similar encumbrances incurred in the Ordinary Course of Business for sums not yet due or being contested in good faith, provided that, in the case of any of clauses (i), (ii) and (iii), adequate reserves have been established therefor to the extent required by GAAP.

"**Person**" means any individual, partnership, corporation, limited liability company, limited liability partnership, association, joint stock company, trust, joint venture, unincorporated organization or other entity, including any Governmental Authority.

"**Pre-Closing Tax Period**" means all taxable periods of the Company ended or ending prior to the Closing Date.

"**Preferred Stock**" has the meaning set forth in **Section 4(c)(ii)**.

"**Proceeding**" shall mean any action, suit, counter-claim, arbitration, mediation, litigation, inquiry, hearing, investigation or other proceeding of any kind involving any Governmental Authority, any Judicial Authority or any other Person.

"**Purchase Price**" has the meaning set forth in **Section 2(a)**.

"**Quarterly Earn Out Period**" has the meaning set forth in **Section 12(b)(vii)**.

"**Real Property Leases**" has the meaning set forth in **Section 4(k)(i)**.

"**Registration Rights Agreement**' shall mean the Registration Rights Agreement, dated as of the Closing Date, between the Buyer and the Sellers, in substantially the form attached hereto as **Exhibit C**.

"**Regulated Substances**" means any substances, chemicals, materials or elements that are prohibited, limited or regulated by any Environmental Laws, any petroleum and petroleum products, radioactive materials, asbestos-containing materials, urea formaldehyde foam insulation, transformers or other equipment that contain polychlorinated biphenyls, and radon gas or any other substances, chemicals, materials or elements that are defined as "hazardous" or "toxic" or words of similar import or otherwise regulated, under the Environmental Laws, or that are known or considered to be harmful to the health or safety of occupants or users of the Premises. The term "Regulated Substances" shall also include any substance, chemical, material or element (i) defined as a "hazardous substance" under the CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986; (ii) defined as a "regulated substance" within the meaning of Subtitle I of the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i); (iii) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); or (iv) defined as "hazardous", "toxic", or otherwise regulated, under any Environmental Laws adopted by the Governmental Authorities of any of the jurisdictions where the Company owns, operates or leases real property.

"**Release**" means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing and the like into or upon any land or water or air or otherwise entering into the environment.

"**Required Consent**" means any Consent of any Governmental Authority or other Person of any kind which is necessary or otherwise appropriate in order for the Company to consummate the Transactions and to perform their respective obligations under the Transaction Documents, including (i) any Consents required to be obtained from the Existing Lenders and lessors of real or personal property occupied or used by the Company in the Business, (ii) any Consents required to be obtained under any Theater Agreements and (iii) any Consents required to be obtained from a customer of the Company in connection with the consummation of the Transactions where the contract with such customer is for an amount in excess of $20,000 or where the failure to obtain any such Consent could reasonably be expected to have a Material Adverse Effect.

"**Schreder Promissory Note**" means the promissory note, dated March 8, 2004, issued by the Company in favor of Eugene K. Schreder and Alyssa M. Schreder in the original principal amount of One Million Dollars ($1,000,000).

"**Second Promissory Note**" means that certain Promissory Note, dated as of the date of Closing, issued by the Buyer in favor of the Sellers in the principal amount of Four Million Dollars ($4,000,000), having a term which matures on the earlier of (i) the date of execution of a definitive *** agreement *** between the Company and ***

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

*** or (ii) November 30, 2006, and bearing interest at the rate of eight percent (8%) per annum compounded quarterly, in substantially the form attached hereto as **Exhibit B-2**.

"**Seller**" has the meaning set forth in the preamble to this Agreement.

"**Seller Percentage**" of any Seller means the percentage listed on **Schedule 2(a)** opposite such Seller' s name.

"**Series A Preferred**" has the meaning set forth in **Section 4(c)(ii)**.

"**Series B Preferred**" has the meaning set forth in **Section 4(c)(ii)**.

"**Shares**" has the meaning set forth in the preamble to this Agreement.

"**Stockholder Indemnified Parties**" has the meaning set forth in **Section 9(g)**.

"**Stockholder Representative**" has the meaning set forth in **Section 9(c)(i)**.

"**Stockholder Representative Agreement**" means that certain Stockholder Representative Agreement, dated as of the Closing Date, by and among the Stockholder Representative and all of the Company Stockholders, substantially in the form attached hereto as **Exhibit D**.

"**Stockholders' Agreement**" means the Amended and Restated Stockholders' Agreement, dated as of September 20, 2004, by and among the Company and certain stockholders thereof.

"**Stock Payment**" means that number of shares of Buyer' s Common Stock to be paid to the Sellers as partial consideration for their shares which number shall be determined in accordance with **Section 2(e)(i)**.

"**Subsidiary**" means any Person of which (i) if a corporation, a majority of the total equity or voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar equity or ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own(s) a majority equity or ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity' s gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"**Tax**" or "**Taxes**" means any federal, state, local or foreign income, gains, gross receipts, branch, license, payroll, employment, excise, utility, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding,

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

social security (or similar), unemployment, employment, disability, compensation, real property, personal property, sales, use, goods and services, transfer, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"**Tax Return**" means any and all returns, declarations, reports, claims for refund, disclosures, estimates, or information returns or statements required to be supplied to a taxing authority in connection with Taxes, including any schedule or attachment thereto, and any amendment thereof.

"**Theater Agreements**" has the meaning set forth in **Section 4(k)(iii)**.

"**Third Party Action**" has the meaning set forth in **Section 9(e)**.

"**Third Party Action Notice**" has the meaning set forth in **Section 9(e)**.

"**Transaction Documents**" means this Agreement, the First Promissory Note, the Second Promissory Note, the Registration Rights Agreement, the Stockholder Representative Agreement and the other documents and agreements to be executed and delivered in connection herewith and therewith.

"**Transactions**" means the performance by the Parties of their respective obligations under this Agreement.

"**Voting Common**" has the meaning set forth in **Section 4(c)(iii)**.

(b) Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any Contract, instrument or other document herein shall be construed as referring to such Contract, instrument or other document as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person' s successors and assigns, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) any definition or reference to any Law shall be construed as referring to such Law as from time to time amended, supplemented or otherwise modified, and (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, 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.

2. Purchase and Sale of Shares; Closing.

(a) Subject to the terms and conditions set forth herein, at the Closing, each Seller shall sell, transfer, assign, convey and deliver to the Buyer, and the Buyer shall purchase and accept from each Seller, all of such Seller' s right, title and interest in and to the number of Shares set forth opposite such Seller' s on **Schedule 2(a)**, free and clear of all Liens, for each Seller' s share of (i) the Stock Payment, (ii) the Cash Payment, (iii) the First Promissory Note, (iv) the Second Promissory Note and (v) the Earn Out Payment (collectively, the "**Purchase Price**"). The Purchase Price shall be allocated among the Sellers in accordance with the percentages and as further set forth opposite each Sellers name on **Schedule 2(a)**. Such allocation has been determined in accordance with the Organizational Documents and Certificate of Designation of the Company and shall be paid in accordance with **Section 2(d)**.

(b) **Closing**. The closing of the Transactions (the "**Closing**") shall take place at the offices of Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York, commencing at 9:00 a.m. local time on the third (3rd) Business Day following the date on which all of the conditions to the obligations of the Parties to consummate the Transactions (other than conditions with respect to actions the respective Parties shall take at the Closing itself pursuant to the terms of the Transaction Documents) have been satisfied or waived in writing by the appropriate Parties or such other date as the Parties may mutually agree, but no later than July 31, 2006. The actual date of Closing shall be referred to herein as the "**Closing Date**."

(c) **Actions at the Closing**. At the Closing, (ii) the Company, the Buyer and the Sellers will deliver those documents and perform those actions required under **Section 8** and (ii) the Buyer will deliver the Purchase Price required under **Section 2(d)(i)**.

(d) **Procedure for Payment**.

(i) **Payments**. At the Closing, the Buyer shall deliver the Stock Payment, the First Promissory Note, the Second Promissory Note and the Cash Payment to the Stockholder Representative for distribution to the Company Stockholders (the "**Payment Fund**"). Each Seller shall be entitled to receive the amount of the Purchase Price set forth on **Schedule 2(d)(i)** hereto. The Stockholder Representative shall pay over to the Buyer any portion of the Payment Fund (including any interest or earnings thereon) remaining in the Payment Fund on the first anniversary of the Closing Date. Thereafter, all Company Stockholders shall be required to look solely to the Company (subject to abandoned property, escheat and similar Laws) as general creditors thereof with respect to the consideration payable upon surrender of their Certificates and compliance with any other applicable requirements set forth herein and receipt thereof by the Company.

(ii) **Exchange Procedure**. At the Closing, each of the Company Stockholders shall deliver the Certificates held by it to the Buyer. Upon such delivery to the Buyer, the holder of such Certificate shall be entitled to receive in exchange therefor, and the Stockholder Representative shall promptly distribute to such holder, the amount of the Payment Fund to which the Shares theretofore represented by such Certificate shall be entitled as set forth on **Schedule 2(d)(ii)** hereto, and the Certificate so surrendered shall forthwith be cancelled.

(iii) **Lost Certificates**. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Buyer, the posting by such Person of a bond satisfactory to and in such amount as the Buyer may direct as indemnity against any claim that may be made with respect to such Certificate, the Stockholder Representative will pay to the holder of such lost, stolen or destroyed Certificate, such holder' s share of the Payment Fund.

(e) **Adjustment of the Purchase Price**.

(i) **Stock Payment Adjustment**. The Stock Payment will equal that number of shares of Buyer' s Common Stock determined by dividing Ten Million Dollars ($10,000,000) by the Base Price; provided, however, that if the Average Price is either (A) less than the Base Price by more than twenty percent (20%) of the Base Price or (B) more than the Base Price by more than twenty percent (20%) of the Base Price, the Parties may negotiate and agree upon the number of shares of Buyer' s Common Stock that will satisfy the Stock Payment; provided, however, that if the Parties cannot reach an agreement on such number of Shares for any reason, then, except for the provisions of **Section 11(c)(i) and (iii)** of this Agreement, then this Agreement shall terminate and be of no further force and effect.

(ii) **First Promissory Note Adjustment**. The principal amount of the First Promissory Note shall be One Million Dollars ($1,000,000) subject to adjustment as follows: if on the Closing Date the sum of (x) Long-Term Debt (excluding the Schreder Promissory Note) and (y) Capital Lease Obligations (together, the "**Actual Long-Term Debt**") is less than Six Million Dollars ($6,000,000) (the "**Long-Term Debt Target**"), then the amount of the First Promissory Note shall be increased by the difference between the Long-Term Debt Target and the Actual Long-Term Debt; provided, however, that in no event will the principal amount of the First Promissory Note exceed Two Million Dollars ($2,000,000).

(iii) **Second Promissory Note Adjustment**. If on the Closing Date the Actual Long-Term Debt is more than the Long-Term Debt Target, then the amount of the Second Promissory Note shall be decreased by the difference between the Long-Term Debt Target and the Actual Long-Term Debt. Notwithstanding anything contained herein to the contrary, the Actual Long-Term Debt shall not exceed Eleven Million Dollars ($10,000,000).

(iv) **Long-Term Debt and Capital Lease Obligation Determination**.

(A) Ten (10) Business Days prior to the anticipated Closing Date, the Company shall deliver to the Buyer a determination of the Long-Term Debt and Capital Lease Obligations as of the anticipated Closing Date, together with reasonably detailed supporting documents, information and calculations (the "**Company Statement**").

(B) Upon delivery to the Buyer of the Company Statement, the Company will (A) provide a representative of the Buyer with reasonable access to the employee(s) of the Buyer who prepared the Company Statement, and (B) provide a representative of the Buyer with access to the relevant records of the Company that were used by the Buyer to calculate the Long-Term Debt and Capital Lease Obligations. The Buyer may, in good faith, dispute the calculation of the Company Statement or any element of the Company

Statement by notifying the Company of such disagreement, in writing, setting forth, in detail, the particulars of such disagreement, within five (5) days from the date of receipt of the Company Statement. In the event that the Buyer fails to dispute the amount of the Long-Term Debt, the Capital Lease Obligations or the Company Statement within such five (5) day period, the Buyer shall be deemed to have accepted the Company' s calculation of the Long-Term Debt and Capital Lease Obligations, which shall be final, binding and conclusive for all purposes. If the Buyer timely submits a written notice of disagreement, the Company and the Buyer, acting in good faith, shall use their commercially reasonable efforts, for a period of five (5) days (or such longer period as they may mutually agree), to resolve the specified disagreements. If, at the end of such period, the Buyer and the Company are unable to resolve the disagreements, the dispute shall be referred to the Auditor for resolution. The Auditor shall determine, as promptly as practicable, but in any event within thirty (30) calendar days of the date on which such dispute is referred to them, based solely on the written submissions forwarded by the Buyer and the Company, whether and to what extent (if any) the disputed Long-Term Debt, Capital Lease Obligations and Company Statement require adjustment. All fees and expenses in connection with the resolution of such disagreement shall be paid by the Company if it is determined that the Company' s calculations were incorrect and by the Buyer if it is determined by the Auditor that their dispute was incorrect or unwarranted. The determination of the Auditor shall be final, conclusive and binding on the Buyer and the Company. If a dispute arises and the resolution procedures of this section are applicable, the Closing shall be extended to the third (3rd) Business Day following the date on which the Auditor provides the final resolution or such other date upon which the Buyer and the Company shall agree.

3. **Representations and Warranties of Buyer**. The Buyer hereby represents and warrants to the Company and the Sellers as follows:

(a) **Organization; Authority**. The Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. The Buyer has the requisite power and authority to enter into, execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the other Transaction Documents to which it is a party by the Buyer and the consummation by the Buyer of the Transactions have been duly authorized by all necessary action on the part of the Buyer. This Agreement has been duly executed and delivered by the Buyer and, assuming this Agreement constitutes the legal, valid and binding agreement of the Company and the Sellers, constitutes a legal, valid and binding obligation of the Buyer, enforceable against it in accordance with its terms, except to the extent enforcement thereof may be limited by: (A) bankruptcy, insolvency, reorganization, moratorium or similar Laws now or hereafter in effect relating to creditor' s rights generally, and (B) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(b) **Authority; Noncontravention; Consents**.

(i) None of the execution and delivery of this Agreement or the other Transaction Documents by the Buyer, the performance by the Buyer of its obligations hereunder and thereunder, or the consummation by the Buyer of the Transactions will: (A) violate, conflict with or result in any breach of any provision of any of the Buyer' s Organizational Documents,

(B) violate, conflict with or result in a violation or material breach of, constitute a default (with or without due notice or lapse of time or both) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture or deed of trust, or any material Contract to which either of the Buyer is a party or by which the Buyer or any of its respective properties or assets may be bound or affected, or (C) violate any Law applicable to either of the Buyer or any of its respective properties or assets; in the case of (B) and (C), which violation, conflict or default would have a Material Adverse Effect on the Buyer or the consummation by the Buyer of the Transactions.

(ii) No Consent is required by or with respect to the Buyer in connection with the execution and delivery of this Agreement or the other Transaction Documents to which it is a party, or the consummation by the Buyer of the Transactions, except for the Required Consents.

(c) **Financial Ability to Close**. At Closing, the Buyer will have the financial ability to perform its obligations under this Agreement and the other Transaction Documents.

(d) **Brokers' Fees**. The Buyer has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions.

(e) **The Buyer' s Common Stock**. The Buyer' s Common Stock to be issued to the Company Stockholders pursuant to this Agreement will at the Closing be duly authorized, validly issued, fully paid and nonassessable, and upon issuance to the Company Stockholders shall not be subject to any transfer restrictions except for those subject to federal or state securities laws or the rules or regulations promulgated thereunder.

4. **Representations and Warranties of the Company**. Except as set forth on the disclosure schedules attached hereto, the Company and the Sellers, jointly and severally, represent and warrant to the Buyer as follows:

(a) **Organization, Power and Authority**. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company: (i) is duly qualified and in good standing under the Laws of each jurisdiction where such qualification is required, except where the failure to be so qualified, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, and (ii) have the requisite power and authority to carry on the Business in which it is currently engaged and to own, lease and use the properties as currently owned and used by it, and has complied and, as of the date hereof, is in compliance with, their respective Organizational Documents. The Company has all corporate power and authority necessary to (i) execute, deliver and perform its obligations under this Agreement and the Transaction Documents and (ii) consummate the Transactions.

(b) **Authority; Noncontravention; Consents**.

(i) The Company has the requisite power and authority to enter into, execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the other Transaction Documents to which it is a party by the Company and the

consummation by the Company of the Transactions have been duly authorized by all necessary action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming this Agreement constitutes the legal, valid and binding obligation of the Buyer, constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except to the extent such enforceability may be limited by (A) bankruptcy, insolvency, reorganization, moratorium or similar Laws now or hereafter in effect relating to creditor' s rights generally, and (B) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity). Each of the other Transaction Documents, when executed and delivered by the Company and, assuming such Transaction Documents constitute legal, valid and binding agreements of each of the other parties thereto, will constitute legal, valid and binding obligations of the Company, except to the extent enforcement thereof may be limited by (x) bankruptcy, insolvency, reorganization, moratorium or similar Laws now or hereafter in effect relating to creditors' rights generally, and (y) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(ii) Set forth on **Schedule 4(b)(ii)** is a list of all Required Consents. Subject to obtaining the Required Consents set forth on such schedule, none of the execution and delivery of this Agreement and the other Transaction Documents by the Company, the performance by the Company of its respective obligations hereunder and thereunder, or the consummation by the Company of the Transactions will: (A) violate, conflict with or result in any breach of any provision of the respective Organizational Documents of the Company, (B) violate, conflict with or result in a violation or breach of, constitute a default (with or without due notice or lapse of time or both) under, or permit the termination of, or require the Consent of any other Person to, or result in the acceleration of, or entitle any Person to accelerate (whether as a result of a change in control of any of the Company or otherwise) any obligation, Contract, agreement, instrument, order, judgment or decree to which the Company is a party or result in the loss of any benefit, or give rise to the creation of any Lien upon any of the properties or assets of the Company under any of the terms, conditions or provisions of any note, bond, mortgage, indenture or deed of trust, or any Contract to which the Company is a party or by which they or any of their respective properties or assets may be bound or affected, or (C) violate any Law applicable to the Company or any of its respective properties or assets.

(iii) No Consent from any Person is required by or with respect to the Company in connection with the execution and delivery of this Agreement and the other Transaction Documents by the Company, or the consummation by the Company of the Transactions.

(c) **Capital Structure**.

(i) **Authorized Capital Stock**. The authorized Capital Stock of the Company consists of two classes of stock that are designated, respectively, "**Common Stock**" and "**Preferred Stock**." The total number of shares of Capital Stock that the Company is authorized to issue is one hundred thousand (100,000) shares, of which twenty thousand (20,000) shares are Common Stock and eighty thousand (80,000) shares are Preferred Stock. All shares of Common Stock and Preferred Stock have no par value.

(ii) **Preferred Stock**. The Preferred Stock consists of two series, the Series A Preferred Stock (the "**Series A Preferred**"), the Series B Preferred Stock, (the "**Series B Preferred**", and, together with the Series A Preferred, the "**Preferred Stock**"). The Company is authorized to issue (A) fifty thousand (50,000) shares of Series A Preferred, of which twenty five thousand (25,000) shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable and (B) thirty thousand (30,000) shares of Series B Preferred, of which fifteen thousand four hundred (15,400) shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable.

(iii) **Common Stock**. The Common Stock consists of two series, the Series A Voting Common Stock (the "**Voting Common**") and the Series B Nonvoting Common Stock (the "**Nonvoting Common**"). The Company is authorized to issue (A) ten thousand (10,000) shares of the Voting Common, of which four thousand one hundred and twenty (4,120) shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable and (B) ten thousand (10,000) shares of the Nonvoting Common, of which no shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable.

(iv) **Outstanding Shares**. Set forth on **Schedule 4(c)(iv)** is a complete and accurate list, as of the date hereof, of all of the holders of the Shares (collectively, the "**Company Stockholders**") and their individual holdings, by series, on a fully diluted basis (the "**Capitalization Table**"). Except as set forth on **Schedule 4(c)(iv)**, there are no, and as of the Closing Date there will be no, outstanding options, warrants, rights (including conversion and preemptive rights and rights of first refusal and similar rights) or agreements for the purchase or acquisition from or by the Company of any of its Capital Stock. Except as set forth on **Schedule 4(c)(iv)**, no outstanding Capital Stock of the Company provides for acceleration or vesting, or requires anti-dilution adjustments, by reason of the consummation of the Transactions. The Company is not a party or subject to any Contract and, except as set forth on **Schedule 4(c)(iv)**, there is no Contract between or among any Persons that affects or relates to the voting or giving of written consent with respect to any security or voting by a stockholder or director of the Company. All of the outstanding Capital Stock of the Company is duly and validly authorized and issued, fully paid and nonassessable, and was issued in compliance with all applicable federal and state securities Laws. Except as set forth on **Schedule 4(c)(iv)**, the Company has not granted or agreed to grant any registration rights, including piggyback and/or demand registration rights, to any Person other than pursuant to the registration rights provisions set forth in the Stockholders' Agreement.

(v) **Subsidiaries**. Except as set forth on **Schedule 4(c)(v)**, the Company does not presently own or control, directly or indirectly, any interest in any other Person.

(d) **Assets; Title to Assets**. Except as set forth on **Schedule 4(d)**, the Company owns all of its property and assets free and clear of all Liens (other than Permitted Liens). With respect to the property and assets it leases, the Company is in substantial compliance with all terms of such leases and, to the Company' s Knowledge, holds a valid leasehold interest free of any Liens other than Permitted Liens. The Company owns no real property.

(e) **Permits; Governmental Licenses; Consents**. The Company has all permits, licenses, orders, certificates, authorizations and approvals of any Governmental Authority (collectively, "**Permits**") that are required in order to conduct or are material to the Business or any other business in which it engages, as presently conducted and as proposed to be conducted, except where the failure to obtain such Permit would not have a Material Adverse Effect. All such Permits are in full force and effect and, as of the date hereof, no notices of failure to comply have been received by the Company or, to the Company' s Knowledge, recorded in respect of any such Permits. The Company has no Knowledge of any reason why such Permits may be revoked, suspended or not renewed at expiration. All applications, reports, notices and other documents required to be filed by the Company with all Governmental Authorities have been timely filed, except where failure to timely file would not have a Material Adverse Effect and all such filings are complete and correct in all material respects as filed or as amended prior to the date hereof. With respect to any required Permits, applications for which are either pending or contemplated as of the date hereof, the Company knows of no reason why such Permits would not be approved and granted by the appropriate Governmental Authority.

(f) **Intellectual Property Rights**. The Company owns or licenses or otherwise has the right to use all licenses, permits, patents, patent applications, trademarks, trademark applications, service marks, tradenames, copyrights, copyright applications, franchises, authorizations, non-governmental licenses and permits and other intellectual property rights ("**Intellectual Property**") necessary for its Business as now conducted and as presently proposed to be conducted, without any conflict with or infringement of the rights of any other Person and, to Company' s Knowledge, no Person is infringing, violating or misappropriating any Intellectual Property owned by the Company or in which the Company has an interest. There are no outstanding Liens (other than Permitted Liens) relating to any of the foregoing. Except as set forth on **Schedule 4(f)**, the Company is not bound by or a party to any Contracts of any kind with respect to the Intellectual Property of any other Person other than such Contracts arising from the purchase or use of "off the shelf" products. A list of all Intellectual Property as of the date hereof is set forth on **Schedule 4(f)**. The Company has not received any written notice alleging that the Company has violated or, by conducting its Business as proposed, would violate any of the Intellectual Property rights of any other Person, nor does the Company have Knowledge of any such violations.

(g) **Insurance**. The Company has in full force and effect (i) insurance to such extent and against such risks, including fire and other casualties, as is customary and reasonable with companies in the same or similar businesses, (ii) workmen' s compensation insurance in the amount required by applicable Law, (iii) public liability insurance in the amount customary with companies in the same or similar business against claims for personal injury or death on properties owned, occupied or controlled by it, and (iv) such other insurance as may be required by applicable Law (including, without limitation, against larceny, embezzlement or other criminal misappropriation, flood, vandalism, malicious mischief, and environmental damage). **Schedule 4(g)** sets forth a complete and accurate list of all insurance policies maintained by the Company as of the date hereof.

(h) **Financial Statements; Undisclosed Liabilities: No Material Adverse Change**.

(i) Attached to **Schedule 4(h)** are the following financial statements (collectively, the "**Financial Statements**"): (A) the audited balance sheets and statements of operations, changes in stockholders' equity (deficit) and cash flows for the Company as of and for the fiscal years ended December 31, 2005 and 2004; and (B) the consolidated balance sheets and statements of operations, changes in stockholders' equity (deficit) and cash flows for the Company as of and for the five month period ended May 31, 2006 (the "**Most Recent Financial Statements**"). The Financial Statements fairly present the financial condition of the Company as of such dates and the results of its operations and changes in its cash flows for the periods covered thereby in accordance with GAAP (subject to, with respect to the Most Recent Financial Statements, the omission of certain footnotes, other presentation items required by GAAP with respect to audited financial statements).

(ii) The Company has no Liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, of a type required by GAAP to be reflected on a consolidated balance sheet, including indebtedness for borrowed money or guarantees, except for (A) Liabilities set forth in the Most Recent Financial Statements and (B) except as set forth on **Schedule 4(h)**, Liabilities that have arisen after the date of the Most Recent Financial Statements in the Ordinary Course of Business which, individually and in the aggregate, are not material.

(iii) **Schedule 4(h)** sets forth the long-term debt and capital lease obligations of the Company determined in accordance with GAAP as of the date hereof.

(iv) The books of account, minute books, stock record books, and other material records of the Company, all of which, upon request, have been made available to the Buyer, are complete and correct in all material respects and have been maintained in accordance with sound business practices. The Company has established and maintained a system of internal controls and procedures to provide assurances that all material information regarding the Company' s operations and financial condition is communicated to the Company' s management, including Company Officers.

(v) Since the Most Recent Financial Statements, the Business has been conducted in the Ordinary Course, consistent with past practice, and, except for changes arising in the Ordinary Course of Business, there has not occurred (A) any change in the Business or the nature, title or condition of Company' s assets, (B) except as set forth on **Schedule 4(h)**, any material change in the financial condition or results of operations of the Company, (C) any damage destruction or loss with respect to the Business or (D) any Material Adverse Change.

(i) **Legal Compliance**. The Company has complied in all material respects and is currently in compliance in all material respects with all applicable Laws. As of the date hereof the Company has not received any written notice of alleged noncompliance of any applicable Laws that could reasonably be expected to have a Material Adverse Effect.

(j) **Tax Matters**. Except as set forth in **Schedule 4(j)**:

(i) All Tax Returns required to be filed by or on behalf of the Company have been timely filed with the appropriate taxing authorities in jurisdictions in which such Tax Returns were required to be filed (after giving effect to any extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects.

(ii) All Taxes due and payable by or on behalf of the Company have been fully and timely paid (whether or not shown or required to be shown on any Tax Return), and adequate reserves or accruals for Taxes of the Company have been provided in the books of the Company and its Financial Statements in accordance with GAAP with respect to any period for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing.

(iii) The Company has not executed or filed with any taxing authority any agreement, waiver or other document extending the period for filing any Tax Return or for assessing or collecting of Taxes.

(iv) The Company has complied in all material respects with all applicable Laws, rules and regulations relating to the withholding of Taxes and have duly and timely withheld from employee salaries, wages and other compensation and have paid over to the appropriate governmental authorities all amounts required to be so withheld and paid over for all periods under all applicable Laws.

(v) All other Taxes required to have been withheld or collected by the Company have been duly withheld and collected and have been duly paid over to the appropriate governmental authorities.

(vi) The Buyer has received or had access to complete copies of (i) all U.S. federal, state, local and foreign income or franchise Tax Returns of the Company relating to the Tax periods ended on or after December 31, 2004 and (ii) any audit report issued since the Company' s incorporation relating to Taxes due from or with respect to the Company.

(vii) No written claim has been made by a taxing authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction.

(viii) There are no audits or investigations by any taxing authority or proceedings in progress, nor has the Company received any written notice from any taxing authority that it intends to conduct such an audit or investigation.

(ix) The Company is not a party to any pending action or proceeding, nor, to the Company' s knowledge, is any action or proceeding threatened by any taxing authority for the assessment or collection of any Taxes.

(x) The Company has no reason to believe that any taxing authority has a valid claim to assess any additional Taxes for any Tax period.

(xi) The Company has not agreed to and is not required to make any adjustments pursuant to Section 481(a) of the Code or any similar provision of state, local or foreign Law by reason of a change in accounting method initiated by the Company.

(xii) The Company has not executed or entered into a closing agreement pursuant to Section 7121 of the Code or any similar provision of state, local or foreign Law with respect to the Company.

(xiii) No property owned by the Company constitutes "tax-exempt use property," within the meaning of Section 168(h) of the Code or is "tax-exempt bond financed property," within the meaning of Section 168(g) of the Code, or "public utility property," within the meaning of Section 168(i)(10) of the Code.

(xiv) The Company is not subject to any private letter ruling of the IRS or other taxing authorities, and there are no requests for any such rulings outstanding.

(xv) The Company is not a party to any Tax allocation or sharing agreement or arrangement with any Person, and is not obligated or potentially obligated to indemnify any other party for Taxes.

(xvi) The Company has never been a member of any Affiliated Group of corporations for any Tax purposes other than an Affiliated Group of which the Company is the parent.

(xvii) There are no Liens for Taxes (other than Permitted Liens) upon any assets of the Company.

(xviii) The Company is not a party to any joint venture, partnership or other arrangement or Contract which could reasonably be expected to be treated as a partnership for federal or state income Tax purposes.

(xix) The Company is not a party to or bound by any agreement, contract, arrangement or plan that has resulted or would result (including by reason of the transactions contemplated by this Agreement), separately or in the aggregate, in the payment of any "excess parachute payments" within the meaning of Section 280G of the Code; the Company is not obligated to pay or reimburse any person for any excise Taxes pursuant to Section 4999 of the Code.

(xx) The Company is not and has not been a "United States real property holding corporation," within the meaning of 897(c) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, no transaction contemplated by this Agreement is subject to withholding under Section 1445 of the Code or any other provision of Tax Law, and no stock transfer Taxes, sales Taxes, use Taxes, real estate transfer or gains Taxes, or other similar Taxes will be imposed on the transactions contemplated by this Agreement.

(xxi) The Company will not be required to include any items of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of: (A) intercompany transactions within the

meaning of Section 1.1502-13 of the Treasury Regulations (or any corresponding or similar provision of state, local or foreign Tax Law); (B) installment sales made on or before the Closing Date; (C) dispositions of property made on or before the Closing Date for a contingent purchase price the fair market value of which could not be ascertained at the time of the dispositions; or (D) prepaid amounts received on or prior to the Closing Date.

(xxii) The Company has not entered into a transaction that is a "listed" transaction for purposes of Section 1.6011-4(b)(2) or 301.61111-2(b)(2) of the Treasury Regulations.

(xxiii) The Company is not liable with respect to any purported indebtedness the interest of which is not deductible for applicable federal, state, local or foreign income Tax purposes.

(xxiv) The Company has disclosed on its Tax Returns all positions taken that could reasonably be expected to give rise to substantial understatement of federal income Tax within the meaning of Section 6662 of the Code.

(xxv) Each asset with respect to which the Company claims depreciation, amortization or similar expense for Tax purposes is owned by the Company.

(xxvi) No Seller is a person other than a United States person within the meaning of the Code. The Transactions are not subject to the tax withholding provisions of the Code or of any other provision of Tax law.

(k) **Contracts**. **Schedule 4(k)** lists all of the following Contracts to which the Company is a party:

(i) all leases of real property (the "**Real Property Leases**");

(ii) all leases for personal property that involve annual payments by the Company in excess of $25,000;

(iii) all Contracts with theaters and exhibitors (the "**Theater Agreements**");

(iv) all other Contracts that involve annual payments by, or to, the Company in excess of $25,000;

(v) all maintenance Contracts or similar agreements of any kind relating to the Business or Intellectual Property;

(vi) all Client Service and Advertising Contracts with advertisers or similar parties (the "**Advertising Contracts**"); and

(vii) all other Contracts that are material to the Company or the Business.

All of the Contracts set forth on **Schedule 4(k)** are valid, in full force and effect and binding upon the Company and, to the Company' s Knowledge, the other parties thereto, enforceable against the Company in accordance with their respective terms; and the Company is not in material default under any of them, nor, to the Company' s Knowledge, does any condition exist that, with notice or lapse of time or both, would constitute such a material default. To the Company' s knowledge, no party to any such Contract intends to terminate or refuse to renew or otherwise modify its respective Contract or take any adverse action against the Buyer or the Company or any action which would otherwise adversely affect the Buyer or the Company as a result of the consummation of the Transactions.

(l) Litigation. Except as set forth on **Schedule 4(l)**, there are no Actions or subpoenas: (i) pending against the Company, or (ii) to the Company' s Knowledge, pending against any current or former supervisory employee of the Company with respect to any acts or omissions in connection with his or her employment with the Company, or any properties or assets of the Company, or (iii) to the Company' s Knowledge, threatened against the Company or any current or former supervisory employee of the Company with respect to any acts or omissions in connection with his or her employment with the Company, or any properties or assets of the Company, or (iv) whether filed or threatened, that have been settled or compromised by the Company since the Company' s incorporation and at the time of such settlement or compromise were material to the Business. The Company is not subject to any outstanding order, judgment, writ, injunction or decree that could reasonably be expected to have a Material Adverse Effect or could reasonably expected to prevent or delay the consummation of the Transactions. There has not been since the Company' s incorporation, nor are there currently any internal investigations or inquiries being conducted by or with respect to the Company, its directors, managers or members, as the case may be, or any third party or Governmental Authority at the request of any of the foregoing concerning any financial, accounting, Tax, conflict of interest, self-dealing, fraudulent or deceptive conduct or other misfeasance or malfeasance issues.

(m) Employee Matters.

(i) Schedule 4(m) sets forth or describes: (A) the name, job title, date of hire, annual salary or hourly rate of pay, bonus target and/or commissions for the current fiscal year, bonus and/or commissions actually paid or payable for the most recent completed fiscal year, work location, accrued vacation, accrued sick leave and leave status of every current employee of the Company, as of dates no earlier than [to be provided] days prior to Closing; (B) organizational chart(s) of the Company; (C) collective bargaining, union or other employee association agreements of the Company, petitions for recognition, unfair labor practice charges; (D) employment, managerial, advisory and consulting or independent contractor agreements of the Company; (E) employee confidentiality or other agreements protecting proprietary processes, formulae or information of the Company; (F) non-compete and non-solicitation agreements and other restrictive covenant agreements of the Company; (G) compensation agreements and plans of Company employees, including bonus or incentive plans, commissions plans, loans or salary advances and payroll deduction authorizations, (H) employee handbooks and personnel policies and practices manuals, and (I) any employment, employment-related and/or labor actions or suits, whether pending or threatened.

(ii) Except as set forth in **Schedule 4(m)**, the Company is in compliance with all applicable laws and collective bargaining agreements respecting employment and employment practices, terms and conditions of employment and wages and hours and occupational safety and health, and is not engaged in any unfair labor practice within the meaning of Section 8 of the National Labor Relations Act, and there is no action, suit or legal, administrative, arbitration, grievance or other proceeding pending or, to the Company' s Knowledge, threatened, or, to the Company' s Knowledge, any investigation pending or threatened against the Company, whether under any foreign, federal, state or common law, through any Governmental Authority, under an employment agreement, collective bargaining agreement, personal service or independent contractor agreement or otherwise, relating to any thereof, including without limitation, any claim for (A) overtime pay, other than overtime pay for the current period; (B) wages, salaries or profit sharing (excluding wages, salaries or profit sharing for the current payroll period); (C) vacations, time off (including, without limitation, potential sick leave) or pay in lieu of vacation or time off, other than vacation or time off (or pay in lieu thereof) earned in respect of the Company' s current fiscal year; (D) any violation of any statute, ordinance or regulation relating to minimum wages or maximum hours of work; (E) discrimination against employees on any basis; (F) unlawful employment or termination practices; (G) unfair labor practices or alleged violations of collective bargaining agreements; (H) any violation of occupational safety and/or health standards; (I) breach of any employment, personal service or independent contractor agreement; or (J) the misclassification of employees as independent contractors or exempt under the FLSA and state and local analogs, and, to the Company' s Knowledge, no basis exists for any such action, suit or legal, administrative, arbitration, grievance or other proceeding or governmental investigation.

(iii) There is no labor strike, dispute, slowdown or stoppage actually pending or, to the Company' s Knowledge, threatened against it.

(iv) Except as set forth in **Schedule 4(m)**, the Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any collective bargaining agreement, and none of its employees is a member of or represented by any labor union and, to the Company' s Knowledge, there are no attempts of whatever kind and nature being made to organize any of such employees. Without limiting the generality of the preceding sentence, no certification or decertification is pending or was filed within the past twelve (12) months respecting the employees of the Company and, to the Company' s Knowledge, no certification or decertification petition is being or was circulated among the employees of the Company within the past twelve (12) months.

(v) Except as set forth in **Schedule 4(m)**, there are no charges, administrative proceedings or formal complaints of discrimination and/or harassment (including, but not limited to, discrimination and/or harassment based upon sex, age, marital status, race, national origin, sexual orientation, disability, veteran status or any other protected category) pending or, the Company' s Knowledge, threatened, or to the Company' s Knowledge, any investigation pending or threatened before the Equal Employment Opportunity Commission or any federal, state or local agency or court, and there have been no audits of the equal employment opportunity practices of the Company and, to the Company' s Knowledge, no basis for any such claim exists.

(vi) Except as set forth in **Schedule 4(m)**, the Company is not aware of any Company Officer or any other key employee, who intends to terminate his/her employment with the Company.

(vii) Except as set forth in **Schedule 4(m)**, all of the Company' s employees are terminable at will and no employee of the Company has been granted the right to continued employment by the Company or to any compensation following a change of control of the Company or following termination of employment with the Company.

(viii) To the Company' s Knowledge, no employee of the Company, nor any consultant with whom the Company has contracted, is in violation of any term of any Contract relating to the right of any such individual to be employed by, or to contract with, the Company because of the nature of the business to be conducted by the Company or otherwise; and to the Company' s Knowledge the continued employment by the Company of its present employees, and the performance of the Company' s contracts with its independent contractors, will not result in any such violation. As of the date hereof, the Company has not received any written notice alleging that any such violation has occurred.

(ix) The Company has engaged in no plant closing or employee layoff activities within the last two years that would violate or in any way implicate the Worker Adjustment Retraining and Notification ("WARN") Act of 1988, as amended, or any similar state or local plant closing or mass layoff statute, rule or regulation.

(n) **Employee Benefits**.

(i) **Schedule 4(n)** sets forth a complete and accurate list as of the date hereof of all "employee benefit plans," within the meaning of Section 3(3) of ERISA, and all other bonus, profit sharing, pension, severance, deferred compensation, individual employment, consulting, health, life, stock option, disability plans, Contracts or policies (whether written or unwritten, insured or self insured) established, maintained, sponsored, or contributed to (or with respect to which any obligation to contribute has been undertaken) by the Company on behalf of any employee, director, manager, or shareholder of the Company (whether current, former, or retired) or their beneficiaries (each an "**Employee Benefit Plan**"). **Schedule 4(n)** indicates which employees of the Company are eligible to participate in each of the Employee Benefit Plans. Except as set forth on **Schedule 4(n)**, the Company does not maintain or contribute to any Employee Benefit Plans. There are not currently, nor have there ever been, any Persons that would be deemed to be a "single employer" with the Company under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

(ii) With respect to each Employee Benefit Plan set forth on **Schedule 4(n)**: (A) such Employee Benefit Plan has been maintained and operated in all material respects in accordance with their terms and applicable Law, including ERISA and the Code; (B) such Employee Benefit Plan intended to qualify under Section 401(a) of the Code has received a determination letter from the IRS to the effect that the Employee Benefit Plan is qualified under Section 401 of the Code (or has submitted or is within the remedial amendment period for submitting an application for a determination letter from the IRS or is permitted to rely upon an opinion letter of a prototype or volume submitted sponsor which covers all provisions of the

Company' s Employee Benefit Plan); (C) to the Company' s Knowledge, no Action has been threatened, asserted or instituted or is anticipated against any Employee Benefit Plan (other than immaterial routine claims for benefits, and appeals of such claims), any trustee or Fiduciaries thereof, the Company, any director, officer, manager, or employee thereof, or any of the assets of any trust of any Employee Benefit Plan; (D) to the Company' s Knowledge, no Employee Benefit Plan is or expected to be under audit or investigation by the IRS, U.S. Department of Labor, or any other Governmental Authority; and (E) no event, condition, or circumstance exists that would prevent the amendment of any Employee Benefit Plan. The Company will provide Buyer with copies of each of the determination letters referred to in this paragraph (ii) and the Company knows of no reason why any such letters should be revoked.

(iii) Neither the Company nor any of its respective predecessors has ever contributed to, currently contributes to, has ever been required to contribute to, or otherwise participated in or currently participates in or in any way, directly or indirectly, has any Liability with respect to, any plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA, including any "multiemployer plan" (within the meaning of Sections (3)(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code), or any single employer pension plan (within the meaning of Section 4001(a)(15) of ERISA) which is subject to Sections 4063 or 4064 of ERISA.

(iv) True, correct and complete copies of all documents embodying the current Employee Benefit Plans, including without limitation all plan and trust instruments and insurance, group annuity and other contracts pertaining thereto, have heretofore been delivered to the Buyer. With respect to each of the Employee Benefit Plans, the reporting and disclosure requirements of ERISA and the Code, as applicable, have been fulfilled and the Buyer has been furnished with copies of all filings with the IRS and the Department of Labor for each Plan' s most recent three plan years, including, without limitation, Schedule B of Department of Treasury Form 5500.

(v) Except as set forth on **Schedule 4(n)(v)**, the consummation of the Transactions will not give rise to any Liability, including Liability for severance pay, unemployment compensation, termination pay, or withdrawal liability, or accelerate the time of payment or vesting or increase the amount of compensation or benefits due to any employee, director, manager, shareholder, or beneficiary of the Company (whether current, former, or retired) or their beneficiaries solely by reason of such Transactions or by reason of a termination following such Transactions. No amounts payable under any Employee Benefit Plan will fail to be deductible for federal income tax purposes by virtue of Section 280G of the Code. The Company does not maintain, contribute to, or in any way provide for any welfare benefits of any kind whatsoever (other than under Section 4980B of the Code, the Federal Social Security Act, or a plan qualified under Section 401(a) of the Code or similar provision of applicable state law) to any current or future retiree or terminee. The Company does not have any unfunded Liabilities pursuant to any Employee Benefit Plan that is not intended to be qualified under Section 401(a) of the Code and that is an employee pension benefit plan within the meaning of Section 3(2) of ERISA, a nonqualified deferred compensation plan or an excess benefit plan.

(vi) The Company has made all contributions, paid all premiums and satisfied all liability with respect to (a) all "employee welfare benefit plans" as that term is

defined in Section 3(1) of ERISA, whether insured or otherwise, maintained or to which contributions have been made by the Company, and (b) all other employee benefit plans, policies and practices maintained by the Company, including, without limitation, deferred compensation arrangements or other similar programs, which are payable as of the date hereof.

(vii) **Schedule 4(n)(vii)** sets forth a complete list of (a) all individuals who have elected continuation coverage under COBRA ("**COBRA Individuals**"), (b) whether each COBRA Individual is a "qualified beneficiary" (as such term is defined under COBRA), (c) the commencement date of each COBRA Individual' s COBRA coverage, and (d) each COBRA Individual' s maximum COBRA coverage period. The Company will provide the Buyer with copies of all notices and completed election forms that have been provided pursuant to the requirements of COBRA and HIPAA. Other than as set forth on **Schedule 4(n)(vii)**, no other individuals are eligible for COBRA Benefits.

(o) **Environmental**.

(i) Except as set forth on **Schedule 4(o)**: (A) the Company and the Business are in substantial compliance with all Environmental Laws; (B) to the Company' s Knowledge and except as permitted by law, there has been no Release at any of the properties owned or operated by the Company or any former Subsidiary or Affiliate of the Company, or at any disposal or treatment facility which received Regulated Substances generated by the Company or any predecessor in interest; (C) no Environmental Claim has been asserted against or addressed to the Company or any former Subsidiary or Affiliate of the Company nor does the Company have knowledge or notice of any threatened or pending Environmental Claim against the Company or any former Subsidiary or Affiliate of the Company; (D) to the Company' s Knowledge, no property now or formerly owned or operated by the Company has been used as a treatment or disposal site for any Regulated Substances; (E) the Company has not failed to report to the proper Governmental Authority any Release which is required to be so reported by any Environmental Laws; (F) the Company holds all Permits required under any Environmental Laws in connection with the operation of its Business, except for such Permits as to which the Company' s failure to maintain or comply with could not reasonably be expected to have a Material Adverse Effect; (G) the Company has not received any notification pursuant to any Environmental Laws that (x) any work, repairs, construction or capital expenditures are required to be made in respect as a condition of continued compliance with any Environmental Laws, or any Permit issued pursuant thereto or (y) any Permit referred to above is about to be reviewed, made, subject to limitations or conditions, revoked, withdrawn or terminated, in each case, except as could not reasonably be expected to have a Material Adverse Effect; and (H) the Company has heretofore provided to the Buyer all studies, reports, laboratory data, analyses, and the like in the Company' s possession or control and pertaining in any way to the environmental condition of the facilities, and has heretofore disclosed to the Buyer in writing any material information known to the Company regarding the environmental condition of the Company' s facilities.

(ii) As of the date hereof there are no Actions pending or, to the Company' s Knowledge, threatened against the Company regarding (A) any obligation to undertake or bear the cost of any Environmental Claim, including any environmental cleanup, or with respect to any real or personal property at which Regulated Substances generated by the

Company were transported for disposal or (B) any real or personal property or operations that the Company owns, leases or manages, or owned, leased or managed in the past, in whole or in part.

(p) **Brokers' Fees**. Neither the Company nor any Company Stockholder has any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions.

(q) **Accounts; Safe Deposit Boxes**. Set forth in **Schedule 4(q)** is a complete and accurate list of all bank and savings accounts, certificates of deposit and safe deposit boxes of the Company and those individuals authorized to draw on these accounts or deposits or to have access to these boxes.

(r) **Transactions with Related Parties**. Except as set forth on **Schedule 4(r)**, none of the Company' s officers, directors, managers or shareholders or to their respective spouses, children or other relatives has (i) borrowed money from or lent money to the Company that remains outstanding, (ii) to the Company' s Knowledge, any Claims of any kind whatsoever against the Company; (iii) any interest in any property or assets used by or useful to the Company, or (iv) to the Company' s Knowledge, been a director, officer, manager, or employee of, or had any direct or indirect interest in, any Person that has done business with the Company (except for the ownership of not more than five percent (5%) of the outstanding securities of any class of any publicly-traded securities).

(s) **Accounts Receivable**. As of the date of the Most Recent Financial Statements and as of the Closing Date, the accounts receivable of the Company, (i) represent valid, bona fide and enforceable claims of the Company against the customers under the Advertising Agreements or other Contracts to which the Company is a party, (ii) have arisen in the Ordinary Course of the Company' s Business, and (iii) have not been and are not subject to set-off or counterclaim, except routine customer complaints or warranty demands of an immaterial nature**.**

5. **Representations and Warranties of the Sellers**. Each Seller represents and warrants, severally and not jointly, to the Buyer as to such Seller and not any other Seller as of the date hereof as follows:

(a) **Options and Shares.** Such Seller has, or on the Closing Date will have, good and valid title to his or her Shares as set forth in **Schedule 2(a)**, free and clear of all Liens (other than restrictions under securities laws). Such Seller is not a party to any subscriptions, options, warrants, rights, convertible or exchangeable securities, agreements or commitments which obligate or require such Seller to sell or transfer such Shares or his or her Options. Upon consummation of the transactions contemplated by this Agreement, such Seller will sell, assign, convey and deliver to Buyer good and valid title to his or her Shares, free and clear of all Liens (other than restrictions under securities laws), other than any Liens created by acts or omissions of Buyer and its Affiliates.

(b) **Enforceability**. Such Seller has all requisite power, authority and capacity to execute and deliver this Agreement, perform his or her obligations hereunder and consummate the transactions contemplated hereby to be consummated by such Seller. This

Agreement constitutes a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Laws which may affect creditors' rights and remedies generally and by principles of equity (regardless of whether enforceability is considered in a Proceeding in equity or at law).

(c) **No Breach**. The execution and delivery by such Seller of this Agreement, the performance by such Seller of his or her obligations hereunder and the consummation by such Seller of the transactions contemplated hereby to be consummated by him or her will not constitute or result in the breach of any term, condition or provision of, or constitute a default under, any material agreement or other instrument to which such Seller is a party, or result in a violation or conflict with any Law in any material respect applicable to such Seller or result in the creation of any Lien on such Seller' s Shares.

(d) **Consents**. No Consent is required to be obtained from, no notice is required to be given to and no filing is required to be made with any Person (including any Governmental Authority) by such Seller in order (a) for this Agreement to constitute a legal, valid and binding obligation of such Seller or (b) to authorize or permit the consummation by such Seller of the transactions contemplated hereby to be consummated by him or her.

(e) **Brokers; Finders**. No Seller has any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions.

6. **Pre-Closing Covenants**. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing (or the earlier termination of this Agreement):

(a) **General**. Subject to the completion of the conditions set forth in **Section 8**, each of the Parties will use its reasonable best efforts to take all action and to do all things necessary, proper or advisable in order to consummate and make effective the Transactions at the earliest practicable time (including satisfaction, of the Closing conditions set forth in **Section 8**).

(b) **Required Consents**. The Company will use its commercially reasonable efforts to obtain the Required Consents.

(c) **Operation of Business**. The Company will keep its respective Business and properties substantially intact, including its present operations, physical facilities, working conditions, insurance policies, and relationships with lessors, licensors, suppliers, customers, and employees. Further, the Company will not engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, the Company will not take any of the following actions outside the Ordinary Course of Business without the prior written consent of the Buyer or as otherwise expressly set forth on **Schedule 6(c)** which the Buyer by this reference acknowledges and hereby grants its consent:

(i) authorize or effect any change in the Company' s Organizational Documents;

(ii) make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax;

(iii) grant or pay, or enter into any agreement, arrangement or amendment to an existing agreement or arrangement providing for the granting of, any severance or termination pay (whether in cash, stock, equity securities, or property) or the acceleration of vesting or other benefits to any employee except pursuant to written agreements, policies or plans outstanding on the date hereof and identified on **Schedule 6(c)(iii)** hereto, or adopt any new severance or termination plan, program or arrangement, or amend or modify or alter in any manner any severance or termination plan, agreement or arrangement existing on the date hereof (including any retention, change of control or similar agreement), or grant any equity-based compensation, whether payable in cash or stock;

(iv) transfer or license to any Person or otherwise extend, amend or modify any rights to the Company' s Intellectual Property, or enter into grants to transfer or license to any Person future rights to the Company' s Intellectual Property, in each case other than non-exclusive licenses granted to end-users and non-exclusive distribution, reseller and similar commercial agreements entered into in the Ordinary Course of Business and consistent with past practice;

(v) enter into any Contract (i) requiring the Company to pay in excess of, or requiring the Company to purchase a minimum amount of products or services with aggregate commitments over the life of all such Contracts in excess of, $25,000 individually, or (ii) requiring the Company to (A) provide a minimum amount of products or services with commitments over the life of such Contract in excess of $25,000, individually, or (B) provide products or services at a later date at a fixed price obligating the Company to provide such products or services at such fixed price for a period of more than twelve (12) months;

(vi) declare, set aside or pay any dividends on or make any other distributions (whether in cash, stock, equity securities or property) in respect of any Capital Stock or split, combine or reclassify any Capital Stock of the Company or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Capital Stock;

(vii) issue, deliver, sell, purchase, redeem, acquire, authorize or designate (including by certificate of designation) or pledge or otherwise encumber, or propose any of the foregoing with respect to any shares of Capital Stock or any securities convertible into or exchangeable for shares of Capital Stock, or subscriptions, rights, warrants or options to acquire any shares of Capital Stock or any securities convertible into or exchangeable for shares of Capital Stock, or enter into other Contracts, agreements or commitments of any character obligating it to issue any such shares or securities;

(viii) acquire or agree to acquire by merging or consolidating with, or by purchasing or acquiring any equity interest in or a portion of the assets of, or by any other

manner, any business or any Person or division thereof, or otherwise acquire or agree to enter into any joint ventures, strategic partnerships or similar alliances;

(ix) sell, lease, license, encumber or otherwise dispose of any tangible properties or tangible assets except in the Ordinary Course of Business consistent with past practice, or enter into any agreement for the purchase or sale of any interest in real property, grant any security interest in any real property, enter into any lease, sublease, license or other occupancy agreement with respect to any real property or alter, amend, modify, knowingly violate or terminate any of the terms of any Real Property Leases;

(x) make any loan, advance (other than business expense advances to employees in the Ordinary Course of Business consistent with past practice) or capital contribution to, or investment in, any Person or guarantee any such indebtedness or the indebtedness of another person, or issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities of the Company, enter into any "keep well" or other agreement to maintain any financial statement condition, forgive or discharge in whole or in part any outstanding loans for borrowed money, modify any loan for borrowed money previously granted, enter into any hedging agreement or similar financial agreement or arrangement or enter into any arrangement having the economic effect of any of the foregoing.

(xi) adopt, terminate or amend any Employee Benefit Plan or enter into any new Employee Benefit Plan, or amend any compensation, bonus, commission, insurance coverage (except as expressly permitted by this Agreement), benefit, entitlement, grant or award provided or made under any Employee Benefit Plan; or enter into any collective bargaining agreement; pay any special bonus, commission or special remuneration to any employee (cash, equity or otherwise); increase the salaries, bonuses, commissions or wage rates or fringe benefits (including rights to severance or indemnification) of its employees; or pay any benefit not provided for as of the date of this Agreement under any Employee Benefit Plan;

(xii) pay, discharge, settle or satisfy any Liabilities which are individually or in the aggregate material to the Business, other than the payment, discharge, settlement or satisfaction of Liabilities in the Ordinary Course of Business consistent with past practice or pursuant to Contracts previously furnished to the Buyer, or waive the benefits of, release any person from or knowingly fail to enforce the confidentiality or nondisclosure provisions of any Contract to which the Company is a party or of which the Company is a beneficiary;

(xiii) except as required by GAAP, revalue any of its assets (including writing down the value of inventory or writing off notes or accounts receivable other than in the Ordinary Course of Business consistent with past practice) or make any change in accounting methods, principles or practices (and if any of the foregoing is required, the Company shall promptly notify the Buyer thereof);

(xiv) enter into, renew or materially modify any Contract relating to the distribution, sale, license or marketing by third parties of the Business, other than (i) renewals of existing Contracts on a nonexclusive basis or modifications in connection with renewals of

existing Contracts on a nonexclusive basis, or (ii) new nonexclusive Contracts, either of which can be terminated without penalty upon notice of days or less;

(xv) engage in any action with the intent to, or which could, directly or indirectly, adversely impact or materially delay the consummation of the Transactions;

(xvi) hire any officers, consultants, independent contractors or employees having annual compensation in excess of $25,000;

(xvii) except for payments arising directly out of the Transactions, make any individual or series of related payments outside of the Ordinary Course of Business (including payments to legal, accounting or other professional service advisors) in excess of $25,000 individually or $100,000 in the aggregate, other than pursuant to Contracts existing on the date hereof and made available to the Buyer prior to the date hereof;

(xviii) commence or settle any threatened or pending Action including more than $25,000 individually (other than any Action to enforce any of its rights under this Agreement);

(xix) adopt, implement or amend any stockholder rights plan, "poison pill" anti-takeover plan or other similar plan, device or arrangement that, in each case, is applicable to the Company or the Transactions;

(xx) take any action that is intended or could reasonably be expected to result in any of the conditions to the Transactions not being satisfied; or

(xxi) make any capital expenditures, capital additions, capital improvements or other expenditures in excess of $40,000 individually or $100,000 in the aggregate.

(d) **Access**. At reasonable times and upon reasonable advance notice to a Company Officer, the Company shall cause the Buyer, through its employees and representatives, to have access to and, to make such investigation of, the personnel, attorneys, accountants, advisers and operations of the Business as the Buyer reasonably requests; provided, however, that any such inspection shall be done in such a manner so as not to unreasonably disrupt the Company' s conduct of the Business.

(e) **Notice of Discovered Breaches**. If, prior to the Closing, the Company or a Seller acquires knowledge of a fact or circumstance that constitutes a breach of a representation, warranty, covenant or agreement made in the Transaction Documents, then the Company shall promptly notify the Buyer of the existence of such fact or circumstance.

(f) **Exclusivity**.

(i) From and after the date hereof, the Company and the Stockholder Representative will immediately cease and terminate any existing solicitation, initiation, encouragement, activity, discussion or negotiation with any Persons and their respective Affiliates, officers, directors, managers, employees, financial advisors, agents and

representatives, other than the Buyer and its representatives, with respect to any proposed, potential or contemplated acquisition proposal.

(ii) Without limiting the foregoing, from and after the date hereof, the Company and the Stockholder Representative will not, directly or indirectly (A) solicit, initiate or encourage any inquiries or proposals that constitute, or could reasonably be expected to lead to, the submission of any proposal or offer from any Person relating to the acquisition of any Capital Stock, or any substantial portion of the assets, of the Company (including any acquisition structured as a merger, consolidation or share exchange), (B) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing, or (C) enter into any letter of intent, agreement in principle or any acquisition agreement or other similar agreement with respect to any of the foregoing. The Company and the Stockholder Representative shall forthwith notify the Buyer of the receipt by the Company or any of its respective Affiliates, advisors or representatives of any of the foregoing proposals or any request for information regarding the Company. Such notice shall be made orally and in writing and shall disclose the identity of the offeror and the terms and conditions of such proposal, inquiry or contact.

(g) **Supplemental Disclosure**. From time to time prior to Closing, the Company shall, by written notice to, and consent of, the Buyer, which consent shall not be unreasonably withheld, supplement or amend any of the disclosure schedules attached hereto (or create one or more additional disclosure schedules, if appropriate) with respect to any matter that, if existing or known at the date of this Agreement, would have been required to be set forth or listed in any such schedule. No such supplement or amendment and no notice under **Section 6**, however, shall operate to cure or waive any failure of a condition precedent to be satisfied pursuant to **Section 8**.

(h) **Tax Matters**.

(i) The Company and the Stockholder Representative shall give the Buyer and its authorized representatives full access to all properties, books, records and Tax Returns of or relating to the Company, whether in the possession of the Company, the Stockholder Representative or third-party advisors or representatives so that the Buyer may make such investigations as it shall desire of the affairs of the Company. The Company and the Stockholder Representative shall ensure that all third-party advisors and representatives (including lawyers and accountants) of the Company and the Stockholder Representative are available to and fully cooperate with the Buyer with respect to such investigations.

(ii) If, between the date hereof and the Closing Date, the Company or the Stockholder Representative have knowledge of the commencement or scheduling or threat or proposal (made orally or in writing, formally or informally) of any audit, assessment of any Tax, issuance of any notice of Tax due or any bill for the collection of any Tax due or the commencement or scheduling or threat or proposal (made orally or in writing, formally or informally) of any other administrative or judicial proceeding with respect to the determination, assessment or collection of any Tax of the Company, the Stockholder Representative shall provide prompt notice to the Buyer of such matter, setting forth information describing any

asserted or proposed Tax liability in reasonable detail and including copies of any notices or other documentation received from the applicable taxing authority with respect to such matter.

(iii) The Company shall not, and the Stockholder Representative shall not cause the Company to, take any of the following actions without the consent of the Buyer:

(A) make, revoke or amend any Tax election;

(B) request an extension of the due date with respect to any Tax Return;

(C) execute any waiver of restrictions on assessment or collection of any Tax; or

(D) enter into or amend any agreement or settlement with any Taxing Authority.

7. **Post-Closing and Other Covenants**. The Parties agree as follows:

(a) **General**. In case at any time after Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties shall promptly agree take such further action (including the execution and delivery of such further instruments and documents) as the other Party may reasonably request, all at the sole cost and expense of the requesting Party.

(b) **Employees**.

(i) **Post-Closing Employment**. At or prior to Closing, the Company shall enter into Employment Agreements, and agreements not to compete, with each of the Company Officers each in substantially the form attached hereto as **Exhibit A**; provided, however, that the Buyer shall not be required to make any adjustments to any Company Officer' s salary structure that will materially reduce 2005 EBITDA of the Buyer on a pro forma basis. Any employee of the Company who is not a Company Officer will maintain his or her employment with the Company on the Closing Date and each such employee will be an "at will" employee. All service of such employees completed prior to the Closing Date with the Company will be recognized under the benefit plans and benefit arrangements available to such employees after the Closing Date, provided, that recognition of such service does not result in duplicate benefits. Each of the welfare plans that provide coverage to such an employee after the Closing shall (A) waive any preexisting conditions, waiting periods and actively at work requirements under such plans (except to the extent that such conditions, waiting periods and requirements exist under the Company' s existing benefit plans and have not yet been met with respect to the employee), and (B) honor any expenses incurred by such employees and their beneficiaries under similar benefit plans during the portion of the calendar year prior to the Closing Date for purposes of satisfying applicable deductibles. Substantially all of the Company' s production, customer service, sales support, clerical and technical support positions will be located in the Company' s offices in Waite Park, Minnesota for a period of two (2) years after the Closing Date. The Company will prepare and submit to the Buyer for the Buyer' s review and comment a plan setting forth the positions at the Company that the Company suggests be moved from Waite

Park, Minnesota to Los Angeles, California and those that the Company suggests remain in Waite Park, Minnesota.

(ii) **No Third-Party Benefit**. Nothing contained in this Agreement shall confer upon any employee of the Company any right with respect to continued employment by the Company or the Buyer or shall create any third party rights in any such employee, or any beneficiary or dependent thereof, with respect to the compensation, terms and conditions of employment and benefits that may be provided to such employee by the Buyer or the Company or under any benefit plan that the Buyer or the Company may maintain.

(c) **Confidentiality and Non-Solicitation**. On or prior to the Closing Date, and as a condition precedent to the obligations of the Buyer to consummate the Transactions, the Company shall have caused each of the Company Officers and the Company Stockholders to execute and deliver an agreement satisfactory to the Buyer pursuant to which such Company Officers and the Company Stockholders:

(i) agree to keep secret and retain in strictest confidence, and not, without the express prior written consent of the Buyer, directly or indirectly, disclose, disseminate, publish, reproduce, retain, use (for their benefit or for the benefit of others) or otherwise make available in any manner whatsoever, any Confidential Information regarding the Company or the Business to any Person except (A) as otherwise required by Law, or (B) to the extent necessary to enforce its rights under this Agreement;

(ii) for a period of three years after the Closing Date, agree not to, directly or indirectly, solicit, divert, take away or induce any employee of the Company or the Buyer to leave the employ of the Company or the Buyer, or solicit, induce or influence any other Person to do so, without the prior written consent of the Buyer;

(iii) for a period of three years after the Closing Date agree not to, directly or indirectly (including through a spouse or other relative), own or have any interest in, participate in, manage or control (whether as an officer, director, employee, partner, member, agent, consultant, contractor, shareholder, investor or otherwise), consult with or advise in any capacity, render services for, or in any manner engage in any business competing with the Business anywhere in North America. Ownership of five (5) percent or less of the outstanding stock of a corporation the shares of which are publicly traded on a national securities exchange, will not in itself be considered competing with the Business;

(iv) agree not to make any remarks or take any action which would demean, disparage or criticize (A) the Company, the Buyer, or any of their current or former affiliates, partners, officers, directors, employees, agents, suppliers or customers, or (B) any product or service sold, marketed or distributed by the Company, the Buyer or their respective Affiliates; and

(v) agree that, if any such Person breaches, or threatens to commit a breach of, any of the provisions of this **Section 7(c)**, the Buyer shall have the right (in addition to any other rights and remedies available to the Buyer at law or in equity) to equitable relief (including injunctions) against such breach or threatened breach without the securing or posting

of a bond or proving actual damages in connection with the Buyer seeking or obtaining such relief, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable harm to the Buyer and that money damages would not be an adequate remedy to the Buyer.

(d) **Indemnification Matters**. The Buyer will not take or permit any action to be taken that would alter or impair on a retroactive basis any exculpatory or indemnification provisions now existing in the Organization Documents of the Company for the benefit of any individual who served as a director or employee or officer of the Company at any time prior to the Closing Date.

8. **Conditions to Obligations to Close**.

(a) **The Buyer' s Conditions**. The obligation of the Buyer to consummate the Transactions is subject to satisfaction (or waiver in writing by the Buyer) at or prior to Closing of the following conditions:

(i) the Company shall have delivered to the Buyer a pay-off statement from Eugene K. Schreder and Alyssa M. Schreder with respect to the Schreder Promissory Note (the "**Payoff Statement**");

(ii) the Company shall have delivered to the Buyer evidence satisfactory to the Buyer of termination of the Stockholders' Agreement;

(iii) except to the extent of any change permitted by the terms of this Agreement (excluding the delivery of a notice by the Company or the Sellers pursuant to **Section 6(e)**) or consented to by the Buyer, (i) all representations and warranties made by the Company in this Agreement shall be true and correct in all respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date (except to the extent that any such representation or warranty by its terms relates to an earlier date, which shall be true and correct in all respects as of such earlier date) and (ii) the Company shall have performed or complied in all material respects with all covenants and agreements contained in this Agreement on his or her part required to be performed or complied with at or prior to Closing;

(iv) all of the terms, covenants, obligations and agreements and conditions of this Agreement to be complied with and performed by the Company on or prior to the Closing Date shall have been complied with and performed in all material respects;

(v) there shall have been no Material Adverse Change in the Business since the date of this Agreement;

(vi) the Company shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in this **Section 8(a)** have been satisfied;

(vii) the Company shall have delivered to the Buyer a copy of the Most Recent Financial Statements. Such Most Recent Financial Statements shall fairly present the

financial condition of the Company as of such dates and the results of its operations and changes in its cash flows for the periods covered thereby in accordance with GAAP consistently applied;

(viii) the Buyer shall have received a certificate of the secretary of the Company attesting to (A) the Organizational Documents of the Company, (B) the resolutions adopted by the governing bodies of the Company duly authorizing the execution, delivery and performance of this Agreement by the Company and the execution and delivery by the Company of all other Transaction Documents, and (C) the signatures of the officers or authorized representatives of the Company who have been authorized to execute and deliver this Agreement and any other Transaction Documents;

(ix) all of the Required Consents shall have been received and none of the Required Consents shall contain any conditions or limitations which are not acceptable to the Buyer;

(x) the Company shall have paid in full the Schreder Promissory Note and Eugene K. Schreder and Alyssa M. Schreder shall have acknowledged payment in full of the Schreder Promissory Note and shall have released all Liens on any properties or assets of the Company;

(xi) the Buyer shall have received such other documents and instruments as it shall reasonably request;

(xii) No Law or Order shall be in effect which prohibits, restricts or enjoins and no Proceeding shall be pending or threatened which seeks to prohibit, restrict, enjoin, nullify, seek material damages with respect to or otherwise materially adversely affect, the consummation of the Transactions;

(xiii) the Buyer shall have received counterpart signature pages to each of the Transaction Documents from each party thereto;

(xiv) except to the extent of any change permitted by the terms of this Agreement (excluding the delivery of a notice by the Company or the Sellers pursuant to **Section 6(e)**) or consented to by the Buyer, (i) all representations and warranties made by each Seller in this Agreement shall be true and correct in all respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date (except to the extent that any such representation or warranty by its terms relates to an earlier date, which shall be true and correct in all respects as of such earlier date) and (ii) each Seller shall have performed or complied in all material respects with all covenants and agreements contained in this Agreement on his or her part required to be performed or complied with at or prior to Closing;

(xv) each Seller shall have delivered to the Buyer at the Closing a certificate signed by such Seller certifying that the conditions stated in **Section 8(a)(xiv)** have been fulfilled;

(xvi) all Options shall have been redeemed, all Preferred Stock shall have been converted and all Shares shall have been tendered to the Buyer, free and clear of any Liens;

(xvii) the Buyer shall have concluded to its satisfaction, in its sole and absolute discretion, all legal, financial, business and other due diligence with respect to the Company and the Sellers and shall have received the financial statements for the six month period ending June 30, 2006 reviewed by Eisner LLP or other nationally recognized accounting firm selected by Buyer, which financial statements shall be to Buyer's satisfaction, in its sole and absolute discretion;

(xviii) all current employment agreements between the Company and its employees shall have been amended and restated, in the form of the Employment Agreement, to the Buyer' s satisfaction

(xix) each of the Company Officers shall have entered into Employment Agreements, and agreements not to compete, with the Company;

(xx) the Company shall have increased the number of shares of Common Stock authorized to 60,000 shares under its Organizational Documents;

(xxi) the Company shall have delivered an opinion of counsel, dated as of the Closing Date, the form of which is satisfactory to the Buyer and its counsel;

(xxii) the Buyer shall have received all certificates, instruments and other documents required to be delivered to the Buyer at or before the Closing pursuant to this Agreement duly executed by all necessary Persons (other than the Buyer and its Affiliates);

(xxiii) the Buyer shall have received evidence satisfactory to the Buyer that all outstanding options of the Company have been redeemed and shall have received copies of agreements with all such optionholders fully releasing the Company and the Buyer; and

(xxiv) the Buyer shall have received all Certificates from the Company Stockholders.

(b) **The Sellers' Conditions**. The Sellers' obligation to consummate the Transactions is subject to satisfaction (or waiver in writing by the Sellers) at or prior to Closing of the following conditions:

(i) the Buyer shall have delivered to the Stockholder Representative the Payment Fund;

(ii) the Stockholder Representative shall have concluded to its satisfaction, in its sole discretion, all legal, financial, business and other due diligence with respect to the Buyer;

(iii) no Law or Order shall be in effect which prohibits, restricts or enjoins and no Proceeding shall be pending or threatened which seeks to prohibit, restrict, enjoin,

nullify, seek material damages with respect to or otherwise materially adversely affect, the consummation of the Transactions;

(iv) except to the extent of any change permitted by the terms of this Agreement or consented to by the Sellers, (i) all representations and warranties made by each the Buyer in this Agreement shall be true and correct in all respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date (except to the extent that any such representation or warranty by its terms relates to an earlier date, which shall be true and correct in all respects as of such earlier date) and (ii) the Buyer shall have performed or complied in all material respects with all covenants and agreements contained in this Agreement on his or her part required to be performed or complied with at or prior to Closing;

(v) all of the terms, covenants, obligations, agreements and conditions of this Agreement to be complied with and performed by the Buyer on or prior to the Closing Date shall have been complied with and performed in all material respects;

(vi) the Sellers shall have received counterpart signature pages to each of the Transaction Documents from each party thereto;

(vii) the Buyer shall have delivered to the Sellers a certificate to the effect that each of the conditions specified in this **Section 8(b)** have been satisfied;

(viii) the Buyer shall have delivered an opinion of counsel, dated as of the Closing Date, the form of which is satisfactory to the Company and its counsel; and

(ix) the Sellers shall have received a certificate of the secretary of the Buyer attesting to (A) the Organizational Documents of the Buyer, (B) the resolutions adopted by the governing body of the Buyer duly authorizing the execution, delivery and performance of this Agreement by the Buyer and the execution and delivery by the Buyer of all other Transaction Documents, and (C) the signatures of the officers or authorized representatives of the Buyer who have been authorized to execute and deliver this Agreement and any other Transaction Documents.

9. Survival; Post-Closing Indemnification.

(a) Survival of Representations and Warranties. The representations and warranties of the Parties contained in this Agreement shall survive the Closing and continue in full force and for a period of eighteen (18) months thereafter, except that (i) the representations and warranties of the Sellers contained in **Sections 4(j) and 4(m)**, each of which shall survive the Closing and shall continue in full force and effect until six (6) months after the expiration of their respective statutes of limitation under applicable Law and (ii) the representations and warranties of the Sellers contained in **Sections 4(a)** and **4(d)** shall survive the Closing and continue in full force and effect indefinitely.

(b) Indemnification by the Company Stockholders. Subject to **Section 9(f)**, from and after the Closing Date, the Company Stockholders agree severally, but not jointly, to indemnify, defend and hold harmless the Buyer, the Company and their respective directors,

officers, managers, stockholders, representatives, agents and employees (collectively, the "**Buyer Indemnified Parties**"), from and against all Losses based upon, incurred in connection with, arising out of or otherwise in respect of (i) subject to the terms of **Section 9(a)**, any inaccuracy in or any breach of any representation or warranty of the Company or the Sellers contained in this Agreement or in any other Transaction Document, and (ii) any breach of any covenant, obligation or agreement of the Company or any pre-closing covenant of the Sellers contained in this Agreement or in any Transaction Document or other document or instrument contemplated by this Agreement. For all purposes of this **Section 9**, the representations, warranties, covenants, agreements and obligations of the Company and the Sellers and other provisions of this Agreement, the other Transaction Documents and each agreement, instrument and document related thereto, shall be interpreted and construed without consideration of any standard or qualification relating to materiality, Material Adverse Change, Material Adverse Effect, knowledge or words of similar import (whether express or implied). On or before the Closing, and as a condition precedent to the obligations of the Buyer to consummate the Transactions, the Company shall deliver to the Buyer the Stockholder Representative Agreement, executed and delivered by all of the Company Stockholders which, among other things, confirms their agreement to be bound by the terms of this Agreement.

(c) Stockholder Representative.

(i) Pursuant to the Stockholder Representative Agreement, Granite Equity Limited Partnership, the majority stockholder of the Company, shall be named as the agent and representative of all of the Company Stockholders (the "**Stockholder Representative**") for purposes of receiving on their behalf all notices under this Agreement, issuing on their behalf such notices under this Agreement as the Stockholder Representative shall determine in its sole discretion to issue, and performing such other administrative and other functions under this Agreement as may become necessary or desirable.

(ii) The Stockholder Representative shall have full power and authority to act for and on behalf of the Company Stockholders in regard to their rights under this Agreement. Without limiting the foregoing, the Stockholder Representative is authorized to: (A) resolve all claims or Actions for indemnification under this Agreement and (B) retain counsel of its choosing, experts and other professionals as may be necessary or desirable to assist in the resolution of any claims or Actions for indemnification under this Agreement. The Stockholder Representative shall have no right to act as agent for service of process for any one of the Company Stockholders, except that any notice delivered to the Stockholder Representative with respect to any claim or Action arising pursuant to this **Section 9** shall be deemed notice to all Company Stockholders with respect thereto.

(iii) The Stockholder Representative shall be entitled to reasonable compensation from the Company Stockholders for its services and reimbursement of all expenses (including reasonable attorneys' fees and the cost of errors and omissions insurance) incurred in its capacity as Stockholder Representative in the manner set forth in the Stockholder Representative Agreement.

(d) Procedures for Indemnification Claims. Except as provided in **Section 9(e)**, if a claim for indemnification (a "**Claim**") is to be made by a Buyer Indemnified

Party (the "**Claimant**"), the Claimant shall give written notice (a "**Claim Notice**") to the Stockholder Representative as soon as practicable after the Claimant becomes aware of the facts, condition or event that may give rise to Losses for which indemnification may be sought under this **Section 9**, provided, however, that if the Buyer makes a Claim, the Buyer shall make no further payment on the First Promissory Note or any Earn Out Payment until such Claim is resolved. Following receipt of the Claim Notice from the Claimant, the Stockholder Representative shall have a reasonable period of time under the circumstances, not to exceed thirty (30) days in any event, to make a reasonable investigation of the Claim; provided, however, that if the Claimant reasonably determines that it will be prejudiced by affording the Stockholder Representative such period of time for investigation, the Stockholder Representative and the Claimant shall agree promptly on the appropriate period of time for such investigation. For the purposes of such investigation, the Claimant agrees to make reasonably available to the Stockholder Representative and/or its authorized representative(s) the information relied upon by the Claimant to substantiate the Claim. If the Claimant and the Stockholder Representative agree at or prior to the expiration of said investigation period to the validity and amount of such Claim, the Stockholder Representative shall cause to be paid promptly to the Claimant the full amount of such Claim, subject to the Indemnification Basket and the Indemnification Cap. If the Claimant and the Stockholder Representative do not agree within said period, the Claimant may seek appropriate legal remedy.

(e) Procedures for Indemnification Claims Involving Third-Parties. If any Action is commenced (or a Claim is made) by a Person other than a Party ("**Third Party Action**") against a Claimant, written notice thereof (the "**Third-Party Action Notice**") shall be given by Claimant to the Stockholder Representative as promptly as practicable (and in any event within ten (10) Business Days after the service of the citation or summons or other manner of process). The failure of any Claimant to give notice timely hereunder shall not affect rights to indemnification hereunder, except to the extent that the Stockholder Representative demonstrates actual damage caused by such failure. After such notice, if the Stockholder Representative shall acknowledge in writing to the Claimant that the Stockholder Representative shall be obligated under the terms of its indemnity hereunder in connection with such Third-Party Action, then the Stockholder Representative shall be entitled, if it so elects, (A) to take control of the defense and investigation of such Third-Party Action, (B) to employ and engage attorneys reasonably satisfactory to the Claimant to handle and defend the same, at the Stockholder Representative' s cost, risk and expense, and (C) to compromise or settle such Third-Party Action, which compromise or settlement shall be made only with the prior written consent of the Claimant, such consent not to be unreasonably withheld. Notwithstanding the foregoing, the Claimant shall not be obligated or consent to any compromise or settlement which (x) exposes any Buyer Indemnified Party to any monetary risk or obligation in excess of the Indemnification Basket not completely paid for by the Company Stockholders, (y) involves any injunctive or equitable relief against any Buyer Indemnified Party or (z) involves any finding, determination or admission of a violation of Law or any wrongdoing on the part of any Buyer Indemnified Party. If the Stockholder Representative fails to assume the defense of such Third-Party Action promptly after receipt of the Third-Party Action Notice, the Claimant will (upon delivering notice to such effect to the Stockholder Representative) have the right to undertake, at the Company Stockholders' cost and expense, the defense, compromise or settlement of such Third-Party Action on behalf of and for the account and risk of the Company Stockholders; provided, however, that such Third-Party Action shall not be compromised or settled without the written

consent of the Stockholder Representative, which consent shall not be unreasonably withheld, conditioned or delayed. In the event the Claimant assumes the defense of the Third-Party Action, the Claimant will keep the Stockholder Representative reasonably informed of the progress of any such defense, compromise or settlement. The Company Stockholders shall be liable for any settlement of any Third-Party Action effected pursuant to and in accordance with this **Section 9** and for any final judgment (subject to any right of appeal), and the Company Stockholders agree to indemnify and hold harmless Claimant from and against any Losses by reason of such settlement or judgment. Notwithstanding the foregoing, the Claimant shall be entitled at any time, at its own cost and expense (except that such cost and expense shall be paid by the Company Stockholders if: (x) the Claimant reasonably determines that the Stockholder Representative is not adequately representing or, because of a conflict of interest, may not adequately represent the interests of the Claimant, (y) the Claimant has separate or additional defenses or counterclaims or (z) any relief other than the payment of money damages is sought against the Claimant), to participate in such contest and defense and to be represented by attorneys of its own choosing. Additionally, notwithstanding the foregoing, if a Claimant determines in good faith that there is a reasonable probability that a Third Party Action will create a material adverse legal precedent or materially affect the ongoing business operations or ongoing business relationships of the Claimant or its Affiliates, then the Claimant will have the right to conduct the defense of the claim with counsel of its choice; provided, however, that the Stockholder Representative shall have the right to monitor the defense of such claim and participate in the defense thereof at its own expense. The Claimant shall not consent to the entry of any judgment or enter into any settlement with respect to such Claim without the prior written consent of the Stockholder Representative, which shall not be unreasonably withheld.

(f) **Limitations and Other Post-Closing Indemnification Matters**. Notwithstanding anything to the contrary contained in this Agreement, in any other Transaction Document or otherwise:

(i) Except as provided in **Section 9(f)(vi)**, no indemnification for the matters set forth in this **Section 9**, as the case may be, shall be required to be made by the Company Stockholders until the aggregate amount of the Buyer Indemnified Parties' Losses exceeds Three Hundred Thousand Dollars ($300,000) (the "**Indemnification Basket**"), after which time only the aggregate amount of the Buyer' s Indemnified Losses in excess of the Indemnification Basket shall be recoverable in accordance with the terms hereof.

(ii) Except as provided in **Section 9(f)(vi)**, no indemnification shall be required to be made by the Company Stockholders for the amount of the Buyer Indemnified Parties' Losses that exceed Six Million Dollars ($6,000,000) (the "**Indemnification Cap**").

(iii) No indemnification shall be available to any Buyer Indemnified Party with respect to any Claim resulting from or otherwise relating fraudulent action on behalf of such Buyer Indemnified Party.

(iv) Any payments to any Buyer Indemnified Party under this **Section 9** shall be treated as an adjustment to the Purchase Price for all federal, state, local and foreign Tax purposes.

(v) Except with respect to any equitable remedies or injunctive relief that may be available to any Party, the indemnification rights contained in this **Section 9** shall constitute the sole and exclusive remedies of the Buyer Indemnified Parties and shall supersede and displace all other rights that any Buyer Indemnified Party may have under applicable Law.

(vi) Notwithstanding anything herein to the contrary, there shall be no limitation based on the time, the Indemnification Basket, the Indemnification Cap or source of recovery with respect to any Losses relating to or arising from the fraudulent actions of the Company prior to the Closing or the Company Stockholders prior to the Closing.

(vii) For purposes of **Section 9(d)** and **Section 9(e)**, any Claim based on a breach of a representation or warranty shall be timely made if the Claimant gives the Stockholder Representative a Claim Notice or Third-Party Action Notice on or before the date on which such representation or warranty ceases to survive the Closing, even if such Claim is not resolved until after such representation or warranty ceases to survive.

(viii) Payments of the principal amount of the First Promissory Note, interest thereon and all other amounts payable with respect to the First Promissory Note shall be set-off against any amount paid in satisfaction of a Claim under this **Section 9**.

(g) From and after the Closing Date, the Buyer agrees to indemnify, defend and hold harmless the Company Stockholders, and their respective directors, officers, managers, stockholders, representatives, agents and employees (collectively, the "**Stockholder Indemnified Parties**"), from and against all Losses based upon, incurred in connection with, arising out of or otherwise in respect of any material beach of any representation or warranty of the Buyer contained in this Agreement or in any Transaction Document, and any material breach of any covenant, obligation or agreement of the Buyer contained in this Agreement or in any other Transaction Document.

10. **Tax Matters**. The following provisions shall govern the allocation of responsibility as between Buyer and Sellers for certain Tax matters following the Closing Date:

(a) **Cooperation in Tax Matters**. Each Party shall provide the other Parties with such assistance as may be reasonably requested by such Party in connection with the preparation of any Tax Return, any audit or other examination by any taxing authority, or any judicial or administrative proceedings relating to Liability for Taxes, and shall retain and provide the other Parties with any records or information which may be relevant to such Tax Return, audit, examination, proceedings or determination (but only to the extent he, she or it had possession of such records or other information immediately after the Closing). Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant Tax Return and supporting work schedules. The Party requesting assistance hereunder shall reimburse the other Parties for reasonable out-of-pocket expenses incurred in providing such assistance. Without limiting the provisions of this **Section 10(a)**, Buyer agrees that it shall retain, until the seventh (7th) anniversary of the Closing Date, copies of all Tax Returns, work schedules and other records or information which it or its Affiliates (including the Company) possess and which may be relevant to such Tax Returns of the

Company for all Tax periods ending on or before the Closing Date and for all Tax periods that include the Closing Date but that do not end on the Closing Date. The Buyer shall not destroy or otherwise dispose of any such records without first providing the Stockholder Representative with a reasonable opportunity to review and copy such records.

(b) **Notice of Tax Claims**. Whenever any taxing authority sends a notice of an audit, initiates an examination of the Company, or otherwise asserts a claim, makes an assessment, or disputes the amount of Taxes for which the Sellers may be liable under this Agreement, the Buyer shall promptly notify the Stockholder Representative. The failure of the Buyer to so notify the Stockholder Representative shall not relieve the Sellers of any obligations under this Agreement, except to the extent such failure materially prejudices the ability of the Sellers to defend the liability. The Stockholder Representative shall have the right to control, with no cost to the Buyer, any resulting audit or proceedings; provided, that the Stockholder Representative first notifies the Buyer in writing that, as between the Buyer and the Sellers, the Sellers shall be liable for any Taxes that result from such audit or proceeding. The Buyer shall have the right to consult with the Stockholder Representative at the Buyer' s own expense in connection with any such audit or proceedings. The Buyer shall have the sole right to defend the Company with respect to any issue arising with respect to any such audit or proceeding to the extent that the Buyer shall have agreed in writing to forego any indemnification under this Agreement with respect to the issue. The Buyer shall have the sole right to represent the Company in any Tax proceedings relating to a Tax period that includes or that begins after the Closing Date.

(c) **Certain Taxes and Fees**. All transfer, documentary, sales, use, stamp, registration and other similar Taxes, and all conveyance fees, recording charges and other fees and charges, including any penalties and interest, incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid by the Sellers when due, and the Sellers shall, at their own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges. If required by applicable Law, the Buyers shall join in the execution of any such Tax Returns and other documentation; provided, however, that the Sellers shall provide to the Buyer adequate time to review any such Tax Returns and give due consideration to the Buyer' s comments with respect thereto.

(d) **Refunds for Pre-Closing Periods**. The Company shall be entitled to any refunds of income Taxes with respect to the Company for any Tax period ending on or before the Closing Date and for any Tax period that includes but does not end on the Closing Date.

11. **Termination and Other Rights**.

(a) **Notice and Opportunity to Cure**. Prior to the exercise by a Party of any termination rights afforded under this Agreement, if any Party which is not in breach of any of the Transaction Documents (the "**Non-Breaching Party**") believes another Party (the "**Breaching Party**") is in breach hereunder, the Non-Breaching Party shall provide the Breaching Party with written notice specifying in reasonable detail the nature of such breach, whereupon the Breaching Party shall have fifteen (15) days from the receipt of such notice to cure such breach; provided, however, that if such breach is not capable of being cured within such period and if the Breaching Party shall have commenced action to cure such breach within

such period and is diligently attempting to cure such breach, and it is reasonable to expect that such breach could be cured within a reasonable amount of time, then the Breaching Party shall be afforded an additional reasonable amount of time to cure such breach, such additional amount of time not to exceed fifteen (15) days in any event; provided, further, however, that the Buyer shall have no opportunity to cure the breach of its obligation to deliver any required portion of the Purchase Price. If the breach is not cured within such time period, then the Breaching Party shall be in default hereunder and the Non-Breaching Party shall be entitled to terminate this Agreement (as provided in **Section 11(b))**. This right of termination shall be in addition to, and not in lieu of, any legal or equitable remedies available to the Non-Breaching Party.

(b) **Termination of Agreement**. This Agreement may be terminated, and the Transactions may be abandoned, at any time prior to the Closing as provided below:

(i) The Buyer and the Company may terminate this Agreement by mutual written consent;

(ii) provided the Buyer is not in material breach of this Agreement, the Buyer may terminate this Agreement, pursuant to a written notice to the Company and the Stockholder Representative: (A) if any one or more of the conditions to the Buyer' s obligation to close set forth in **Sections 8(a)** has not been fulfilled in any material respect as of the Outside Date, (B) subject to **Section 11(a)**, if the Company or any Seller has breached in any material respect any representation, warranty, covenant, obligation or agreement contained in this Agreement or any of the Transaction Documents, or (C) if the Closing shall not have taken place by August 4, 2006 (the "**Outside Date**");

(iii) provided the Sellers and the Company are not then in material breach of this Agreement, the Sellers may terminate this Agreement pursuant to a written notice to the Buyer: (A) if any one or more of the conditions to the Sellers' obligation to close set forth in **Section 8(b)** has not been fulfilled in any material respect as of the Outside Date, (B) subject to **Section 11(a)**, if the Buyer has breached in any material respect any representation, warranty, covenant, obligation or agreement contained in this Agreement or any of the Transaction Documents, or (C) if the Closing shall not have taken place by the Outside Date; and

(iv) the Buyer may terminate this Agreement at any time, if the Buyer is not satisfied, in its sole and absolute discretion, with its legal, financial, business and other due diligence with respect to the Company.

(c) **Effect of Termination**. Upon any termination of this Agreement, the Transactions shall be terminated and abandoned and, except as set forth below, no Party shall have any further obligation or liability to any other Party:

(i) the provisions of **Sections 13(k), 3(d) and 4(p)** and the Nondisclosure Agreement shall survive the termination of this Agreement in accordance with their respective terms;

(ii) if the Buyer terminates this Agreement as a result of a breach by the Company of **Section 6(f)** hereof, the Company shall pay to the Buyer a sum in the amount of

the Buyer' s legal expenses and all other out-of-pocket expenses in connection with the due diligence process and the negotiation and preparation of the Transaction Documents;

(iii) each Party shall return to the other Party all documents and other material received from such other Party relating to the Transactions, whether received from the other Party before or after execution of this Agreement.

(d) **Injunctive Relief**. The Company and the Sellers agree that the Company Shares are unique assets that cannot be readily obtained on the open market and that the Buyer shall have the right to enforce specifically the Company' s and the Sellers' performance of their respective obligations under this Agreement and the Transaction Documents, and the Company and the Sellers agree to waive the defense in any such suit that the Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

12. **Contingent Consideration**.

(a) As part of the Purchase Price:

(i) During the Earn Out Period, the Buyer shall deposit in the Payment Fund, on behalf of the holders of the Company Shares, the Earn Out Payment, if any, due with respect to the applicable Quarterly Earn Out Period. The maximum amount that the Buyer shall be obligated to pay under this **Section 12** during the Earn Out Period shall be $1,000,000 in the aggregate. During the Earn Out Period, the Buyer shall use commercially reasonable efforts to market the Earn Out Master License Agreement to the Company Theaters. Notwithstanding anything contained in this Agreement to the contrary, if the Buyer determines, in its sole and absolute discretion, that such Earn Out Master License Agreement is not in the Buyer' s best interests, it shall have no obligation to enter into any such agreement and shall not be in breach of this Agreement.

(ii) Subject to **Section 12(a)(iii)**, by each Earn Out Determination Date, the Buyer shall, in good faith, calculate the amount of the Earn Out Payment, if any, required to be deposited into the Payment Fund, remit to the Stockholder Representative the Earn Out Statement for the applicable Quarterly Earn Out Period, and remit to the Payment Agent, the Earn Out Payment, if any, due for the immediately preceding Quarterly Earn Out Period.

(iii) Upon delivery to the Stockholder Representative of the Earn Out Statement and deposit of the Earn Out Payment, if any, owed for the applicable Quarterly Earn Out Period, the Buyer will (A) provide a representative of the Stockholder Representative with reasonable access to the employee(s) of the Buyer who prepared the Earn Out Statement for such Quarterly Earn Out Period, and (B) provide a representative of the Stockholder Representative with access to the relevant records of the Company that were used by the Buyer to calculate the Earn Out Payment. The Buyer may condition such access to the delivery by the Stockholder Representative of a non-disclosure agreement in form and substance reasonably acceptable to the Buyer.

(b) As used in this **Section 12**, the following terms shall have the following meanings:

(i) "**Company Theaters**" means the film exhibitors which had agreements with the Company on the Closing Date, excluding the film exhibitors set forth on **Schedule 12(b)(i)** which the Buyer has previously met with to discuss a master license agreement or to demonstrate its digital cinema products.

(ii) "**Earn Out Amount**" for each master license agreement entered into by the Buyer or its Subsidiary with a Company Theater (each, an "**Earn Out Master License Agreement**"), an amount equal to the product of (A) the number of exhibitor screens subject of an Earn Out Master License Agreement and (B) either, at Buyer' s sole and absolute discretion, (x) Four Thousand Dollars ($4,000) or (y) the number of shares of Buyer Common Stock equal to Four Thousand Dollars ($4,000) divided by the closing price of the Buyer Common Stock on Nasdaq on the date such Earn Out Master License Agreement was executed.

(iii) "**Earn Out Determination Date**" means thirty (30) days following the end of the applicable Quarterly Earn Out Period.

(iv) "**Earn Out Payment**" means the amount, if any, that the Buyer is required to deposit with the Payment Agent with respect to the applicable Quarterly Earn Out Period, which is equal to the sum of the Earn Out Amounts for all Earn Out Master License Agreements entered into in the Applicable Quarterly Earn Out Period.

(v) "**Earn Out Period**" means the period from the Closing Date and ending on the third anniversary of the Closing Date.

(vi) "**Earn Out Statement**" means the statement that the Buyer is required to prepare and deliver to the Stockholder Representative calculating the Earn Out Payment, if any, owed by the Buyer for the applicable Quarterly Earn Out Period.

(vii) "**Quarterly Earn Out Period**" means each fiscal quarter period, or portion thereof, following the Closing Date occurring during the Earn Out Period. For example, should the closing occur on July 31, 2006, the first Quarterly Earn Out Period would run from September 1 through and including September 30, the second Quarterly Earn Out Period would run from October 1, 2006 through and including December 31, 2006 through the Quarterly Earn Out Period ended June 30, 2009 and the last Quarterly Earn Out Period would run from July 1, 2009 through July 31, 2009.

13. Miscellaneous.

(a) Press Releases and Public Announcements. Prior to the Closing, no Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement or the Transactions, including its financial terms, without the prior written approval of the other Party; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable Law (in which case the disclosing Party will use its reasonable best efforts to advise the other Party a reasonable time prior to making the disclosure); it being understood and acknowledged that the Buyer will be required to disclose this Agreement pursuant to the federal securities rules and regulations.

(b) **No Third-Party Beneficiaries**. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns and the Buyer Indemnified Parties.

(c) **Entire Agreement**. This Agreement (including the Exhibits, Schedules and documents referred to herein) along with the Nondisclosure Agreement and the other Transaction Documents, constitute the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(d) **Succession and Assignment**. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. The Company and the Sellers may not assign or delegate either this Agreement or any of their respective rights, interests or obligations hereunder without the prior written approval of the Buyer.

(e) **Counterparts**. This Agreement may be executed in counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(f) **Headings**. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) **Notices**. All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered against receipt or sent by facsimile machine, nationally recognized commercial (including FedEx and UPS) or U.S. Postal Service overnight delivery service, or, deposited with the U.S. Postal Service mailed first class, registered or certified mail, postage prepaid, return receipt requested, as set forth below:

If to the Buyer or the Company after the Closing, to:

Access Integrated Technologies, Inc.
55 Madison Avenue, Suite 300
Morristown, New Jersey 07960
Telephone: 973-290-0027
Facsimile: 973-290-0081
Attention: General Counsel

With a required copy (that shall not itself constitute notice) to:
Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Telephone: (212) 808-7800
Facsimile: (212) 808-7897
Attention: Avery S. Fischer, Esq.

If to the Company or the Sellers prior to Closing to:

Granite Equity Limited Partnership
3051 2nd Street S., Suite 105
St. Cloud, Minnesota 56301
Telephone: (320) 251-1800
Facsimile: (320) 251-1804
Attention: Richard L. Bauerly

With a required copy (that shall not itself constitute notice) to:
Leonard, Street and Deinard, Professional Association
3800 Eighth Street North
St. Cloud, Minnesota 56303
Telephone: (320) 654-4100
Facsimile: (320) 654-4101
Attention: Bradley J. Gillan

Notices shall be deemed given upon the earlier to occur of (i) receipt by the Party to whom such notice is directed; (ii) if sent by facsimile machine, on the Business Day such notice is sent if sent (as evidenced by the facsimile confirmed receipt) prior to 5:00 p.m. Eastern Time and, if sent after 5:00 p.m. Eastern Time, on the Business Day after which such notice is sent; (iii) on the first (1st) Business Day following the day the same is deposited with the commercial carrier or U.S. Postal Service if sent by commercial overnight delivery' service; or (iv) the fifth (5th) Business Day following deposit thereof with the U.S. Postal Service as aforesaid. Each Party by notice duly given in accordance therewith may specify a different address for the giving of any notice hereunder.

(h) **Governing Law**. This Agreement shall be governed by and construed in accordance with the substantive Laws of the State of New York without giving effect to any choice or conflict of Law provision (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York.

(i) **Amendments and Waivers**. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties to be charged therewith. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such default, misrepresentation, or breach of warranty or covenant.

(j) **Severability**. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of

the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) **Expenses**. Each of the Parties will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the Transactions.

(l) **Computation of Days**. Whenever this Agreement provides for a date, day or period of time on or prior to which actions or events are to occur or not occur, and if such date, day or last day of such period of time falls on a day other than a Business Day, then the same shall be deemed to fall on the immediately following Business Day.

(m) **Submission to Jurisdiction**. Each of the Parties irrevocably submits to the jurisdiction of any state or federal court sitting in New York, New York, in any Action arising out of or relating to this Agreement or any other Transaction Document and agrees that all claims in respect of the Action may be heard and determined in any such court. Each Party also agrees not to bring any Action arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense or objection of improper venue or inconvenient forum to the maintenance of any Action so brought and waives any bond, surety, or other security that might be required of any other Party with respect thereto.

[signature page follows]

[signature page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By: /s/ A. Dale Mayo
Name: A. Dale Mayo
Title: CEO

UNIQUESCREEN MEDIA, INC.

By: /s/ Robert E. Martin
Name: Robert E. Martin
Title: President

GRANITE EQUITY LIMITED PARTNERSHIP,
as Stockholder Representative and a Seller

By: /s/ Richard L. Bauerly
Name: Richard L. Bauerly
Title: Principal and General Partner

EXECUTION VERSION

OTHER SELLERS

By: /s/ Eugene K. Schreder
Name: **Eugene K. Schreder**

By: /s/ Alyssa M. Schreder
Name: **Alyssa M. Schreder**

By: /s/ Shawn A. Teal
Name: **Shawn A. Teal**

By: /s/ Robert E. Martin
Name: **Robert E. Martin**

By: /s/ John R. Brownson
Name: **John B. Brownson**

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

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EXECUTION VERSION

STOCK PURCHASE AND SALE AGREEMENT

by and among

ACCESS INTEGRATED TECHNOLOGIES, INC.,

UNIQUESCREEN MEDIA, INC.,

THE HOLDERS OF CAPITAL STOCK
OF
UNIQUESCREEN MEDIA, INC.,

and

GRANITE EQUITY LIMITED PARTNERSHIP,
as Stockholder Representative

July 6, 2006

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

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List of Exhibits

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CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Exhibit A
Form of Employment Agreement

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement"), dated as of July ___, 2006, by and between UniqueScreen Media, Inc. (the "Company"), a Delaware corporation, and [_____] ("Employee").

WHEREAS, pursuant to the Stock Purchase and Sale Agreement, dated as of July ___, 2006, by and among Access Integrated Technologies, Inc. ("AIX"), the Company, all of the stockholders of the Company (the "Stockholders"), and Granite Equity Limited Partnership, and Stockholder Representative (each as defined therein), AIX will purchase all of the issued and outstanding stock of the Company from the Stockholders on the condition that Employee enter into this Employment Agreement, including, the Confidentiality and Non-Solicitation Agreement, the form of which is attached as Exhibit A hereto, and any related agreement not to compete;

WHEREAS, Employee was a **[**_____**]** of the Company;

WHEREAS, the Company desires to enter into an agreement with Employee, effective as of the date hereof (the "Commencement Date"), to set out the terms and conditions of Employee' s employment by the Company from and after the Commencement Date; and

WHEREAS, Employee desires to provide services to the Company and the Company desires to retain the services of Employee.

NOW, THEREFORE, the Company and Employee hereby agree as follows:

1. Employment.

1.1. General. The Company hereby employs Employee in the capacity of **[**_____**]** or in such other **[**executive**]** position as may be mutually agreed upon by Employee and the Company. Employee hereby accepts such employment, upon the terms and subject to the conditions herein contained.

1.2. Duties. During the Employee' s employment with the Company, Employee will report directly to **[**the Company' s **[**_____**]** or such other **[**executive**]** officer as the **[**_____**]** shall designate**]**. Employee will be responsible for those duties consistent with Employee' s position as may from time to time be assigned to or requested of Employee by **[**the **[**_____**]** or the Board of Directors of the Company (the "Board")**]**. Employee shall perform such responsibilities faithfully and effectively. Employee shall conduct all of his activities in a manner so as to maintain and promote the business and reputation of the Company.

1.3. Full-Time Position. Employee, during his employment with the Company, will devote all of his business time, attention and skills to the business and affairs of the Company; provided, however, that Employee shall be entitled to provide time and attention to personal and family business matters so long as such activities (i) do not violate the terms of

any non-competition covenant between the Employee and the Company or its affiliates, and (ii) do not interfere with the performance of Employee' s responsibilities as **[**an executive**]** of the Company. In addition, nothing in this Agreement shall prevent Employee, upon approval of the Board of Directors of the Company, from serving as a director, trustee or advisor of other corporations or businesses which are not in competition with the business of the Company or its affiliates.

2. Compensation and Benefits.

2.1. Base Salary. The Company shall pay to Employee as full compensation for any and all services rendered in any capacity during the term of his employment under this Agreement, an annualized, minimum base salary of $**[**_____**]** ("Base Salary"), subject to such increases, if any, as the Board shall determine, in its sole discretion. Employee' s Base Salary shall be payable in accordance with the regular payroll practices of the Company, as in effect from time to time.

2.2. Additional Compensation. Employee shall have no guaranteed bonus. Any bonus payable to Employee shall be determined by the Board in its sole and absolute discretion based upon performance targets, if any, which may be adopted by the Board promptly after commencement of the term hereof and at the beginning of each year of employment hereunder.

2.3. Employee Benefits.

2.3.1. Expenses. The Company will reimburse Employee for expenses he reasonably incurs in connection with the performance of his duties (including business travel and entertainment expenses) upon the presentation of appropriate documentation therefor, all in accordance with the Company' s policies with respect thereto, as in effect from time to time.

2.3.2. Benefit Plans. As long as Employee remains a full-time employee of the Company, Employee shall be entitled to participate in such **[**executive**]** benefit plans and programs the Company may from time to time offer or provide to executives of the Company at similar levels, including, but not limited to, any life insurance, health and accident, medical and dental, disability and retirement plans and programs, 401(k) or similar profit sharing or pension plans.

2.3.3. Vacation. Employee shall be eligible for **[**three (3) weeks**]** of paid vacation per year. All vacation must be used by December 31 of each year of Employee' s employment at which time any unused vacation shall expire and Employee shall no longer be entitled to such vacation. Except as may be required by applicable law, no compensation shall be payable in respect of any unused vacation days.

2.4. Employment Term. Employee' s employment by the Company pursuant to this Agreement shall commence on the Commencement Date and, except as provided in Section 3.1 hereof, will continue until the one year anniversary of the Commencement Date (the "Initial Term"). Thereafter, this Agreement shall be automatically renewed for successive

one year periods (the Initial Term, together with any subsequent employment period being referred to herein as the "Employment Term"); provided, however, that either party may elect to terminate this Agreement as of the end of the then current Employment Term, by written notice to such effect delivered to the other party at least 90 days prior to such termination date.

3. Termination of Employment.

3.1. Events of Termination. Employee' s employment with the Company will terminate upon the occurrence of any one or more of the following events:

3.1.1. Death. In the event of Employee' s death, Employee' s employment will terminate on the date of death.

3.1.2. Disability. In the event of Employee' s Disability (as hereinafter defined), the Company will have the option to terminate Employee' s employment by giving a notice of termination to Employee. The notice of termination shall specify the date of termination, which date shall not be earlier than thirty (30) days after the notice of termination is given. For purposes of this Agreement, "Disability" means the inability of Employee to substantially perform his duties hereunder for either 90 consecutive days or a total of 120 days out of 365 consecutive days as a result of a physical or mental illness, all as determined in good faith by the Board.

3.1.3. Termination by the Company for Cause. The Company may, at its option, terminate Employee' s employment for "Cause" determined in good faith by a majority of the Board (exclusive of Employee if Employee shall then serve as a member of the Board) by giving a notice of termination to Employee specifying the reasons for termination and if Employee shall fail to cure the same within thirty (30) days of receiving such notice of termination his Employment shall terminate at the end of such thirty (30) day period; provided, that in the event the Board in good faith determines that the underlying reasons giving rise to such determination cannot be cured, then said cure period shall not apply and Employee' s employment shall terminate on the date of Employee' s receipt of the notice of termination. "Cause" shall mean (i) Employee' s conviction of, guilty or no contest plea to, or confession of guilt of, a felony or other crime involving moral turpitude; (ii) an act or omission by Employee in connection with his employment which constitutes gross negligence, malfeasance, willful misconduct or other bad faith conduct which is materially injurious to the Company; (iii) a material breach by Employee of this Agreement; (iv) continuing failure to perform such reasonable duties as are assigned to Employee by the Company in accordance with the terms of this Agreement, other than a failure resulting from a Disability as defined in Section 3.1.2 hereof; (v) Employee' s knowing taking any action in conflict of interest with the Company or any of its affiliates given Employee' s position with the Company but only to the extent that such action results in material harm to the Company.

3.2. Certain Obligations of the Company Following Termination of the Employee' s Employment. Following the termination of Employee' s employment under the circumstances described below, the Company shall pay to Employee in accordance with its regular payroll practices the following compensation and provide the following benefits in full

satisfaction and final settlement of any and all claims and demands that Employee now has or hereafter may have hereunder against the Company under this Agreement:

3.2.1. Death; Disability. In the event that Employee' s employment is terminated by reason of Employee' s death or Disability, Employee or his estate, as the case may be, shall be entitled to the following payments:

(i) continuing payments of Base Salary through the date of death of Employee or the date of termination due to Employee' s Disability in accordance with the Company' s regular payroll practices;

(ii) any additional compensation (including compensation pursuant to Section 2.2 and reimbursement pursuant to Section 2.3.1 hereof) earned but not yet paid with respect to the calendar year of termination, or, if based on annual performance, annualizing such performance to the date of death of Employee or the date of termination due to Employee' s Disability and pro rating such additional compensation for the portion of the calendar year prior to such termination, payable at the time such additional compensation would have been payable but for such death or Disability; and

(iii) The Company shall pay to Employee or his estate, as the case may be, the amounts and shall provide all benefits generally available under the employee benefit plans, and the policies and practices of the Company, determined in accordance with the applicable terms and provisions of such plans, policies and practices, in each case, as accrued to the date of termination or otherwise payable as a consequence of Employee' s death or Disability.

3.2.2. Termination by the Company for Cause. In the event Employee' s employment is terminated by the Company pursuant to Section 3.1.3 hereof, Employee shall be entitled to no further compensation or other benefits under this Agreement except that portion of any unpaid Base Salary accrued and earned by him hereunder up to and including the effective date of such termination and reimbursement pursuant to Section 2.3.1 hereof earned but not yet paid, up to and including the effective date of such termination.

3.2.3 Termination by Company Without Cause. In the event the Company terminates Employee without Cause, Employee shall be entitled to the following payments:

(i) continuing payments of Base Salary through the expiration of the Employment Term in accordance with the Company' s regular payroll practices;

(ii) any additional compensation (including compensation pursuant to Section 2.2 and reimbursement pursuant to Section 2.3.1 hereof) earned but not yet paid with respect to the calendar year of termination, or, if based on annual performance, through the end of the applicable year, payable at the time such additional compensation would have been payable but for such death or Disability;

(iii) The Company shall pay to Employee or his estate, as the case may be, the amounts and shall provide all benefits generally available under the employee benefit plans, and the policies and practices of the Company, determined in accordance with the applicable terms and provisions of such plans, policies and practices, in each case, as accrued to the date of termination; and

(iv) Employee shall, to the extent legally permissible, continue to participate in any life insurance, health insurance, and accident, medical and dental, disability and retirement plans and programs through the end of the Employment Term (and any Extended Term). To the extent that such participation is not legally permissible, the Company shall make or reimburse Employee for any continuation benefits under COBRA for the Employment Term (and any Extended Term).

3.3. Nature of Payments. All amounts to be paid by the Company to Employee pursuant to this Section 3 are considered by the parties to be severance payments. In the event such payments are treated as damages, it is expressly acknowledged by the parties that damages to Employee for termination of employment would be difficult to ascertain and the above amounts are reasonable estimates thereof. Notwithstanding anything to the contrary contained in this Agreement, payments due pursuant to Section 3.2.3(i) shall be reduced by the amount of any income received by Employee for services rendered as an employee to any other business or entity during the remainder of the Employment Term (and, if applicable, any Extended Term); provided, however, that in no case shall any reduction be made as a result of investment or other income earned by Employee in connection with activities other than the provision of employment or consulting services by Employee. Employee agrees to provide, upon request by the Company, copies of any Forms W-2 received by Employee for services rendered during any period in which Employee is entitled to receive payment pursuant to Section 3.2.3(i) of this Agreement.

4. Confidentiality and Non-Solicitation; Non-Compete.

Employee and Company shall enter into a Confidentiality and Non-Solicitation Agreement, the form of which is attached as Exhibit A hereto, as well as an agreement not to compete. The terms of those agreements and the duties and obligations thereunder shall be a part of this agreement and Employee agrees to perform its duties thereunder.

5. Miscellaneous Provisions.

5.1. Severability. If in any jurisdiction any term or provision hereof is determined to be invalid or unenforceable, (a) the remaining terms and provisions hereof shall be unimpaired, (b) any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction, and (c) the invalid or unenforceable term or provision shall, for purposes of such jurisdiction, be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

5.2. Execution in Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement (and all signatures need not appear on any one counterpart), and this Agreement shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto.

5.3. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed duly given when delivered by hand, or when delivered if mailed by registered or certified mail or overnight delivery, postage prepaid, return receipt requested as follows:

If to the Company, to:

Access Integrated Technologies, Inc.
55 Madison Avenue, Suite 300
Morristown, NJ 07960
Facsimile No.: 973-290-0081
Attention: President

Copy to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178
Facsimile No.: 212-808-7897
Attention: Jonathan Cooperman, Esq.

If to Employee, to:

[Name]
[Address]

or to such other address(es) as a party hereto shall have designated by like notice to the other parties hereto.

5.4. Amendment. No provision of this Agreement may be modified, amended, waived or discharged in any manner except by a written instrument executed by the Company and Employee.

5.5. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties hereto, oral or written, with respect to the subject matter hereof.

5.6. Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to

contracts entered into and to be performed wholly within said State. Employee and the Company hereby consent to the jurisdiction of the Federal and State courts located in the City of New York, County of New York and waive any objections to such courts based on venue in connection with any claim or dispute arising under this Agreement.

5.7. Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

5.8. Binding Effect; Successors and Assigns. Employee may not delegate his duties or assign his rights hereunder. This Agreement will inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

5.9. Waiver, etc. The failure of either of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Agreement or any provision hereof or the right of either of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party against whom or which enforcement of such waiver is sought, and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

5.10. Representations and Warranties. Employee and the Company hereby represent and warrant to the other that: (a) he or it has full power, authority and capacity to execute and deliver this Agreement, and to perform his or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which he or it is a party or he or it is otherwise bound; and (c) this Agreement is his or its valid and binding obligation in accordance with its terms; and (d) Employee represents and warrants that he is under no other obligations, contractual or otherwise, that could impair his ability to perform his obligations under this Agreement.

5.11. Enforcement. If any party institutes legal action to enforce or interpret the terms and conditions of this Agreement, the prevailing party shall be awarded reasonable attorneys' fees at all trial and appellate levels, and the expenses and costs incurred by such prevailing party in connection therewith.

5.12. Continuing Effect. Where the context of this Agreement requires, the respective rights and obligations of the parties shall survive any termination or expiration of the term of this Agreement.

5.13. Expenses. Each party to this Agreement agrees to bear his or its own expenses in connection with the negotiation and execution of this Agreement.

5.14 Full Understanding. Employee declares and represents that Employee has carefully read and fully understands the terms of this Agreement, has had the

opportunity to obtain advice and assistance of counsel with respect thereto, and knowingly and of Employee' s own free will, without any duress, being fully informed and after due deliberation, voluntarily accepts the terms of this Agreement and represents that the execution, delivery and performance of this Agreement does not violate any agreement to which Employee is subject.

(a) This Agreement was entered into at arm' s length, without duress or coercion, and is to be interpreted as an agreement between parties of equal bargaining strength. Both the Company and the Employee agree that this Agreement is clear and unambiguous as to its terms, and that no parol or other evidence will be used or admitted to alter or explain the terms of this Agreement, but that it will be interpreted based on the language within its four corners in accordance with the purposes for which it is entered into.

(b) The parties hereto expressly agree that any rule or contractual interpretation, as applied under any law or, that would allow parol or extrinsic evidence to attempt to show fraud in the inducement or duress to contradict the plain, unambiguous terms of this Agreement shall not apply to this Agreement and its performance and enforcement. This provision is a material part of this Agreement and, should any party try to introduce evidence contrary to this provision, any other party shall be entitle to consider it a breach and to rescind this contract in full.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Employment Agreement has been executed and delivered by the parties hereto as of the date first above written.

UNIQUESCREEN MEDIA, INC.

By:_____
Name:
Title:

EMPLOYEE:

_____
Name:

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

EXHIBIT A

FORM OF CONFIDENTIALITY AND
NON-SOLICITATION AGREEMENT

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Exhibit B-1
Form of First Promissory Note

PROMISSORY NOTE

$[1,000,000.00]

Morristown, New Jersey
_____, 2006

For value received, the undersigned, Access Integrated Technologies, Inc., a Delaware corporation ("Maker") promises to pay to the order of Granite Equity Limited Partnership ("Payee"), as the representative, on behalf of the holders of all of the capital stock of UniqueScreen Media, Inc. ("USM") at the Payee' s offices at 3051 2nd Avenue, Suite 105, St. Cloud, Minnesota 56301, in immediately available funds, the principal amount of [One Million Dollars ($1,000,000.00)], payable in twelve (12) equal quarterly installments in arrears on the first day of the first month of the quarter, commencing on October 1, 2006 and continuing on the first day of the first month of each calendar quarter thereafter until July 1, 2009 when the remaining principal balance plus accrued interest shall be payable in full, and to pay interest in like money and funds on the unpaid principal amount hereof, from the date hereof until this Note is paid in full, at a rate per annum equal to 8%, compounded quarterly from the date hereof. Interest shall be calculated on the basis of a year of 365 days and actual days elapsed. All unpaid amounts due under this Note shall be subject to the terms and conditions of that certain Stock Purchase and Sale Agreement, dated July __, 2006, by and among Maker, USM, Payee, the other Sellers party thereto and Granite Equity Limited Partnership, as Stockholder Representative (as defined therein) (the "Purchase Agreement"), and Maker shall be entitled to withhold or set-off against any amounts due under the Note any and all Claims (as defined under the Purchase Agreement) or amounts owed by Payee to Maker pursuant to the Purchase Agreement. All payments under this Note shall be made free and clear of any withholding or deduction, including without limitation any withholding or deduction for or on account of any tax charges or withholding. For purposes of this Note, the term "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for general business transactions in New York, New York.

If this Note or any amount payable hereunder becomes due and payable on a day which is not a Business Day, then the maturity thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable during such extension at the rate applicable to the Note prior to such extension.

Unless the holder hereof shall notify the Maker to the contrary, the unpaid principal amount hereof, all accrued interest hereon and all other amounts payable hereunder shall become immediately due and payable without further notice, protest, presentment, demand or other formalities of any kind, all of which the Maker expressly waives, if any of the following events (each an "Event of Default") shall occur: (a) the Maker shall be unable or admit his inability to pay his debts as they mature or shall make a general assignment for the benefit of creditors; or (b) a custodian, trustee, receiver, agent or similar official shall be appointed for the Maker or any substantial part of his property; or (c) the Maker shall be adjudicated a bankrupt or insolvent; or (d) a petition in bankruptcy or seeking reorganization or an arrangement of creditors, or to take advantage of any bankruptcy, insolvency or similar law, shall be filed by or against the Maker; or (e) the Maker shall default in the payment or performance of any amount or obligation hereunder when and as due.

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

This Note may be prepaid in whole or from time to time in part without premium or penalty upon not less than two Business Days' irrevocable notice from the Maker to the Payee, provided that the Maker shall pay all accrued and unpaid interest on the amount so prepaid on the date of any such prepayment.

Without limiting the foregoing, upon the occurrence of an Event of Default, Payee shall have all rights, remedies, powers and privileges provided by applicable law, all of which rights, remedies, powers and privileges may be exercised without notice to or consent by Maker, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies, powers and privileges granted to Payee hereunder or under applicable law, are cumulative, not exclusive, and enforceable, in Payee' s discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Maker of this Note.

The Maker promises to pay costs of collection and attorneys' fees in case default is made in payment of this Note.

No modification, alteration or change of any provision of this Note shall be effective unless in writing and signed by the Maker and Payee and only to the extent set forth therein.

This Note shall be governed by and construed in accordance with, the laws of New York.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By:_____

Name:

Title:

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Exhibit B-2
Form of Second Promissory Note

PROMISSORY NOTE

$[4,000,000.00]

Morristown, New Jersey
_____, 2006

For value received, the undersigned, Access Integrated Technologies, Inc., a Delaware corporation ("Maker") promises to pay to the order of Granite Equity Limited Partnership ("Payee"), as the representative, on behalf of the holders of all of the capital stock of UniqueScreen Media, Inc. ("USM") at the Payee' s offices at 3051 2nd Avenue, Suite 105, St. Cloud, Minnesota 56301, in immediately available funds, the principal amount of [Four Million Dollars ($4,000,000.00)], payable on the earlier of (i) the date of execution of a definitive *** agreement *** between the Company and *** or (ii) November 30, 2006, plus accrued interest, at a rate per annum equal to 8%, compounded quarterly from the date hereof. Interest shall be calculated on the basis of a year of 365 days and actual days elapsed. This Note shall be subject to the terms and conditions of that certain Stock Purchase and Sale Agreement, dated July __, 2006, by and among Maker, USM, Payee, the other Sellers party thereto and Granite Equity Limited Partnership, as Stockholder Representative (as defined therein) (the "Purchase Agreement"), and Maker shall be entitled to withhold or set-off against any amounts due under the Note pursuant to Section 2(e)(iii) of the Purchase Agreement. Maker shall not be entitled to withhold or set-off any amounts due hereunder for any other Claims (as defined in the Purchase Agreement) or any other amounts owed by Payee to Maker pursuant to the Purchase Agreement. All payments under this Note shall be made free and clear of any withholding or deduction, including without limitation any withholding or deduction for or on account of any tax charges or withholding. For purposes of this Note, the term "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for general business transactions in New York, New York.

If this Note or any amount payable hereunder becomes due and payable on a day which is not a Business Day, then the maturity thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable during such extension at the rate applicable to the Note prior to such extension.

Unless the holder hereof shall notify the Maker to the contrary, the unpaid principal amount hereof, all accrued interest hereon and all other amounts payable hereunder shall become immediately due and payable without further notice, protest, presentment, demand or other formalities of any kind, all of which the Maker expressly waives, if any of the following events (each an "Event of Default") shall occur: (a) the Maker shall be unable or admit his inability to pay his debts as they mature or shall make a general assignment for the benefit of creditors; or (b) a custodian, trustee, receiver, agent or similar official shall be appointed for the Maker or any substantial part of his property; or (c) the Maker shall be adjudicated a bankrupt or insolvent; or (d) a petition in bankruptcy or seeking reorganization or an arrangement of creditors, or to take advantage of any bankruptcy, insolvency or similar law, shall be filed by or against the Maker; or (e) the Maker shall default in the payment or performance of any amount or obligation hereunder when and as due.

_____

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

This Note may be prepaid in whole or from time to time in part without premium or penalty upon not less than two Business Days' irrevocable notice from the Maker to the Payee, provided that the Maker shall pay all accrued and unpaid interest on the amount so prepaid on the date of any such prepayment.

Without limiting the foregoing, upon the occurrence of an Event of Default, Payee shall have all rights, remedies, powers and privileges provided by applicable law, all of which rights, remedies, powers and privileges may be exercised without notice to or consent by Maker, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies, powers and privileges granted to Payee hereunder or under applicable law, are cumulative, not exclusive, and enforceable, in Payee' s discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Maker of this Note.

The Maker promises to pay costs of collection and attorneys' fees in case default is made in payment of this Note.

No modification, alteration or change of any provision of this Note shall be effective unless in writing and signed by the Maker and Payee and only to the extent set forth therein.

This Note shall be governed by and construed in accordance with, the laws of New York.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By:_____

Name:

Title:

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Exhibit C
Form of Registration Rights Agreement

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement is entered into as of July ___, 2006, by Access Integrated Technologies, Inc., a Delaware corporation (the "Company"), and the stockholders signatory hereto (collectively, "Stockholders" and, individually, a "Stockholder").

WITNESSETH

WHEREAS, the Company, UniqueScreen Media, Inc. ("USM"), the Stockholders and Granite Equity Limited Partnership, as the Stockholder Representative (each as defined therein) have entered into a certain Stock Purchase and Sale Agreement, dated as of July ___, 2006 (the "Stock Purchase Agreement"), pursuant to which the Company has agreed to issue to Stockholders an aggregate of [_____] shares of the Company' s Common Stock, $0.01 par value per share (the "Common Stock"), on terms as set forth in the Stock Purchase Agreement; and

WHEREAS, pursuant to the Stock Purchase Agreement the Company may issue additional shares of Common Stock to the Stockholders in payment of the Earn Out Amount (as defined therein), if any; and

WHEREAS, to induce Stockholders to enter into the Stock Purchase Agreement and to accept such shares of Common Stock as consideration under the terms of the Stock Purchase Agreement, the Company has agreed to provide registration rights with respect thereto.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, it is agreed as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Stock Purchase Agreement are used herein as therein defined, and the following shall have the following respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Agreement" shall mean this Registration Rights Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to the Agreement as the same may be in effect at the time such reference becomes operative.

"Commission" shall mean the Securities and Exchange Commission or any other federal agency then administering the Securities Act and other federal securities laws.

"Company" shall have the meaning set forth in the preamble to this Agreement.

"Earn Out Registrable Securities" shall mean the shares of Common Stock issued by the Company to Stockholders in payment of the Earn Out Amount pursuant to the Stock Purchase Agreement; provided, however that Earn Out Securities shall not include any shares of such Common Stock held by Stockholders that (a) have previously been effectively registered under Section 5 of the Securities Act or disposed of pursuant to a Registration Statement or (b) have been transferred pursuant to Rule 144 under the Securities Act or any successor rule or

which have been sold in a private transaction in which the transferor' s rights under the Agreement are not assigned.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Indemnified Party" shall mean a party entitled to indemnity in accordance with Section 6.

"Indemnifying Party" shall mean a party obligated to provide indemnity in accordance with Section 6.

"NASD" shall mean the National Association of Securities Dealers, Inc., or any successor corporation thereto.

"Registrable Securities" shall mean the Stock Payment Registrable Securities and the Earn Out Registrable Securities.

"Registration Statement" shall mean a registration statement under the Securities Act on any form (other than a registration statement on Form S-4 or S-8 or any successor form for securities to be offered in a transaction of the type referred to in Rule 145 under the Securities Act or to employees of the Company pursuant to any employee benefit plan, respectively) for the general registration of securities.

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Stockholders" shall have the meaning set forth in the preamble to this Agreement.

"Stock Payment Registrable Securities" shall mean the shares of Common Stock issued by the Company to Stockholders in payment of the Stock Payment pursuant to the Stock Purchase Agreement; provided, however that Registrable Securities shall not include any shares of such Common Stock held by Stockholders that (a) have previously been effectively registered under Section 5 of the Securities Act or disposed of pursuant to a Registration Statement or (b) have been transferred pursuant to Rule 144 under the Securities Act or any successor rule or which have been sold in a private transaction in which the transferor' s rights under the Agreement are not assigned.

"Stock Purchase Agreement" shall have the meaning set forth in the preamble of this Agreement.

2. Registration Rights for Stock Payment Registrable Securities. As soon as practicable after the Closing, but in no event later than 30 days after the Closing, the Company shall file a Registration Statement with the Commission covering not less than all of the Stock Payment Registrable Securities. The Company shall use commercially reasonable efforts to

cause the Registration Statement to be declared effective by the Commission not later than 180 days after filing such Registration Statement.

3. Registration Rights for Earn Out Registrable Securities. Provided that the Company is eligible to file a registration statement on Form S-3, not later than January 31 following any immediately preceding calendar year in which Earn Out Registrable Securities were issued by the Company to Stockholders, the Company shall file a Registration Statement with the Commission covering not less than all of the Earn Out Securities so issued during such previous year. The Company shall use commercially reasonable efforts to cause the Registration Statement to be declared effective by the Commission not later than 180 days after filing such Registration Statement.

4. Registration Procedures. If the Company is required by the provisions of Sections 2 or 3 to use reasonable efforts to effect the registration of any of its securities under the Securities Act, the Company shall promptly:

(a) prepare and file with the Commission a Registration Statement with respect to such securities and use commercially reasonable efforts to cause such Registration Statement to become and remain effective for two years following the filing of such Registration Statement or until disposition of the securities covered by the Registration Statement, whichever is earlier;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all securities covered by such Registration Statement until the earlier of such time as all of such securities have been disposed of in a public offering or the expiration of two years following the filing of such Registration Statement, whichever is earlier;

(c) furnish to the Stockholder Representative, such number of copies of a summary prospectus or other prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents, as the Stockholder Representative may reasonably request;

(d) use commercially reasonable efforts to register or qualify the securities covered by such Registration Statement under such other applicable state securities or blue sky laws of such jurisdictions as the Stockholder Representative shall request (provided, however, that the Company shall not be obligated to qualify as a foreign corporation to do business under the laws of any jurisdiction in which it is not then qualified or to file any general consent to service or process), and do such other reasonable acts and things as may be required of it to enable Stockholders to consummate the disposition in such jurisdiction of the securities covered by such Registration Statement;

(e) enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities; and

(f) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to the Stockholder Representative, as soon as reasonably practicable, but not later than eighteen (18) months after the effective date of the Registration Statement, an earnings statement covering the period of at least twelve (12) months beginning with the first full month after the effective date of such Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

At any time before the Registration Statement covering the Stock Payment Registrable Securities or the Earn Out Registrable Securities, as the case may be, becomes effective, the Stockholder Representative may request the Company to withdraw or not to file such Registration Statement. In that event, Stockholders shall have used their registration rights under Section 2(a) or Section 3(a) of this Agreement, as the case may be, unless Stockholders shall pay to the Company the expenses incurred in connection therewith by the Company through the date of such request.

It shall be a condition precedent to the obligation of the Company to take any action pursuant to this Agreement in respect of the securities which are to be registered at the request of Stockholders that Stockholders shall furnish to the Company such information regarding the securities held by Stockholders and the intended method of disposition thereof as the Company shall reasonably request and as shall be required in connection with the action taken by the Company.

5. Expenses. Except as provided for herein, all expenses incurred in complying with this Agreement, including, without limitation, all registration and filing fees (including all expenses incident to filing with the NASD), printing expenses, fees and disbursements of counsel for the Company, expenses of any special audits incident to or required by any such registration and expenses of complying with the securities or blue sky laws of any jurisdiction pursuant to Section 4(d), shall be paid by the Company, except that:

(a) all such expenses in connection with any amendment or supplement to the Registration Statement or prospectus filed more than one hundred eighty (180) days after the effective date of such Registration Statement because any Stockholder has not effected the disposition of the securities requested to be registered shall be paid by such Stockholder; and

(b) The Company shall not be liable for any fees, discounts or commissions to any underwriter or any fees or disbursements of counsel for any underwriter or any stock transfer taxes in respect of the securities sold by Stockholders.

6. Indemnification and Contribution.

(a) In the event of any registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless Stockholders, each Stockholder' s directors and officers, and each other person (including each underwriter) who participated in the offering of such Registrable Securities and each other person, if any, who controls each Stockholder or such participating person within the meaning of

the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which Stockholders or any such director or officer or participating person or controlling person may become subject under the Securities Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any alleged untrue statement of any material fact contained, on the effective date thereof, in any Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or any free-writing prospectus or (ii) any alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse such holder or such director, officer or participating person or controlling person for any legal or any other expenses reasonably incurred by Stockholders or such director, officer or participating person or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based solely upon any actual or alleged untrue statement or actual or alleged omission made in such Registration Statement, preliminary prospectus, prospectus or amendment or supplement in reliance upon and in conformity with written information furnished to the Company by the Stockholder Representative or any Stockholder specifically for use therein. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Stockholders or such director, officer or participating person or controlling person, and shall as to Stockholders survive the transfer of such securities by Stockholders.

(b) Stockholders, by acceptance hereof, agree to indemnify and hold harmless the Company, its directors, officers, agents, employees and each other person, if any, who controls the Company within the meaning of the Securities Act against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or any such person may become subject under the Securities Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon information in writing provided to the Company by any Stockholder specifically for use in the following documents and contained, on the effective date thereof, in any Registration Statement under which securities were registered under the Securities Act at the request of Stockholders, any preliminary prospectus or final prospectus contained therein, or any free-writing prospectus, or any amendment or supplement thereto. Notwithstanding the provisions of this paragraph (b) or paragraph (c) below, Stockholders shall not be required to indemnify any person pursuant to this Section 6 or to contribute pursuant to paragraph (c) below in an amount in excess of the amount of the aggregate net proceeds received by such Stockholders in connection with any such registration under the Securities Act.

(c) If the indemnification provided for in this Section 6 from the indemnifying party is unavailable to an indemnified party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such

indemnifying party and indemnified parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(d) Notices of Claims, Etc. Promptly after receipt by an Indemnified Party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraph (a) or (b) of this Section 6, such Indemnified Party will, if a claim in respect thereof is to be made against an Indemnifying Party pursuant to such paragraphs, give written notice to the latter of the commencement of such action, provided that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under the preceding paragraphs of this Section 6, except to the extent that the Indemnifying Party is actually prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, the Indemnifying Party shall be entitled to participate in and to assume the defense thereof, jointly with any other Indemnifying Party similarly notified to the extent that it may wish, and after notice from the Indemnifying Party to such Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation; provided that the Indemnified Party may participate in such defense at the Indemnified Party' s expense; and provided further that the Indemnified Party (or Indemnified Parties) shall have the right to employ one counsel and one local counsel to represent it (or them, collectively) if, in the reasonable judgment of the Indemnified Party or Indemnified Parties, it is advisable for it (or them) to be represented by separate counsel by reason of having legal defenses which are different from or in addition to those available to the Indemnifying Party, and in that event the reasonable fees and expenses of such counsel shall be paid by the Indemnifying Party; provided further, however, that if an Indemnified Party (or Indemnified Parties) shall have reasonably concluded, after consultation with counsel, that there may be defenses available to it (or them) that are different from, additional to, or in conflict with those available to one or all of the Indemnified Parties such Indemnified Party (or Indemnified Parties) shall have the right to employ separately one counsel and one local counsel to represent it (or them, collectively), and in that event the reasonable fees and expenses of such counsel, shall also be paid by the Indemnified Party. If the Indemnifying Party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel for the Indemnified Parties with respect to such claim. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement without the consent of the Indemnified Party

which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation. No Indemnifying Party shall be subject to any liability for any settlement made without its consent, which consent shall not be unreasonably withheld.

(e) The obligations of the Company and the Stockholders under this Section 6 survive the completion of any sale of Registrable Securities or termination of registration rights under this Agreement.

7. Certain Limitations on Registration Rights.

(a) Notwithstanding the other provisions of this Agreement, the Company shall not be obligated to register the Registrable Securities of Stockholders if, in the opinion of counsel to the Company reasonably satisfactory to Stockholders and their counsel, the sale or other disposition of Stockholders' Registrable Securities, in the manner proposed by Stockholders, may be effected without limitation and without registering such Registrable Securities under the Securities Act.

(b) The Company shall not be obligated to file and cause to become effective (i) more than one (1) Registration Statement initiated pursuant to Section 2(a) of this Agreement, (ii) more than one (1) Registration Statement initiated pursuant to Section 3(a) of this Agreement for any particular calendar year or (iii) any registration that would require an audit of the Company to be performed outside of the ordinary course of business.

(c) If the Company shall furnish to the Stockholder Representative on behalf of Stockholders requesting a Registration Statement pursuant to Sections 2 or 3, a certificate signed by an executive officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, the Company shall not be required to effect such a Registration Statement and the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Stockholders, provided that such right to delay a request shall be exercised by the Company not more than once in any twelve (12)-month period.

8. Delay of Registration; Furnishing Information.

(a) Stockholders shall not have any right to obtain or seek an injunction restraining or otherwise delaying any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Agreement.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2 or 3 that each Stockholder shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of such securities as shall be required to effect the registration of its Registrable Securities.

9. Agreement to Furnish Information. Stockholders agree to execute and deliver such other agreements as may be reasonably requested by the Company which are

consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company, Stockholders shall provide, within ten (10) days of such request, such information as may be required by the Company in connection with the completion of any public offering of the Company' s securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 9 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future.

10. Miscellaneous.

(a) No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to Stockholders in this Agreement.

(b) Remedies. Stockholders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(c) Amendment and Waiver. This Agreement may not be amended or waived except in a writing executed by the party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

(d) Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or three business days after being mailed by first class U.S. mail, return receipt requested, or when receipt is acknowledged, if sent by facsimile, telecopy or other electronic transmission device. Notices, demands and communications to the Company and Stockholders will, unless another address is specified in writing, be sent to the address indicated below:

Notices to Company:

Access Integrated Technologies, Inc.
55 Madison Avenue, Suite 300
Morristown, New Jersey 07960
Attn: General Counsel
Telephone: (973) 290-0027
Facsimile: (973) 290-0081

with a copy to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attn: Jonathan Cooperman, Esq.
Telephone: (212) 808-7800
Facsimile: (212) 808-7897

Notices to Stockholders:

Granite Equity Limited Partnership
3051 2nd Street S., Suite 105
St. Cloud, Minnesota 56301
Telephone: (320) 251-1800
Facsimile: (320) 251-1804
Attention: Richard L. Bauerly

with a copy to:

Leonard, Street and Deinard, Professional Association
3800 Eighth Street North
St. Cloud, Minnesota 56303
Telephone: (320) 654-4100
Facsimile: (320) 654-4101
Attention: Bradley J. Gillan

(e) Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by Stockholders without the prior written consent of the other party hereto.

(f) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(g) Complete Agreement. This Agreement, the Stock Purchase Agreement and the other Transaction Documents contain the complete agreement between the parties and supersedes any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

(h) Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.

(i) Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts entered into and to be performed wholly within said State. The parties hereto hereby consent to the jurisdiction of the Federal and State courts located in New York County, New York and waive any objections to such courts based on venue in connection with any claim or dispute arising under this Agreement. Each of the parties hereto hereby irrevocably waives any and all right to a trial by jury in any legal proceedings arising out of or relating to this Agreement.

[signature page follows]

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Access Integrated Technologies, Inc.

By:_____
Name:
Title:

[Stockholders]

By:_____
Name:
Title:

[Signature Page to Registration Rights Agreement]

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Exhibit D
Form of Stockholder Representative Agreement

STOCKHOLDER REPRESENTATIVE AGREEMENT

1. THIS STOCKHOLDER REPRESENTATIVE AGREEMENT (this "**Agreement**") is made and entered into as of July ___, 2006, by and between Granite Equity Limited Partnership, a Minnesota limited partnership (the "Stockholder Representative") and all of the stockholders of UniqueScreen Media, Inc., a Delaware corporation ("USM"), listed on the signatory page hereto (collectively, "USM Stockholders" and, individually, a "USM Stockholder"). Capitalized terms used in this Agreement, unless otherwise defined herein, shall be deemed to have the same meaning assigned to them in the Stock Purchase and Sale Agreement, dated as of July ___, 2006, by and among Access Integrated Technologies, Inc. ("AccessIT"), USM, the USM Stockholders and the Stockholder Representative, as Stockholder Representative (each as defined therein) (the "Stock Purchase Agreement").

WITNESSETH

WHEREAS, AccessIT, USM, the USM Stockholders and the Stockholder Representative have entered into the Stock Purchase Agreement, whereby AccessIT will purchase all of the issued and outstanding shares of Capital Stock of the Company; and

WHEREAS, the Stock Purchase Agreement grants certain rights to the USM Stockholders and imposes certain obligations on the USM Stockholders;

WHEREAS, the Stock Purchase Agreement requires that the Stockholder Representative shall be named to serve as agent and representative of the USM Stockholders for the purposes set forth therein; and

WHEREAS, this Agreement is attached to and incorporated by reference into the Stock Purchase Agreement;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Appointment. The Stockholder Representative shall act as the agent and representative of all of the USM Stockholders for the purposes, and with the powers and duties, set forth in the Stock Purchase Agreement, including those set forth in Section 9(c) of the Stock Purchase Agreement. This Agreement is incorporated into and an integral part of the Stock Purchase Agreement. In consideration of the terms and conditions of the Stock Purchase Agreement, each USM Stockholder shall be bound by the terms and conditions of this Agreement upon Closing.

(a) Each USM Stockholder hereby appoints the Stockholder Representative as his, her or its agent, representative and attorney-in-fact with full power and authority to represent each such USM Stockholder and his, her or its successors with respect to all matters arising

under this Agreement and the Stock Purchase Agreement and to perform all duties required of each such USM Stockholder, including, without limitation, those set forth in **Section 9(c)** of the Stock Purchase Agreement, and all actions taken by the Stockholder Representative hereunder and thereunder shall be binding upon all such USM Stockholders and their successors as if expressly confirmed and ratified in writing by each of them. The Stockholder Representative shall take any and all actions which it believes are necessary or appropriate under this Agreement and the Stock Purchase Agreement for and on behalf of such USM Stockholders, as fully as if such USM Stockholders were acting on their own behalf, including, without limitation, defending all indemnity claims, consenting to, compromising or settling all such indemnity claims, distributing to the USM Stockholders funds received from time to time from AccessIT, conducting negotiations with AccessIT, taking any and all other actions specified in or contemplated by this Agreement and the Stock Purchase Agreement and engaging counsel and accountants in connection with the foregoing matters. Without limiting the generality of the foregoing, the Stockholder Representative shall have full power and authority to interpret all the terms and provisions of this Agreement and the Stock Purchase Agreement and to consent to any amendment hereof or thereof on behalf of all such USM Stockholders and successors.

(b) The Stockholder Representative shall treat confidentially and not disclose any non-public information from or about AccessIT or USM (except on a need to know basis to individuals who agree to treat such information confidentially).

(c) A decision, act, consent or instruction of the Stockholder Representative shall constitute the decision, act, consent and instruction of all USM Stockholders and shall be final, binding and conclusive upon each such USM Stockholder, and AccessIT may rely upon any decision, act, consent or instruction of the Stockholder Representative as being the decision, act, consent or instruction of each and every USM Stockholder. AccessIT is hereby relieved from any liability to any Person for any acts done by them in accordance with such decision, act, consent or instruction of the Stockholder Representative.

(d) Set forth on Schedule A hereto is a complete and accurate list of each USM Stockholder' s name, tax identification number, address and the percentage of funds such USM Stockholder shall be entitled to receive upon distributions made by AccessIT to the Stockholder Representative for or on behalf of the USM Stockholders. The Stockholder Representative may assume without independent inquiry that the facts set forth in Schedule A are true and correct in all material respects and that Schedule A has not been and is not required to be amended. The Stockholder Representative shall promptly release all funds received from AccessIT to the USM Stockholders in accordance with the percentages set forth in Schedule A, subject to the adjustments set forth herein.

2. Responsibilities of Stockholder Representative. The Stockholder Representative shall have full power and authority to act for and on behalf of the USM Stockholders in regard to their rights under the Stock Purchase Agreement. Without limiting the foregoing, the Stockholder Representative is authorized to:

(a) Receive all notices under the Stock Purchase Agreement, issue all notices under the Stock Purchase Agreement as the Stockholder Representative shall determine in its sole

discretion to issue and perform such other administrative and other functions under this Agreement as may become necessary or desirable;

(b) Resolve all Claims or Actions for indemnification under the Stock Purchase Agreement; and

(c) Retain counsel of its choosing, experts and other professionals as may be necessary or desirable to assist in the resolution of any Claims or Actions for indemnification under the Stock Purchase Agreement.

The Stockholder Representative shall have no right to act as agent for service of process for any one of the USM Stockholders except that any notice delivered to the Stockholder Representative with respect to any Claim or Action arising pursuant to Section 9 of the Stock Purchase Agreement shall be deemed notice to all USM Stockholders with respect thereto.

3. **Third Party Beneficiaries.** The USM Stockholders and the Stockholder Representative acknowledge and agree that each of AccessIT and USM has an interest in assuring that actions required under this Agreement are taken in accordance with the terms and conditions set forth herein, and each of AccessIT and USM shall therefore be deemed to be third party beneficiaries of and under this Agreement for all purposes.

4. **Compensation/Expenses/Indemnification**. The Stockholder Representative shall be entitled to compensation from the USM Stockholders for services rendered and reimbursement of all reasonable expenses (including the cost of errors and omissions insurance and attorneys' fees and expenses) incurred in its capacity as Stockholder Representative from each USM Stockholder in that percentage set forth opposite such USM Stockholder' s name on Schedule A.) The USM Stockholders shall indemnify and hold harmless the Stockholder Representative from any and all Losses arising out of or in connection with the performance of its obligations pursuant to the Stock Purchase Agreement and this Agreement while acting in good faith, and in the exercise of reasonable judgment and any act done or omitted to be done pursuant to the written advice of counsel shall be conclusive evidence of such good faith. The USM Stockholders shall be jointly and severally liable to the Stockholder Representative for any liability arising out of this Section 4. However, the Stockholder Representative shall, in all cases, first attempt to collect said amounts on a pro rata basis. Notwithstanding any other provision contained herein, no USM Stockholder shall be responsible for Losses in excess of such USM Stockholder' s share of the Purchase Price received as a result of the Stock Purchase Agreement.

5. **Governing Law**. This Agreement shall be governed by and construed in accordance with the substantive Laws of the State of New York without giving effect to any choice or conflict of Law provision (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York.

6. **Succession and Assignment**. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors, heirs and legal representatives and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature

whatsoever under or by reason of this Agreement. No Party may assign or delegate either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Party. Any purported assignment or delegation in violation of the foregoing shall be null and void.

7. **Counterparts**. This Agreement may be executed in counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8. **Headings**. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

9. **Notices**. All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be given in the manner set forth in the Stock Purchase Agreement.

10. **Amendments and Waivers**. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties to be charged therewith. No waiver by any Party of any provision or default of this Agreement, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default hereunder or affect in any way any rights arising by virtue of any prior or subsequent such default.

11. **Severability**. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

12. **Entire Agreement**. This Agreement together with the Stock Purchase Agreement and the other Transaction Documents referred to therein constitute the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

13. **Termination**. This Agreement shall terminate upon the earlier to occur of the termination of the Stock Purchase Agreement or the payment of all amounts due the USM Stockholders pursuant to the Stock Purchase Agreement.

[signature page follows]

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the day and year first above written.

GRANITE EQUITY LIMITED PARTNERSHIP

By:_____
Name:
Title:

STOCKHOLDERS [TO BE PROVIDED]

By:_____
Name:
Title:

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Schedule A

[To be provided]

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

List of Schedules

Schedule 1(a)	Company Officers
Schedule 2(a)	Seller Percentage
Schedule 2(d)(i)	Each Seller' s Percentage of Purchase Price
Schedule 2(d)(ii)	Each Seller' s Percentage of Payment Fund
Schedule 4(b)(ii)	Required Consents
Schedule 4(c)(iv)	Outstanding Shares
Schedule 4(c)(v)	Subsidiaries
Schedule 4(d)	Title to Assets
Schedule 4(f)	Intellectual Property Rights
Schedule 4(g)	Insurance
Schedule 4(h)	Financial Statements; Undisclosed Liabilities; No Material Adverse Change
Schedule 4(j)	Tax Matters
Schedule 4(k)	Contracts
Schedule 4(l)	Litigation
Schedule 4(m)	Employee Matters
Schedule 4(n)	Employee Benefits
Schedule 4(n)(v)	Employee-related Liability
Schedule 4(n)(vii)	COBRA Individuals
Schedule 4(o)	Environmental
Schedule 4(q)	Accounts; Safe Deposit Boxes
Schedule 4(r)	Transactions with Related Parties
Schedule 6(c)	Operation of Business
Schedule 6(c)(iii)	Payment Pursuant to Agreements, Policies or Plans Outstanding
Schedule 12(b)(i)	Film Exhibitors

The registrant hereby undertakes to supplementally furnish a copy of any schedule or appendix listed herein to the Commission upon request.

EXHIBIT 2.2

EXECUTION VERSION

FIRST AMENDMENT
TO
STOCK PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO STOCK PURCHASE AND SALE AGREEMENT ("First Amendment") is entered into effective as of the 31st day of July 2006, by and among Access Integrated Technologies, Inc., a Delaware corporation ("Buyer"), UniqueScreen Media, Inc., a Delaware corporation (the "Company"), the holders of all of the capital stock of the Company listed on the signature pages hereto (collectively, the "Sellers" and, individually, a "Seller"), and Granite Equity Limited Partnership, as the Stockholder Representative.

RECITALS

A. Buyer, Company, Sellers and Stockholder Representative (collectively, the "Parties" and, individually, a "Party") entered into that certain Stock Purchase and Sale Agreement dated July 6, 2006 ("Purchase Agreement") whereby Sellers agreed to sell to Buyer, and Buyer agreed to purchase from Sellers, all of the issued and outstanding shares of capital stock of the Company (collectively, the "Shares"). Capitalized terms not otherwise defined herein shall have the same meanings herein as defined in the Purchase Agreement.

B. The Parties hereby wish to amend the terms of the Purchase Agreement pursuant to the terms of this First Amendment.

AGREEMENT

In consideration of the mutual covenants of the Parties set forth in the Purchase Agreement and this First Amendment and other valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Second Promissory Note Adjustment.** The last sentence of Section 2(e)(iii) of the Purchase Agreement shall be amended to read as follows:

"Notwithstanding anything contained herein to the contrary, the Actual Long-Term Debt shall not exceed Ten Million Dollars ($10,000,000)."

2. **Supplemental Disclosure.** Pursuant to Section 6(g) of the Purchase Agreement, the Parties acknowledge, agree and consent to, the supplemental and amended disclosure schedules attached to this First Amendment as Exhibit A, and which shall amend, supersede and replace the disclosure schedules previously provided pursuant to the Purchase Agreement.

3. **Waiver of Obligations to Close.** Buyer agrees to waive the closing condition set forth in Section 8(a)(xvii) of the Purchase Agreement requiring the review by Eisner, LLP of the Seller' s financial statements for the six (6) month period ending June 30, 2006. Accordingly, Section 8(a)(xvii) shall be amended and restated as follows:

"(xvii) the Buyer shall have concluded to its satisfaction, in its sole and absolute discretion, all legal, financial, business and other due diligence with respect to the Company and the Sellers and shall have received the financial statements for the six month period ending June

30, 2006, which financial statements shall be prepared in accordance with GAAP and shall be to Buyer's satisfaction, in its sole and absolute discretion;"

4. **Capital Structure.** Paragraphs 4(c)(i), 4(c)(ii) and 4(c)(iii) of the Purchase Agreement shall be restated in their entirety as follows:

"(c) Capital Structure.

*(i) **Authorized Capital Stock.** The authorized Capital Stock of the Company consists of two classes of stock that are designated, respectively, "**Common Stock**" and "**Preferred Stock.**" The total number of shares of Capital Stock that the Company is authorized to issue is one hundred forty thousand (140,000) shares, of which sixty thousand (60,000) shares are Common Stock and eighty thousand (80,000) shares are Preferred Stock. All shares of Common Stock and Preferred Stock have no par value.*

*(ii) **Preferred Stock.** The Preferred Stock consists of two series, the Series A Preferred Stock (the "**Series A Preferred**"), the Series B Preferred Stock, (the "**Series B Preferred**", and, together with the Series A Preferred, the "**Preferred Stock**"). The Company is authorized to issue (A) fifty thousand (50,000) shares of Series A Preferred, of which twenty nine thousand one hundred ninety four (29,194) shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable and (B) thirty thousand (30,000) shares of Series B Preferred, of which fifteen thousand four hundred (15,400) shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable.*

*(iii) **Common Stock.** The Common Stock consists of two series, the Series A Voting Common Stock (the "**Voting Common**") and the Series B Nonvoting Common Stock (the "**Nonvoting Common,**"). The Company is authorized to issue (A) fifty thousand (50,000) shares of the Voting Common, of which four thousand one hundred and twenty (4,120) shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable and (B) ten thousand (10,000) shares of the Nonvoting Common, of which no shares have been duly authorized and validly issued and are outstanding, fully paid and non-assessable."*

5. **Indemnification for Zwilling Litigation.**

(a) Definition of Zwilling Litigation. For purposes of this First Amendment, the "**Zwilling Litigation**" shall be defined as the claims and counterclaims raised in the court action filed in Stearns County District Court as File No. C8-04-4346 entitled UniqueScreen Media, Inc. v. Michael Zwilling.

(b) Responsibility and Control for Zwilling Litigation. The Stockholder Representative agrees to take control of the defense of the Zwilling Litigation and shall employ and engage attorneys to handle and defend the same, at the Seller's sole cost, risk and expense. In the event the Stockholder Representative prevails in the Zwilling Litigation and recovers a monetary award payable to the Company, the Company shall reimburse the Stockholder Representative for all out-of-pocket costs and expenses, including attorneys' fees, incurred by the Stockholder Representative in connection with the Zwilling Litigation, limited to such amounts that are actually collected by the Company.

(c) Indemnification. The Company Stockholders agree jointly and severally to indemnify, reimburse, defend and hold harmless the Buyer Indemnified Parties from and against all Losses based upon, incurred in connection with, arising out of or otherwise related to the Zwilling Litigation. The indemnification and other obligations of the Company Stockholders under this Section 5(c) are independent of and shall not take into account or otherwise affect the Indemnification Basket and shall not be subject to the Indemnification Cap.

(d) Survival. The obligations of the Stockholder Representative under Section 5 of this First Amendment and the indemnification and other obligations of the Company Stockholders under Section 5(c) of this First Amendment shall survive the Closing and continue in fully force and effect indefinitely.

6. **Financial Statements.** Paragraph 4(h)(i) shall be restated in its entirety as follows.

(i) Attached to Schedule 4(h) are the following financial statements (collectively, the "Financial Statements"): (A) the audited balance sheets and statements of operations, changes in stockholders' equity (deficit) and cash flows for the Company as of and for the fiscal years ended December 31, 2005 and 2004; and (B) the consolidated balance sheets and statements of operations, changes in stockholders' equity (deficit) and cash flows for the Company as of and for the five month period ended May 31, 2006 and for the six month period ending June 30, 2006 (together the "Most Recent Financial Statements"). The Financial Statements and the Most Recent Financial Statements fairly present the financial condition of the Company as of such dates and the results of its operations and changes in its cash flows for the periods covered thereby in accordance with GAAP (subject to, with respect to the Most Recent Financial Statements, the omission of certain footnotes, other presentation items required by GAAP with respect to audited financial statements).

7. **Miscellaneous**.

a. Amendment, Modification. No purported amendment, modification or waiver of any provision hereof shall be binding unless set forth in a written document signed by all parties.

b. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles.

c. Headings. The headings of the sections of this First Amendment have been inserted for convenience of reference only and do not constitute a part of this First Amendment.

d. Counterparts. This Agreement may be executed in counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8. **Remaining Terms**. All remaining terms of the Purchase Agreement, as amended, shall remain in full force and effect and are binding upon the Parties hereto.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Stock Purchase and Sale Agreement as of the day and year first above written.

BUYER:

ACCESS INTEGRATED TECHNOLOGIES, INC.

By:/s/ A. Dale Mayo
Name: A. Dale Mayo
Title: CEO

COMPANY:

UNIQUESCREEN MEDIA, INC.

By: /s/ Robert E. Martin
Name: Robert E. Martin
Title: President

SELLERS:

GRANITE EQUITY LIMITED PARTNERSHIP, as Stockholder Representative and a Seller

By: /s/ Richard L. Bauerly
Name: Richard L. Bauerly
Title: Principal/General Partner

/s/ Eugene. K. Schreder
Eugene K. Schreder

/s/ Alyssa M. Schreder
Alyssa M. Schreder

/s/ Shawn A. Teal
Shawn A. Teal

/s/ Robert E. Martin
Robert E. Martin

/s/ John B. Brownson
John B. Brownson

EXHIBIT 4.1

EXECUTION VERSION

PROMISSORY NOTE

$1,204,402.34

Morristown, New Jersey
July 31, 2006

For value received, the undersigned, Access Integrated Technologies, Inc., a Delaware corporation ("Maker") promises to pay to the order of Granite Equity Limited Partnership ("Payee"), as the representative, on behalf of the holders of all of the capital stock of UniqueScreen Media, Inc. ("USM") at the Payee' s offices at 3051 2nd Avenue, Suite 105, St. Cloud, Minnesota 56301, in immediately available funds, the principal amount of One Million Two Hundred Four Thousand Four Hundred Two Dollars and Thirty-Four Cents ($1,204,402.34), payable in twelve (12) equal quarterly installments in arrears on the first day of the first month of the quarter, commencing on October 1, 2006 and continuing on the first day of the first month of each calendar quarter thereafter until July 1, 2009 when the remaining principal balance plus accrued interest shall be payable in full, and to pay interest in like money and funds on the unpaid principal amount hereof, from the date hereof until this Note is paid in full, at a rate per annum equal to 8%, compounded quarterly from the date hereof. Interest shall be calculated on the basis of a year of 365 days and actual days elapsed. All unpaid amounts due under this Note shall be subject to the terms and conditions of that certain Stock Purchase and Sale Agreement, dated July 6, 2006, by and among Maker, USM, Payee, the other Sellers party thereto and Granite Equity Limited Partnership, as Stockholder Representative (as defined therein) (the "Purchase Agreement"), and Maker shall be entitled to withhold or set-off against any amounts due under the Note any and all Claims (as defined under the Purchase Agreement) or amounts owed by Payee to Maker pursuant to the Purchase Agreement. All payments under this Note shall be made free and clear of any withholding or deduction, including without limitation any withholding or deduction for or on account of any tax charges or withholding. For purposes of this Note, the term "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for general business transactions in New York, New York.

If this Note or any amount payable hereunder becomes due and payable on a day which is not a Business Day, then the maturity thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable during such extension at the rate applicable to the Note prior to such extension.

Unless the holder hereof shall notify the Maker to the contrary, the unpaid principal amount hereof, all accrued interest hereon and all other amounts payable hereunder shall become immediately due and payable without further notice, protest, presentment, demand or other formalities of any kind, all of which the Maker expressly waives, if any of the following events (each an "Event of Default") shall occur: (a) the Maker shall be unable or admit his inability to pay his debts as they mature or shall make a general assignment for the benefit of creditors; or (b) a custodian, trustee, receiver, agent or similar official shall be appointed for the Maker or any substantial part of his property; or (c) the Maker shall be adjudicated a bankrupt or insolvent; or (d) a petition in bankruptcy or seeking reorganization or an arrangement of creditors, or to take advantage of any bankruptcy, insolvency or similar law, shall be filed by or against the Maker; or (e) the Maker shall default in the payment or performance of any amount or obligation hereunder when and as due.

This Note may be prepaid in whole or from time to time in part without premium or penalty upon not less than two Business Days' irrevocable notice from the Maker to the Payee, provided that the Maker shall pay all accrued and unpaid interest on the amount so prepaid on the date of any such prepayment.

Without limiting the foregoing, upon the occurrence of an Event of Default, Payee shall have all rights, remedies, powers and privileges provided by applicable law, all of which rights, remedies, powers and privileges may be exercised without notice to or consent by Maker, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies, powers and privileges granted to Payee hereunder or under applicable law, are cumulative, not exclusive, and enforceable, in Payee' s discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Maker of this Note.

The Maker promises to pay costs of collection and attorneys' fees in case default is made in payment of this Note.

No modification, alteration or change of any provision of this Note shall be effective unless in writing and signed by the Maker and Payee and only to the extent set forth therein.

This Note shall be governed by and construed in accordance with, the laws of New York.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By:_____
Name: A. Dale Mayo
Title: President and Chief Executive Officer

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

EXHIBIT 4.2

EXECUTION VERSION

PROMISSORY NOTE

$4,000,000.00

Morristown, New Jersey
July 31, 2006

For value received, the undersigned, Access Integrated Technologies, Inc., a Delaware corporation ("Maker") promises to pay to the order of Granite Equity Limited Partnership ("Payee"), as the representative, on behalf of the holders of all of the capital stock of UniqueScreen Media, Inc. ("USM") at the Payee' s offices at 3051 2nd Avenue, Suite 105, St. Cloud, Minnesota 56301, in immediately available funds, the principal amount of Four Million Dollars ($4,000,000.00), payable on the earlier of (i) the date of execution of a definitive *** agreement *** between the Company and *** or (ii) November 30, 2006, plus accrued interest, at a rate per annum equal to 8%, compounded quarterly from the date hereof. Interest shall be calculated on the basis of a year of 365 days and actual days elapsed. This Note shall be subject to the terms and conditions of that certain Stock Purchase and Sale Agreement, dated July 6, 2006, by and among Maker, USM, Payee, the other Sellers party thereto and Granite Equity Limited Partnership, as Stockholder Representative (as defined therein) (the "Purchase Agreement"), and Maker shall be entitled to withhold or set-off against any amounts due under the Note pursuant to Section 2(e)(iii) of the Purchase Agreement. Maker shall not be entitled to withhold or set-off any amounts due hereunder for any other Claims (as defined in the Purchase Agreement) or any other amounts owed by Payee to Maker pursuant to the Purchase Agreement. All payments under this Note shall be made free and clear of any withholding or deduction, including without limitation any withholding or deduction for or on account of any tax charges or withholding. For purposes of this Note, the term "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for general business transactions in New York, New York.

If this Note or any amount payable hereunder becomes due and payable on a day which is not a Business Day, then the maturity thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable during such extension at the rate applicable to the Note prior to such extension.

Unless the holder hereof shall notify the Maker to the contrary, the unpaid principal amount hereof, all accrued interest hereon and all other amounts payable hereunder shall become immediately due and payable without further notice, protest, presentment, demand or other formalities of any kind, all of which the Maker expressly waives, if any of the following events (each an "Event of Default") shall occur: (a) the Maker shall be unable or admit his inability to pay his debts as they mature or shall make a general assignment for the benefit of creditors; or (b) a custodian, trustee, receiver, agent or similar official shall be appointed for the Maker or any substantial part of his property; or (c) the Maker shall be adjudicated a bankrupt or insolvent; or (d) a petition in bankruptcy or seeking reorganization or an arrangement of creditors, or to take advantage of any bankruptcy, insolvency or similar law, shall be filed by or against the Maker; or (e) the Maker shall default in the payment or performance of any amount or obligation hereunder when and as due.

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.

OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH

RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

This Note may be prepaid in whole or from time to time in part without premium or penalty upon not less than two Business Days' irrevocable notice from the Maker to the Payee, provided that the Maker shall pay all accrued and unpaid interest on the amount so prepaid on the date of any such prepayment.

Without limiting the foregoing, upon the occurrence of an Event of Default, Payee shall have all rights, remedies, powers and privileges provided by applicable law, all of which rights, remedies, powers and privileges may be exercised without notice to or consent by Maker, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies, powers and privileges granted to Payee hereunder or under applicable law, are cumulative, not exclusive, and enforceable, in Payee' s discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Maker of this Note.

The Maker promises to pay costs of collection and attorneys' fees in case default is made in payment of this Note.

No modification, alteration or change of any provision of this Note shall be effective unless in writing and signed by the Maker and Payee and only to the extent set forth therein.

This Note shall be governed by and construed in accordance with, the laws of New York.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By:_____
Name: A. Dale Mayo
Title: President and Chief Executive Officer

EXHIBIT 4.3

FORM OF NOTE

Lender: [_____]
Principal Amount: $[_____]

New York, New York
[_____, ____]

FOR VALUE RECEIVED, the undersigned, Christie/AIX, Inc., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of the lender set forth above (the "Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of the Loans of the Lender to the Borrower, payable at such times and in such amounts as are specified in the Credit Agreement (as hereinafter defined).

The Borrower promises to pay interest on the unpaid principal amount of the Loans from the date made until such principal amount is paid in full, payable at such times and at such interest rates as are specified in the Credit Agreement. Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Borrower.

Both principal and interest are payable in Dollars to General Electric Capital Corporation, as Administrative Agent, at [_____], in immediately available funds.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement, dated as of August 1, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders. Capitalized terms used herein without definition are used as defined in the Credit Agreement.

The Credit Agreement, among other things, (a) provides for the making of Loans by the Lender to the Borrower in an aggregate amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrower resulting from such Loans being evidenced by this Note and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein.

This Note is a Loan Document, is entitled to the benefits of the Loan Documents and is subject to certain provisions of the Credit Agreement, including Sections 1.5, 11.14(a) and 11.15 thereof.

This Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

CHRISTIE/AIX, INC.

By:_____
Name:
Title:

[SIGNATURE PAGE FROM PROMISSORY NOTE OF CHRISTIE/AIX, INC. FOR THE BENEFIT OF [NAME OF LENDER]]

EXHIBIT 4.4

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement is entered into as of July 31, 2006, by Access Integrated Technologies, Inc., a Delaware corporation (the "Company"), and the stockholders signatory hereto (collectively, "Stockholders" and, individually, a "Stockholder").

WITNESSETH

WHEREAS, the Company, UniqueScreen Media, Inc. ("USM"), the Stockholders and Granite Equity Limited Partnership, as the Stockholder Representative (each as defined therein) have entered into a certain Stock Purchase and Sale Agreement, dated as of July 6, 2006 (the "Stock Purchase Agreement"), pursuant to which the Company has agreed to issue to Stockholders an aggregate of 974,184 shares of the Company' s Class A common stock, $0.001 par value per share (the "Common Stock"), on terms as set forth in the Stock Purchase Agreement; and

WHEREAS, pursuant to the Stock Purchase Agreement the Company may issue additional shares of Common Stock to the Stockholders in payment of the Earn Out Amount (as defined therein), if any; and

WHEREAS, to induce Stockholders to enter into the Stock Purchase Agreement and to accept such shares of Common Stock as consideration under the terms of the Stock Purchase Agreement, the Company has agreed to provide registration rights with respect thereto.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, it is agreed as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Stock Purchase Agreement are used herein as therein defined, and the following shall have the following respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Agreement" shall mean this Registration Rights Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to the Agreement as the same may be in effect at the time such reference becomes operative.

"Commission" shall mean the Securities and Exchange Commission or any other federal agency then administering the Securities Act and other federal securities laws.

"Company" shall have the meaning set forth in the preamble to this Agreement.

"Earn Out Registrable Securities" shall mean the shares of Common Stock issued by the Company to Stockholders in payment of the Earn Out Amount pursuant to the Stock Purchase Agreement; provided, however that Earn Out Securities shall not include any shares of such Common Stock held by Stockholders that (a) have previously been effectively registered under Section 5 of the Securities Act or disposed of pursuant to a Registration Statement or (b) have been transferred pursuant to Rule 144 under the Securities Act or any successor rule or

which have been sold in a private transaction in which the transferor' s rights under the Agreement are not assigned.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Indemnified Party" shall mean a party entitled to indemnity in accordance with Section 6.

"Indemnifying Party" shall mean a party obligated to provide indemnity in accordance with Section 6.

"NASD" shall mean the National Association of Securities Dealers, Inc., or any successor corporation thereto.

"Registrable Securities" shall mean the Stock Payment Registrable Securities and the Earn Out Registrable Securities.

"Registration Statement" shall mean a registration statement under the Securities Act on any form (other than a registration statement on Form S-4 or S-8 or any successor form for securities to be offered in a transaction of the type referred to in Rule 145 under the Securities Act or to employees of the Company pursuant to any employee benefit plan, respectively) for the general registration of securities.

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Stockholders" shall have the meaning set forth in the preamble to this Agreement.

"Stock Payment Registrable Securities" shall mean the shares of Common Stock issued by the Company to Stockholders in payment of the Stock Payment pursuant to the Stock Purchase Agreement; provided, however that Registrable Securities shall not include any shares of such Common Stock held by Stockholders that (a) have previously been effectively registered under Section 5 of the Securities Act or disposed of pursuant to a Registration Statement or (b) have been transferred pursuant to Rule 144 under the Securities Act or any successor rule or which have been sold in a private transaction in which the transferor' s rights under the Agreement are not assigned.

"Stock Purchase Agreement" shall have the meaning set forth in the preamble of this Agreement.

2. Registration Rights for Stock Payment Registrable Securities. As soon as practicable after the Closing, but in no event later than 30 days after the Closing, the Company shall file a Registration Statement with the Commission covering not less than all of the Stock Payment Registrable Securities. The Company shall use commercially reasonable efforts to

cause the Registration Statement to be declared effective by the Commission not later than 180 days after filing such Registration Statement.

3. Registration Rights for Earn Out Registrable Securities. Provided that the Company is eligible to file a registration statement on Form S-3, not later than January 31 following any immediately preceding calendar year in which Earn Out Registrable Securities were issued by the Company to Stockholders, the Company shall file a Registration Statement with the Commission covering not less than all of the Earn Out Securities so issued during such previous year. The Company shall use commercially reasonable efforts to cause the Registration Statement to be declared effective by the Commission not later than 180 days after filing such Registration Statement.

4. Registration Procedures. If the Company is required by the provisions of Sections 2 or 3 to use reasonable efforts to effect the registration of any of its securities under the Securities Act, the Company shall promptly:

(a) prepare and file with the Commission a Registration Statement with respect to such securities and use commercially reasonable efforts to cause such Registration Statement to become and remain effective for two years following the filing of such Registration Statement or until disposition of the securities covered by the Registration Statement, whichever is earlier;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all securities covered by such Registration Statement until the earlier of such time as all of such securities have been disposed of in a public offering or the expiration of two years following the filing of such Registration Statement, whichever is earlier;

(c) furnish to the Stockholder Representative, such number of copies of a summary prospectus or other prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents, as the Stockholder Representative may reasonably request;

(d) use commercially reasonable efforts to register or qualify the securities covered by such Registration Statement under such other applicable state securities or blue sky laws of such jurisdictions as the Stockholder Representative shall request (provided, however, that the Company shall not be obligated to qualify as a foreign corporation to do business under the laws of any jurisdiction in which it is not then qualified or to file any general consent to service or process), and do such other reasonable acts and things as may be required of it to enable Stockholders to consummate the disposition in such jurisdiction of the securities covered by such Registration Statement;

(e) enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities; and

(f) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to the Stockholder Representative, as soon as reasonably practicable, but not later than eighteen (18) months after the effective date of the Registration Statement, an earnings statement covering the period of at least twelve (12) months beginning with the first full month after the effective date of such Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

At any time before the Registration Statement covering the Stock Payment Registrable Securities or the Earn Out Registrable Securities, as the case may be, becomes effective, the Stockholder Representative may request the Company to withdraw or not to file such Registration Statement. In that event, Stockholders shall have used their registration rights under Section 2(a) or Section 3(a) of this Agreement, as the case may be, unless Stockholders shall pay to the Company the expenses incurred in connection therewith by the Company through the date of such request.

It shall be a condition precedent to the obligation of the Company to take any action pursuant to this Agreement in respect of the securities which are to be registered at the request of Stockholders that Stockholders shall furnish to the Company such information regarding the securities held by Stockholders and the intended method of disposition thereof as the Company shall reasonably request and as shall be required in connection with the action taken by the Company.

5. Expenses. Except as provided for herein, all expenses incurred in complying with this Agreement, including, without limitation, all registration and filing fees (including all expenses incident to filing with the NASD), printing expenses, fees and disbursements of counsel for the Company, expenses of any special audits incident to or required by any such registration and expenses of complying with the securities or blue sky laws of any jurisdiction pursuant to Section 4(d), shall be paid by the Company, except that:

(a) all such expenses in connection with any amendment or supplement to the Registration Statement or prospectus filed more than one hundred eighty (180) days after the effective date of such Registration Statement because any Stockholder has not effected the disposition of the securities requested to be registered shall be paid by such Stockholder; and

(b) The Company shall not be liable for any fees, discounts or commissions to any underwriter or any fees or disbursements of counsel for any underwriter or any stock transfer taxes in respect of the securities sold by Stockholders.

6. Indemnification and Contribution.

(a) In the event of any registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless Stockholders, each Stockholder' s directors and officers, and each other person (including each underwriter) who participated in the offering of such Registrable Securities and each other person, if any, who controls each Stockholder or such participating person within the meaning of

the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which Stockholders or any such director or officer or participating person or controlling person may become subject under the Securities Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any alleged untrue statement of any material fact contained, on the effective date thereof, in any Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or any free-writing prospectus or (ii) any alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse such holder or such director, officer or participating person or controlling person for any legal or any other expenses reasonably incurred by Stockholders or such director, officer or participating person or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based solely upon any actual or alleged untrue statement or actual or alleged omission made in such Registration Statement, preliminary prospectus, prospectus or amendment or supplement in reliance upon and in conformity with written information furnished to the Company by the Stockholder Representative or any Stockholder specifically for use therein. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Stockholders or such director, officer or participating person or controlling person, and shall as to Stockholders survive the transfer of such securities by Stockholders.

(b) Stockholders, by acceptance hereof, agree to indemnify and hold harmless the Company, its directors, officers, agents, employees and each other person, if any, who controls the Company within the meaning of the Securities Act against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or any such person may become subject under the Securities Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon information in writing provided to the Company by any Stockholder specifically for use in the following documents and contained, on the effective date thereof, in any Registration Statement under which securities were registered under the Securities Act at the request of Stockholders, any preliminary prospectus or final prospectus contained therein, or any free-writing prospectus, or any amendment or supplement thereto. Notwithstanding the provisions of this paragraph (b) or paragraph (c) below, Stockholders shall not be required to indemnify any person pursuant to this Section 6 or to contribute pursuant to paragraph (c) below in an amount in excess of the amount of the aggregate net proceeds received by such Stockholders in connection with any such registration under the Securities Act.

(c) If the indemnification provided for in this Section 6 from the indemnifying party is unavailable to an indemnified party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such

indemnifying party and indemnified parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(d) Notices of Claims, Etc. Promptly after receipt by an Indemnified Party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraph (a) or (b) of this Section 6, such Indemnified Party will, if a claim in respect thereof is to be made against an Indemnifying Party pursuant to such paragraphs, give written notice to the latter of the commencement of such action, provided that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under the preceding paragraphs of this Section 6, except to the extent that the Indemnifying Party is actually prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, the Indemnifying Party shall be entitled to participate in and to assume the defense thereof, jointly with any other Indemnifying Party similarly notified to the extent that it may wish, and after notice from the Indemnifying Party to such Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation; provided that the Indemnified Party may participate in such defense at the Indemnified Party' s expense; and provided further that the Indemnified Party (or Indemnified Parties) shall have the right to employ one counsel and one local counsel to represent it (or them, collectively) if, in the reasonable judgment of the Indemnified Party or Indemnified Parties, it is advisable for it (or them) to be represented by separate counsel by reason of having legal defenses which are different from or in addition to those available to the Indemnifying Party, and in that event the reasonable fees and expenses of such counsel shall be paid by the Indemnifying Party; provided further, however, that if an Indemnified Party (or Indemnified Parties) shall have reasonably concluded, after consultation with counsel, that there may be defenses available to it (or them) that are different from, additional to, or in conflict with those available to one or all of the Indemnified Parties such Indemnified Party (or Indemnified Parties) shall have the right to employ separately one counsel and one local counsel to represent it (or them, collectively), and in that event the reasonable fees and expenses of such counsel, shall also be paid by the Indemnified Party. If the Indemnifying Party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel for the Indemnified Parties with respect to such claim. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement without the consent of the Indemnified Party

which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation. No Indemnifying Party shall be subject to any liability for any settlement made without its consent, which consent shall not be unreasonably withheld.

(e) The obligations of the Company and the Stockholders under this Section 6 survive the completion of any sale of Registrable Securities or termination of registration rights under this Agreement.

7. Certain Limitations on Registration Rights.

(a) Notwithstanding the other provisions of this Agreement, the Company shall not be obligated to register the Registrable Securities of Stockholders if, in the opinion of counsel to the Company reasonably satisfactory to Stockholders and their counsel, the sale or other disposition of Stockholders' Registrable Securities, in the manner proposed by Stockholders, may be effected without limitation and without registering such Registrable Securities under the Securities Act.

(b) The Company shall not be obligated to file and cause to become effective (i) more than one (1) Registration Statement initiated pursuant to Section 2(a) of this Agreement, (ii) more than one (1) Registration Statement initiated pursuant to Section 3(a) of this Agreement for any particular calendar year or (iii) any registration that would require an audit of the Company to be performed outside of the ordinary course of business.

(c) If the Company shall furnish to the Stockholder Representative on behalf of Stockholders requesting a Registration Statement pursuant to Sections 2 or 3, a certificate signed by an executive officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, the Company shall not be required to effect such a Registration Statement and the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Stockholders, provided that such right to delay a request shall be exercised by the Company not more than once in any twelve (12)-month period.

8. Delay of Registration; Furnishing Information.

(a) Stockholders shall not have any right to obtain or seek an injunction restraining or otherwise delaying any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Agreement.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2 or 3 that each Stockholder shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of such securities as shall be required to effect the registration of its Registrable Securities.

9. Agreement to Furnish Information. Stockholders agree to execute and deliver such other agreements as may be reasonably requested by the Company which are

consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company, Stockholders shall provide, within ten (10) days of such request, such information as may be required by the Company in connection with the completion of any public offering of the Company' s securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 9 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future.

10. Miscellaneous.

(a) No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to Stockholders in this Agreement.

(b) Remedies. Stockholders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(c) Amendment and Waiver. This Agreement may not be amended or waived except in a writing executed by the party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

(d) Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or three business days after being mailed by first class U.S. mail, return receipt requested, or when receipt is acknowledged, if sent by facsimile, telecopy or other electronic transmission device. Notices, demands and communications to the Company and Stockholders will, unless another address is specified in writing, be sent to the address indicated below:

Notices to Company:

Access Integrated Technologies, Inc.
55 Madison Avenue, Suite 300
Morristown, New Jersey 07960
Attn: General Counsel
Telephone: (973) 290-0027
Facsimile: (973) 290-0081

with a copy to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attn: Jonathan Cooperman, Esq.
Telephone: (212) 808-7800
Facsimile: (212) 808-7897

Notices to Stockholders:	with a copy to:
Granite Equity Limited Partnership 3051 2nd Street S., Suite 105 St. Cloud, Minnesota 56301 Telephone: (320) 251-1800 Facsimile: (320) 251-1804 Attention: Richard L. Bauerly	Leonard, Street and Deinard, Professional Association 3800 Eighth Street North St. Cloud, Minnesota 56303 Telephone: (320) 654-4100 Facsimile: (320) 654-4101 Attention: Bradley J. Gillan

(e) Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by Stockholders without the prior written consent of the other party hereto.

(f) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(g) Complete Agreement. This Agreement, the Stock Purchase Agreement and the other Transaction Documents contain the complete agreement between the parties and supersedes any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

(h) Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.

(i) Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts entered into and to be performed wholly within said State. The parties hereto hereby consent to the jurisdiction of the Federal and State courts located in New York County, New York and waive any objections to such courts based on venue in connection with any claim or dispute arising under this Agreement. Each of the parties hereto hereby irrevocably waives any and all right to a trial by jury in any legal proceedings arising out of or relating to this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Access Integrated Technologies, Inc.

By: /s/ A. Dale Mayo
Name: A. Dale Mayo
Title: President and Chief Executive Officer

Stockholders

Granite Equity Limited Partnership

By: /s/ Richard L. Bauerly
Name: Richard L. Bauerly
Title: Principal/General Partner

By: /s/ Eugene K. Schreder
Name: Eugene K. Schreder

By: /s/ Alyssa M. Schreder
Name: Alyssa M. Schreder

By: /s/ Shawn A. Teal
Name: Shawn A. Teal

By: /s/ Robert E. Martin
Name: Robert E. Martin

By: /s/ John B. Brownson
Name: John B. Brownson

[Signature Page to Registration Rights Agreement]

EXHIBIT 4.5

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, dated as of August 1, 2006 (together with all amendments, if any, from time to time hereto, this "Agreement"), between ACCESS DIGITAL MEDIA, INC., a Delaware corporation (the "Pledgor") and GENERAL ELECTRIC CAPITAL CORPORATION ("GE Capital"), as administrative agent and collateral agent (in such capacity, together with its successors and permitted assigns, the "Administrative Agent") for the Lenders (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement dated as of August 1, 2006, by and among Christie/AIX, Inc., a Delaware corporation (the "Borrower"), the Lenders and GE Capital, as administrative agent and collateral agent for the Lenders (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), the Lenders have agreed to make Loans to the Borrower;

WHEREAS, Pledgor is the record and beneficial owner of the shares of Stock listed on Schedule I hereto;

WHEREAS, Pledgor benefits from the credit facilities made available to the Borrower under the Credit Agreement;

WHEREAS, in order to induce the Lenders to make the Loans as provided for in the Credit Agreement, Pledgor has agreed to pledge the Pledged Collateral to the Administrative Agent in accordance herewith;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and to induce the Lenders to make Loans under the Credit Agreement, it is agreed as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined, and the following shall have (unless otherwise provided elsewhere in this Agreement) the following respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Bankruptcy Code" means title 11, United States Code, as amended from time to time, and any successor statute thereto.

"Pledged Collateral" has the meaning assigned to such term in Section 2 hereof.

"Pledged Entity" means an issuer of Pledged Shares.

"Pledged Shares" means those shares listed on Schedule I hereto.

"Secured Obligations" has the meaning assigned to such term in Section 3 hereof.

2. Pledge. Pledgor hereby pledges to the Administrative Agent, and grants to the Administrative Agent for itself and the benefit of the Lenders, a first priority security interest in all of the following (collectively, the "Pledged Collateral"):

(a) the Pledged Shares and the certificates representing the Pledged Shares, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares; and

(b) such portion, as determined by the Administrative Agent as provided in Section 6(d) below, of any additional shares of stock of a Pledged Entity from time to time acquired by Pledgor in any manner (which shares shall be deemed to be part of the Pledged Shares), and the

certificates representing such additional shares, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Stock.

3. Security for Obligations. This Agreement secures, and the Pledged Collateral is security for, the prompt payment in full when due, whether at stated maturity, by acceleration or otherwise, and performance of all Obligations of any kind under or in connection with the Credit Agreement and the other Loan Documents and all obligations of Pledgor now or hereafter existing under this Agreement including, without limitation, all fees, costs and expenses whether in connection with collection actions hereunder or otherwise (collectively, the "Secured Obligations").

4. Delivery of Pledged Collateral. All certificates and all instruments evidencing the Pledged Collateral shall be delivered to and held by or on behalf of the Administrative Agent, for itself and the benefit of the Lenders, pursuant hereto. All Pledged Shares shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent and all instruments shall be endorsed by Pledgor.

5. Representations and Warranties. Pledgor represents and warrants to the Administrative Agent that:

(a) Pledgor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(b) Pledgor is, and at the time of delivery of the Pledged Shares to the Administrative Agent will be, the sole holder of record and the sole beneficial owner of such Pledged Collateral pledged by Pledgor free and clear of any Lien thereon or affecting the title thereto, except for any Lien created by this Agreement;

(c) All of the Pledged Shares have been duly authorized, validly issued and are fully paid and non-assessable;

(d) Pledgor has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral pledged by Pledgor to the Administrative Agent as provided herein;

(e) None of the Pledged Shares has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject;

(f) All of the Pledged Shares are presently owned by Pledgor, and are presently represented by the certificates listed on Schedule I hereto. As of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to the Pledged Shares;

(g) No consent, approval, authorization or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor, or (ii) for the exercise by the Administrative Agent of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally;

(h) The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid first priority Lien on and a first priority perfected security interest in favor of the Administrative Agent for the benefit of the Administrative Agent and the Lenders in the Pledged Collateral and the proceeds thereof, securing the payment of the Secured Obligations, subject to no other Lien;

(i) This Agreement has been duly authorized, executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor enforceable against Pledgor in accordance with its terms; and

(j) The Pledged Shares constitute 100% of the issued and outstanding shares of Stock of each Pledged Entity.

The representations and warranties set forth in this Section 5 shall survive the execution and delivery of this Agreement.

6. Covenants. Pledgor covenants and agrees to the following, as long as any Obligation or any Commitment remains outstanding:

(a) Pledgor shall preserve and maintain its legal existence; provided that, so long as Pledgor is the surviving entity, Pledgor may merge, consolidate or amalgamate with any other Person;

(b) Pledgor will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such actions as the Administrative Agent from time to time may reasonably request in order to ensure to the Administrative Agent and the Lenders the benefits of the Liens in and to the Pledged Collateral intended to be created by this Agreement, including

the filing of any necessary UCC financing statements, which may be filed by the Administrative Agent with or (to the extent permitted by law) without the signature of Pledgor, and will cooperate with the Administrative Agent, at Pledgor' s expense, in obtaining all necessary approvals and making all necessary filings under federal, state, local or foreign law in connection with such Liens or any sale or transfer of the Pledged Collateral;

(c) Pledgor has and will defend the title to the Pledged Collateral and the Liens of the Administrative Agent in the Pledged Collateral against the claim of any Person and will maintain and preserve such Liens;

(d) Pledgor will, upon obtaining ownership of any additional Stock or instruments of a Pledged Entity or Stock or instruments otherwise required to be pledged to the Administrative Agent pursuant to any of the Loan Documents, which Stock or instruments are not already Pledged Collateral, promptly (and in any event within three (3) Business Days) deliver to the Administrative Agent a Pledge Amendment, duly executed by Pledgor, in substantially the form of Schedule II hereto (a "Pledge Amendment") in respect of any such additional Stock or instruments, pursuant to which Pledgor shall pledge to the Administrative Agent all of such additional Stock and instruments. Pledgor hereby authorizes the Administrative Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Shares listed on any Pledge Amendment delivered to the Administrative Agent shall for all purposes hereunder be considered Pledged Collateral; and

(e) Pledgor shall take, or refrain from taking, as the case may be, all actions, including, but not limited to the following, that are necessary or advisable to be taken or not to be taken in order to ensure that its existence shall be maintained and respected separate and apart from that of any other Loan Party:

(i) Pledgor shall maintain its own deposit, securities or other account or accounts, separate from those of any Group Member, with commercial banking institutions or broker-dealers. Pledgor shall ensure that its funds will not be diverted to any other Loan Party or for other than corporate uses of Pledgor, as the case may be, and such funds will not be commingled with the funds of any other Loan Party;

(ii) To the extent that it shares the same officers or other employees as any Group Member, Pledgor shall ensure that the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, to the extent practicable, on the basis of such entity' s actual share of such costs and to the extent such allocation is not practicable, on a basis reasonably related to such entity' s fair share of the salary and benefit costs associated with all such common officers and employees;

(iii) To the extent that it jointly contracts with any Group Member to do business with vendors or service providers or to share overhead expenses, Pledgor shall ensure that the costs incurred in so doing shall be allocated fairly among such entities, to the extent practicable, on the basis of such entities' actual share of such costs and to the extent such allocation is not practicable, on a basis reasonably related to such entities' fair share of such costs. To the extent that Pledgor contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs

incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods or services are provided on the basis of such entities' actual share of such costs and to the extent such allocation is not practicable, on a basis reasonably related to such entities' fair share of such costs. All material transactions between or among Pledgor and its Affiliates, whether currently existing or hereafter entered into, shall be only on an arm' s-length basis;

(iv) Pledgor shall maintain a principal executive office at a separate address from the address of each Group Member; provided that reasonably segregated offices in the same building shall constitute separate addresses for purposes of this clause (iv) so long as such office space is leased or subleased to Pledgor under a separate written agreement between Pledgor and such Group Member on arm' s-length terms.

To the extent that Pledgor or any Group Member have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses;

(v) Pledgor shall, with respect to any audited financial statements consolidating the accounts of Pledgor with the accounts of any other Loan Party, disclose in the footnotes the separate identity of the Borrower and the other Group Members and reflect that the assets of the Group Members are not available to pay, guarantee or otherwise provide for the liabilities of Pledgor;

(vi) Pledgor shall conduct its affairs in its own name and strictly in accordance with its Constituent Documents and observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special officers' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;

(vii) Pledgor shall have stationery and other business forms separate and distinct from that of any other Person;

(viii) Pledgor shall cause its assets to be maintained in a manner that facilitates their identification and segregation from those of any other Person; and

(ix) The board of directors of Pledgor shall have at least 1 director who is not an officer, director, employee, material shareholder or material supplier of any Group Member and whose vote is required in order for Pledgor to file a voluntary petition for bankruptcy or to commence any other event that would constitute an Event of Default under Section 9.1(e).

7. Negative Covenants. Pledgor covenants and agrees to the following, as long as any Obligation or any Commitment remains outstanding:

(a) Without the prior written consent of the Administrative Agent, Pledgor will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to the Pledged Collateral, or any unpaid dividends, interest or other distributions or payments with respect to the Pledged Collateral or grant a Lien in the Pledged Collateral, unless otherwise expressly permitted by the Credit Agreement;

(b) Pledgor shall not incur or otherwise suffer to exist or become effective or remain liable on or be responsible for any Contractual Obligation limiting the ability of (i) any Group Member to make Restricted Payments to, or Investments in, or repay Indebtedness or otherwise Sell property to, any Loan Party or (ii) Pledgor to incur or suffer to exist any Lien upon any Pledged Collateral (including any "equal and ratable" clause and any similar Contractual Obligation requiring, when a Lien is granted on any property, another Lien to be granted on such property or any other property), except, for each of clauses (i) and (ii) above, pursuant to the Loan Documents; and

(c) Pledgor shall not waive or otherwise modify any term of (i) any document governing any Pledged Collateral in a manner adverse to Pledgor or any Secured Party or (ii) any Intercompany Agreement entered into with any other Loan Party, except, for each of clauses (i) or (ii) above, with the consent of the Administrative Agent.

8. Pledgor' s Rights. As long as no Default or Event of Default shall have occurred and be continuing and until written notice shall be given to Pledgor in accordance with Section 9(a) hereof:

(a) Pledgor shall have the right, from time to time, to vote and give consents with respect to the Pledged Collateral, or any part thereof for all purposes not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document; provided, however, that no vote shall be cast, no consent shall be given or action taken and no right shall be exercised or other action taken, which would have the effect of impairing the position or interest of the Administrative Agent in respect of the Pledged Collateral or which would authorize, effect or consent to (unless and to the extent a Pledged Entity is expressly permitted to do so by the Credit Agreement):

(i) the dissolution or liquidation, in whole or in part, of a Pledged Entity;

(ii) the consolidation or merger of a Pledged Entity with any other Person;

(iii) the sale, disposition or encumbrance of all or substantially all of the assets of a Pledged Entity, except for Liens in favor of the Administrative Agent;

(iv) any change in the authorized number of shares, the stated capital or the authorized share capital of a Pledged Entity or the issuance of any additional shares of its Stock; or

(v) the alteration of the voting rights with respect to the Stock of a Pledged Entity; and

(b) (i) Pledgor shall be entitled, from time to time, to collect and receive for its own account and use all cash dividends, distributions and interest paid in respect of the Pledged Shares to the extent not in violation of the Credit Agreement other than any and all: (A) dividends and interest paid or payable other than in cash in respect of any Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; (B) dividends and other distributions paid or payable in cash in respect of any Pledged Shares in connection with a partial or total liquidation or

dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of a Pledged Entity; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral; provided, however, that until actually paid all rights to such distributions shall remain subject to the Lien created by this Agreement; and

(ii) all dividends, interest and all other distributions in respect of any of the Pledged Shares (other than such cash dividends, distributions and interest as are permitted to be paid to Pledgor in accordance with clause (i) above), whenever paid or made, shall be delivered to the Administrative Agent to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of Pledgor, and be forthwith delivered to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary indorsement).

9. Defaults and Remedies; Proxy.

(a) Upon the occurrence of an Event of Default and during the continuation of such Event of Default, and concurrently with written notice to Pledgor, the Administrative Agent (personally or through an agent) is hereby authorized and empowered to transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest and other distributions made thereon, to sell in one or more sales after ten (10) days' notice of the time and place of any public sale or of the time at which a private sale is to take place (which notice Pledgor agrees is commercially reasonable) the whole or any part of the Pledged Collateral and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent was the outright owner thereof. Any sale shall be made at a public or private sale at the Administrative Agent' s place of business, or at any place to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as the Administrative Agent may deem fair, and the Administrative Agent may be the purchaser of the whole or any part of the Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of Pledgor or any right of redemption. Demands of performance, except as otherwise herein specifically provided for, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of the Administrative Agent. PLEDGOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE ADMINISTRATIVE AGENT AS THE PROXY AND ATTORNEY-IN-FACT OF PLEDGOR WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE THE PLEDGED SHARES, WITH FULL POWER OF SUBSTITUTION TO DO SO. THE APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE SATISFACTION IN FULL OF THE OBLIGATIONS. IN ADDITION TO THE RIGHT TO VOTE THE PLEDGED SHARES, THE APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF THE PLEDGED SHARES WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING

WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY PLEDGED SHARES ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF THE PLEDGED SHARES OR ANY OFFICER OR THE ADMINISTRATIVE AGENT

THEREOF), UPON THE OCCURRENCE AND DURING THE CONTINUATION OF AN EVENT OF DEFAULT. NOTWITHSTANDING THE FOREGOING, THE ADMINISTRATIVE AGENT SHALL NOT HAVE ANY DUTY TO EXERCISE ANY SUCH RIGHT OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO.

(b) If, at the original time or times appointed for the sale of the whole or any part of the Pledged Collateral, the highest bid, if there be but one sale, shall be inadequate to discharge in full all the Secured Obligations, or if the Pledged Collateral be offered for sale in lots, if at any of such sales, the highest bid for the lot offered for sale would indicate to the Administrative Agent, in its discretion, that the proceeds of the sales of the whole of the Pledged Collateral would be unlikely to be sufficient to discharge all the Secured Obligations, the Administrative Agent may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived; provided, however, that any sale or sales made after such postponement shall be after ten (10) days' notice to Pledgor.

(c) If, at any time when the Administrative Agent in its sole discretion determines, following the occurrence and during the continuance of an Event of Default, that, in connection with any actual or contemplated exercise of its rights (when permitted under this Section 8) to sell the whole or any part of the Pledged Shares hereunder, it is necessary or advisable to effect a public registration of all or part of the Pledged Collateral pursuant to the Securities Act of 1933, as amended (or any similar statute then in effect) (the "Act"), Pledgor shall, in an expeditious manner, cause the Pledged Entities to:

(i) Prepare and file with the Securities and Exchange Commission (the "Commission") a registration statement with respect to the Pledged Shares and in good faith use commercially reasonable efforts to cause such registration statement to become and remain effective;

(ii) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Act with respect to the sale or other disposition of the Pledged Shares covered by such registration statement whenever the Administrative Agent shall desire to sell or otherwise dispose of the Pledged Shares;

(iii) Furnish to the Administrative Agent such numbers of copies of a prospectus and a preliminary prospectus, in conformity with the requirements of the Act, and

such other documents as the Administrative Agent may request in order to facilitate the public sale or other disposition of the Pledged Shares by the Administrative Agent;

(iv) Use commercially reasonable efforts to register or qualify the Pledged Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions within the United States and Puerto Rico as the Administrative Agent shall request, and do such other reasonable acts and things as may be required of it to enable the Administrative Agent to consummate the public sale or other disposition in such jurisdictions of the Pledged Shares by the Administrative Agent;

(v) Furnish, at the request of the Administrative Agent, on the date that shares of the Pledged Collateral are delivered to the underwriters for sale pursuant to such registration or, if the security is not being sold through underwriters, on the date that the registration statement with respect to such Pledged Shares becomes effective, (A) an opinion, dated such date, of the independent counsel representing such registrant for the purposes of such registration, addressed to the underwriters, if any, and in the event the Pledged Shares are not being sold through underwriters, then to the Administrative Agent, in customary form and covering matters of the type customarily covered in such legal opinions; and (B) a comfort letter, dated such date, from the independent certified public accountants of such registrant, addressed to the underwriters, if any, and in the event the Pledged Shares are not being sold through underwriters, then to the Administrative Agent, in a customary form and covering matters of the type customarily covered by such comfort letters and as the underwriters or the Administrative Agent shall reasonably request. The opinion of counsel referred to above shall additionally cover such other legal matters with respect to the registration in respect of which such opinion is being given as the Administrative Agent may reasonably request. The letter referred to above from the independent certified public accountants shall additionally cover such other financial matters (including information as to the period ending not more than five (5) Business Days prior to the date of such letter) with respect to the registration in respect of which such letter is being given as the Administrative Agent may reasonably request; and

(vi) Otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable but not later than 18 months after the effective date of the registration statement, an earnings statement covering the period of at least 12 months beginning with the first full month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Act.

(d) All expenses incurred in complying with Section 8(c) hereof, including, without limitation, all registration and filing fees (including all expenses incident to filing with the National Association of Securities Dealers, Inc.), printing expenses, fees and disbursements of counsel for the registrant, the fees and expenses of counsel for the Administrative Agent, expenses of the independent certified public accountants (including any special audits incident to or required by any such registration) and expenses of complying with the securities or blue sky laws or any jurisdictions, shall be paid by Pledgor.

(e) If, at any time when the Administrative Agent shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, such Pledged Collateral or the part

thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Act, the Administrative Agent may, in its discretion (subject only to applicable requirements of law), sell such Pledged Collateral or part thereof by private sale in such manner and under such circumstances as the Administrative Agent may deem necessary or advisable, but subject to the other requirements of this Section 8, and shall not be required to effect such registration or to cause the same to be effected. Without limiting the generality of the foregoing, in any such event, the Administrative Agent in its discretion (x) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Collateral or part thereof could be or shall have been filed under said Act (or similar statute), (y) may approach and negotiate with a single possible purchaser to effect such sale, and (z) may restrict such sale to a purchaser who is an accredited investor under the Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Pledged Collateral or any part thereof. In addition to a private sale as provided above in this Section 8, if any of the Pledged Collateral shall not be freely distributable to the public without registration under the Act (or similar statute) at the time of any proposed sale pursuant to this Section 8, then the Administrative Agent shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions:

(i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale;

(ii) as to the content of legends to be placed upon any certificates representing the Pledged Collateral sold in such sale, including restrictions on future transfer thereof;

(iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person' s access to financial information about Pledgor and such Person' s intentions as to the holding of the Pledged Collateral so sold for investment for its own account and not with a view to the distribution thereof; and

(iv) as to such other matters as the Administrative Agent may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(f) Pledgor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (e) above. Pledgor also acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit the Pledged Entity to register such securities for public sale under the Act, or under applicable state securities laws, even if Pledgor and the Pledged Entity would agree to do so.

(g) Pledgor agrees to the maximum extent permitted by applicable law that following the occurrence and during the continuance of an Event of Default it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of

the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and Pledgor waives the benefit of all such laws to the extent it lawfully may do so. Pledgor agrees that it will not interfere with any right, power and remedy of the Administrative Agent provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Administrative Agent of any one or more of such rights, powers or remedies. No failure or delay on the part of the Administrative Agent to exercise any such right, power or remedy and no notice or demand which may be given to or made upon Pledgor by the Administrative Agent with respect to any such remedies shall operate as a waiver thereof, or limit or impair the Administrative Agent' s right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Pledgor in any respect.

(h) Pledgor further agrees that a breach of any of the covenants contained in this Section 8 will cause irreparable injury to the Administrative Agent, that the Administrative Agent shall have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 8 shall be specifically enforceable against Pledgor, and Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that the Secured Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing such obligations.

10. Waiver. No delay on the Administrative Agent' s part in exercising any power of sale, Lien, option or other right hereunder, and no notice or demand which may be given to or made upon Pledgor by the Administrative Agent with respect to any power of sale, Lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair the Administrative Agent' s right to take any action or to exercise any power of sale, Lien, option, or any other right hereunder, without notice or demand, or prejudice the Administrative Agent' s rights as against Pledgor in any respect.

11. Assignment. The Administrative Agent may assign, indorse or transfer any instrument evidencing all or any part of the Secured Obligations as provided in, and in accordance with, the Credit Agreement, and the holder of such instrument shall be entitled to the benefits of this Agreement.

12. Termination. At the time provided in clause (b)(iii) of Section 10.10 of the Credit Agreement, the Pledged Collateral shall be released from the Lien created hereby and the Administrative Agent shall deliver to Pledgor the Pledged Collateral pledged by Pledgor at the time subject to this Agreement and all instruments of assignment or transfer executed in connection therewith or as Pledgor may reasonably request, free and clear of the Liens hereof and, except as otherwise provided herein, all of Pledgor' s obligations hereunder shall at such time terminate.

13. Lien Absolute. All rights of the Administrative Agent hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(c) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations;

(d) the insolvency of any Loan Party; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgor.

14. Release. Pledgor consents and agrees that the Administrative Agent may at any time, or from time to time, in its discretion:

(a) renew, extend or change the time of payment, and/or the manner, place or terms of payment of all or any part of the Secured Obligations; and

(b) exchange, release and/or surrender all or any of the Collateral (including the Pledged Collateral), or any part thereof, by whomsoever deposited, which is now or may hereafter be held by the Administrative Agent in connection with all or any of the Secured Obligations; all in such manner and upon such terms as the Administrative Agent may deem proper, and without notice to or further assent from Pledgor, it being hereby agreed that Pledgor shall be and remain bound upon this Agreement, irrespective of the value or condition of any of the Collateral, and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Secured Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Credit Agreement, or any other agreement governing any Secured Obligations. Pledgor hereby waives notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Secured Obligations, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon Pledgor. No act or omission of any kind on the Administrative Agent' s part shall in any event affect or impair this Agreement.

15. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Pledgor or any Pledged Entity for liquidation or reorganization, should Pledgor or any Pledged Entity become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Pledgor' s or a Pledged Entity' s assets, and shall continue to be effective or be

reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

16. Miscellaneous.

(a) The Administrative Agent may execute any of its duties hereunder by or through agents or employees and shall be entitled to advice of counsel concerning all matters pertaining to its duties hereunder.

(b) Pledgor agrees to reimburse the Administrative Agent promptly for actual out-of-pocket expenses, including, without limitation, reasonable counsel fees, incurred by the Administrative Agent in connection with the administration and enforcement of this Agreement.

(c) Neither the Administrative Agent, nor any of its respective officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(d) THIS AGREEMENT SHALL BE BINDING UPON PLEDGOR AND ITS SUCCESSORS AND ASSIGNS (INCLUDING A DEBTOR-IN-POSSESSION ON BEHALF OF PLEDGOR), AND SHALL INURE TO THE BENEFIT OF, AND BE ENFORCEABLE BY, THE ADMINISTRATIVE AGENT AND ITS SUCCESSORS AND ASSIGNS, AND SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE, AND NONE OF THE TERMS OR PROVISIONS OF THIS AGREEMENT MAY BE WAIVED, ALTERED, MODIFIED OR AMENDED EXCEPT IN WRITING DULY SIGNED FOR AND ON BEHALF OF THE ADMINISTRATIVE AGENT AND PLEDGOR.

17. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon either of the parties by the other party, or whenever either of the parties desires to give or serve upon any other a communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and given in the manner specified in Section 11.1 of the Credit Agreement (provided that notices, demands, requests, consents, approvals, declarations or other communications to Pledgor may be given in the manner in which they may be given to the Borrower): (a) if to the Administrative Agent, to the address specified in Section 11.11 of the Credit Agreement, (b) if to

Pledgor, to the Borrower' s address, facsimile number, electronic mail address or telephone number specified in such Section 11.11 of the Credit Agreement or (c) at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly served, given or delivered (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 17, (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid, or (d) when delivered, if hand-delivered by messenger. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to the persons designated above to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

19. Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

20. Counterparts. This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

21. Benefit of Lenders. All security interests granted or contemplated hereby shall be for the benefit of the Administrative Agent and the Lenders, and all proceeds or payments realized from the Pledged Collateral in accordance herewith shall be applied to the Obligations in accordance with the terms of the Credit Agreement.

22. Authorization. Pledgor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether such Pledgor is an organization, the type of organization and any organization identification number issued to such Pledgor. Pledgor agrees to furnish any such information to the Administrative Agent promptly upon request. Pledgor also ratifies its authorization for the Administrative Agent to have filed in any Uniform Commercial Code jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

[signature page follows]

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

ACCESS DIGITAL MEDIA, INC.

By: /s/ A. Dale Mayo
_____

Name: A. Dale Mayo
Title: President

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Gregory D. Watts
_____

Name: Gregory D. Watts
Its Duly Authorized Signatory

SCHEDULE I

PLEDGED SHARES

Pledged Entity	Class of Stock	Stock Certificate Number(s)	Number of Shares	Percentage of Outstanding Shares
Christie/AIX, Inc.	Common Stock	C2	697,000	99.99%
Christie/AIX, Inc.	Common Stock	2	100	0.01%

SCHEDULE II

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, ___ is delivered pursuant to Section 6(d) of the Pledge Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Pledge Agreement. The undersigned hereby certifies that the representations and warranties in Section 5 of the Pledge Agreement are and continue to be true and correct as to the instruments and shares pledged pursuant to this Pledge Amendment. The undersigned further agrees that this Pledge Amendment may be attached to that certain Pledge Agreement, dated as of August 1, 2006, between undersigned, as Pledgor, and General Electric Capital Corporation, as administrative agent and collateral agent (the "Pledge Agreement"), and that the Pledged Shares listed on this Pledge Amendment shall be and become a part of the Pledged Collateral referred to in said Pledge Agreement and shall secure all Secured Obligations referred to in said Pledge Agreement.

_____

By:
Name:_____
Title:_____

Name and Address of Pledgor	Pledged Entity	Class of Stock	Certificate Number(s)	Number of Shares

EXHIBIT 4.6

EXECUTION COPY

GUARANTY AND SECURITY AGREEMENT

Dated as of August 1, 2006

among

CHRISTIE/AIX, INC.

and

Each Grantor
From Time to Time Party Hereto

and

GENERAL ELECTRIC CAPITAL CORPORATION,
as Administrative Agent and Collateral Agent

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ANNEXES AND SCHEDULES

GUARANTY AND SECURITY AGREEMENT, dated as of August 1, 2006, by CHRISTIE/AIX, INC., a Delaware corporation (the "Borrower"), and each of the other entities listed on the signature pages hereof or that becomes a party hereto pursuant to Section 8.6 (together with the Borrower, the "Grantors"), in favor of General Electric Capital Corporation ("GE Capital"), as administrative agent and collateral agent (in such capacity, together with its successors and permitted assigns, the "Administrative Agent") for the Lenders and each other Secured Party (each as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement dated as of August 1, 2006 (as the same may be modified from time to time, the "Credit Agreement") among the Borrower, the Lenders and GE Capital, as administrative agent and collateral agent for the Lenders, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor (other than the Borrower) has agreed to guaranty the Obligations (as defined in the Credit Agreement) of the Borrower;

WHEREAS, each Grantor will derive substantial direct and indirect benefits from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. (a) Capital terms used herein without definition are used as defined in the Credit Agreement.

(b) The following terms have the meanings given to them in the UCC and terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC (such meanings to be equally applicable to both the singular and plural forms of the terms defined): "account", "account debtor", "as-extracted collateral", "certificated security", "chattel paper", "commercial tort claim", "commodity contract", "deposit account", "electronic chattel paper", "equipment", "farm products", "fixture", "general intangible", "goods", "health-care-insurance receivable", "instruments", "inventory", "investment property", "letter-of-credit right", "proceeds", "record", "securities account", "security", "supporting obligation" and "tangible chattel paper".

(c) The following terms shall have the following meanings:

"Agreement" means this Guaranty and Security Agreement.

"Applicable IP Office" means the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States.

"Collateral" has the meaning specified in Section 3.1.

"Excluded Equity" means any Voting Stock in excess of 65% of the outstanding Voting Stock of any Excluded Foreign Subsidiary.

"Fraudulent Transfer Laws" has the meaning specified in Section 2.2.

"Guaranteed Obligations" has the meaning specified in Section 2.1.

"Guarantor" means each Grantor other than the Borrower.

"Guaranty" means the guaranty of the Guaranteed Obligations made by the Guarantors as set forth in this Agreement.

"Pledged Certificated Stock" means all certificated securities and any other Stock or Stock Equivalent of any Person evidenced by a certificate, instrument or other similar document (as defined in the UCC), in each case owned by any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including all Stock and Stock Equivalents set forth on Schedule 5. Pledged Certificated Stock excludes any Excluded Equity and any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 7.11 of the Credit Agreement.

"Pledged Collateral" means, collectively, the Pledged Stock and the Pledged Debt Instruments.

"Pledged Debt Instruments" means all right, title and interest of any Grantor in instruments evidencing any Indebtedness owed to such Grantor or other obligations, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including all Indebtedness set forth on Schedule 5, issued by the obligors named therein. Pledged Debt Instruments excludes any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 7.11 of the Credit Agreement

"Pledged Investment Property" means any investment property owned by any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, other than any Pledged Stock or Pledged Debt Instruments. Pledged Investment Property excludes any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 7.11 of the Credit Agreement

"Pledged Stock" means all Pledged Certificated Stock and all Pledged Uncertificated Stock.

"Pledged Uncertificated Stock" means any Stock or Stock Equivalent of any Person owned by any Grantor that is not Pledged Certificated Stock, including all right, title and interest of any Grantor as a limited or general partner in any partnership not constituting Pledged Certificated Stock or as a member of any limited liability company, all right, title and interest of any Grantor in, to and under any Constituent Document of any partnership or limited liability company to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule 5, to the extent such interests are not certificated. Pledged Uncertificated Stock excludes any Excluded Equity and any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 7.11 of the Credit Agreement.

"Secured Obligations" has the meaning specified in Section 3.2.

"Software" means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

"UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of any applicable Requirement of Law, any of the attachment, perfection or priority of the Administrative Agent' s or any other Secured Party' s security interest in any Collateral is governed by the Uniform Commercial Code of a jurisdiction other than the State of New York, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of the definitions related to or otherwise used in such provisions.

"Vehicles" means all vehicles covered by a certificate of title law of any state.

Section 1.2 Certain Other Terms. (a) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. References herein to an Annex, Schedule, Article, Section or clause refer to the appropriate Annex or Schedule to, or Article, Section or clause in this Agreement. Where the context requires, provisions relating to any Collateral when used in relation to a Grantor shall refer to such Grantor' s Collateral or any relevant part thereof.

(b) Section 1.5 of the Credit Agreement is applicable to this Agreement as and to the extent set forth therein.

ARTICLE II

GUARANTY

Section 2.1 Guaranty. To induce the Lenders to make the Loans, each Guarantor hereby, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance with any Loan Document, of all the Obligations of the Borrower whether existing on the date hereof or hereinafter incurred or created (the "Guaranteed Obligations"). This Guaranty by each Guarantor hereunder constitutes a guaranty of payment and not of collection.

Section 2.2 Limitation of Guaranty. Any term or provision of this Guaranty or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount for which any Guarantor shall be liable hereunder shall not exceed the maximum amount for which such Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to such Guarantor, subject to avoidance under applicable Requirements of Law relating to fraudulent conveyance or fraudulent transfer (including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act and Section 548 of title 11 of the United States Code or any applicable provisions of comparable Requirements of Law) (collectively, "Fraudulent Transfer Laws"). Any analysis of the provisions of this Guaranty for purposes of Fraudulent Transfer Laws shall take into account the right of contribution established in Section 2.3 and, for purposes of such analysis, give effect to any discharge of intercompany debt as a result of any payment made under the Guaranty.

Section 2.3 Contribution. To the extent that any Guarantor shall be required hereunder to pay any portion of any Guaranteed Obligation exceeding the greater of (a) the amount of the economic benefit actually received by such Guarantor from the Loans and other Obligations and (b) the amount such Guarantor would otherwise have paid if such Guarantor had paid the aggregate amount of the Guaranteed Obligations (excluding the amount thereof repaid by the Borrower) in the same proportion as such Guarantor' s net worth on the date enforcement is sought hereunder bears to the aggregate net worth of all the Guarantors on such date, then such Guarantor shall be reimbursed by such other Guarantors for the amount of such excess, pro rata, based on the respective net worth of such other Guarantors on such date.

Section 2.4 Authorization; Other Agreements. The Secured Parties are hereby authorized, without notice to or demand upon any Guarantor and without discharging or otherwise affecting the obligations of any Guarantor hereunder and without incurring any liability hereunder, from time to time, to do each of the following:

(a) (i) modify, amend, supplement or otherwise change, (ii) accelerate or otherwise change the time of payment of or (iii) waive or otherwise consent to noncompliance with, any Guaranteed Obligation or any Loan Document;

(b) apply to the Guaranteed Obligations any sums by whomever paid or however realized to any Guaranteed Obligation in such order as provided in the Loan Documents;

(c) refund at any time any payment received by any Secured Party in respect of any Guaranteed Obligation in such Secured Party' s reasonable discretion;

(d) (i) Sell, exchange, enforce, waive, substitute, liquidate, terminate, release, abandon, fail to perfect, subordinate, accept, substitute, surrender, exchange, affect, impair or otherwise alter or release any Collateral for any Guaranteed Obligation or any other guaranty therefor in any manner, (ii) receive, take and hold additional Collateral to secure any Guaranteed Obligation, (iii) add, release or substitute any

one or more other Guarantors, makers or endorsers of any Guaranteed Obligation or any part thereof and (iv) otherwise deal in any manner with the Borrower and any other Guarantor, maker or endorser of any Guaranteed Obligation or any part thereof; and

(e) settle, release, compromise, collect or otherwise liquidate the Guaranteed Obligations.

Section 2.5 Guaranty Absolute and Unconditional. Each Guarantor hereby waives and agrees not to assert any defense, whether arising in connection with or in respect of any of the following or otherwise, and hereby agrees that its obligations under this Guaranty are irrevocable, absolute and unconditional and shall not be discharged as a result of or otherwise affected by any of the following (which may not be pleaded and evidence of which may not be introduced in any proceeding with respect to this Guaranty, in each case except as otherwise agreed in writing by the Administrative Agent):

(a) the invalidity or unenforceability of any obligation of the Borrower or any other Guarantor under any Loan Document or any other agreement or instrument relating thereto (including any amendment, consent or waiver thereto), or any security for, or other guaranty of, any Guaranteed Obligation or any part thereof, or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations or any part thereof;

(b) the absence of (i) any attempt to collect any Guaranteed Obligation or any part thereof from the Borrower or any other Guarantor or other action to enforce the same or (ii) any action to enforce any Loan Document or any Lien thereunder;

(c) the failure by any Person to take any steps to perfect and maintain any Lien on, or to preserve any rights with respect to, any Collateral;

(d) any workout, insolvency, bankruptcy proceeding, reorganization, arrangement, liquidation or dissolution by or against the Borrower, any other Guarantor or any of the Borrower' s other Subsidiaries or any procedure, agreement, order, stipulation, election, action or omission thereunder, including any discharge or disallowance of, or bar or stay against collecting, any Guaranteed Obligation (or any interest thereon) in or as a result of any such proceeding;

(e) any foreclosure, whether or not through judicial sale, and any other Sale of any Collateral or any election following the occurrence of an Event of Default by any Secured Party to proceed separately against any Collateral in accordance with such Secured Party' s rights under any applicable Requirement of Law; or

(f) any other defense, setoff, counterclaim or any other circumstance that might otherwise constitute a legal or equitable discharge of the Borrower, any other Guarantor or any of the Borrower' s other Subsidiaries, in each case other than the payment in full of the Guaranteed Obligations.

Section 2.6 Waivers. Each Guarantor hereby unconditionally and irrevocably waives and agrees not to assert any claim, defense, setoff or counterclaim based on diligence, promptness, presentment, requirements for any demand or notice hereunder including any of the following: (a) any demand for payment or performance and protest and notice of protest, (b) any notice of acceptance, (c) any presentment, demand, protest or further notice or other requirements of any kind with respect to any Guaranteed Obligation (including any accrued but unpaid interest thereon) becoming immediately due and payable and (d) any other notice in respect of any Guaranteed Obligation or any part thereof, and any defense arising by reason of any disability or other defense of the Borrower or any other Guarantor. Each Guarantor further unconditionally and irrevocably agrees, until indefeasible payment in full of the Guaranteed Obligations, not to (x) enforce or otherwise exercise any right of subrogation or any right of reimbursement or

contribution or similar right against the Borrower or any other Guarantor by reason of any Loan Document or any payment made thereunder or (y) assert any claim, defense, setoff or counterclaim it may have against any other Loan Party or set off any of its obligations to such other Loan Party against obligations of such Loan Party to such Guarantor. No obligation of any Guarantor hereunder shall be discharged other than by complete performance.

Section 2.7 Reliance. Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of the Borrower, each other Guarantor and any other guarantor, maker or endorser of any Guaranteed Obligation or any part thereof, and of all other circumstances bearing upon the risk of nonpayment of any Guaranteed Obligation or any part thereof that diligent inquiry would reveal, and each Guarantor hereby agrees that no Secured Party shall have any duty to advise any Guarantor of information known to it regarding such condition or any such circumstances. In the event any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Secured Party shall be under no obligation to (a) undertake any investigation not a part of its regular business routine, (b) disclose any information that such Secured Party, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) make any future disclosures of such information or any other information to any Guarantor.

ARTICLE III

GRANT OF SECURITY INTEREST

Section 3.1 Collateral. For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the "Collateral":

(a) all accounts, chattel paper, deposit accounts (including any concentration account), documents (as defined in the UCC), equipment, general intangibles, instruments, inventory, investment property and any supporting obligations related thereto;

(b) the commercial tort claims described on Schedule 1 and on any supplement thereto received by the Administrative Agent pursuant to Section 5.9;

(c) all books and records pertaining to the other property described in this Section 3.1;

(d) all property of such Grantor held by any Secured Party, including all property of every description, in the custody of or in transit to such Secured Party for any purpose, including safekeeping, collection or pledge, for the account of such Grantor or as to which such Grantor may have any right or power, including but not limited to cash;

(e) all other goods (including but not limited to fixtures) and personal property of such Grantor, whether tangible or intangible and wherever located; and

(f) to the extent not otherwise included, all proceeds of the foregoing;

provided, however, that "Collateral" shall not include any Excluded Equity; and provided, further, that if and when any property shall cease to be Excluded Equity, such property shall be deemed at all times from and after the date hereof to constitute Collateral.

Section 3.2 Grant of Security Interest in Collateral. Each Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Grantor (the "Secured Obligations"), hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral of such Grantor.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lenders and the Administrative Agent to enter into the Loan Documents, each Grantor hereby represents and warrants each of the following to the Administrative Agent, the Lenders and the other Secured Parties:

Section 4.1 Title; No Other Liens. Except for the Lien granted to the Administrative Agent pursuant to this Agreement and other Permitted Liens under any Loan Document (including Section 4.2), such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. Such Grantor (a) is the record and beneficial owner of the Collateral pledged by it hereunder constituting instruments or certificates and (b) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien.

Section 4.2 Perfection and Priority. The security interest granted pursuant to this Agreement constitutes a valid and continuing perfected security interest in favor of the Administrative Agent in all Collateral subject, for the following Collateral, to the occurrence of the following: (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the completion of the filings and other actions specified on Schedule 2 (which, in the case of all filings and other documents referred to on such schedule, have been delivered to the Administrative Agent in completed and duly authorized form), (ii) in the case of any deposit account, the execution of a Control Agreement, (iii) in the case of all Copyrights, Trademarks and Patents for which UCC filings are insufficient, all appropriate filings having been made with the United States Copyright Office or the United States Patent and Trademark Office, as applicable, (iv) in the case of letter-of-credit rights that are not supporting obligations of Collateral, the execution of a Contractual Obligation granting control under the UCC to the Administrative Agent over such letter-of-credit rights, (v) in the case of electronic chattel paper, the completion of all steps necessary to grant control to the Administrative Agent over such electronic chattel paper under the UCC and (vi) in the case of Vehicles, the actions required under Section 5.1(e). Such security interest shall be prior to all other Liens on the Collateral except for Customary Permitted Liens having priority over the Administrative Agent' s Lien by operation of law or unless otherwise permitted by any Loan Document upon (i) in the case of all Pledged Certificated Stock, Pledged Debt Instruments and Pledged Investment Property, the delivery thereof to the Administrative Agent of such Pledged Certificated Stock, Pledged Debt Instruments and Pledged Investment Property consisting of instruments and certificates, in each case properly endorsed for transfer to the Administrative

Agent or in blank, (ii) in the case of all Pledged Investment Property not in certificated form, the execution of Control Agreements with respect to such investment property and (iii) in the case of all other instruments and tangible chattel paper that are not Pledged Certificated Stock, Pledged Debt Instruments or Pledged Investment Property, the delivery thereof to the Administrative Agent of such instruments and tangible chattel paper. Except as set forth in this Section 4.2, all actions by each Grantor necessary or desirable to protect and perfect the Lien granted hereunder on the Collateral have been duly taken. Upon the taking of the action described in this Section 4.2, such security interest shall be prior to all other Liens on the Collateral except for Customary Permitted Liens having priority over the Administrative Agent' s Lien by operation of law or unless otherwise permitted by any Loan Document.

Section 4.3 Jurisdiction of Organization; Chief Executive Office. Such Grantor' s jurisdiction of organization, legal name and organizational identification number, if any, and the location of such Grantor' s chief executive office or sole place of business, in each case as of the date hereof, is specified on Schedule 3 and such Schedule 3 also lists all jurisdictions of incorporation, legal names and locations of such Grantor' s chief executive office or sole place of business for the five years preceding the date hereof.

Section 4.4 Locations of Inventory, Equipment and Books and Records. On the date hereof, such Grantor' s inventory and equipment (other than inventory or equipment in transit) and books and records concerning the Collateral are kept at the locations listed on Schedule 4 and such Schedule 4 also lists the locations of such inventory, equipment and books and records for the five years preceding the date hereof.

Section 4.5 Pledged Collateral. (a) The Pledged Stock pledged by such Grantor hereunder (i) is listed on Schedule 5 and constitutes (or, in respect of Pledged Stock, the issuer of which is a not Subsidiary of or otherwise controlled by such Grantor, to such Grantor' s knowledge constitutes) that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on Schedule 5, and (ii) with respect to Pledged Stock, the issuer of which is a Subsidiary of or otherwise controlled by such Grantor, has been duly authorized, validly issued and is fully paid and nonassessable (other than Pledged Stock in limited liability companies and partnerships) and (iii) to the extent constituting an obligation, constitutes the legal, valid and binding obligation of the issuer thereof with respect thereto, enforceable in accordance with its terms.

(b) As of the Closing Date, all Pledged Collateral (other than Pledged Uncertificated Stock) and all Pledged Investment Property consisting of instruments and certificates has been delivered to the Administrative Agent in accordance with Section 5.3(a).

(c) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall be entitled to exercise all of the rights of the Grantor granting the security interest in any Pledged Stock, and a transferee or assignee of such Pledged Stock shall become a holder of such Pledged Stock to the same extent as such Grantor and be entitled to participate in the management of the issuer of such Pledged Stock to the same extent as such Grantor and, upon the transfer of the entire interest of such Grantor, such Grantor shall, by operation of law, cease to be a holder of such Pledged Stock.

Section 4.6 Instruments and Tangible Chattel Paper Formerly Accounts. No amount payable to such Grantor under or in connection with any account is evidenced by any instrument or tangible chattel paper involving an amount in excess of $250,000 in the aggregate at any one

time that has not been delivered to the Administrative Agent, properly endorsed for transfer, to the extent delivery is required by Section 5.6(a).

Section 4.7 Intellectual Property. (a) Schedule 6 sets forth a true and complete list of the following Intellectual Property such Grantor owns, licenses or otherwise has the right to use: (i) Intellectual Property that is registered or subject to applications for registration, (ii) Internet Domain Names and (iii) other Intellectual Property and material Software, separately identifying that owned and licensed to such Grantor and including for each of the foregoing items (1) the owner, (2) the title, (3) the jurisdiction in which such item has been registered or otherwise arises or in which an application for registration has been filed, (4) as applicable, the registration or application number and registration or application date and (5) any IP Licenses or other rights (including franchises) granted by the Grantor with respect thereto.

(b) On the Closing Date, all Intellectual Property owned by such Grantor is valid, in full force and effect, subsisting, unexpired and enforceable, and no Intellectual Property has been abandoned. No breach or default of any IP License shall be caused by any of the following, and none of the following shall limit or impair the ownership, use, validity or enforceability of, or any rights of such Grantor in, any Intellectual Property material to the business of such Grantor: (i) the consummation of the transactions contemplated by any Loan Document or (ii) any holding, decision, judgment or order rendered by any Governmental Authority. There are no pending (or, to the knowledge of such Grantor, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes challenging the ownership, use, validity, enforceability of, or such Grantor' s rights in, any Intellectual Property material to the business of such Grantor. To such Grantor' s knowledge, no Person has been or is infringing, misappropriating, diluting, violating or otherwise impairing any such Intellectual Property of such Grantor. Such Grantor, and to such Grantor' s knowledge each other party thereto, is not in material breach or default of any material IP License.

Section 4.8 Commercial Tort Claims. The only commercial tort claims of any Grantor existing on the date hereof (regardless of whether the amount, defendant or other material facts can be determined and regardless of whether such commercial tort claim has been asserted, threatened or has otherwise been made known to the obligee thereof or whether litigation has been commenced for such claims) are those listed on Schedule 1, which sets forth such information separately for each Grantor.

Section 4.9 Specific Collateral. None of the Collateral is or is proceeds or products of farm products, as-extracted collateral, health-care-insurance receivables or timber to be cut.

Section 4.10 Enforcement. No Permit, notice to or filing with any Governmental Authority or any other Person or any consent from any Person is required for the exercise by the Administrative Agent of its rights (including voting rights) provided for in this Agreement or the enforcement of remedies in respect of the Collateral pursuant to this Agreement, including the transfer of any Collateral, except as may be required in connection with the disposition of any portion of the Pledged Collateral by laws affecting the offering and sale of securities generally or any approvals that may be required to be obtained from any bailees or landlords to collect the Collateral.

Section 4.11 Representations and Warranties of the Credit Agreement. The representations and warranties as to such Grantor and its Subsidiaries made by the Borrower in

Article IV of the Credit Agreement are true and correct on each date as required by Section 3.2(b) of the Credit Agreement.

ARTICLE V

COVENANTS

Each Grantor agrees with the Administrative Agent to the following, as long as any Obligation or Commitment remains outstanding and, in each case, unless the Required Lenders otherwise consent in writing:

Section 5.1 Maintenance of Perfected Security Interest; Further Documentation and Consents. (a) Generally. Such Grantor shall (i) not use or permit any Collateral to be used in violation of any provision of any Loan Document, any Requirement of Law in any material respect or any policy of insurance covering the Collateral and (ii) not enter into any Contractual Obligation or undertaking restricting the right or ability of such Grantor or the Administrative Agent to Sell any Collateral if such restriction would have a Material Adverse Effect.

(b) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest and such priority against the claims and demands of all Persons.

(c) Pursuant to clause (ii) of Section 6.1(e) of the Credit Agreement, such Grantor shall furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Collateral and such other documents in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail and in form and substance satisfactory to the Administrative Agent.

(d) At any time and from time to time, upon the written request of the Administrative Agent, such Grantor shall, for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, (i) promptly and duly execute and deliver, and have recorded, such further documents, including an authorization to file (or, as applicable, the filing) of any financing statement or amendment under the UCC (or other filings under similar Requirements of Law) in effect in any jurisdiction with respect to the security interest created hereby and (ii) take such further action as the Administrative Agent may reasonably request, including (A) securing all approvals necessary or appropriate for the assignment to or for the benefit of the Administrative Agent of any Contractual Obligation, including any IP License, held by such Grantor and to enforce the security interests granted hereunder and (B) executing and delivering any Control Agreements with respect to deposit accounts and securities accounts.

(e) If requested by the Administrative Agent, the Grantor shall arrange for the Administrative Agent' s first priority security interest to be noted on the certificate of title of each Vehicle and shall file any other necessary documentation in each jurisdiction that the Administrative Agent shall deem advisable to perfect its security interests in any Vehicle.

Section 5.2 Changes in Locations, Name, Etc. Except upon 30 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority

of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 4 showing any additional locations at which inventory or equipment shall be kept, such Grantor shall not do any of the following:

(i) permit any inventory or equipment to be kept at a location other than those listed on Schedule 4, except for inventory or equipment in transit;

(ii) change its jurisdiction of organization or its location, in each case from that referred to in Section 4.3; or

(iii) change its legal name or organizational identification number, if any, or corporation, limited liability company, partnership or other organizational structure to such an extent that any financing statement filed in connection with this Agreement would become misleading.

Section 5.3 Pledged Collateral. (a) Delivery of Pledged Collateral. Such Grantor shall (i) deliver to the Administrative Agent, in suitable form for transfer and in form and substance satisfactory to the Administrative Agent, (A) all Pledged Certificated Stock, (B) all Pledged Debt Instruments and (C) all certificates and instruments evidencing Pledged Investment Property and (ii) maintain all other Pledged Investment Property in a Controlled Securities Account.

(b) Event of Default. During the continuance of an Event of Default, the Administrative Agent shall have the right, at any time in its discretion and without notice to the Grantor, to (i) transfer to or to register in its name or in the name of its nominees any Pledged Collateral or any Pledged Investment Property and (ii) exchange any certificate or instrument representing or evidencing any Pledged Collateral or any Pledged Investment Property for certificates or instruments of smaller or larger denominations.

(c) Cash Distributions with respect to Pledged Collateral. Except as provided in Article VI, such Grantor shall be entitled to receive all cash, interest, dividends and distributions paid in respect of the Pledged Collateral or the Pledged Investment Property.

(d) Voting Rights. Except as provided in Article VI, such Grantor shall be entitled to exercise all voting, consent and corporate, partnership, limited liability company and similar rights with respect to the Pledged Collateral and the Pledged Investment Property; provided, however, that no vote shall be cast, consent given or right exercised or other action taken by such Grantor that would impair the Collateral or be inconsistent with or result in any violation of any provision of any Loan Document.

Section 5.4 Accounts. (a) Such Grantor shall not without the Administrative Agent' s prior written consent, other than in the ordinary course of business, (i) grant any extension of the time of payment of any account, (ii) compromise or settle any account for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any account, (iv) allow any credit or discount on any account or (v) amend, supplement or modify any account in any manner that could adversely affect the value thereof.

(b) The Administrative Agent shall have the right to make test verifications of the accounts in any manner and through any medium that it reasonably considers advisable, and such Grantor shall furnish all such assistance and information as the Administrative Agent

may reasonably require in connection therewith, provided, however, that unless a Default shall be continuing, (i) the Administrative Agent shall request no more than four such reports during any calendar year and (ii) the Administrative Agent may not directly contact any account debtor without Guarantor' s prior written consent. At any time and from time to time, upon the Administrative Agent' s request, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the accounts; provided, however, that unless a Default shall be continuing, the Administrative Agent shall request no more than four such reports during any calendar year.

Section 5.5 Commodity Contracts. Such Grantor shall not have any commodity contract other than with a Person approved by the Administrative Agent and subject to a Control Agreement.

Section 5.6 Delivery of Instruments and Tangible Chattel Paper and Control of Investment Property, Letter-of-Credit Rights and Electronic Chattel Paper. (a) If any amount payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by an instrument or tangible chattel paper involving an amount in excess of $250,000 in the aggregate at any one time other than such instrument delivered in accordance with Section 5.3(a) and in the possession of the Administrative Agent, such Grantor shall mark all such instruments and tangible chattel paper with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of General Electric Capital Corporation, as Administrative Agent" and, at the request of the Administrative

Agent, shall immediately deliver such instrument or tangible chattel paper to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent.

(b) Such Grantor shall not grant "control" (within the meaning of such term under Article 9-106 of the UCC) over any investment property to any Person other than the Administrative Agent.

(c) If such Grantor is or becomes the beneficiary of a letter of credit that is not a supporting obligation of any Collateral, such Grantor shall promptly, and in any event within 2 Business Days after becoming a beneficiary, notify the Administrative Agent thereof and enter into a Contractual Obligation with the Administrative Agent, the issuer of such letter of credit or any nominated person with respect to the letter-of-credit rights under such letter of credit. Such Contractual Obligation shall assign such letter-of-credit rights to the Administrative Agent in a manner sufficient to grant control for the purposes of Section 9-107 of the UCC (or any similar section under any equivalent UCC). Such Contractual Obligation shall also direct all payments thereunder to a Cash Collateral Account. The provisions of the Contractual Obligation shall be in form and substance reasonably satisfactory to the Administrative Agent.

(d) If any amount payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by electronic chattel paper, such Grantor shall take all steps necessary to grant the Administrative Agent control of all such electronic chattel paper for the purposes of Section 9-105 of the UCC (or any similar section under any equivalent UCC) and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

Section 5.7 Intellectual Property. (a) Promptly (and in any event within 10 Business Days) after any change to Schedule 6 for such Grantor, such Grantor shall provide the

Administrative Agent notification thereof and the short-form intellectual property agreements and assignments as described in this Section 5.7 and other documents that the Administrative Agent reasonably requests with respect thereto.

(b) Such Grantor shall (and shall cause all its licensees to) (i) (1) continue to use each Trademark material to such Grantor' s business included in the Intellectual Property in order to maintain such Trademark in full force and effect with respect to each class of goods for which such Trademark is currently used, free from any claim of abandonment for non-use, (2) maintain at least the same standards of quality of products and services offered under such Trademark as are currently maintained, (3) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, and (4) not adopt or use any other Trademark that is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent shall obtain a perfected security interest in such other Trademark pursuant to this Agreement and (ii) not do any act or omit to do any act whereby, (w) any Trademark material to such Grantor' s business (or any goodwill associated therewith) may become destroyed, invalidated, impaired or harmed in any way, (x) any Patent material to such Grantor' s business included in the Intellectual Property may become forfeited, misused, unenforceable, abandoned or dedicated to the public, (y) any portion of the Copyrights material to such Grantor' s business included in the Intellectual Property may become invalidated, otherwise impaired or fall into the public domain or (z) any Trade Secret material to such Grantor' s business that is Intellectual Property may become publicly available or otherwise unprotectable.

(c) Such Grantor shall notify the Administrative Agent promptly if it knows that any application or registration relating to any Intellectual Property material to the business of such Grantor may become forfeited, misused, unenforceable, abandoned or dedicated to the public, or of any adverse determination or development regarding the validity or enforceability or such Grantor' s ownership of, interest in, right to use, register, own or maintain any such Intellectual Property (including the institution of, or any such determination or development in, any proceeding relating to the foregoing in any Applicable IP Office). Such Grantor shall take all actions that are necessary or reasonably requested by the Administrative Agent to maintain and pursue each application (and to obtain the relevant registration or recordation) and to maintain each registration and recordation included in the Intellectual Property material to the business of such Grantor.

(d) Such Grantor shall not knowingly do any act or knowingly omit to do any act to infringe, misappropriate, dilute, violate or otherwise impair the Intellectual Property of any other Person. In the event that any Intellectual Property of such Grantor is or has been infringed, misappropriated, violated, diluted or otherwise impaired by a third party, such Grantor shall take such action as it reasonably deems

appropriate under the circumstances in response thereto, including promptly bringing suit and recovering all damages therefor to the extent it is commercially reasonable to do so.

(e) Such Grantor shall execute and deliver to the Administrative Agent in form and substance reasonably acceptable to the Administrative Agent and suitable for (i) filing in the Applicable IP Office the short-form intellectual property security agreements in the form attached hereto as Annex 3 for all Copyrights, Trademarks, Patents and IP Licenses of such Grantor and (ii) recording with the appropriate Internet domain name registrar, a duly executed form of assignment for all Internet Domain Names of such Grantor (together with appropriate supporting documentation as may be requested by the Administrative Agent).

Section 5.8 Notices. Such Grantor shall promptly notify the Administrative Agent in writing of its acquisition of any interest hereafter in property that is of a type where a security interest or lien must be or may be registered, recorded or filed under, or notice thereof given under, any federal statute or regulation.

Section 5.9 Notice of Commercial Tort Claims. Such Grantor agrees that, if it shall acquire any interest in any commercial tort claim (whether from another Person or because such commercial tort claim shall have come into existence), (i) such Grantor shall, promptly upon such acquisition, deliver to the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent, a notice of the existence and nature of such commercial tort claim and a supplement to Schedule 1 containing a specific description of such commercial tort claim, (ii) Section 3.1 shall apply to such commercial tort claim and (iii) such Grantor shall execute and deliver to the Administrative Agent, in each case in form and substance satisfactory to the Administrative Agent, any document, and take all other action, reasonably deemed by the Administrative Agent to be reasonably necessary or appropriate for the Administrative Agent to obtain, on behalf of the Lenders, a perfected security interest having at least the priority set forth in Section 4.2 in all such commercial tort claims. Any supplement to Schedule 1 delivered pursuant to this Section 5.9 shall, after the receipt thereof by the Administrative Agent, become part of Schedule 1 for all purposes hereunder other than in respect of representations and warranties made prior to the date of such receipt.

Section 5.10 Compliance with Credit Agreement. Such Grantor agrees to comply with all covenants and other provisions applicable to it under the Credit Agreement, including Sections 2.15, 11.3 and 11.4 of the Credit Agreement and agrees to the same submission to jurisdiction as that agreed to by the Borrower in the Credit Agreement.

ARTICLE VI

REMEDIAL PROVISIONS

Section 6.1 Code and Other Remedies. (a) UCC Remedies. During the continuance of an Event of Default, the Administrative Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to any Secured Obligation, all rights and remedies of a secured party under the UCC or any other applicable law.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, the Administrative Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving any Grantor or any other Person notice or opportunity for a hearing on the Administrative Agent' s claim or action, (ii) collect, receive, appropriate and realize upon any Collateral and (iii) Sell, grant an option or options to purchase and deliver any Collateral (or enter into Contractual Obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker' s board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of

any credit risk. The Administrative Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the UCC and other applicable Requirements of Law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of any Grantor, which right or equity is hereby waived and released.

(c) Management of the Collateral. Each Grantor further agrees, that, during the continuance of any Event of Default, (i) at the Administrative Agent' s request, it shall assemble the Collateral and make it available to the Administrative Agent at places that the Administrative Agent shall reasonably select, whether at such Grantor' s premises or elsewhere, (ii) without limiting the foregoing, the Administrative Agent also has the right to require that each Grantor store and keep any Collateral pending further action by the Administrative Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until the Administrative Agent is able to Sell any Collateral, the Administrative Agent shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by the Administrative Agent and (iv) the Administrative Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of any Collateral and to enforce any of the Administrative Agent' s remedies (for the benefit of the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. The Administrative Agent shall not have any obligation to any Grantor to maintain or preserve the rights of any Grantor as against third parties with respect to any Collateral while such Collateral is in the possession of the Administrative Agent.

(d) Application of Proceeds. The Administrative Agent shall apply the cash proceeds of any action taken by it pursuant to this Section 6.1, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and any other Secured Party hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, as set forth in the Credit Agreement, and only after such application and after the payment by the Administrative Agent of any other amount required by any Requirement of Law, need the Administrative Agent account for the surplus, if any, to any Grantor.

(e) Direct Obligation. Neither the Administrative Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Grantor, any other Loan Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of the Administrative Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Administrative Agent or any Lender, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(f) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on the Administrative Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for the Administrative Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by the Administrative Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to Sell or for the collection or Sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature or to contact other Persons, whether or not in the same business as any Grantor, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature or, to the extent deemed appropriate by the Administrative Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance to insure the Administrative Agent against risks of loss, collection or disposition of any Collateral.

Each Grantor acknowledges that the purpose of this Section 6.1 is to provide a non-exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.1. Without limitation upon the foregoing, nothing contained in this Section 6.1 shall be construed to grant any rights to any Grantor or to impose any duties on the Administrative Agent that would not

have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 6.1.

(g) IP Licenses. For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Section 6.1 (including in order to take possession of, collect, receive, assemble, process, appropriate, remove, realize upon, Sell or grant options to purchase any Collateral) at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, (i) an irrevocable, nonexclusive, worldwide license (exercisable without payment of royalty or other compensation to such Grantor), including in such license the right to sublicense, use and practice any Intellectual Property now owned or hereafter acquired by such Grantor and access to all media in which any of the licensed items may be recorded or stored and to all Software and programs used for the compilation or printout thereof and (ii) an irrevocable license

(without payment of rent or other compensation to such Grantor) to use, operate and occupy all real property owned, operated, leased, subleased or otherwise occupied by such Grantor.

Section 6.2 Accounts and Payments in Respect of General Intangibles. (a) In addition to, and not in substitution for, any similar requirement in the Credit Agreement, if required by the Administrative Agent at any time during the continuance of an Event of Default, any payment of accounts or payment in respect of general intangibles, when collected by any Grantor, shall be promptly (and, in any event, within 2 Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent, in a Cash Collateral Account, subject to withdrawal by the Administrative Agent as provided in Section 6.4. Until so turned over, such payment shall be held by such Grantor in trust for the Administrative Agent, and segregated from other funds of such Grantor. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) each Grantor shall, upon the Administrative Agent' s request, deliver to the Administrative Agent all original and other documents evidencing, and relating to, the Contractual Obligations and transactions that gave rise to any account or any payment in respect of general intangibles, including all original orders, invoices and shipping receipts and notify account debtors that the accounts or general intangibles have been collaterally assigned to the Administrative Agent and that payments in respect thereof shall be made directly to the Administrative Agent;

(ii) the Administrative Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Grantor to collect its accounts or amounts due under general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to the Administrative Agent' s satisfaction the existence, amount and terms of any account or amounts due under any general intangible. In addition, the Administrative Agent may at any time enforce such Grantor' s rights against such account debtors and obligors of general intangibles; and

(iii) each Grantor shall take all actions, deliver all documents and provide all information necessary or reasonably requested by the Administrative Agent to ensure any Internet Domain Name is registered.

(c) Anything herein to the contrary notwithstanding, until the Secured Obligations are indefeasibly paid in full each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each account and each payment in respect of general intangibles, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Grantor under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 6.3 Pledged Collateral. (a) Voting Rights. During the continuance of an Event of Default, upon notice by the Administrative Agent to the relevant Grantor or Grantors, the Administrative Agent or its nominee may exercise (A) any voting, consent, corporate and other right pertaining to the Pledged Collateral at any meeting of shareholders, partners or members, as the case may be, of the relevant issuer or

issuers of Pledged Collateral or otherwise and (B) any right of conversion, exchange and subscription and any other right, privilege or option pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange at its discretion any Pledged Collateral upon the merger, amalgamation, consolidation, reorganization, recapitalization or other fundamental change in the corporate or equivalent structure of any issuer of Pledged Stock, the right to deposit and deliver any Pledged Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it; provided, however, that the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) Proxies. In order to permit the Administrative Agent to exercise the voting and other consensual rights that it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions that it may be entitled to receive hereunder, (i) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Administrative Agent all such proxies, dividend payment orders and other instruments as the Administrative Agent may from time to time reasonably request and (ii) without limiting the effect of clause (i) above, such Grantor hereby grants to the Administrative Agent an irrevocable proxy to vote all or any part of the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents of shareholders, partners or members, as the case may be, calling special meetings of shareholders, partners or members, as the case may be, and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Collateral on the record books of the issuer thereof) by any other person (including the issuer of such Pledged Collateral or any officer or agent

thereof) during the continuance of an Event of Default and which proxy shall only terminate upon the payment in full of the Secured Obligations.

(c) Authorization of Issuers. Each Grantor hereby expressly irrevocably authorizes and instructs, without any further instructions from such Grantor, each issuer of any Pledged Collateral pledged hereunder by such Grantor to (i) comply with any instruction received by it from the Administrative Agent in writing that states that an Event of Default is continuing and is otherwise in accordance with the terms of this Agreement and each Grantor agrees that such issuer shall be fully protected from Liabilities to such Grantor in so complying and (ii) unless otherwise expressly permitted hereby, pay any dividend or make any other payment with respect to the Pledged Collateral directly to the Administrative Agent.

Section 6.4 Proceeds to be Turned over to and Held by Administrative Agent. Unless otherwise expressly provided in the Credit Agreement or this Security Agreement, all proceeds of any Collateral received by any Grantor hereunder in cash or Cash Equivalents shall be held by such Grantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Grantor, and shall, promptly upon receipt by any Grantor, be turned over to the Administrative Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by the Administrative Agent in cash or Cash Equivalents shall be held by the Administrative Agent in a Cash Collateral Account. All proceeds being held by the Administrative Agent in a Cash Collateral Account (or by such Grantor in trust for the Administrative Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Credit Agreement.

Section 6.5 Registration Rights. (a) If, in the opinion of the Administrative Agent, it is necessary or advisable to Sell any portion of the Pledged Collateral by registering such Pledged Collateral under the provisions of the Securities Act of 1933 (the "Securities Act"), each relevant Grantor shall cause the issuer thereof (or, to the extent the issuer thereof is not a Subsidiary or otherwise controlled by such Grantor, use commercially reasonable efforts to cause the issuer thereof) to do or cause to be done all acts as may be, in the opinion of the Administrative Agent, necessary or advisable to register such Pledged Collateral or that portion thereof to be Sold under the provisions of the Securities Act, all as directed by the Administrative Agent in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto and in compliance with the securities or "Blue Sky" laws of any jurisdiction that the Administrative Agent shall designate.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any Pledged Collateral by reason of certain prohibitions contained in the Securities Act and applicable state or foreign securities laws or otherwise or may determine that

a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any Pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act or under applicable state securities laws even if such issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the Pledged Collateral pursuant to this Section 6.5 valid and binding and in compliance with all applicable Requirements of Law. Each Grantor further agrees that a breach of any covenant contained in this Section 6.5 will cause irreparable injury to the Administrative Agent and other Secured Parties, that the Administrative Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.5 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

Section 6.6 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorney employed by the Administrative Agent or any other Secured Party to collect such deficiency.

ARTICLE VII

THE ADMINISTRATIVE AGENT

Section 7.1 Administrative Agent' s Appointment as Attorney-in-Fact. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any Related Person thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of the Loan Documents, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of the Loan Documents, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent and its Related Persons the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any of the following when an Event of Default shall be continuing:

(i) in the name of such Grantor, in its own name or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any account or general intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any such moneys due under any account or general intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property owned by or licensed to the Grantors, execute, deliver and have recorded any document that the Administrative Agent may request to evidence, effect, publicize or record the Administrative Agent' s security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against any Collateral, effect any repair or pay any insurance called for by the terms of the Credit Agreement (including all or any part of the premiums therefor and the costs thereof);

(iv) execute, in connection with any sale provided for in Section 6.1 or Section 6.5, any document to effect or otherwise necessary or appropriate in relation to evidence the Sale of any Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct, (B) ask or demand for, and collect and receive payment of and receipt for, any moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (C) sign and indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any actions, suits, proceedings, audits, claims, demands, orders or disputes brought against such Grantor with respect to any Collateral, (F) settle, compromise or adjust any such actions, suits, proceedings, audits, claims, demands, orders or disputes and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate, (G) assign any Intellectual Property owned by the Grantors or any IP Licenses of the Grantors throughout the world on such terms and conditions and in such manner as the Administrative Agent shall in its sole discretion determine, including the execution and filing of any document necessary to effectuate or record such assignment and (H) generally, Sell, grant a Lien on, make any Contractual Obligation with respect to and otherwise deal with, any Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes and do, at the Administrative Agent' s option, at any time or from time to time, all acts and things that the Administrative Agent deems necessary to protect, preserve or realize upon any Collateral and the Secured Parties' security interests therein and to effect the intent of the Loan Documents, all as fully and effectively as such Grantor might do.

(b) If any Grantor fails to perform or comply with any Contractual Obligation contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such Contractual Obligation.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate set forth in Section 2.7 (Interest) of the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this Section 7.1. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the Secured Obligations are indefeasibly paid in full.

Section 7.2 Authorization to File Financing Statements. Each Grantor authorizes the Administrative Agent and its Related Persons, at any time and from time to time, to file or record financing statements, amendments thereto, and other filing or recording documents or instruments with respect to any Collateral in such form and in such offices as the Administrative Agent

reasonably determines appropriate to perfect the security interests of the Administrative Agent under this Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets of the debtor". A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction. Such Grantor also hereby ratifies its authorization for the Administrative Agent to have filed any initial financing statement or amendment thereto under the UCC (or other similar laws) in effect in any jurisdiction if filed prior to the date hereof.

Section 7.3 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation or entitlement to make any inquiry respecting such authority.

Section 7.4 Duty; Obligations and Liabilities. (a) Duty of Administrative Agent. The Administrative Agent' s sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. The powers conferred on the Administrative Agent hereunder are solely to protect the Administrative Agent' s interest in the Collateral and shall not impose any duty upon the Administrative Agent to exercise any such powers. The Administrative Agent shall be accountable only for amounts that it receives as a result of the exercise of such powers, and neither it nor any of its Related Persons shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. In addition, the Administrative Agent shall not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehousemen, carrier, forwarding agency, consignee or other bailee if such Person has been selected by the Administrative Agent in good faith.

(b) Obligations and Liabilities with respect to Collateral. No Secured Party and no Related Person thereof shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on the Administrative Agent hereunder shall not impose any duty upon any other Secured Party to exercise any such powers. The other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their respective officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Reinstatement. Each Grantor agrees that, if any payment made by any Loan Party or other Person and applied to the Secured Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any Collateral are required to be returned by any Secured Party to such Loan Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, (a) any Lien or other Collateral securing such Grantor' s liability hereunder shall have been released or terminated by virtue of the foregoing or (b) any provision of the Guaranty hereunder shall have been terminated, cancelled or surrendered, such Lien, other Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Grantor in respect of any Lien or other Collateral securing such obligation or the amount of such payment.

Section 8.2 Release of Collateral. (a) At the time provided in clause (b)(iii) of Section 10.10 of the Credit Agreement, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. Each Grantor is hereby authorized to file at such time UCC amendments and any other necessary documents evidencing the termination of the Liens so released. At the request of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral of such Grantor held by the Administrative Agent hereunder and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If the Administrative Agent shall be directed or permitted pursuant to clause (i) or (ii) of Section 10.10(b) of the Credit Agreement to release any Lien or any Collateral, such Collateral shall be released from the Lien created hereby to the extent provided under, and subject to the terms and conditions set forth in, such clauses (i) and (ii). In connection therewith, the Administrative Agent, at the request of any Grantor, shall execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such release.

(c) At the time provided in Section 10.10(a) of the Credit Agreement and at the request of the Borrower, a Grantor shall be released from its obligations hereunder in the event that all the Securities of such Grantor shall be Sold to any Person that is not an Affiliate of Holdings, the Borrower and the Subsidiaries of the Borrower in a transaction permitted by the Loan Documents.

Section 8.3 Independent Obligations. The obligations of each Grantor hereunder are independent of and separate from the Secured Obligations and the Guaranteed Obligations. If any Secured Obligation or Guaranteed Obligation is not paid when due, or upon any Event of Default, the Administrative Agent may, at its sole election, proceed directly and at once, without notice, against any Grantor and any Collateral to collect and recover the full amount of any

Secured Obligation or Guaranteed Obligation then due, without first proceeding against any other Grantor, any other Loan Party or any other Collateral and without first joining any other Grantor or any other Loan Party in any proceeding.

Section 8.4 No Waiver by Course of Conduct. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.5), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that such Secured Party would otherwise have on any future occasion.

Section 8.5 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 11.1 of the Credit Agreement; provided, however, that annexes to this Agreement may be supplemented (but no existing provisions may be modified and no Collateral may be released) through Pledge Amendments and Joinder Agreements, in substantially the form of Annex 1 and Annex 2, respectively, in each case duly executed by the Administrative Agent and each Grantor directly affected thereby.

Section 8.6 Additional Grantors; Additional Pledged Collateral. (a) Joinder Agreements. If, at the option of the Borrower or as required pursuant to Section 7.10 of the Credit Agreement, the Borrower shall cause any Subsidiary that is not a Grantor to become a Grantor hereunder, such Subsidiary shall execute and deliver to the Administrative Agent a Joinder Agreement substantially in the form of Annex 2 and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Grantor party hereto on the Closing Date.

(b) Pledge Amendments. To the extent any Pledged Collateral has not been delivered as of the Closing Date, such Grantor shall deliver a pledge amendment duly executed by the Grantor in substantially the form of Annex 1 (each, a "Pledge Amendment"). Such Grantor authorizes the Administrative Agent to attach each Pledge Amendment to this Agreement.

Section 8.7 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 11.11 of the Credit Agreement; provided, however, that any such notice, request or demand to or upon any Grantor shall be addressed to the Borrower' s notice address set forth in such Section 11.11.

Section 8.8 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of each Secured Party and their successors and assigns; provided, however, that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

Section 8.9 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed

shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or by Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

Section 8.10 Severability. Any provision of this Agreement being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Agreement or any part of such provision in any other jurisdiction.

Section 8.11 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 8.12 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREIN OR RELATED THERETO (WHETHER FOUNDED IN CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO OTHER PARTY AND NO RELATED PERSON OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Guaranty and Security Agreement to be duly executed and delivered as of the date first above written.

CHRISTIE/AIX, INC.
as Grantor

By: /s/ A. Dale Mayo
_____

Name: A. Dale Mayo
Title: CEO

SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT

ACCEPTED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By: /s/ Gregory D. Watts
Name: Gregory D. Watts
Title: Duly Authorized Signatory

SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT

ANNEX 1
TO
GUARANTY AND SECURITY AGREEMENT[1]

FORM OF PLEDGE AMENDMENT

This PLEDGE AGREEMENT, dated as of _____ __, 20__, is delivered pursuant to Section 8.6 of the Guaranty and Security Agreement, dated as of August 1, 2006, by CHRISTIE/AIX, INC. (the "Borrower"), the undersigned Grantor and the other Affiliates of the Borrower from time to time party thereto as Grantors in favor of General Electric Capital Corporation, as administrative agent and collateral agent for the Secured Parties referred to therein (the "Guaranty and Security Agreement"). Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

The undersigned hereby agrees that this Pledge Amendment may be attached to the Guaranty and Security Agreement and that the Pledged Collateral listed on Annex 1-A to this Pledge Amendment shall be and become part of the Collateral referred to in the Guaranty and Security Agreement and shall secure all Obligations of the undersigned.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Sections 4.1, 4.2, 4.5 and 4.10 of the Guaranty and Security Agreement is true and correct in respect of the Pledged Collateral listed on Annex 1-A as of the date hereof as if made on and as of such date.

[GRANTOR]

By: _____
Name:
Title:

To be used for pledge of Additional Pledged Collateral by existing Grantor.

Annex 1-A

PLEDGED STOCK

ISSUER	CLASS	CERTIFICATE NO(S).	PAR VALUE	NUMBER OF SHARES,

ISSUER	DESCRIPTION OF DEBT	CERTIFICATE NO(S).	FINAL MATURITY	PRINCIPAL AMOUNT	UNITS OR INTERESTS

PLEDGED DEBT INSTRUMENTS

ACKNOWLEDGED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By: _____
Name:
Title:

ANNEX 2
TO
GUARANTY AND SECURITY AGREEMENT

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of _____ __, 20__, is delivered pursuant to Section 8.6 of the Guaranty and Security Agreement, dated as of August 1, 2006, by CHRISTIE/AIX, INC. (the "Borrower") and the Affiliates of the Borrower from time to time party thereto as Grantors in favor of the General Electric Capital Corporation, as administrative agent and collateral agent for the Secured Parties referred to therein (the "Guaranty and Security Agreement"). Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

By executing and delivering this Joinder Agreement, the undersigned, as provided in Section 8.6 of the Guaranty and Security Agreement, hereby becomes a party to the Guaranty and Security Agreement as a Grantor thereunder with the same force and effect as if originally named as a Grantor therein and, without limiting the generality of the foregoing, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the undersigned, hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the Collateral of the undersigned and expressly assumes all obligations and liabilities of a Grantor thereunder. The undersigned hereby agrees to be bound as a Grantor for the purposes of the Guaranty and Security Agreement.

The information set forth in Annex 1-A is hereby added to the information set forth in Schedules 1 through 6 to the Guaranty and Security Agreement. By acknowledging and agreeing to this Joinder Agreement, the undersigned hereby agree that this Joinder Agreement may be attached to the Guaranty and Security Agreement and that the Pledged Collateral listed on Annex 1-A to this Joinder Amendment shall be and become part of the Collateral referred to in the Guaranty and Security Agreement and shall secure all Secured Obligations of the undersigned.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Article IV of the Guaranty and Security Agreement applicable to it is true and correct on and as the date hereof as if made on and as of such date.

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED
as of the date first above written:

[EACH GRANTOR PLEDGING
ADDITIONAL COLLATERAL]

By: _____
Name:
Title:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By: _____
Name:
Title:

ANNEX 3
TO
GUARANTY AND SECURITY AGREEMENT

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS [COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT, dated as of _____ __, 20___, is made by each of the entities listed on the signature pages hereof (each a "Grantor" and, collectively, the "Grantors"), in favor of General Electric Capital Corporation ("GE Capital"), as administrative agent and collateral agent (in such capacity, together with its successors and permitted assigns, the "Administrative Agent") for the Lenders (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, dated as of August 1, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Christie/AIX, Inc. (the "Borrower"), the Lenders and GE Capital, as Administrative Agent for the Lenders, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor (other than the Borrower) has agreed, pursuant to a Guaranty and Security Agreement of even date herewith in favor of the Administrative Agent (the "Guaranty and Security Agreement"), to guarantee the obligations (as defined in the Credit Agreement) of the Borrower; and

WHEREAS, all of the Grantors are party to the Guaranty and Security Agreement pursuant to which the Grantors are required to execute and deliver this [Copyright] [Patent] [Trademark] Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

Section 2. Grant of Security Interest in [Copyright] [Trademark] [Patent] Collateral. Each Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the "[Copyright] [Patent] [Trademark] Collateral"):

(a) [all of its Copyrights and all IP Licenses providing for the grant by or to such Grantor of any right under any Copyright, including, without limitation, those referred to on Schedule 1 hereto;

(b) all renewals, reversions and extensions of the foregoing; and

(c) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

or

(a) [all of its Patents and all IP Licenses providing for the grant by or to such Grantor of any right under any Patent, including, without limitation, those referred to on Schedule 1 hereto;

(b) all reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of the foregoing; and

(c) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

or

(a) [all of its Trademarks and all IP Licenses providing for the grant by or to such Grantor of any right under any Trademark, including, without limitation, those referred to on Schedule 1 hereto;

(b) all renewals and extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(d) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

Section 3. Guaranty and Security Agreement. The security interest granted pursuant to this [Copyright] [Patent] [Trademark] Security Agreement is granted in conjunction with the security interest granted to the Administrative Agent pursuant to the Guaranty and Security Agreement and each Grantor hereby acknowledges and agrees that the rights and remedies of the Administrative Agent with respect to the security interest in the [Copyright] [Patent] [Trademark] Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 4. Grantor Remains Liable. Each Grantor hereby agrees that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with their [Copyrights] [Patents] [Trademarks] and IP Licenses subject to a security interest hereunder.

Section 5. Counterparts. This [Copyright] [Patent] [Trademark] Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 6. Governing Law. This [Copyright] [Patent] [Trademark] Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this [Copyright] [Patent] [Trademark] Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

[GRANTOR]
as Grantor

By: _____
Name:
Title:

ACCEPTED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By: _____
Name:
Title:

Schedule 1 – Commercial Tort Claims

None

Schedule 2 – Filings

1. UCC Financing Statement covering all of assets of Christie/AIX, Inc. (as debtor) and naming General Electric Capital Corporation as the secured party, to be filed with the Delaware Secretary of State.

Schedule 3 – Jurisdiction of Organization; Chief Executive Office

Name: Christie/AIX, Inc.

Jurisdiction of Organization: Delaware

Organizational Identification Number: 3980067

Chief Executive Office: Christie/AIX, Inc.
6255 Sunset Boulevard
Suite 1025
Los Angeles, CA 90028

Schedule 4 – Location of Inventory and Equipment

The table below lists all sites where Digital Screens[(1)] are currently active

THEATER NAME	ADDRESS	NUMBER OF DIGITAL SCREENS
UltraStar La Costa 6	6941 El Camino Real Carlsbad, CA	6
UltraStar Canyon Springs 7	12125 Day Street Building 301-G Moreno Valley, CA 92553	7
UltraStar Del Mar Highlands 8	12905 El Camino Real San Diego, CA 92130	8
UltraStar Flower Hill 4	2630 Via De La Valle Del Mar, CA 92014	4
UltraStar Galaxy 6	5256 South Mission Road Bonsall, CA 92003	6
UltraStar Imperial Valley 14	3651 South Dogwood El Centro, CA 92243	14
UltraStar Rialto 8	300 W. Baseline Rd. Rialto, CA 92376	8
UltraStar Poway Creekside Plaza 10	13475 Poway Road Poway, CA 92064	10
UltraStar TownGate 8	12625 L. Fredrick Moreno Valley, CA 92553	8
UltraStar Terra Vista 6	10701 Town Center Drive Rancho Cucamonga, CA 91730	6
UltraStar Chula Vista 10	555 Broadway #2050 Chula Vista, CA 91910	10
UltraStar Fontana 8	16741 Valley Blvd. Fontana, CA 92335	8
UltraStar Mission Valley 7	7510 Hazard Center Drive #100 San Diego, CA 92108	7
Emagine Birch Run 10	12880 Dixie Hwy Birch Run , MI 48415	10
Emagine Canton 18	39535 Ford Road Canton, MI 48187	18
Pavilion 9	188 Prospect Park West Park Slope Brooklyn, NY 11215	9
Emgine Novi 18	44425 W. 12 Mile Rd Novi, MI 48377	17
Carmike 14	7415 S. Broadway Ave Tyler, TX 75703	7
Carmike Wynnsong 15	1807 Martin Luther King Blvd Durham, NC 27717	7

1Each Digital Screen has both a Christie CP 2000 projector and a DoReMi DCP 2000 JPEG server and is CineLink and Cinecanvas Enabled

Carmike Parkplace 16	9525 Chapel Hill Rd (Raleigh) Morrisville, NC 27560	8
Cinetopia 8	11700 SE 7th St.	7

	Vancouver, WA 98683	
Carmike 16	111 Cinema Drive Wilmington, NC 28406	8
Carmike 15	5501 Atlantic Springs Road Raleigh, NC 27658	8
Carmike 18	4822 Koger Blvd. Greensboro, NC 27407	9
Carmike Northgate 14	310 Ring Road (Chattanooga) Hixson, TN 37343	7
Carmike 10	3640 Reynolda Rd Winston-Salem, NC 27106	5
Carmike Wynnsong 12	1501 Hanes Mall Blvd Winston-Salem, NC 27103	6
Carmike Bijou 7	215 Broad Street Chattanooga, TN 37402	3
Carmike Bell Forge 10	5400 Bell Forge Ln East (Nashville) Antioch, TN 37013	3
Wynnsong 10	721 Myatt Drive (Madison) Nashville, TN 37115	5
Carmike Wynnsong 16	2626 Cason Square Blvd Murfreesboro, TN 37128	7
Rave Grand Prairie 18	5311 West American Prairie Drive Peoria, IL 61615	9
Galaxy 12 - Riverbank	2525 Patterson Rd. Riverbank, CA 95367	5
Carmike Cartersville 12	1129 North Tennessee Street Cartersville, GA 30120	12
Carmike Cobblestone 9	8501 Hickman Rd (Urbandale) Des Moines, IA 50322	4
Galaxy 12 - Monroe	One Galaxy Way Monroe, WA 98272	5
Galaxy Highland 10	6700 Middle Fiskville Road Austin, TX 78752	3
Rave Valley Bend 18	1485 Four Mile Post Road SE Huntsville, AL 35802	9
Carmike Governor' s Sq 10	201 Wilms Rudolph Blvd. Clarksville, TN 37040	5
Carmike Wynnsong 10	2210 Gunbarrel Rd. Chattanooga, TN 37424	4

Galaxy Cannery 14 - Vegas	2121 E. Craig Road N. Las Vegas, NV 89030	14
Carmike Bellevue 8	120 Belle Forest Circle Nashville, TN 37221	3
Carmike Royal Palm 20	2507 53rd Avenue East Bradenton, FL 34203	10
Carmike Battlefield 10	1099 Battlefield Parkwy (Chattanooga) Ft. Oglethorpe, GA, 30742	4
Carmike Summit 16	321 Summit Blvd Birmingham, AL 35243	16
Carmike 14	5716 Townson Ave. Ft. Smith, AR 72906	7
Carmike Rivergate 8	800 Two Mille Pkwy (Nashville) Goodlettesville, TN 37070	4
Carmike 10	5725 Johnston St. Lafayette, LA 70503	5
Galaxy 10 - Tulare	1575 Retherford St. Tulare, CA 93274	3
Rave The Wharf 15	23151 Wharf Lane Orange Beach, AL 36561	8
Carmike Southridge 12	6720 South East 14th Avenue Des Moines, IA 50315	6
Carmike 10	3636 Manhattan Ave. Ft. Collins, CO 80527	3
Galaxy 9 - Porterville	631 N. Indiana St. Porterville, CA 93257	4
Carmike Oakdale 20	1188 Helmo Avenue, North Oakdale, MN 55128	10
Carmike Wilson 10	1501 Ward Blvd. Wilson, NC 27893	10
Carmike Wynnsong 16	5233 NW 84th Street (Des Moines) Johnston, IA 50131	8
Carmike 10	201 Tall Pines Ave Longview, TX 75608	10
Carmike Mall 12	9540 Mall Rd Morgantown, WV 26505	5
Carmike 12	750 NE Circle Boulevard Corvallis, OR 97330	6
Carmike 15	15630 Cedar Avenue Apple Valley, MN 55124	8
Carmike Wynnsong 15	2430 Hwy 10 Moundsview, MN 55112	8
Carmike Ritz 15	3217 South Decker Lake Drive (Salt Lake City) West Valley City, UT 84119	8
Carmike Lufkin Mall 9	4600 South Medford	8

Lufkin, TX 75901

Carmike 16	9840 Gateway Blvd North El Paso, TX 79924	8
Rave Baton Rouge 16	16040 Hatteras Ave Baton Rouge, LA 70816	6
Rave Pensacola 18	6596 North W Street Pensacola, FL 32508	6
Carmike 20	3930 E Dupont Rd Ft. Wayne, IN 46825	10
Carmike 12	1600 W. Fox Park Dr. West Jordan, UT 84088	6
Carmike Wynnsong 12	4925 N. Edgewood Dr Provo, UT 84604	6
Carmike 20	3003 S Expressway 281 Edinburg, TX 78539	10
Rave Colonel Glenn 18	18 Colonel Glenn Plaza Drive Little Rock, AR 72210	6
Carmike 15	5555 Whittlesey Parkway Columbus, GA 31904	8
Carmike Foothills 12	507 Foothills Plaza Maryville, TN 37801	7
Carmike Crossroads 16	1536 Dogwood Drive SE Conyers, GA 30094	8
Carmike Wynnsong 12	500 Commons Drive Birmingham, AL 35209	6
Carmike Thoroughbred 20	633 Frazier Dr Franklin, TN 37068	10
Rave Destin Commons 14	4000 Legendary Drive Destin, FL 32541	6
Rave Ridgmar 13	2300 Green Oaks Road Ft. Worth, TX 76116	3
Rave N.E. Mall 18	1101 Melbourne Road Hurst, TX 76053	3

Books and Records

Christie/AIX, Inc.55
Madison Avenue
Suite 300
Morristown, NJ 07960

Schedule 5 – Pledged Collateral

None

Schedule 6 – Intellectual Property

CHRISTIE/AIX, INC. LICENSES ACCESS DIGITAL MEDIA INC.' S PROPRIETARY THEATRE COMMAND CENTER SOFTWARE PURSUANT TO THAT CERTAIN AMENDED AND RESTATED SOFTWARE LICENSE AGREEMENT, DATED AS OF JULY 15, 2006, BY AND BETWEEN ACCESS DIGITAL MEDIA, INC., AS LICENSOR, AND CHRISTIE/AIX, INC., AS LICENSEE.

ACKNOWLEDGMENT OF GRANTOR

STATE OF _____)
) ss.
COUNTY OF _____)

On this ___ day of _____ __, 20__ before me personally appeared _____, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of _____, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

_____
Notary Public

SCHEDULE I
TO
[COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT

[Copyright] [Patent] [Trademark] Registrations

A. REGISTERED [COPYRIGHTS] [PATENTS] [TRADEMARKS]

[Include Registration Number and Date]

B. [COPYRIGHT] [PATENT] [TRADEMARK] APPLICATIONS

[Include Application Number and Date]

C. IP LICENSES

[Include complete legal description of agreement (name of agreement, parties and date)]

EXHIBIT 4.7

REVOLVING NOTE

$7,500,000 December 29, 2005

FOR VALUE RECEIVED, UNIQUESCREEN MEDIA, INC., a Delaware corporation (the "Borrower") promises to pay to the order of EXCEL BANK MINNESOTA, a Minnesota state banking corporation (the "Bank") at its main office in Minneapolis, Minnesota or at such other place as may be designated from time to time by the bolder hereof, in lawful money of the United States of America, the principal sum of Seven Million Five Hundred Thousand Dollars ($7,500,000) or so much thereof as has been advanced by the Bank to or for the benefit, of the Borrower pursuant to that certain Credit Agreement, dated as of the date hereof, as amended from time to time, between the Borrower and the Bank (the "Agreement") and remains unpaid, together with interest on the unpaid principal balance hereof from the date hereof until this Note is fully paid, at an annual rate of interest, calculated on the basis of actual number of days elapsed in a 360 day year, that shall at all times be equal to the Revolving Interest Rate, as provided in the Agreement, each change in the interest rate herein to become effective on the day the corresponding change in the Revolving Interest Rate becomes effective.

This Note is payable as follows: (i) interest accruing on this Note shall be due and payable on the last day of each month, commencing January 31, 2006, and at maturity or earlier prepayment in full; and (ii) the principal of this Note and all accrued interest shall be due and payable on December 31, 2008. The Borrower may prepay at anytime and from time to time, all or any portion of the balance from time to time remaining on this Note, without penalty or premium. Payments hereunder shall be applied first to the payment of accrued interest and then to the reduction of principal.

This Note is secured by the Security Agreement and other Loan Documents, referred to in the Agreement, and is issued pursuant to and is subject to the Agreement which, among other things provides for acceleration of the maturity hereof upon the occurrence of an Event of Default, as defined in the Agreement.

The Borrower agrees to pay all costs of collection; including reasonable attorneys' fees, in the event this Note is not paid when due. This Note is being delivered in, and shall be governed by, the laws of the State of Minnesota. Presentment or other demand for payment, notice of dishonor and protest are expressly waived.

UNIQUESCREEN MEDIA, INC.

By:
_____
John B. Brownson
Its Chief Operating Officer and
Chief Financial Officer

EXHIBIT 4.8

SECURITY AGREEMENT

DATE: **December 29, 2005**

PARTIES: Excel Bank Minnesota
50 South Sixth Street, Suite 1000
Minneapolis, MN 55402 ("Secured Party")

UniqueScreen Media, Inc.
4140 Thielman Lane, Suite 1110 W.
St. Cloud, MN 56301
Organizational Charter Number: 3759188 ("Debtor")

AGREEMENTS:

IN CONSIDERATION of one dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Security Interest and Collateral. In order to secure payment and performance of each and every debt, liability and obligation of every type and description which Debtor may now or at any time hereafter owe to Secured Party whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it arises under or is evidenced by this Security Agreement or any other present or future instrument or agreement or by operation of law, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or sole, joint, several or joint and several (all such debts, liabilities and obligations and any amendments, extensions, renewals or replacements thereof are herein collectively referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (the "Security Interest") in all of Debtor' s property (the "Collateral"), including without limitation the following:

(a) Inventory and Goods: All inventory of Debtor, whether now owned or hereafter acquired and wherever located and other tangible personal property held for sale or lease or furnished or to be furnished under contracts of service or consumed in Debtor' s business, and all goods of Debtor, whether now owned or hereafter acquired and wherever located, including without limitation all computer programs embedded in goods, and all other Inventory and Goods, as each such term may be defined in the Uniform Commercial Code as in effect in the state of Minnesota from time to time (the "UCC"), of the Debtor, whether now owned or hereafter acquired;

(b) Equipment: All equipment of Debtor, whether now owned or hereafter acquired and wherever located, including but not limited to all present and future equipment, machinery, tools, motor vehicles, trade fixtures, furniture, furnishings, office and recordkeeping equipment and all goods for use in Debtor' s business, and all other Equipment (as such term may be defined in the UCC) of the Debtor, whether now owned or hereafter acquired, together with all parts, equipment and attachments relating to any of the foregoing;

(c) Accounts, Contract Rights and Other Rights to Payment: Each and every right of Debtor to the payment of money, whether such right to payment now exists or hereafter arises, whether such right to payment arises out of a sale, lease, license, assignment or other disposition of goods or other property by Debtor, out of a rendering of services by Debtor, out of a loan by Debtor, out of the overpayment of taxes or other liabilities of Debtor, or otherwise arises under any contract or agreement, whether such right to payment is or is not already earned by performance, and howsoever such right to payment may be evidenced, together with all other rights and interests (including all liens and security interests) which Debtor may at any time have by law or agreement against any account debtor or other obligor obligated to make any such payment or against any of the property of such account debtor or other obligor; all including but not limited to all present and future debt instruments, chattel papers, accounts, license fees, contract rights, loans and obligations receivable and tax refunds, and all other Accounts (as such term may be defined in the UCC) of the Debtor, whether now owned or hereafter acquired;

(d) Instruments: All instruments, chattel paper, letters of credit or other documents of Debtor, whether now owned or hereafter acquired, including but not limited to promissory notes, drafts, bills of exchange and trade acceptances; all rights and interests of Debtor, whether now existing or hereafter created or arising, under leases, licenses or other contracts, and all other Instruments (as such term may be defined in the UCC) of the Debtor, whether now owned or hereafter acquired;

(e) Deposit Accounts and Investment Property: All right, title and interest of Debtor in alt deposit and investment accounts maintained with any bank, savings and loan association, broker, brokerage, or any other financial institution, together with all monies and other property deposited or held therein, including, without limitation, any checking account, savings account, escrow account, savings certificate and margin account, and all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts, and commodity accounts, and all other Deposit Accounts and Investment Property (as each such term may be defined in the UCC) of the Debtor, whether now owned or hereafter acquired;

(f) General Intangibles: All general intangibles of Debtor, whether now owned or hereafter acquired, including, but not limited to, applications for patents, patents, copyrights, trademarks, trade secrets, good will, tradenames, customer lists, permits and franchises, software, and the right to use Debtor' s name, and any and all membership interests, governance rights, and financial rights in each and every limited liability company, and all payment intangibles, and all other General Intangibles (as such term may be defined in the UCC) of the Debtor, whether now owned or hereafter acquired;

(g) Chattel Paper: All Chattel Paper (as such term may be defined in the UCC) of the Debtor, whether tangible or electronic, and whether now owned or hereafter acquired; and

(h) Documents, Embedded Software, Etc.: All of Debtor' s rights in promissory notes; documents, embedded software, letter of credit rights and supporting

obligations (and security interests and liens securing them) (as any such term may be defined in the UCC) whether now owned or hereafter acquired;

provided, however, that notwithstanding the foregoing or anything to the contrary provided in any other Loan Documents, (i) no security interest shall be granted hereunder or under any other Loan Documents with respect to any right, title or interest of the Debtor in, to or under any assets subject to purchase money liens or capital leases permitted under Section 9.11(b) or (f) of the Credit Agreement, to the extent and only so long as the documents or instruments evidencing, governing or securing such liens or such capital leases prohibit the grant of junior liens on such assets or the right, title and interest of the Debtor therein; and (ii) no security interest shall be granted hereunder or under any of the other Loan Documents with respect to any rights of the Debtor under any contract or intellectual property license or under any license, permit or franchise issued by any governmental authority to the extent and only so long as such contract or intellectual property license or such license, permit or franchise (or any law, statute or regulation related thereto) prohibits, restricts, or requires the consent of any third party to such contract or intellectual property license, or any governmental authority, to the assignment or transfer of, or the creation, attachment or perfection of a security interest in, such rights or provides that any such assignment, transfer, creation, attachment or perfection will give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination or remedy under or with respect to such contract or intellectual property license or such license, permit or franchise (except to the extent all requisite consents of such third parties or governmental authorities to the grant of a lien on such rights under this Agreement have been obtained, and except to the extent any of Sections 9-406 through 9-409 of the UCC renders such prohibition, restriction or requirement, or such default, breach, right of recoupment, claim, defense, termination, right of termination or remedy, ineffective), together with all substitutions and replacements for and products of any of the foregoing property and proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with (i) all accessories, attachments, parts, equipment, accessions, repairs and embedded software, now or hereafter attached or affixed to or used in connection with any such goods, (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods, and (iii) all books and records of Debtor.

2. Representations, Warranties and Agreements. Debtor represents, warrants and agrees that:

(a) Debtor is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware. This Security Agreement has been duly and validly authorized by all necessary corporate action. Debtor has the requisite corporate power and authority to execute this Agreement, to perform Debtor' s obligations hereunder and to subject the Collateral to the Security Interest. Debtor' s organizational charter number is shown at the beginning of this Agreement.

(b) The Collateral will be used primarily for business purposes.

(c) Debtor' s chief place of business is located at the address shown at the beginning of this Agreement. Debtor' s records concerning the Collateral are kept at such address. The Collateral is located at the address shown at the beginning of this

Agreement and at the addresses set forth on Exhibit A attached hereto. Debtor will give at least 30 days' advance written notice to Secured Party of any change in Debtor's jurisdiction of organization or chief place of business and, annually and upon demand, any change in or addition of any Collateral location or any change in the location of Debtor's records concerning the Collateral.

(d) Except as otherwise provided in that certain Credit Agreement, dated as of the date hereof, between Secured Party and Debtor (the "Credit Agreement"), Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) and will maintain absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances, except the Security Interest, and will defend the Collateral against all claims or demands of all persons other than Secured Party (and the holders of Permitted Liens, as defined in the Credit Agreement).

(e) Except as otherwise provided in the Credit Agreement, Debtor will not sell or otherwise transfer or dispose of the Collateral or any interest therein.

(f) Intentionally omitted.

(g) All rights to payment and all instruments, documents, chattel papers and other agreements constituting or evidencing Collateral are (or will be when arising or issued) the valid, genuine and legally enforceable obligation, subject to no defense, set-off or counterclaim (other than those arising in the ordinary course of business) of each account debtor or other obligor named therein or in Debtor's records pertaining thereto as being obligated to pay such obligation. Debtor will not agree to any modification, amendment or cancellation of any such obligation without Secured Party's prior written consent except discounts provided by Debtor in the ordinary course of business, and will not subordinate any such right to payment to claims of other creditors of such account debtor or other obligor.

(h) Debtor will keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof.

(i) Except as otherwise provided in the Credit Agreement, Debtor will promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest.

(j) Debtor will promptly notify Secured Party of any material loss of or damage to any Collateral or of any adverse change in the prospect of payment of any material sums due on or under any instrument, chattel paper, account or contract right constituting Collateral.

(k) Debtor will if Secured Party at any time so requests (whether the request is made before or after the occurrence of an Event of Default), promptly deliver to Secured Party any instrument, document or chattel paper constituting Collateral, duly endorsed or assigned by Debtor to Secured Party.

(l) Except as otherwise provided in the Credit Agreement, Debtor will at all times keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, and such other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest.

(m) Debtor hereby authorizes the filing of such financing statements as Secured Party may deem necessary or useful to be filed in order to perfect the Security Interest and, if any Collateral is covered by a certificate of title, Debtor will from time to time execute such documents as may be required to have the Security Interest properly noted on a certificate of title. In addition, Debtor authorizes Secured Party to file from time to time such financing statements against the Collateral described as "all personal property" or "all assets" or the like as Secured Party deems necessary or useful to perfect the Security Interest.

(n) Debtor will pay when due or reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Party in connection with the creation, perfection, satisfaction or enforcement of the Security Interest or the execution or creation, continuance or enforcement of this Security Agreement or any or all of the Obligations.

(o) Debtor will take all such actions as Secured Party may reasonably request to permit the Secured Party to establish and perfect the Security Interest in all jurisdictions Secured Party deems necessary. Without in any way limiting the generality of the foregoing, Debtor will execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Secured Party may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Secured Party' s rights under this Security Agreement.

(p) Debtor will not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance.

If Debtor at any time fails to perform or observe any of the foregoing agreements, immediately upon the occurrence of such failure, without notice or lapse of time, Secured Party may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Debtor (or, at Secured Party' s option, in Secured Party' s own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens, or encumbrances, the performance of obligations under contracts or agreements with account debtors or other obligors, the procurement and maintenance of insurance, the execution of financing statements, the endorsement of instruments, and the procurement of repairs, transportation or insurance); and, except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall thereupon pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with or as a result of Secured Party' s performing or observing such agreements or

taking such actions, together with interest thereon from the date expended or incurred by Secured Party at the highest rate then applicable to any of the Obligations. To facilitate the performance or observance by Secured Party of such agreements of Debtor, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 2.

3. **Lock Box; Collateral Account.** Debtor will direct each of its account debtors to make payments due under the relevant account or chattel paper directly to a special lock box to be under the control of Secured Party (the "Lock Box") as contemplated by the Lockbox Agreement executed in connection with the Credit Agreement. At any time after the occurrence of any Default (as defined in the Credit Agreement), Debtor hereby authorizes and directs Secured Party to deposit into a special collateral account to be established and maintained with Secured Party (the "Collateral Account") all checks, drafts, and cash payments received in the Lock Box. All deposits in the Collateral Account shall constitute proceeds of Collateral and shall not constitute payment of any Obligation. Secured Party shall, at its option, either apply finally collected funds on deposit in the Collateral Account to the payment of the Obligations in such order of application as Secured Party may determine, or permit Debtor to withdraw all or any part of the balance. Debtor agrees that it will promptly deliver to Secured Party, for deposit into the Lock Box, all payments on accounts and chattel paper received by it. All such payments shall be delivered to Secured Party in the form received (except for Debtor' s endorsement where necessary). Until so deposited, all such payments on accounts and chattel paper received by Debtor shall be held in trust by Debtor for and as the property of Secured Party and shall not be commingled with any funds or property of Debtor.

4. **Account Verification and Collection Rights of Secured Party**. At any time whether before or after the occurrence of any Default (as defined in the Credit Agreement), Secured Party shall have the right to verify any accounts in the name of Debtor; and Debtor, whenever requested, shall furnish Secured Party with duplicate statements of the accounts, which statements may be mailed or delivered by Secured Party for that purpose. Secured Party may at any time after the occurrence of an Event of Default notify any account debtor or any other person obligated to pay any amount due, that such chattel paper, account or other right to payment has been assigned or transferred to Secured Party for security and shall be paid directly to Secured Party. If Secured Party so requests at any time after the occurrence of an Event of Default, Debtor will so notify such account debtors and other obligors in writing and will indicate on all invoices to such account debtors or other obligors that the amount due is payable directly to Secured Party. At any time after the occurrence of an Event of Default and after Secured Party or Debtor gives such notice to an account debtor or other obligor, Secured Party may (but need not), in Secured Party' s own name or in Debtor' s name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, any such chattel paper, account or other right to payment, or grant any extension to, make any

compromise or settlement with or otherwise agree to waive, modify, amend or change the obligations (including collateral obligations) of any such account debtor or other obligor.

5. Assignment of Insurance. Debtor hereby assigns to Secured Party, as additional security for the payment of the Obligations, any and all moneys (including but not limited to proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Debtor under or with respect to, any and all policies of insurance covering the Collateral, and Debtor hereby directs the issuer of any such policy to pay any such moneys directly to Secured Party. Both before and after the occurrence of an Event of Default, Secured Party may (but need not), in Secured Party' s own name or in Debtor' s name, execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy. Notwithstanding the foregoing, Debtor shall be entitled to use any such insurance proceeds to repair or replace any Collateral so long as no Default (as defined in the Credit Agreement) or Event of Default then exists.

6. Right to Offset. Nothing in this Agreement shall be deemed a waiver or prohibition of Secured Party' s right of banker' s lien, offset, or counterclaim, which right Debtor hereby grants to Secured Party.

7. Events of Default. The occurrence of any Event of Default, as defined in Section 10.1 of the Credit Agreement, shall constitute an Event of Default hereunder.

8. Remedies Upon Event of Default. Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the written satisfaction of Secured Party, Secured Party may exercise any one or more of the rights or remedies set forth in Section 10.2 of the Credit Agreement. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party' s option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

9. Other Personal Property. If at the time Secured Party takes possession of any tangible Collateral, any goods, papers or other properties of Debtor, not affixed to or constituting a part of such Collateral, are located or to be found upon or within such Collateral, Debtor agrees to notify Secured Party in writing of that fact, describing the property so located or to be found, within 7 calendar days after the date on which Secured Party took possession. Unless and until Secured Party receives such notice from Debtor, Secured Party shall not be responsible or liable to Debtor for any action taken or omitted by or on behalf of Secured Party with respect to such property without actual knowledge of the existence of any such property or without actual knowledge of the fact that it was located or to be found upon such Collateral.

10. Amendment; Waivers. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Secured Party and Debtor. A waiver shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party' s rights or remedies.

11. Notices. All notices to be given to Debtor shall be deemed sufficiently given if given in accordance with the Credit Agreement.

12. Miscellaneous. Secured Party' s duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other third person, and Secured Party need not otherwise preserve, protect, insure or care for any Collateral. Secured Party shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective representatives, successors and assigns and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party' s acceptance hereof. This Agreement shall be governed by the internal laws of the State of Minnesota, without giving effect to the conflicts of laws principles thereof.

(The signature page follows.)

THE PARTIES have executed this Security Agreement as of the day and year first above written.

Secured Party: EXCEL BANK MINNESOTA

By:/s/ Illegible
Its Senior Vice President

Debtor:

UNIQUESCREEN MEDIA, INC.

By:/s/ Illegible
Its Chief Operating Officer and
Chief Financial Officer

Exhibit A

Location of Collateral

Certain items of equipment and technology employed to display multi-media advertising and other entertainment content in cinema theaters throughout the United States is owned (or leased), installed and maintained by the Debtor through contractual arrangements with the theatre ownership. Debtor has provided Secured Party with a list of these theater locations as of the date hereof, and after the date hereof Debtor will promptly notify Secured Party of any changes in or additions to such locations.

**CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.
OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH
RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.**

EXECUTION COPY

$217,000,000

CREDIT AGREEMENT

Dated as of August 1, 2006

among

CHRISTIE/AIX, INC., as the Borrower

THE OTHER LOAN PARTIES PARTY HERETO, as Guarantors

THE LENDERS PARTY HERETO

and

GENERAL ELECTRIC CAPITAL CORPORATION,
as Administrative Agent and Collateral Agent

* * *

GE CAPITAL MARKETS, INC.,

as Sole Lead Arranger and Bookrunner

This CREDIT AGREEMENT, dated as of August 1, 2006, is entered into among CHRISTIE/AIX, INC., a Delaware corporation (the "Borrower"), the Lenders and GENERAL ELECTRIC CAPITAL CORPORATION ("GE Capital"), as administrative agent and collateral agent for the Lenders (in such capacity, and together with its successors and permitted assigns, the "Administrative Agent").

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS, INTERPRETATION AND ACCOUNTING TERMS

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

"Access IT" means Access Integrated Technologies, Inc., a Delaware corporation.

"Additional Equity Infusion" means, a cash contribution to the Borrower in exchange for Stock of the Borrower in an amount equal to (a) in respect of a Default of the type set forth in Section 9.1(i), the sum of (i) the greater of zero and (A) the product of the Applicable Percentage after taking into account any adjustments made in accordance with Section 9.1(i) and the sum of (1) Consolidated Total Debt (less Permitted Subordinated Indebtedness) of the Borrower and its Subsidiaries and (2) any Capital Contributions made as of the date that the applicable Digital Cinema Deployment Agreement ceases to be valid, binding or enforceable in accordance with its terms minus (B) any Capital Contributions made as of the date that the applicable Digital Cinema Deployment Agreement ceases to be valid, binding or enforceable in accordance with its terms and (ii) to the extent the Borrower has fewer than 2,500 Installed Digital Systems, the greater of zero and (A) the product of (1) $75,000, (2) 2500 and (3) the Applicable Percentage after taking into account any adjustment made in accordance with Section 9.1(i) minus (B) any Capital Contributions made as of the date of determination (after giving effect to any portion of the Additional Equity Infusion made as of such date in accordance with clause (i) of this definition) and (b) in respect of a Default of the type set forth in Section 9.1(j), the product of (i) the number of Installed Digital Systems affected by such Default, (ii) the virtual print fee that, in the absence of such Default, would have been paid per Digital System and (iii) a fraction, the numerator of which is the days of inactivity applicable to such Installed Digital Systems and the denominator of which is 21.

"Administrative Agent" has the meaning specified in the preamble hereto.

"Affected Lender" has the meaning specified in Section 2.16.

"Affiliate" means, with respect to any Person, each officer, director, general partner or joint-venturer of such Person and any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person; provided, however, that no Secured Party shall be an Affiliate of the Borrower. For purpose of this definition, "control" means the possession of either (a) the power to vote, or the beneficial ownership of, 10% or more of the Voting Stock of such Person or (b) the power to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agreement" means this Credit Agreement.

"Applicable Margin" means, with respect to Loans, a percentage equal to (a) during the period commencing on the Closing Date and ending on the later of (i) the first anniversary of the Closing Date

and (ii) the date on which the Borrower has entered into a ***Agreement with *** (such date, the "First Adjustment Date"), the percentage set forth in the applicable column opposite Level I in the table set forth below and (b) thereafter, subject to the proviso below, a percentage equal to the percentage set forth below in the applicable column opposite the level corresponding to the Total Equity Ratio:

LEVEL	TOTAL EQUITY RATIO	BASE RATE LOANS	EURODOLLAR RATE LOANS
I	Less than 40%	3.50%	4.50%
II	Less than 50% and equal to or greater than 40%	3.25%	4.25%
III	Less than 60% and equal to or greater than 50%	3.00%	4.00%
IV	Equal to or greater than 60%	2.75%	3.75%

; provided that if the First Adjustment Date shall not have occurred prior to the Termination Date, the Applicable Margin shall remain the percentage set forth in the applicable column opposite Level I in the table set forth above for the remainder of the term of this Agreement. Any adjustment of the "Applicable Margin," whether on the First Adjustment Date or Termination Date, shall be based upon the calculation of the Total Equity Ratio as set forth in a certificate duly executed by a Responsible Officer of the Borrower that shows in reasonable detail the calculations used in determining the Total Equity Ratio, which certificate shall be delivered at least three (3) Business Days in advance of the First Adjustment Date or the Termination Date, as applicable. Notwithstanding anything to the contrary set forth in this Agreement (including the then effective Total Equity Ratio), the Applicable Margin shall equal the percentage set forth in the appropriate column opposite Level I in the table above, effective immediately upon the occurrence of any Event of Default, in each case, for as long as such Event of Default shall be continuing.

"Applicable Percentage" means 37%; provided that the Applicable Percentage shall be (a) reduced to 30% upon the execution of a *** Agreement with *** and (b) increased upon the occurrence of a Default of the type set forth in Section 9.1(i) by an amount equal to the amount set forth on Schedule 9.1(i) opposite the name of the *** party to the applicable *** Agreement, provided, that the increase described in clause (b) shall be temporary and shall be reversed as to the applicable *** Agreement upon the reinstatement of such *** Agreement as a valid, binding and enforceable agreement, whether prior or subsequent to the receipt by the Borrower of an Additional Equity Infusion.

"Approved Fund" means, with respect to any Lender, any Person (other than a natural Person) that (a) is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (b) is advised or managed by (i) such Lender, (ii) any Affiliate of such Lender or (iii) any Person (other than an individual) or any Affiliate of any Person (other than an individual) that administers or manages such Lender.

"Assignment" means an assignment agreement entered into by a Lender, as assignor, and any prospective assignee thereof and accepted by the Administrative Agent, in substantially the form of Exhibit A.

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

"Base Rate" means, at any time, a rate per annum equal to the higher of (a) the rate last quoted by The Wall Street Journal as the "base rate on corporate loans posted by at least 75% of the nation' s largest banks" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent) and (b) the sum of 0.5% per annum and the Federal Funds Rate.

"Base Rate Loan" means any Loan that bears interest based on the Base Rate.

"Benefit Plan" means any employee benefit plan as defined in Section 3(3) of ERISA (whether governed by the laws of the United States or otherwise) to which any Group Member incurs or otherwise has any obligation or liability, contingent or otherwise.

"Borrower" has the meaning specified in the preamble hereto.

"Borrowing" means a borrowing consisting of Loans made on the same day by the Lenders according to their respective Commitments.

"Budget" means, with respect to any period, an annual operating budget for the Borrower and its Consolidated Subsidiaries, including an income statement, balance sheet and statement of cash flows, including all line item categories, line items and cumulative amounts (with a detailed breakout of Capital Expenditures and Excluded Capital Expenditures), details and a statement of underlying assumptions and estimates, in form and substance satisfactory to the Administrative Agent based upon a good faith determination.

"Business Day" means any day of the year that is not a Saturday, Sunday or a day on which banks are required or authorized to close in New York City or the State of New Jersey and, when determined in connection with notices and determinations in respect of any Eurodollar Rate or Eurodollar Rate Loan or any funding, conversion, continuation, Interest Period or payment of any Eurodollar Rate Loan, that is also a day on which dealings in Dollar deposits are carried on in the London interbank market.

"Capital Contribution" means (a) the sum of (i) the aggregate amount of cash contributed to the Borrower in exchange for Stock of the Borrower, (ii) prior to the Closing Date, the aggregate amount of advances made by a Loan Party or its Affiliates on behalf of the Borrower for, all or a portion of, the costs of purchasing, acquiring, receiving, delivering, constructing or installing any Installed Digital Systems in exchange for Stock of the Borrower, (iii) prior to the Closing Date, the aggregate amount of certain operating expenses paid by a Loan Party or its Affiliates on behalf of the Borrower, in each case, as approved by the Administrative Agent in its sole discretion and (iv) any payments by any Person (other than a Loan Party or its Affiliates) for, all or a portion of, the costs of purchasing, acquiring, receiving, delivering, constructing or installing any Installed Digital Systems, which cost is a Contractual Obligation of the Borrower, less (b) any Restricted Payments made by the Borrower in accordance with Section 8.5(d); provided that for all purposes other than satisfaction of the condition set forth in Section 3.1(f), until the Borrower has provided to the Administrative Agent the agreed upon procedures letter from the Group Members' Accountants required by Section 6.1(l), Capital Contribution shall be deemed to include only those amounts described in clause (a)(i) of this definition.

"Capital Expenditures" means, for any Person for any period, the aggregate of all expenditures, whether or not made through the incurrence of Indebtedness, by such Person and its Subsidiaries during such period for the purchase, acquisition, leasing (pursuant to a Capital Lease), receipt, delivery,

construction, installation, replacement, repair, substitution or improvement of fixed or capital assets or additions to such assets, in each case required to be capitalized under GAAP on a Consolidated balance sheet of such Person, excluding interest capitalized during construction.

"Capital Lease" means, with respect to any Person, any lease of, or other arrangement conveying the right to use, any property (whether real, personal or mixed) by such Person as lessee that has been or is required to be accounted for as a capital lease on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" means, at any time, with respect to any Capital Lease, any lease entered into as part of any Sale and Leaseback Transaction of any Person or any synthetic lease, the amount of all obligations of such Person that is (or that would be required to be, if such synthetic lease or other lease were accounted for as a Capital Lease) capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Cash Collateral Account" means a deposit account or securities account in the name of the Borrower and under the sole control (as defined in the applicable UCC) of the Administrative Agent and (a) in the case of a deposit account, from which the Borrower may not make withdrawals except as permitted by the Administrative Agent and (b) in the case of a securities account, with respect to which the Administrative Agent shall be the entitlement holder and the only Person authorized to give (or to authorize another Person to give) entitlement orders with respect thereto.

"Cash Equivalents" means (a) any readily-marketable securities (i) issued by, or directly, unconditionally and fully guaranteed or insured by the United States federal government or (ii) issued by any agency of the United States federal government the obligations of which are fully backed by the full faith and credit of the United States federal government, (b) any readily-marketable direct obligations issued by any other agency of the United States federal government, any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case having a rating of at least "A-1" from S&P or at least "P-1" from Moody' s, (c) any commercial paper rated at least "A-1" by S&P or "P-1" by Moody' s and issued by any Person organized under the laws of any state of the United States, (d) any Dollar-denominated time deposit, certificate of deposit, overnight bank deposit or bankers' acceptance issued or accepted by (i) any Lender or (ii) any commercial bank that is (A) organized under the laws of the United States, any state thereof or the District of Columbia, (B) "adequately capitalized" (as defined in the regulations of its primary federal banking regulators) and (C) has Tier 1 capital (as defined in such regulations) in excess of $250,000,000 and (e) interests in any money market fund registered under the Investment Company Act of 1940 that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c) or (d) above with maturities as set forth in the proviso below, (ii) has net assets in excess of $500,000,000 and (iii) has obtained from either S&P or Moody' s the highest rating obtainable for money market funds in the United States; provided, however, that the maturities of all obligations specified in any of clauses (a) through (d) above shall not exceed 365 days.

"CERCLA" means the United States Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.).

"Certificate of Acceptance" has the meaning specified in Section 6.1(k).

"Change of Control" means the occurrence of any of the following: (a) Access IT shall cease to own and control legally and beneficially a majority of the economic and voting rights associated with ownership of the outstanding Voting Stock of all classes of Voting Stock of Holdings, (b) Holdings shall cease to own and control legally and beneficially a majority of the economic and voting rights associated

with ownership of the outstanding Voting Stock of all classes of Voting Stock of the Borrower, provided, that it shall be a condition to the Sale by Holdings (or any subsequent owner) of any of the Voting Stock of the Borrower that the same be pledged to the Administrative Agent, for the benefit of the Secured Parties, to secure the Obligations or (c) A. Dale Mayo shall cease to be all of the following (i) the chief executive officer, (ii) a member of the board of directors and (iii) otherwise employed in a substantially similar position by the Borrower, and the Administrative Agent has determined that the Borrower will not be able to satisfactorily perform its obligations under this Agreement or under any Digital Cinema Deployment Agreement; provided that any of the foregoing which is consented to in advance in writing by the Required Lenders in their sole discretion shall not constitute an Event of Default under Section 9.1(h).

"Closing Date" means the date on which the conditions precedent set forth in Section 3.1 have been satisfied.

"Code" means the U.S. Internal Revenue Code of 1986.

"Collateral" means (a) in the case of Holdings, all Securities of the Borrower and the proceeds thereof on a non-recourse basis and (b) all property and interests in property and proceeds thereof now owned or hereafter acquired by any Loan Party (other than Holdings) in or upon which a Lien is granted or purported to be granted pursuant to any Loan Document.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans to the Borrower, which commitment is in the amount set forth opposite such Lender' s name on Schedule I under the caption "Commitment," as amended from time to time to reflect Assignments and as such amount may be reduced pursuant to this Agreement. The aggregate amount of the Commitments on the Closing Date equals $217,000,000.

"Compliance Certificate" means a certificate substantially in the form of Exhibit E.

"Consolidated" means, with respect to any Person, the accounts of such Person and its Subsidiaries consolidated in accordance with GAAP.

"Consolidated Cash Interest Expense" means, with respect to any Person for any period, the Consolidated Interest Expense of such Person for such period less the sum of, in each case to the extent included in the definition of Consolidated Interest Expense, (a) the amortized amount of debt discount and debt issuance costs, (b) charges relating to write-ups or write-downs in the book or carrying value of existing Consolidated Total Debt, (c) interest payable in evidences of Indebtedness or by addition to the principal of the related Indebtedness and (d) other non-cash interest.

"Consolidated Current Assets" means, with respect to any Person at any date, all assets of such Person and its Subsidiaries at such date that should, in accordance with GAAP, be classified as current assets on a Consolidated balance sheet of such Person other than cash, Cash Equivalents and any Indebtedness owing to such Person or any of its Subsidiaries by Affiliates of such Person.

"Consolidated Current Liabilities" means, with respect to any Person at any date, all liabilities of such Person and its Subsidiaries at such date that should, in accordance with GAAP, be classified as current liabilities on a Consolidated balance sheet of such Person; provided, however, that "Consolidated Current Liabilities" shall exclude the principal amount of the Loans then outstanding.

"Consolidated EBITDA" means, with respect to any Person for any period, (a) the Consolidated Net Income of such Person for such period plus (b) the sum of, in each case to the extent deducted in the

calculation of such Consolidated Net Income but without duplication, (i) any provision for United States federal income taxes or other taxes measured by net income, (ii) Consolidated Interest Expense, amortization of debt discount and commissions and other fees and charges associated with Indebtedness, (iii) any loss from extraordinary items or any other non-recurring loss acceptable to the Administrative Agent, (iv) any depreciation, depletion or amortization expense, and (v) any other non-cash expenditure, charge or loss for such period (other than any non-cash expenditure, charge or loss relating to write-offs, write-downs or reserves with respect to accounts and inventory), including the amount of any compensation deduction as the result of any grant of Stock or Stock Equivalents to employees, officers, directors or consultants and minus (c) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income but without duplication, (i) any credit for United States federal income taxes or other taxes measured by net income, (ii) any interest income, (iii) any gain from extraordinary items and any other non-recurring gain, (iv) any other non-cash gain, including any reversal of a charge referred to in clause (b)(v) above by reason of a decrease in the value of any Stock or Stock Equivalent, and (v) any other cash payment in respect of expenditures, charges and losses that have been added to Consolidated EBITDA of such Person pursuant to clause (b)(v) above in any prior period.

"Consolidated Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of (a) Consolidated EBITDA of such Person for such period to (b) the Consolidated Fixed Charges of such Person for such period.

"Consolidated Fixed Charges" means, with respect to any Person for any period, the sum, determined on a Consolidated basis, of (a) the Consolidated Cash Interest Expense of such Person and its Subsidiaries for such period, (b) the principal amount of Consolidated Total Debt of such Person and its Subsidiaries having a scheduled due date during such period, (c) all commitment fees and other costs, fees and expenses payable by such Person and its Subsidiaries during such period in order to effect, or because of, the incurrence of any Indebtedness, (d) Capital Expenditures of such Person and its Subsidiaries for such period (other than Excluded Capital Expenditures) and (e) the total liability for United States federal income taxes and other taxes measured by net income actually payable in cash by such Person in respect of such period.

"Consolidated Interest Expense" means, for any Person for any period, (a) Consolidated total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Subsidiaries for such period and including, in any event, (i) interest capitalized during such period and net costs under Interest Rate Contracts for such period and (ii) all fees, charges, commissions, discounts and other similar obligations (other than reimbursement obligations) with respect to letters of credit, bank guarantees, banker' s acceptances, surety bonds and performance bonds (whether or not matured) payable by such Person and its Subsidiaries during such period minus (b) the sum of (i) Consolidated net gains of such Person and its Subsidiaries under Interest Rate Contracts for such period and (ii) Consolidated interest income of such Person and its Subsidiaries for such period.

"Consolidated Leverage Ratio" means, with respect to any Person as of any date, the ratio of (a) Consolidated Total Debt of such Person outstanding as of such date to (b) Consolidated EBITDA for such Person for the last period of four consecutive Fiscal Quarters ending on or before such date.

"Consolidated Net Income" means, with respect to any Person, for any period, the Consolidated net income (or loss) of such Person and its Subsidiaries for such period; provided, however, that the following shall be excluded: (a) the net income of any other Person in which such Person or one of its Subsidiaries has a joint interest with a third-party, except to the extent of the amount of dividends or distributions paid to such Person or Subsidiary, (b) the net income of any Subsidiary of such Person that is, on the last day of such period, subject to any restriction or limitation on the payment of dividends or the making of other distributions to a Loan Party, to the extent of such restriction or limitation and (c) the

net income of any other Person arising prior to such other Person becoming a Subsidiary of such Person or merging or consolidating into such Person or its Subsidiaries.

"Consolidated Total Debt" of any Person means all Indebtedness of a type described in clause (a), (b), (c)(i), (d) or (f) of the definition thereof and all Guaranty Obligations with respect to any such Indebtedness, in each case of such Person and its Subsidiaries on a Consolidated basis.

"Constituent Documents" means, with respect to any Person, collectively and, in each case, together with any modification of any term thereof, (a) the articles of incorporation, certificate of incorporation, constitution or articles or certificate of organization or formation of such Person, (b) the bylaws, operating agreement or joint venture agreement of such Person, (c) any other constitutive, organizational or governing document of such Person, whether or not equivalent, and (d) any other document setting forth the manner of election or duties of the directors, officers, managers, or managing members of such Person or the designation, amount or relative rights, limitations and preferences of any Stock of such Person.

"Contractual Obligation" means, with respect to any Person, any provision of any Security issued by such Person or of any document or undertaking (other than a Loan Document) to which such Person is a party or by which it or any of its property is bound or to which any of its property is subject, including all Master License Agreements, Service Agreements and all Digital Cinema Deployment Agreements.

"Control Agreement" means, with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance reasonably satisfactory to the Administrative Agent, among the Administrative Agent, the financial institution or other Person at which such account or contract is maintained or with which such entitlement or contract is carried and the Loan Party maintaining such account or contract, effective to grant "control" (as defined under the applicable UCC) over such account to the Administrative Agent.

"Controlled Deposit Account" means each deposit account (including all funds on deposit therein) that is the subject of an effective Control Agreement and that is maintained by any Loan Party with a financial institution approved by the Administrative Agent.

"Controlled Securities Account" means each securities account or commodity account (including all financial assets held therein and all certificates and instruments, if any, representing or evidencing such financial assets) that is the subject of an effective Control Agreement and that is maintained by any Loan Party with a securities intermediary or commodity intermediary approved by the Administrative Agent.

"Copyrights" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith.

"Corporate Chart" means a document in form reasonably acceptable to the Administrative Agent and setting forth, as of a date set forth therein, for each Person that is a Loan Party, that is subject to Section 7.10 or that is a Subsidiary or joint venture of any of them, (a) the full legal name of such Person, (b) the jurisdiction of organization and any organizational number and tax identification number of such Person, (c) the location of such Person' s chief executive office (or, if applicable, sole place of business) and (d) the number of shares of each class of Stock of such Person authorized, the number outstanding and the number and percentage of such outstanding shares for each such class owned, directly or indirectly, by any Loan Party or any Subsidiary of any of them.

"Customary Permitted Liens" means, with respect to any Person, any of the following:

(a) Liens (i) with respect to the payment of taxes, assessments or other governmental charges or (ii) of suppliers, carriers, materialmen, warehousemen, workmen or mechanics and other similar Liens, in each case imposed by law or arising in the ordinary course of business, and, for each of the Liens in clauses (i) and (ii) above for amounts that are not yet due or that are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves or other appropriate provisions are maintained on the books of such Person in accordance with GAAP;

(b) Liens of a collection bank on items in the course of collection arising under Section 4-208 of the UCC as in effect in the State of New York or any similar section under any applicable UCC or any similar Requirement of Law of any foreign jurisdiction;

(c) pledges or cash deposits made in the ordinary course of business (i) in connection with workers' compensation, unemployment insurance or other types of social security benefits (other than any Lien imposed by ERISA), (ii) to secure the performance of bids, tenders, leases (other than Capital Leases) sales or other trade contracts (other than for the repayment of borrowed money) or (iii) made in lieu of, or to secure the performance of, surety, customs, reclamation or performance bonds (in each case not related to judgments or litigation);

(d) judgment liens (other than for the payment of taxes, assessments or other governmental charges) securing judgments and other proceedings not constituting an Event of Default under Section 9.1(e) and pledges or cash deposits made in lieu of, or to secure the performance of, judgment or appeal bonds in respect of such judgments and proceedings;

(e) Liens (i) arising by reason of zoning restrictions, easements, licenses, reservations, restrictions, covenants, rights-of-way, encroachments, minor defects or irregularities in title (including leasehold title) and other similar encumbrances on the use of real property or (ii) consisting of leases, licenses or subleases granted by a lessor, licensor or sublessor on its property (in each case other than Capital Leases) otherwise permitted under Section 8.4 that, for each of the Liens in clauses (i) and (ii) above, do not, in the aggregate, materially (x) impair the value or marketability of such real property or (y) interfere with the ordinary conduct of the business conducted and proposed to be conducted at such real property;

(f) Liens of landlords and mortgagees of landlords (i) arising by statute or under any lease or related Contractual Obligation entered into in the ordinary course of business, (ii) on fixtures and movable tangible property located on the real property leased or subleased from such landlord, (iii) for amounts not yet due or that are being contested in good faith by appropriate proceedings diligently conducted and (iv) for which adequate reserves or other appropriate provisions are maintained on the books of such Person in accordance with GAAP; and

(g) the title and interest of a lessor or sublessor in and to personal property permitted to be leased or subleased under this Agreement (other than through a Capital Lease), in each case extending only to such personal property.

"Default" means any Event of Default and any event that, with the passing of time or the giving of notice or both, would become an Event of Default.

"Digital Cinema Deployment Agreement" means a digital cinema deployment agreement in a form and substance reasonably acceptable to the Administrative Agent executed by the Borrower with a

Person in the business of distributing theatrical feature films or other traditional or non-traditional motion picture content.

"Digital Systems" means, collectively, (a) a DLP Cinema 2k projector, capable of both 2-D and 3-D display, (b) a digital cinema server, and (c) a central storage server with management software and other such components required to meet the Digital Cinema System Specification V1.0 (issued July 20, 2005 by Digital Cinema Initiatives, LLC) or such other similar systems as are acceptable to the Administrative Agent.

"Disclosure Documents" means, collectively, (a) all confidential information memoranda and related written materials prepared by or on behalf of (and with the consent or at the direction of) a Loan Party or Access IT in connection with the syndication of the Facilities and (b) all other documents filed by any Group Member with the United States Securities and Exchange Commission.

"Dollars" and the sign "$" each mean the lawful money of the United States.

"Domestic Person" means any "United States person" under and as defined in Section 770l(a)(30) of the Code.

"E-Fax" means any system used to receive or transmit faxes electronically.

"E-Signature" means the process of attaching to or logically associating with an Electronic Transmission an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Electronic Transmission) with the intent to sign, authenticate or accept such Electronic Transmission.

"E-System" means any electronic system, including Intralinks® and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent, any of its Related Persons or any other Person, providing for access to data protected by passcodes or another reasonably adequate security system.

"Electronic Transmission" means each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System or other equivalent service.

"Environmental Laws" means all Requirements of Law and Permits imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources, including CERCLA, the SWDA, the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.), all regulations promulgated under any of the foregoing, all analogous Requirements of Law and Permits and any environmental transfer of ownership notification or approval statutes, including the Industrial Site Recovery Act (N.J. Stat. Ann. §§ 13:1K-6 et seq.).

"Environmental Liabilities" means all Liabilities (including costs of Remedial Actions, natural resource damages and costs and expenses of investigation and feasibility studies) that may be imposed on, incurred by or asserted against any Group Member as a result of, or related to, any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law or otherwise, arising under any

Environmental Law or in connection with any environmental, health or safety condition or with any Release and resulting from the ownership, lease, sublease or other operation or occupation of property by any Group Member, whether on, prior or after the date hereof.

"ERISA" means the United States Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, collectively, any Group Member, and any Person under common control, or treated as a single employer, with any Group Member, within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"ERISA Event" means any of the following: (a) a reportable event described in Section 4043(b) of ERISA (or, unless the 30-day notice requirement has been duly waived under the applicable regulations, Section 4043(c) of ERISA) with respect to a Title IV Plan, (b) the withdrawal of any ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA, (c) the complete or partial withdrawal of any ERISA Affiliate from any Multiemployer Plan, (d) with respect to any Multiemployer Plan, the filing of a notice of reorganization, insolvency or termination (or treatment of a plan amendment as termination) under Section 4041A of ERISA, (e) the filing of a notice of intent to terminate a Title IV Plan (or treatment of a plan amendment as termination) under Section 4041(c) of ERISA, (f) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC, (g) the failure to make any required contribution to any Title IV Plan or Multiemployer Plan when due, (h) the imposition of a lien under Section 412 of the Code or Section 302 or 4068 of ERISA on any property (or rights to property, whether real or personal) of any ERISA Affiliate, (i) the failure of a Benefit Plan or any trust thereunder intended to qualify for tax exempt status under Section 401 or 501 of the Code or other Requirements of Law to qualify thereunder and (j) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for a distress or involuntary termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of any liability upon any ERISA Affiliate under Title IV of ERISA other than for PBGC premiums due but not delinquent.

"Eurodollar Base Rate" means, with respect to any Interest Period for any Eurodollar Rate Loan, the rate determined by the Administrative Agent to be the offered rate for deposits in Dollars for the applicable Interest Period appearing on the Dow Jones Markets Telerate Page 3750 as of 11:00 a.m. (London time) on the 2nd full Business Day preceding the first day of each Interest Period. In the event that such rate does not appear on the Dow Jones Markets Telerate Page 3750 (or otherwise on the Dow Jones Markets screen) at such time, the "Eurodollar Base Rate" shall be determined (a) in the case of Secured Hedging Reimbursement Obligations, by such other method to determine the cost of funds of the applicable Secured Hedging Counterparty as may be selected by such Secured Hedging Counterparty in its sole discretion, and (b) otherwise, by reference to such other comparable service for displaying the offered rate for deposit in Dollars in the London interbank market as may be selected by the Administrative Agent.

"Eurodollar Rate" means, with respect to any Interest Period and for any Eurodollar Rate Loan, an interest rate per annum determined as the ratio of (a) the Eurodollar Base Rate with respect to such Interest Period for such Eurodollar Rate Loan to (b) the difference between the number one and the Eurodollar Reserve Requirements with respect to such Interest Period and for such Eurodollar Rate Loan.

"Eurodollar Rate Loan" means any Loan that bears interest based on the Eurodollar Rate.

"Eurodollar Reserve Requirements" means, with respect to any Interest Period and for any Eurodollar Rate Loan, a rate per annum equal to the aggregate, without duplication, of the maximum rates

(expressed as a decimal number) of reserve requirements in effect 2 Business Days prior to the first day of such Interest Period (including basic, supplemental, marginal and emergency reserves) under any regulations of the Federal Reserve Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "eurocurrency liabilities" in Regulation D of the Federal Reserve Board) maintained by a member bank of the United States Federal Reserve System; provided, that if no Lender is a member bank at the time of determination, the Eurodollar Reserve Requirement shall be deemed to be zero.

"Event of Default" has the meaning specified in Section 9.1.

"Excess Cash Flow" means, for any period, (a) Consolidated EBITDA of the Borrower for such period, minus (b) without duplication, (i) any voluntary cash principal prepayment on the Loans during such period, (ii) any scheduled or other mandatory cash principal payment made by the Borrower or any of its Subsidiaries during such period on any Capitalized Lease Obligation or other Indebtedness (but, if such Indebtedness may be reborrowed, only to the extent such payment results in a permanent reduction in commitments thereof), (iii) any Capital Expenditure made in cash by the Borrower or any of its Subsidiaries during such period to the extent permitted by this Agreement, excluding any such Capital Expenditure to the extent financed through the incurrence of any Capitalized Lease Obligations, any long-term Indebtedness other than the Obligations and any Capitalized Lease Obligations, issuance of Stock, casualty proceeds or other proceeds not included in Consolidated EBITDA, (iv) the Consolidated Interest Expense of the Borrower for such period, (v) any cash losses from extraordinary items, (vi) any cash payment made during such period to satisfy obligations for United States federal income taxes or other taxes measured by net income, (vii) any increase in the Working Capital of the Borrower during such period (measured as the excess of such Working Capital at the end of such period over such Working Capital at the beginning of such period), (viii) to the extent included in the calculation of Consolidated EBITDA pursuant to clause (b)(i) of the definition thereof, any provision for United States federal income taxes or other taxes measured by net income and payable in cash and (ix) any Restricted Payments made by the Borrower in accordance with Section 8.5(e) during such period and/or on or prior to the date that a mandatory prepayment is required to be made in respect of such period in accordance with Section 2.6(a) (provided, that no deduction shall be made under this clause (ix) for any Restricted Payments deducted in a prior period) and plus (c) without duplication, any decrease in the Working Capital of the Borrower during such period (measured as the excess of such Working Capital at the beginning of such period over such Working Capital at the end thereof).

"Excluded Capital Expenditures" means Capital Expenditures made in respect of Installed Digital Systems.

"Excluded Foreign Subsidiary" means any Subsidiary that is not a Domestic Person and in respect of which any of (a) the pledge of all of the Stock of such Subsidiary as Collateral for any Obligation of the Borrower, (b) the grant by such Subsidiary of a Lien on any of its property as Collateral for any Obligation of the Borrower or (c) such Subsidiary incurring Guaranty Obligations with respect to any Obligation of the Borrower or any Domestic Person would, in the good faith judgment of the Borrower, result in materially adverse tax consequences to the Loan Parties and their Subsidiaries, taken as a whole; provided, however, that (x) the Administrative Agent and the Borrower may agree that, despite the foregoing, any such Subsidiary shall not be an "Excluded Foreign Subsidiary" and (y) no such Subsidiary shall be an "Excluded Foreign Subsidiary" if, with substantially similar tax consequences, such Subsidiary has entered into any Guaranty Obligations with respect to, such Subsidiary has granted a security interest in any of its property to secure, or more than 65% of the Voting Stock of such Subsidiary was pledged to secure, directly or indirectly, any Indebtedness (other than the Obligations) of any Loan Party.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as determined by the Administrative Agent in its sole discretion.

"Federal Reserve Board" means the Board of Governors of the United States Federal Reserve System and any successor thereto.

"Fee Letter" means the Second Amended and Restated Fee Letter, dated July 27, 2006, addressed to the Borrower and Access IT from the Administrative Agent and accepted by the Borrower and Access IT, with respect to certain fees to be paid from time to time to the Administrative Agent.

"Financial Statement" means each financial statement delivered pursuant to Section 4.4 or 6.1.

"Fiscal Quarter" means each 3 fiscal month period ending on March 31, June 30, September 30 or December 31.

"Fiscal Year" means the twelve month period ending on March 31.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time, set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants, in the statements and pronouncements of the Financial Accounting Standards Board and in such other statements by such other entity as may be in general use by significant segments of the accounting profession in the United States that are applicable to the circumstances as of the date of determination. Subject to Section 1.3, all references to "GAAP" shall be to GAAP applied consistently with the principles used in the preparation of the Financial Statements described in Section 4.4(a).

"GE Capital" has the meaning specified in the preamble hereto.

"Governmental Authority" means any nation, sovereign or government, any state or other political subdivision thereof, any agency, authority or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, including any central bank, stock exchange, regulatory body, arbitrator, public sector entity, supra-national entity (including the European Union and the European Central Bank) and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members" means, collectively, the Borrower and its Subsidiaries.

"Group Members' Accountants" means Eisner LLP or any nationally-recognized independent registered certified public accountants reasonably acceptable to the Administrative Agent.

"Guarantor" means each Subsidiary of the Borrower listed on Schedule 4.3 that is not an Excluded Foreign Subsidiary and each other Person that enters into any Guaranty Obligation with respect to any Obligation of any Loan Party.

"Guaranty and Security Agreement" means a guaranty and security agreement, in substantially the form of Exhibit F, among the Administrative Agent, the Borrower and other Guarantors from time to time party thereto.

"Guaranty Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person for any Indebtedness, lease, dividend or other obligation (the "primary obligation") of another Person (the "primary obligor"), if the purpose or intent of such Person in incurring such liability, or the economic effect thereof, is to guarantee such primary obligation or provide support, assurance or comfort to the holder of such primary obligation or to protect or indemnify such holder against loss with respect to such primary obligation, including (a) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of any primary obligation, (b) the incurrence of reimbursement obligations with respect to any letter of credit or bank guarantee in support of any primary obligation, (c) the existence of any Lien, or any right, contingent or otherwise, to receive a Lien, on the property of such Person securing any part of any primary obligation and (d) any liability of such Person for a primary obligation through any Contractual Obligation (contingent or otherwise) or other arrangement (i) to purchase, repurchase or otherwise acquire such primary obligation or any security therefor or to provide funds for the payment or discharge of such primary obligation (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (ii) to maintain the solvency, working capital, equity capital or any balance sheet item, level of income or cash flow, liquidity or financial condition of any primary obligor, (iii) to make take-or-pay or similar payments, if required, regardless of non-performance by any other party to any Contractual Obligation, (iv) to purchase, sell or lease (as lessor or lessee) any property, or to purchase or sell services, primarily for the purpose of enabling the primary obligor to satisfy such primary obligation or to protect the holder of such primary obligation against loss or (v) to supply funds to or in any other manner invest in, such primary obligor (including to pay for property or services irrespective of whether such property is received or such services are rendered); provided, however, that "Guaranty Obligations" shall not include (x) endorsements for collection or deposit in the ordinary course of business and (y) product warranties given in the ordinary course of business. The outstanding amount of any Guaranty Obligation shall equal the outstanding amount of the primary obligation so guaranteed or otherwise supported or, if lower, the stated maximum amount for which such Person may be liable under such Guaranty Obligation.

"Hazardous Material" means any substance, material or waste that is classified, regulated or otherwise characterized under any Environmental Law as hazardous, toxic, a contaminant or a pollutant or by other words of similar meaning or regulatory effect, including petroleum or any fraction thereof, asbestos, polychlorinated biphenyls and radioactive substances.

"Hedging Agreement" means any Interest Rate Contract, foreign exchange, swap, option or forward contract, spot, cap, floor or collar transaction, any other derivative instrument and any other similar speculative transaction and any other similar agreement or arrangement designed to alter the risks of any Person arising from fluctuations in any underlying variable.

"Holdings" means Access Digital Media, Inc., a Delaware corporation.

"Indebtedness" of any Person means, without duplication, any of the following, whether or not matured: (a) all indebtedness for borrowed money, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all reimbursement and all obligations with respect to (i) letters of credit, bank guarantees or bankers' acceptances or (ii) surety, customs, reclamation or performance bonds (in each case not related to judgments or litigation) other than those entered into in the ordinary course of business, (d) all obligations to pay the deferred purchase price of property or services, other than trade payables incurred in the ordinary course of business, (e) all obligations created or arising under any conditional sale or other title retention agreement, regardless of whether the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property, (f) all Capitalized Lease Obligations, (g) all obligations, whether or not contingent, to purchase, redeem, retire, defease or otherwise acquire for value any of its own Stock or Stock Equivalents (or any

Stock or Stock Equivalent of a direct or indirect parent entity thereof) prior to the date that is 180 days after the Maturity Date, valued at, in the case of redeemable preferred Stock, the greater of the voluntary liquidation preference and the involuntary liquidation preference of such Stock plus accrued and unpaid dividends, (h) all payments that would be required to be made in respect of any Hedging Agreement in the event of a termination (including an early termination) on the date of determination and (i) all Guaranty Obligations for obligations of any other Person constituting Indebtedness of such other Person; provided, however, that the items in each of clauses (a) through (i) above shall constitute "Indebtedness" of such Person solely to the extent, directly or indirectly, (x) such Person is liable for any part of any such item, (y) any such item is secured by a Lien on such Person' s property or (z) any other Person has a right, contingent or otherwise, to cause such Person to become liable for any part of any such item or to grant such a Lien.

"Indemnified Matter" has the meaning specified in Section 11.4.

"Indemnitee" has the meaning specified in Section 11.4.

"Initial Projections" means those financial projections, dated April 28, 2006, covering the Fiscal Years ending in 2006 through 2013 and delivered to the Administrative Agent by the Borrower prior to the date hereof.

"Installed Digital Systems" means installed and fully operational Digital Systems subject to a Master License Agreement and a Service Agreement; provided that solely for purposes of calculating the Loan Availability under Section 2.1 or 2.6(d), providing instructions for payment under Section 2.2(b) and the limitation on use of proceeds set forth in Section 7.9, Installed Digital Systems shall include equipment of the type described in clauses (a) through (c) of the definition of "Digital Systems" to the extent such equipment will be purchased with the proceeds of a proposed Borrowing; provided, further that in the event (a) such equipment is not installed and fully operational within 180 days of such Borrowing, as evidenced by a Certificate of Acceptance, (b) the Borrower shall not have delivered a Certificate of Acceptance in compliance with Section 6.1(k) or 7.17 or (c) the Borrower shall not have delivered insurance certificates in compliance with Section 6.1(j)(iv) or 7.18, in each case, such equipment shall be excluded from the calculation of Loan Availability.

"Intellectual Property" means all rights, title and interests in or relating to intellectual property and industrial property arising under any Requirement of Law and all IP Ancillary Rights relating thereto, including all Copyrights, Patents, Trademarks, Internet Domain Names, Trade Secrets and IP Licenses.

"Intercompany Agreements" means all agreements among the Borrower and Holdings and/or Access IT.

"Interest Period" means, (a) with respect to any Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is made or converted to a Eurodollar Rate Loan or, if such loan is continued, on the last day of the immediately preceding Interest Period therefor and, in each case, ending 1, 2, 3 or 6 months thereafter, as selected by the Borrower pursuant hereto and (b) with respect to any Secured Hedging Reimbursement Obligation, the period commencing on the date such Secured Hedging Reimbursement Obligation first becomes outstanding or, for all successive Interest Periods, on the last day of the immediately preceding Interest Period therefor and, in each case, ending 1 month thereafter; provided, however, that (y) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless the result of such extension would be to extend such Interest Period into the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (w) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically

corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month, (x) the Borrower may not select any Interest Period for Eurodollar Rate Loans ending after the Maturity Date, (y) the Borrower may not select any Interest Period in respect of Loans having an aggregate principal amount of less than $1,000,000 and (z) there shall be outstanding at any one time no more than 6 Interest Periods for Eurodollar Rate Loans.

"Interest Rate Contracts" means all interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and interest rate insurance.

"Interest Reserve" means, for any period of 12 months, an amount equal to the projected cash-pay interest expense which the Borrower is obligated to pay during such 12 month period in respect of the aggregate principal amount of the Loans outstanding under this Agreement as of such date of determination (after giving effect to any Loans to be made on such date of determination), such amount to be calculated at the beginning of each Fiscal Quarter to take into account reduced or increased interest costs, in a manner reasonably satisfactory to the Administrative Agent and, for the purpose of calculating the Interest Reserve for any period based upon the Eurodollar Rate with respect to a 3 month Interest Period determined on the date that is 2 Business Days prior to the first day of each Fiscal Quarter, subject to any Hedging Agreement entered into in connection with this Agreement.

"Interest Reserve Account" means a Cash Collateral Account established for the purpose of holding the Interest Reserve.

"Internet Domain Names" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to Internet domain names.

"Investment" means, with respect to any Person, directly or indirectly, (a) the ownership, purchase or other acquisition, in each case whether beneficially or otherwise, of any investment in, including any interest in, any Security of any other Person (other than any evidence of any Obligation), (b) the purchase or other acquisition, whether in one transaction or in a series of transactions, of all or a significant part of the property of any other Person or a business conducted by any other Person or all or substantially all of the assets constituting the business of a division, branch, brand or other unit operation of any other Person, (c) to incur, or to remain liable under, any Guaranty Obligation for Indebtedness of any other Person, to assume the Indebtedness of any other Person or to make, hold, purchase or otherwise acquire, in each case directly or indirectly, any deposit, loan, advance, commitment to lend or advance, or other extension of credit (including by deferring or extending the date of, in each case outside the ordinary course of business, the payment of the purchase price for Sales of property or services to any other Person, to the extent such payment obligation constitutes Indebtedness of such other Person), excluding deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable and similar items created in the ordinary course of business, (d) to make, directly or indirectly, any contribution to the capital of any other Person or (e) to Sell any property for less than fair market value (including a disposition of cash or Cash Equivalents in exchange for consideration of lesser value); provided, however, that such Investment shall be valued at the difference between the value of the consideration for such Sale and the fair market value of the property Sold.

"IP Ancillary Rights" means, with respect to any other Intellectual Property, as applicable, all foreign counterparts to, and all divisionals, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions of, such Intellectual Property and all income, royalties, proceeds and Liabilities at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect to such Intellectual Property, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other IP Ancillary Right.

"IP License" means all Contractual Obligations (and all related IP Ancillary Rights), whether written or oral, granting any right, title and interest in or relating to any Intellectual Property.

"IRS" means the Internal Revenue Service of the United States and any successor thereto.

"Lender" means, collectively, any financial institution or other Person that (a) is listed on the signature pages hereof as a "Lender" or (b) from time to time becomes a party hereto by execution of an Assignment, in each case together with its successors.

"Liabilities" means all claims, actions, suits, judgments, damages, losses, liability, obligations, responsibilities, fines, penalties, sanctions, costs, fees, taxes, commissions, charges, disbursements and expenses, in each case of any kind or nature (including interest accrued thereon or as a result thereto and fees, charges and disbursements of financial, legal and other advisors and consultants), whether joint or several, whether or not indirect, contingent, consequential, actual, punitive, treble or otherwise.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest or other security arrangement and any other preference, priority or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Loan" has the meaning specified in Section 2.1.

"Loan Availability" means an amount equal to the product of (a) the aggregate purchase price paid or payable by the Borrower or any other Person for all Installed Digital Systems, including, without limitation, all costs, fees or other expenses associated with the purchase, acquisition, receipt, delivery, construction and installation of any such Installed Digital Systems and (b) 100% minus the Applicable Percentage (expressed as a decimal).

"Loan Documents" means, collectively, this Agreement, any Notes, the Guaranty and Security Agreement, the Pledge Agreement, the Mortgages, the Control Agreements, the Fee Letter, the Secured Hedging Documents and, when executed, each document executed by a Loan Party and delivered to the Administrative Agent or any Lender in connection with or pursuant to any of the foregoing or the Obligations, together with any modification of any term, or any waiver with respect to, any of the foregoing.

"Loan Party" means Holdings, the Borrower and each Guarantor.

"Master License Agreement" means a master license agreement in the form of Exhibit G or with such modifications thereto as are acceptable to the Administrative Agent, in each case, executed by Borrower with a Person in the business of owning or operating one or more cineplexes used for the exhibition of traditional or non-traditional motion picture content.

"Material Adverse Effect" means an effect that results in or causes, or could reasonably be expected to result in or cause, a material adverse change in any of (a) the condition (financial or otherwise), business, performance, prospects (in the reasonable judgment of the Administrative Agent), operations or property of the Loan Parties, taken as a whole, or the Group Members, taken as a whole, (b) the ability of any Loan Party to perform its obligations under any Loan Document and (c) the validity or enforceability of any Loan Document or the rights and remedies of the Administrative Agent, the Lenders and the other Secured Parties under any Loan Document.

"Material Environmental Liabilities" means Environmental Liabilities exceeding $250,000 in the aggregate.

"Maturity Date" means the 7th anniversary of the Closing Date.

"MLA Prepayment Amount" means the product of (a) the outstanding principal amount of the Loans as of the date of the prepayment made in accordance Section 9.1(j) and (b) a fraction (i) the numerator of which is the number of Installed Digital Systems covered by the applicable Master License Agreement or Service Agreement which have not been redeployed as of such date of prepayment, and (ii) the denominator of which is (A) the aggregate number of Installed Digital Systems as of the date of Default under Section 9.1(j) minus (B) any Installed Digital Systems which have not been redeployed as of such date of prepayment.

"Moody' s" means Moody' s Investors Service, Inc.

"Mortgage" means any mortgage, deed of trust or other document executed or required herein to be executed by any Loan Party and granting a security interest over real property in favor of the Administrative Agent as security for the Obligations.

"Mortgage Supporting Documents" means, with respect to any Mortgage for a parcel of real property, each document (including title policies or marked-up unconditional insurance binders (in each case, together with copies of all documents referred to therein), maps, ALTA (or TLTA, if applicable) as-built surveys (in form and as to date that is sufficiently acceptable to the title insurer issuing title insurance to the Administrative Agent for such title insurer to deliver endorsements to such title insurance as reasonably requested by the Administrative Agent), environmental assessments and reports and evidence regarding recording and payment of fees, insurance premium and taxes) that the Administrative Agent may reasonably request, to create, register, perfect, maintain, evidence the existence, substance, form or validity of or enforce a valid lien on such parcel of real property in favor of the Administrative Agent for the benefit of the Secured Parties, subject only to Permitted Liens.

"Multiemployer Plan" means any multiemployer plan, as defined in Section 400l(a)(3) of ERISA, to which any ERISA Affiliate incurs or otherwise has any obligation or liability, contingent or otherwise.

"Net Cash Proceeds" means proceeds received in cash from (a) any Sale of, or Property Loss Event with respect to, property, any business interruption insurance or any key man life insurance policy, net of (i) the customary out-of-pocket cash costs, fees and expenses paid or required to be paid in connection therewith, (ii) taxes paid or reasonably estimated to be payable as a result thereof and (iii) any amount required to be paid or prepaid on Indebtedness (other than the Obligations and Indebtedness owing to any Group Member) secured by the property or (b) any sale or issuance of Stock or incurrence of Indebtedness, in each case net of brokers' , advisors' and investment banking fees and other customary out-of-pocket underwriting discounts, commissions and other customary out-of-pocket cash costs, fees and expenses, in each case incurred in connection with such transaction; provided, however, that any such proceeds received by any Subsidiary of the Borrower that is not a Wholly Owned Subsidiary of the Borrower shall constitute "Net Cash Proceeds" only to the extent of the aggregate direct and indirect beneficial ownership interest of the Borrower therein.

"Non-Funding Lender" has the meaning specified in Section 2.2(c).

"Non-U.S. Lender Party" means each of the Administrative Agent, each Lender, each SPV and each participant, in each case that is not a Domestic Person.

"Note" means a promissory note of the Borrower, in substantially the form of Exhibit B, payable to the order of a Lender in a principal amount equal to the amount of such Lender' s Commitment.

"Notice of Borrowing" has the meaning specified in Section 2.2.

"Notice of Conversion or Continuation" has the meaning specified in Section 2.8.

"Obligations" means, with respect to any Loan Party, all amounts, obligations, liabilities, covenants and duties of every type and description owing by such Loan Party to the Administrative Agent, any Lender, any other Indemnitee, any participant, any SPV or, in the case of any Secured Hedging Document, any Secured Hedging Counterparty therefor, in each case arising out of, under, or in connection with, any Loan Document, whether direct or indirect (regardless of whether acquired by assignment), absolute or contingent, due or to become due, whether liquidated or not, now existing or hereafter arising and however acquired, and whether or not evidenced by any instrument or for the payment of money, including, without duplication, (a) if such Loan Party is the Borrower, all Loans, (b) all interest, whether or not accruing after the filing of any petition in bankruptcy or after the commencement of any insolvency, reorganization or similar proceeding, and whether or not a claim for post-filing or post-petition interest is allowed in any such proceeding, (c) all Secured Hedging Reimbursement Obligations and (d) all other fees, expenses (including fees, charges and disbursement of counsel), interest, commissions, charges, costs, disbursements, indemnities and reimbursement of amounts paid and other sums chargeable to such Loan Party under any Loan Document.

"Other Taxes" has the meaning specified in Section 2.15(c).

"***" means *** or any Affiliate thereof, which (a) is the primary distributor of motion picture content for *** and its Affiliates and (b) enters into a *** Agreement with the Borrower.

"Patents" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to letters patent and applications therefor.

"PBGC" means the United States Pension Benefit Guaranty Corporation and any successor thereto.

"Permit" means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other Contractual Obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Permitted Indebtedness" means any Indebtedness of any Group Member that is not prohibited by Section 8.1 or any other provision of any Loan Document.

"Permitted Investment" means any Investment of any Group Member that is not prohibited by Section 8.3 or any other provision of any Loan Document.

"Permitted Lien" means any Lien on or with respect to the property of any Group Member that is not prohibited by Section 8.2 or any other provision of any Loan Document.

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

"Permitted Refinancing" means Indebtedness constituting a refinancing or extension of Permitted Indebtedness that (a) has an aggregate outstanding principal amount not greater than the aggregate principal amount of such Permitted Indebtedness outstanding at the time of such refinancing or extension, (b) has a weighted average maturity (measured as of the date of such refinancing or extension) and maturity no shorter than that of such Permitted Indebtedness, (c) is not entered into as part of a Sale and Leaseback transaction, (d) is not secured by any property or any Lien other than those securing such Permitted Indebtedness and (e) is otherwise on terms no less favorable to the Group Members, taken as a whole, than those of such Permitted Indebtedness; provided, however, that, notwithstanding the foregoing, (x) the terms of such Permitted Indebtedness may be modified as part of such Permitted Refinancing if such modification would have been permitted pursuant to Section 8.11 and (y) no Guaranty Obligation for such Indebtedness shall constitute part of such Permitted Refinancing unless similar Guaranty Obligations with respect to such Permitted Indebtedness existed and constituted Permitted Indebtedness prior to such refinancing or extension.

"Permitted Reinvestment" means, with respect to the Net Cash Proceeds of any Sale or Property Loss Event, to acquire (or make Capital Expenditures to finance the acquisition, repair, improvement or construction of), to the extent otherwise permitted hereunder, property substantially similar to the property subject to such Sale or Property Loss Event or, if such Property Loss Event involves loss or damage to property, to repair such loss or damage.

"Permitted Subordinated Indebtedness" means Indebtedness of the Borrower that (a) has no scheduled amortization or payments of principal prior to the date that is 3 years after the Maturity Date, (b) has no cash pay interest prior to the date that is 3 years after the Maturity Date (except that, on or after the Termination Date, the Borrower may pay in any Fiscal Year interest in an aggregate amount not to exceed the portion of Excess Cash Flow from the prior Fiscal Year not required to be applied to prepay the Loans in accordance with Section 2.6(a) and not otherwise applied under Section 8.5(e)), (c) will not mature prior to the date that is 3 years after the Maturity Date, (d) is subject to an intercreditor agreement and is deeply subordinated to the prior payment in full in cash of the Loans, in each case, on terms and conditions acceptable to the Administrative Agent and the Required Lenders and (e) is not secured by any property of any Loan Party or otherwise.

"Person" means any individual, partnership, corporation (including a business trust and a public benefit corporation), joint stock company, estate, association, firm, enterprise, trust, limited liability company, unincorporated association, joint venture and any other entity or Governmental Authority.

"Pledge Agreement" means that certain Pledge Agreement dated as of the date hereof between Holdings and the Administrative Agent.

"Pro Forma Balance Sheet" has the meaning specified in Section 4.4(d).

"Projections" means, collectively, the Initial Projections and any document delivered pursuant to Section 6.1(f).

"Projection System" means collectively, a system consisting of a DLP Cinema 2k projector capable of both 2-D and 3-D display, and a digital cinema server for each theatre screen, or such other similar system as is acceptable to the Administrative Agent.

"Property Loss Event" means, with respect to any property of any Group Member, any loss of or damage to such property or any taking of such property or condemnation thereof.

"Pro Rata Outstandings" of any Lender at any time, means the outstanding principal amount of the Loans owing to such Lender.

"Pro Rata Share" means, with respect to any Lender at any time, the percentage obtained by dividing (a) the Commitment (or, if such Commitment is terminated, the Pro Rata Outstanding in respect thereof) of such Lender then in effect by (b) the sum of the Commitments (or, if such Commitments are terminated, the Pro Rata Outstanding in respect thereof) of all Lenders then in effect; provided, however, that, if there are no Commitments and no Pro Rata Outstandings, such Lender' s Pro Rata Share in the Commitments or Loans shall be determined based on the Pro Rata Share in such Commitments or Loans, respectively, most recently in effect, after giving effect to any subsequent assignment and any subsequent non-pro rata payments of any Lender pursuant to Section 2.16.

"Register" has the meaning specified in Section 2.12(b).

"Reinvestment Prepayment Amount" means, with respect to any Net Cash Proceeds on the Reinvestment Prepayment Date therefor, the amount of such Net Cash Proceeds less any amount (a) paid by any Group Member to make Permitted Reinvestments with such Net Cash Proceeds prior to such Reinvestment Prepayment Date or (b) required to be paid by any Group Member to make Permitted Reinvestments with such Net Cash Proceeds pursuant to a Contractual Obligation entered into prior to such Reinvestment Prepayment Date with any Person that is not an Affiliate of the Borrower.

"Reinvestment Prepayment Date" means, with respect to any portion of any Net Cash Proceeds of any Sale or Property Loss Event, the earliest of (a) the 180th day after the completion of the portion of such Sale or Property Loss Event corresponding to such Net Cash Proceeds, (b) the date that is 5 Business Days after the date on which the Borrower shall have notified the Administrative Agent of the Borrower' s determination not to make Permitted Reinvestments with such Net Cash Proceeds, (c) the occurrence of any Event of Default set forth in Section 9.1(e)(ii) and (d) 5 Business Days after the delivery of a notice by the Administrative Agent or the Required Lenders to the Borrower during the continuance of any other Event of Default.

"Related Person" means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor (including those retained in connection with the satisfaction or attempted satisfaction of any condition set forth in Article III) and other consultants and agents of or to such Person or any of its Affiliates, together with, if such Person is the Administrative Agent, each other Person or individual designated, nominated or otherwise mandated by or helping the Administrative Agent pursuant to and in accordance with Section 10.4 or any comparable provision of any Loan Document.

"Release" means any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material into or through the environment.

"Remedial Action" means all actions required to (a) clean up, remove, treat or in any other way address any Hazardous Material in the indoor or outdoor environment, (b) prevent or minimize any Release so that a Hazardous Material does not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment or (c) perform pre-remedial studies and investigations and post-remedial monitoring and care with respect to any Hazardous Material.

"Required Lenders" means, (a) at any time, Lenders having at such time in excess of 50% of the Commitments (or, if such Commitments are terminated, the Pro Rata Outstandings) then in effect,

ignoring, in such calculation, the amounts held by any Non-Funding Lender and (b) in the event one Lender holds in excess of 50% of the Commitments (or, if such Commitments are terminated, the Pro Rata Outstandings) then in effect, at least two (2) Lenders holding in excess of 50% of the Commitments (or, if such Commitments are terminated, the Pro Rata Outstandings) then in effect, in each case, excluding any Non-Funding Lender.

"Requirements of Law" means, with respect to any Person, collectively, the common law and all federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" means, with respect to any Person, any of the president, chief executive officer, treasurer, assistant treasurer, controller, managing member or general partner of such Person but, in any event, with respect to financial matters, any such officer that is responsible for preparing the Financial Statements delivered hereunder and, with respect to the Corporate Chart and other documents delivered pursuant to Section 6.1(e), documents delivered on the Closing Date and documents delivered pursuant to Section 7.10, the secretary or assistant secretary of such Person or any other officer responsible for maintaining the corporate and similar records of such Person.

"Restricted Payment" means (a) any dividend, return of capital, distribution or any other payment or Sale of property for less than fair market value, whether direct or indirect (including through the use of Hedging Agreements, the making, repayment, cancellation or forgiveness of Indebtedness and similar Contractual Obligations) and whether in cash, Securities or other property, on account of any Stock or Stock Equivalent of the Borrower or any of its Subsidiaries, in each case now or hereafter outstanding, including with respect to a claim for rescission of a Sale of such Stock or Stock Equivalent and (b) any redemption, retirement, termination, defeasance, cancellation, purchase or other acquisition for value, whether direct or indirect (including through the use of Hedging Agreements, the making, repayment, cancellation or forgiveness of Indebtedness and similar Contractual Obligations), of any Stock or Stock Equivalent of any Group Member or of any direct or indirect parent entity of the Borrower, now or hereafter outstanding, and any payment or other transfer setting aside funds for any such redemption, retirement, termination, cancellation, purchase or other acquisition, whether directly or indirectly and whether to a sinking fund, a similar fund or otherwise.

"S&P" means Standard & Poor' s Rating Services.

"Sale and Leaseback Transaction" means, with respect to any Person (the "obligor"), any Contractual Obligation or other arrangement with any other Person (the "counterparty") consisting of a lease by such obligor of any property that, directly or indirectly, has been or is to be Sold by the obligor to such counterparty or to any other Person to whom funds have been advanced by such counterparty based on a Lien on, or an assignment of, such property or any obligations of such obligor under such lease.

"Secured Hedging Counterparty" means GE Capital or any other Person (other than any Group Member) that entered into an Hedging Agreement with the Borrower or has provided a Secured Hedging Support Document at the request of the Borrower at a time when such Person was the Administrative Agent, a Lender or an Affiliate of a Lender.

"Secured Hedging Documents" means, collectively, (a) any Hedging Agreement that (i) is entered into by the Borrower and any Secured Hedging Counterparty therefor, (ii) in the case of any

Secured Hedging Counterparty that is not the Administrative Agent or an Affiliate of the Administrative Agent, is expressly identified as being a "Secured Hedging Document" hereunder in a joint notice from the Borrower and such Secured Hedging Counterparty delivered to the Administrative Agent reasonably promptly after the execution of such Hedging Agreement and (iii) meets the requirements of Section 8.1(f) and (b) any Secured Hedging Support Provision.

"Secured Hedging Reimbursement Obligation" means any obligation of the Borrower to make payments to any Secured Hedging Counterparty with respect to any Secured Hedging Support Provision.

"Secured Hedging Support Documents" means any document (a) entered into to provide credit enhancements for the benefit of the counterparty to an Interest Rate Contract into which the Borrower entered solely to comply with Section 7.12, which credit enhancements are provided (i) solely to support the payment obligations of the Borrower under such Interest Rate Contract, and (ii) by GE Capital or any other Person at a time when such Person is the Administrative Agent, a Lender or an Affiliate of a Lender, and (b) is expressly identified as being a "Secured Hedging Support Document" hereunder in a joint notice from the Borrower and the Person providing such credit enhancements delivered to the Administrative Agent reasonably promptly after the execution or issuance of such document, unless such Person is the Administrative Agent or an Affiliate of the Administrative Agent at the time such credit enhancements are provided. For the avoidance of doubt, the Borrower shall not be required to enter into any Secured Hedging Support Document.

"Secured Hedging Support Provision" means any provision in any Secured Hedging Support Document, Sections 2.4(b), 2.7(a) and 2.7(c) and any other provision of this Agreement or any Loan Document to the extent applicable to any Secured Hedging Reimbursement Obligation, any Secured Hedging Support Document or affecting the rights or duties of, or any payment to, any Secured Hedging Counterparty with respect to any Secured Hedging Support Document.

"Secured Parties" means the Lenders, the Administrative Agent, each other Indemnitee and any other holder of any Obligation of any Loan Party.

"Security" means all Stock, Stock Equivalents, voting trust certificates, bonds, debentures, instruments and other evidence of Indebtedness, whether or not secured, convertible or subordinated, all certificates of interest, share or participation in, all certificates for the acquisition of, and all warrants, options and other rights to acquire, any Security.

"Sell" means, with respect to any property, to sell, convey, transfer, assign, license, lease or otherwise dispose of, any interest therein or to permit any Person to acquire any such interest, including, in each case, through a Sale and Leaseback Transaction or through a sale, factoring at maturity, collection of or other disposal, with or without recourse, of any notes or accounts receivable. Conjugated forms thereof and the noun "Sale" have correlative meanings.

"Service Agreement" means a service agreement substantially in the form of Exhibit H executed in connection with the execution of any Master License Agreement or the installation of any Installed Digital Systems.

"Solvent" means, with respect to any Person as of any date of determination, that, as of such date, (a) the value of the assets of such Person (both at fair value and present fair saleable value) is greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person, (b) such Person is able to pay all liabilities of such Person as such liabilities mature and (c) such Person does not have unreasonably small capital. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities shall be computed at the amount that, in light of all the facts and circumstances

existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"SPV" means any special purpose funding vehicle identified as such in writing by any Lender to the Administrative Agent.

"Stock" means all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting.

"Stock Equivalents" means all securities convertible into or exchangeable for Stock or any other Stock Equivalent and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any Stock or any other Stock Equivalent, whether or not presently convertible, exchangeable or exercisable.

"Subsidiary" means, with respect to any Person, any corporation, partnership, joint venture, limited liability company, association or other entity, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than 50% of the outstanding Voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Subsidiaries of such Person.

"Substitute Lender" has the meaning specified in Section 2.16(a).

"SWDA" means the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.).

"Tax Affiliate" means, (a) the Borrower and its Subsidiaries and (b) any Affiliate of the Borrower with which the Borrower files or is eligible to file consolidated, combined or unitary tax returns.

"Tax Return" has the meaning specified in Section 4.8.

"Taxes" has the meaning specified in Section 2.15(a).

"Termination Date" means the 2nd anniversary of the Closing Date.

"Title IV Plan" means a pension plan subject to Title IV of ERISA, other than a Multiemployer Plan, to which any ERISA Affiliate incurs or otherwise has any obligation or liability, contingent or otherwise.

"Total Equity Ratio" means (a) for purposes of determining the Applicable Margin the ratio, expressed as a percentage, of (i) the sum of, without duplication, (A) any Capital Contributions made as of such date of determination, (B) the Permitted Subordinated Indebtedness and (C) the Excess Cash Flow for the most recently ended Fiscal Year to (ii) the sum of (A) Consolidated Total Debt of the Borrower and its Subsidiaries and (B) any Capital Contributions made as of such date of determination and (b) for all other purposes, the ratio, expressed as a percentage, of (i) any Capital Contributions made as of such date of determination to (ii) the sum of (A) Consolidated Total Debt (less Permitted Subordinated Indebtedness) of the Borrower and its Subsidiaries and (B) any Capital Contributions made as of such date of determination.

"Trade Secrets" means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to trade secrets.

"Trademarks" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

"UCC" means the Uniform Commercial Code of any applicable jurisdiction and, if the applicable jurisdiction shall not have any Uniform Commercial Code, the Uniform Commercial Code as in effect in the State of New York.

"United States" means the United States of America.

"U.S. Lender Party" means each of the Administrative Agent, each Lender, each SPV and each participant, in each case that is a Domestic Person.

"Unused Commitment Fee" has the meaning specified in Section 2.9(a).

"Voting Stock" means Stock of any Person having ordinary power to vote in the election of members of the board of directors, managers, trustees or other controlling Persons, of such Person (irrespective of whether, at the time, Stock of any other class or classes of such entity shall have or might have voting power by reason of the occurrence of any contingency).

"Wholly Owned Subsidiary" of any Person means any Subsidiary of such Person, all of the Stock of which (other than nominal holdings and director' s qualifying shares) is owned by such Person, either directly or through one or more Wholly Owned Subsidiaries of such Person.

"Withdrawal Liability" means, at any time, any liability incurred (whether or not assessed) by any ERISA Affiliate and not yet satisfied or paid in full at such time with respect to any Multiemployer Plan pursuant to Section 4201 of ERISA.

"Working Capital" means, for any Person at any date, its Consolidated Current Assets at such date minus its Consolidated Current Liabilities at such date.

Section 1.2 UCC Terms. The following terms have the meanings given to them in the applicable UCC: "commodity account," "commodity contract," "commodity intermediary," "deposit account," "entitlement holder," "entitlement order," "equipment," "financial asset," "general intangible," " goods," "instruments," "inventory," "securities account," "securities intermediary" and "security entitlement".

Section 1.3 Accounting Terms and Principles. All accounting determinations required to be made pursuant hereto shall, unless expressly otherwise provided herein, be made in accordance with GAAP. No change in the accounting principles used in the preparation of any Financial Statement hereafter adopted by the Borrower shall be given effect if such change would affect a calculation that measures compliance with any provision of Article V or VIII unless the Administrative Agent and the Required Lenders agree to modify such provisions to reflect such change in GAAP and, unless such provisions are modified, all Financial Statements, Compliance Certificates and similar documents provided hereunder shall be provided together with a reconciliation between the calculations and amounts set forth therein before and after giving effect to such change in GAAP.

Section 1.4 Payments. The Administrative Agent may set up standards and procedures to determine or redetermine the equivalent in Dollars of any amount expressed in any currency other than

Dollars and otherwise may, but shall not be obligated to, rely on any determination made by any Loan Party. Any such determination or redetermination by the Administrative Agent shall be conclusive and binding for all purposes, absent manifest error. No determination or redetermination by any Secured Party or Loan Party and no other currency conversion shall change or release any obligation of any Loan Party or of any Secured Party (other than the Administrative Agent and its Related Persons) under any Loan Document, each of which agrees to pay separately for any shortfall remaining after any conversion and payment of the amount as converted. The Administrative Agent may round up or down, and may set up appropriate mechanisms to round up or down, any amount hereunder to nearest higher or lower amounts and may determine reasonable de minimis payment thresholds.

Section 1.5 Interpretation. (a) Certain Terms. Except as otherwise expressly set forth in any Loan Document, all accounting terms not specifically defined herein shall be construed in accordance with GAAP (except for the term "property," which shall be interpreted as broadly as possible, including, in any case, cash, Securities, other assets, rights under Contractual Obligations and Permits and any right or interest in any property). The terms "herein," "hereof" and similar terms refer to this Agreement as a whole. In the computation of periods of time from a specified date to a later specified date in any Loan Document, the terms "from" means "from and including" and the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including." In any other case, the term "including" when used in any Loan Document means "including without limitation." The term "documents" when used in any Loan Document means all writings, however evidenced and whether in physical or electronic form, including all documents, instruments, agreements, notices, demands, certificates, forms, financial statements, opinions and reports. The term " incur" when used in any Loan Document means incur, create, make, issue, assume or otherwise become directly or indirectly liable in respect of or responsible for, in each case whether directly or indirectly, and the terms "incurrence" and "incurred" and similar derivatives shall have correlative meanings.

(b) Certain References. Unless otherwise expressly indicated, references (i) in this Agreement to an Exhibit, Schedule, Article, Section or clause refer to the appropriate Exhibit or Schedule to, or Article, Section or clause in, this Agreement and (ii) in any Loan Document, to (A) any agreement shall include, without limitation, all exhibits, schedules, appendixes and annexes to such agreement and, unless the prior consent of any Secured Party required therefor is not obtained, any amendment, restatement, amendment and restatement, supplement or other modification to any term of such agreement, (B) any statute shall be to such statute as modified from time to time and to any successor legislation thereto, in each case as in effect at the time any such reference is operative and (C) any time of day shall be a reference to New York time. Titles of articles, sections, clauses, exhibits, schedules and annexes contained in any Loan Document are without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. Unless otherwise expressly indicated, the meaning of any term defined (including by reference) in any Loan Document shall be equally applicable to both the singular and plural forms of such term.

ARTICLE II

THE FACILITIES

Section 2.1 The Commitments. On the terms and subject to the conditions contained in this Agreement, each Lender severally, but not jointly, agrees to make one or more loans (each a "Loan") in Dollars to the Borrower on the Closing Date and on any Business Day thereafter prior to the Termination Date, in an aggregate principal amount not to exceed such Lender' s Commitment; provided that both before and after giving effect to the Borrowing of Loans, the aggregate principal amount of the Loans shall not exceed the lesser of (a) the Loan Availability then in effect and (b) the amount by which the then effective Commitments exceed the aggregate amount of the Loans outstanding at such time. Amounts of

Loans repaid may not be reborrowed; provided, further that Loans shall not be made more frequently than twice per fiscal month.

Section 2.2 Borrowing Procedures. (a) Notice From the Borrower. Each Borrowing shall be made on notice given by the Borrower to the Administrative Agent not later than 11:00 a.m. on (i) the first Business Day, in the case of a Borrowing of Base Rate Loans and (ii) the third Business Day, in the case of a Borrowing of Eurodollar Rate Loans, prior to the date of the proposed Borrowing. Each such notice may be made in a writing substantially in the form of Exhibit C (a "Notice of Borrowing") duly completed or by telephone if confirmed promptly, but in any event within one Business Day and prior to such Borrowing, with such a Notice of Borrowing. Loans shall be made as Base Rate Loans unless, outside of a suspension period pursuant to Section 2.13, the Notice of Borrowing specifies that all or a portion thereof shall be Eurodollar Rate Loans. Each Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000.

(b) Notice to Each Lender. The Administrative Agent shall give to each Lender prompt notice of the Administrative Agent' s receipt of a Notice of Borrowing and, if Eurodollar Rate Loans are properly requested in such Notice of Borrowing, prompt notice of the applicable interest rate. Each Lender shall, before 11:00 a.m. on the date of the proposed Borrowing, make available to the Administrative Agent at its address referred to in Section 11.11, such Lender' s Pro Rata Share of such proposed Borrowing. Upon fulfillment or due waiver (i) on the Closing Date, of the applicable conditions set forth in Section 3.1 and (ii) on the Closing Date and any time thereafter, of the applicable conditions set forth in Section 3.2, the Administrative Agent shall make such funds available to the Borrower.

(c) Non-Funding Lenders. Unless the Administrative Agent shall have received notice from any Lender prior to the date such Lender is required to make any payment hereunder with respect to any Loan that such Lender will not make such payment (or any portion thereof) available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such payment available to the Administrative Agent on the date such payment is required to be made in accordance with this Article II and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. The Borrower agrees to repay to the Administrative Agent on demand such amount (until repaid by such Lender) with interest thereon for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at the interest rate applicable to the Obligation that would have been created when the Administrative Agent made available such amount to the Borrower had such Lender made a corresponding payment available; provided, however, that such payment shall not relieve such Lender of any obligation it may have to the Borrower. In addition, any Lender that shall not have made available to the Administrative Agent any portion of any payment described above (any such Lender, a "Non-Funding Lender") agrees to pay such amount to the Administrative Agent on demand together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at the Federal Funds Rate for the first Business Day and thereafter (i) in the case of a payment in respect of a Loan, at the interest rate applicable at the time to such Loan and (ii) otherwise, at the interest rate applicable to Base Rate Loans. Such repayment shall then constitute the funding of the corresponding Loan (including any Loan deemed to have been made hereunder with such payment) or participation. The existence of any Non-Funding Lender shall not relieve any other Lender of its obligations under any Loan Document, but no other Lender shall be responsible for the failure of any Non-Funding Lender to make any payment required under any Loan Document.

Section 2.3 Reduction and Termination of the Commitments.

(a) Optional. The Borrower may, upon at least three Business Days prior irrevocable notice to the Administrative Agent, terminate in whole or reduce in part ratably any unused portion of the Commitments; provided, however, that each partial reduction shall be in an aggregate amount that is an integral multiple of $1,000,000.

(b) Mandatory. All outstanding Commitments shall terminate on the Termination Date (after giving effect to any Borrowing occurring on such date).

(c) Reductions for Mandatory Prepayments. Notwithstanding anything to the contrary contained herein, in the event and on each date that a prepayment of Loans is required to be made pursuant to clause (c) of Section 2.6 prior to the Termination Date, in lieu of a cash payment, the then-current Commitments shall be permanently reduced in an amount equal to such prepayment. Any such reduction of the Commitments shall be accompanied by prepayment of the Loans to the extent, if any, that the aggregate principal amount of the Loans exceeds the aggregate amount of the Commitments as so reduced

Section 2.4 Repayment of Obligations. (a) The Borrower promises to repay the Loans on the Maturity Date and on the last day of each month during the period set forth below and in an amount equal to the product of (i) the percentage set forth below and (ii) the aggregate principal amount of the Loans outstanding on the Termination Date:

Period	Amount
August 2008 through July 2009	.9583%
August 2009 through July 2010	1.0625%
August 2010 through July 2011	1.1875%
August 2011 through July 2012	1.3125%
August 2012 through July 2013	1.4375%
Maturity Date	28.5004%

(b) The Borrower promises to pay to the Secured Hedging Counterparty under any Secured Hedging Support Document an amount equal to the amount of any payment made by such Secured Hedging Counterparty under such Secured Hedging Support Document within one Business Day after the date such payment by such Secured Hedging Counterparty is made.

Section 2.5 Optional Prepayments. The Borrower may prepay the outstanding principal amount of any Loan in whole or in part at any time after the 1st anniversary of the Closing Date (together with any fee that may be owing pursuant to Section 2.9(b), any breakage costs that may be owing pursuant to Section 2.14(a) after giving effect to such prepayment and all accrued interest on the amount prepaid); provided, however, that each partial prepayment that is not of the entire outstanding amount shall be in an aggregate amount that is an integral multiple of $1,000,000. No voluntary prepayment of any Loan may be made prior to the 1st anniversary of the Closing Date.

Section 2.6 Mandatory Prepayments. (a) Excess Cash Flow. Until the Obligations shall have been paid in full in cash, the Borrower shall pay or cause to be paid to the Administrative Agent, within 5 Business Days after the last date Financial Statements can be delivered pursuant to Section 6.1(c) for any Fiscal Year ending after the Termination Date, an amount equal to 100% of the excess of (i) the Excess Cash Flow for such Fiscal Year minus (ii) $500,000, which percentage shall be reduced to 50% in the event that 28.5004% or more of the aggregate principal amount of the Loans drawn prior to the Termination Date shall have been paid in full. For the avoidance of doubt, any portion of Excess Cash

Flow not required to be prepaid in accordance with this Section 2.6(a) may be used by the Borrower to fund the Interest Reserve.

(b) Equity and Debt Issuances. Until the Obligations shall have been paid in full in cash, within one Business Day of receipt by any Loan Party or any of its Subsidiaries of Net Cash Proceeds arising from (i) the issuance or Sale by the Borrower of its own Stock (other than (A) any issuance of common Stock of the Borrower occurring in the ordinary course of business to any director, member of the management or employee of the Borrower or its Subsidiaries pursuant to a stock option or stock purchase or employee benefit plan as in effect from time to time or issuance of directors' qualifying shares, (B) any issuance of common Stock of the Borrower, the proceeds of which are promptly utilized for purposes of making Excluded Capital Expenditures or (C) any Additional Equity Infusion, provided, in each case, that it shall be a condition to the issuance or Sale of such Stock of the Borrower that such Stock be pledged to the Administrative Agent, for the benefit of the Secured Parties, to secured the Obligations), the Borrower shall pay or cause to be paid to the Administrative Agent a prepayment in an amount equal to 100% of such Net Cash Proceeds or (ii) the incurrence by any Group Member of Indebtedness of the type specified in clause (a) or (b) of the definition thereof (other than any such Indebtedness permitted hereunder in reliance upon any of clauses (a) through (i) of Section 8.1), the Borrower shall pay or cause to be paid to the Administrative Agent a prepayment in an amount equal to 100% of such Net Cash Proceeds.

(c) Asset Sales and Property Loss Events. Until the Obligations shall have been paid in full in cash, within one Business Day of receipt on or after the Closing Date by any Loan Party or any of its Subsidiaries of Net Cash Proceeds arising from (i) any Sale by any Group Member of any of its property other than Sales of its own Stock and Sales of property permitted hereunder in reliance upon any of clauses (a) through (d) of Section 8.4, (ii) any Property Loss Event, (iii) any business interruption insurance policy or (iv) any key man life insurance policy of any Group Member, the Borrower shall pay or cause to be paid to the Administrative Agent a prepayment in an amount equal to 100% of such Net Cash Proceeds; provided, however, that, upon any such receipt, as long as no Event of Default shall be continuing, any Group Member may deposit such Net Cash Proceeds in a Cash Collateral Account and thereafter make Permitted Reinvestments with such Net Cash Proceeds and the Borrower shall not be required to make or cause such payment to the extent (x) such Net Cash Proceeds so deposited are intended to be used to make Permitted Reinvestments and (y) on each Reinvestment Prepayment Date for such Net Cash Proceeds, the Borrower shall pay or cause to be paid to the Administrative Agent a prepayment in an amount equal to the Reinvestment Prepayment Amount applicable to such Reinvestment Prepayment Date and such Net Cash Proceeds.

(d) Excess Outstandings. On any date on which the aggregate principal amount of the Loans exceeds the aggregate Loan Availability (including, without limitation, as a result of the failure of the Borrower to deliver a Certificate of Acceptance in accordance with Section 6.1(k) and/or Section 7.17 or insurance certificates in accordance with Section 6.1(j)(iv) and/or Section 7.18), the Borrower shall pay to the Administrative Agent an amount equal to such excess.

(e) Additional Equity Infusion. Until the Obligations shall have been paid in full in cash, upon receipt on or after the Termination Date by the Borrower of an Additional Equity Infusion, the Borrower shall immediately pay to the Administrative Agent an amount equal to such Additional Equity Infusion.

(f) MLA Prepayment Event. In accordance with Section 9.1(j), the Borrower shall immediately pay to the Administrative Agent an amount equal to the MLA Prepayment Amount.

(g) Application of Payments. Any payments made to the Administrative Agent pursuant to this Section 2.6 shall be applied to the Obligations in accordance with Section 2.10(b).

Section 2.7 Interest. (a) Rate. All Loans and the outstanding amount of all other Obligations (including Secured Hedging Reimbursement Obligations but excluding any other Obligations owing pursuant to Secured Hedging Documents) shall bear interest, in the case of Loans, on the unpaid principal amount thereof from the date such Loans are made and, in the case of such other Obligations, from the date such other Obligations are due and payable until, in all cases, paid in full, except as otherwise provided in clause (c) below, as follows: (i) in the case of Base Rate Loans, at a rate per annum equal to the sum of the Base Rate and the Applicable Margin, each as in effect from time to time, (ii) in the case of Eurodollar Rate Loans, at a rate per annum equal to the sum of the Eurodollar Rate and the Applicable Margin, each as in effect for the applicable Interest Period, (iii) in the case of Secured Hedging Reimbursement Obligations, at a rate per annum equal to the sum of Eurodollar Rate as in effect for the applicable Interest Period and 1% and (iv) in the case of other Obligations, at a rate per annum equal to the sum of the Base Rate and the Applicable Margin for Loans that are Base Rate Loans, each as in effect from time to time.

(b) Payments. Interest accrued shall be payable in arrears (i) if accrued on the principal amount of any Loan, (A) at maturity (whether by acceleration or otherwise), (B) upon the payment or prepayment of the principal amount on which such interest has accrued and (C)(1) if such Loan is a Base Rate Loan, on the last day of each calendar month commencing on the first such day following the making of such Loan and (2) if such Loan is a Eurodollar Rate Loan, on the last day of each Interest Period applicable to such Loan and, if applicable, on each date during such Interest Period occurring every 3 months from the first day of such Interest Period and (ii) if accrued on any other Obligation, on demand from and after the time such Obligation is due and payable (whether by acceleration or otherwise).

(c) Default Interest. Notwithstanding the rates of interest specified in clause (a) above or elsewhere in any Loan Document, effective immediately upon the occurrence of any Event of Default, in each case, for as long as such Event of Default shall be continuing, the principal balance of all Obligations (including any Obligation that bears interest by reference to the rate applicable to any other Obligation) then due and payable (other than any Secured Hedging Reimbursement Obligation) shall bear interest at a rate that is 2% per annum in excess of the interest rate applicable to such Obligations from time to time, payable on demand or, in the absence of demand, on the date that would otherwise be applicable.

Section 2.8 Conversion and Continuation Options. (a) Option. The Borrower may elect (i) in the case of any Eurodollar Rate Loan, (A) to continue such Eurodollar Rate Loan or any portion thereof for an additional Interest Period on the last day of the Interest Period applicable thereto and (B) to convert such Eurodollar Rate Loan or any portion thereof into a Base Rate Loan at any time on any Business Day, subject to the payment of any breakage costs required by Section 2.14(a), and (ii) in the case of Base Rate Loans (other than Swing Loans), to convert such Base Rate Loans or any portion thereof into Eurodollar Rate Loans at any time on any Business Day upon 3 Business Days' prior notice; provided, however, that, (x) for each Interest Period, the aggregate amount of Eurodollar Rate Loans having such Interest Period must be an integral multiple of $1,000,000 and (y) no conversion in whole or in part of Base Rate Loans to Eurodollar Rate Loans and no continuation in whole or in part of Eurodollar Rate Loans shall be permitted at any time at which (1) an Event of Default shall be continuing or (2) such continuation or conversion would be made during a suspension imposed by Section 2.13.

(b) Procedure. Each such election shall be made by giving the Administrative Agent at least 3 Business Days' prior notice in substantially the form of Exhibit D (a "Notice of Conversion or

Continuation") duly completed. The Administrative Agent shall promptly notify each Lender of its receipt of a Notice of Conversion or Continuation and of the options selected therein. If the Administrative Agent does not receive a timely Notice of Conversion or Continuation from the Borrower containing a permitted election to continue or convert any Eurodollar Rate Loan, then, upon the expiration of the applicable Interest Period, such Loan shall be automatically converted to a Base Rate Loan. Each partial conversion or continuation shall be allocated ratably among the Lenders in accordance with their Pro Rata Share.

Section 2.9 Fees. (a) Unused Commitment Fee. The Borrower agrees to pay to each Lender a commitment fee on the average daily amount by which the Commitment of such Lender exceeds its Pro Rata Outstandings (the "Unused Commitment Fee") from the date hereof through the Termination Date at a rate per annum equal to 0.50%, payable in arrears (x) on the last day of each calendar month and (y) on the Termination Date.

(b) Prepayment Fee. In the event the Loans are repaid or prepaid pursuant to Section 2.5 or Section 2.6 (b)(ii), either in whole or in part, prior the 4th anniversary of the Closing Date (provided, that no such prepayment shall be permitted in whole or in part at any time prior to the 1st anniversary of the Closing Date), the Borrower shall pay to the Lenders a prepayment premium (expressed as a percentage of the prepayment amount) on the amount so prepaid or repaid as follows:

Date	Prepayment Premium
August 1, 2007 to July 31, 2008	3.0%
August 1, 2008 to July 31, 2009	2.0%
August 1, 2009 to July 31, 2010	1.0%

(c) Change of Control Fee. Upon the occurrence of any Change of Control which is consented to by the Required Lenders, in their sole discretion, in accordance with the proviso of the definition of "Change of Control," the Borrower shall pay to the Administrative Agent, for the benefit of the Lenders, a fee in an amount equal to 1% of the aggregate outstanding Loans.

(d) Additional Fees. The Borrower shall pay to the Administrative Agent and its Related Persons its reasonable and customary fees and expenses in connection with any payments made pursuant to Section 2.14(a) and has agreed to pay the additional fees described in the Fee Letter.

Section 2.10 Application of Payments. (a) Application of Voluntary Prepayments. Unless otherwise provided in this Section 2.10 or elsewhere in any Loan Document, all payments and any other amounts received by the Administrative Agent from or for the benefit of the Borrower shall be applied to the remaining scheduled installments of the Loans in the inverse order of maturity.

(b) Application of Mandatory Prepayments. Subject to the provisions of clause (c) below with respect to the application of payments during the continuance of an Event of Default, any payment made by the Borrower to the Administrative Agent pursuant to (i) clauses (a), (b), (d), (e) or (g) of Section 2.6 shall be applied to the remaining scheduled installments of the Loans in the inverse order of maturity and (ii) clause (c) of Section 2.6 shall be applied to reduce ratably the remaining scheduled installments of the Loans or, in the event the prepayment is made prior to the Termination Date, shall be applied in accordance with Section 2.3(c).

(c) Application of Payments During an Event of Default. The Borrower hereby irrevocably waives, and agrees to cause each Loan Party and each other Group Member to waive, the right to direct the application during the continuance of an Event of Default of any and all payments in respect of any Obligation and any proceeds of Collateral and agrees that, notwithstanding the provisions

of clause (a) above, the Administrative Agent may, and, upon either (A) the direction of the Required Lenders or (B) the termination of any Commitment or the acceleration of any Obligation pursuant to Section 9.2, shall, apply all payments in respect of any Obligation, all funds on deposit in any Cash Collateral Account and all other proceeds of Collateral (i) first, to pay Obligations in respect of any cost or expense reimbursements, fees or indemnities then due to the Administrative Agent, (ii) second, to pay Obligations in respect of any cost or expense reimbursements, fees or indemnities then due to the Lenders, (iii) third, to pay interest then due and payable in respect of the Loans and in respect of any amount owing under any Secured Hedging Document, (iv) fourth, to repay the outstanding principal amounts of the Loans and to pay amounts (other than interest) owing with respect to Secured Hedging Documents and (v) fifth, to the ratable payment of all other Obligations.

(d) Application of Payments Generally. All repayments of any Loans shall be applied first, to repay such Loans outstanding as Base Rate Loans and then, to repay such Loans outstanding as Eurodollar Rate Loans, with those Eurodollar Rate Loans having earlier expiring Interest Periods being repaid prior to those having later expiring Interest Periods. All repayments of Loans shall be applied to reduce the remaining installments of such outstanding principal amounts of the Loans in the inverse order of their maturities unless otherwise provided in any Loan Document. If sufficient amounts are not available to repay all outstanding Obligations described in any priority level set forth in this Section 2.10, the available amounts shall be applied, unless otherwise expressly specified herein, to such Obligations ratably based on the proportion of the Secured Parties' interest in such Obligations. Any priority level set forth in this Section 2.10 that includes interest shall include all such interest, whether or not accruing after the filing of any petition in bankruptcy or the commencement of any insolvency, reorganization or similar proceeding, and whether or not a claim for post-filing or post-petition interest is allowed in any such proceeding.

Section 2.11 Payments and Computations. (a) Procedure. The Borrower shall make each payment under any Loan Document not later than 12:00 noon on the day when due to the Administrative Agent by wire transfer to the following account (or at such other account or by such other means to such other address as the Administrative Agent shall have notified the Borrower in writing within a reasonable time prior to such payment) in immediately available Dollars and without setoff or counterclaim:

ABA No.: 021 001 033
Account Number: ***
Deutsche Bank Trust Company Americas, New York, New York
Account Name: GECC/CAF Depository Acct.
Reference: Christie/AIX, Inc./CFN8620

The Administrative Agent shall promptly thereafter cause to be distributed immediately available funds relating to the payment of principal, interest or fees to the Lenders, in accordance with the application of payments set forth in Section 2.10. The Lenders shall make any payment under any Loan Document in immediately available Dollars and without setoff or counterclaim. Payments received by the Administrative Agent after 12:00 noon shall be deemed to be received on the next Business Day.

(b) Computations of Interests and Fees. All computations of interest and of fees shall be made by the Administrative Agent on the basis of a year of 360 days (or, in the case of Base Rate Loans whose interest rate is calculated based on the rate set forth in clause (a) of the definition of "Base Rate", 365/366 days), in each case for the actual number of days (including the first day but excluding the

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*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

last day) occurring in the period for which such interest and fees are payable. Each determination of an interest rate or the amount of a fee hereunder shall be made by the Administrative Agent (including determinations of a Eurodollar Rate or Base Rate in accordance with the definitions of "Eurodollar Rate" and "Base Rate", respectively) or, if applicable in the case of the Eurodollar Rate used to determine interest on Secured Hedging Reimbursement Obligations, the applicable Secured Hedging Counterparty, and shall be conclusive, binding and final for all purposes, absent manifest error.

(c) Payment Dates. Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, the due date for such payment shall be extended to the next succeeding Business Day without any increase in such payment as a result of additional interest or fees; provided, however, that such interest and fees shall continue accruing as a result of such extension of time.

(d) Advancing Payments. Unless the Administrative Agent shall have received notice from the Borrower to the Lenders prior to the date on which any payment is due hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent on demand such amount distributed to such Lender together with interest thereon (at the Federal Funds Rate for the first Business Day and thereafter, at the rate applicable to Base Rate Loans) for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent.

Section 2.12 Evidence of Debt. (a) Records of Lenders. Each Lender shall maintain in accordance with its usual practice accounts evidencing Indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. In addition, each Lender having sold a participation in any of its Obligations or having identified an SPV as such to the Administrative Agent, acting as agent of the Borrower solely for this purpose and solely for tax purposes, shall establish and maintain at its address referred to in Section 11.11 (or at such other address as such Lender shall notify the Borrower) a record of ownership, in which such Lender shall register by book entry (A) the name and address of each such participant and SPV (and each change thereto, whether by assignment or otherwise) and (B) the rights, interest or obligation of each such participant and SPV in any Obligation, in any Commitment and in any right to receive any payment hereunder.

(b) Records of Administrative Agent. The Administrative Agent, acting as agent of the Borrower solely for tax purposes and solely with respect to the actions described in this Section 2.12, shall establish and maintain at its address referred to in Section 11.11 (or at such other address as the Administrative Agent may notify the Borrower) (A) a record of ownership (the "Register") in which the Administrative Agent agrees to register by book entry the interests (including any rights to receive payment hereunder) of the Administrative Agent, and each Lender in the Loans, and any assignment of any such interest, obligation or right and (B) accounts in the Register in accordance with its usual practice in which it shall record (1) the names and addresses of the Lenders (and each change thereto pursuant to Section 2.16 and Section 11.2, (2) the Commitments of each Lender, (3) the amount of each Loan and each funding of any participation described in clause (A) above, for Eurodollar Rate Loans, the Interest Period applicable thereto, (4) the amount of any principal or interest due and payable or paid, and (5) any other payment received by the Administrative Agent from the Borrower and its application to the Obligations.

(c) Registered Obligations. Notwithstanding anything to the contrary contained in this Agreement, the Loans (including any Notes evidencing such Loans) are registered obligations, the right, title and interest of the Lenders and their assignees in and to such Loans shall be transferable only upon notation of such transfer in the Register and no assignment thereof shall be effective until recorded therein. This Section 2.12 and Section 11.2 shall be construed so that the Loans are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any successor provisions).

(d) Prima Facie Evidence. The entries made in the Register and in the accounts maintained pursuant to clauses (a) and (b) above shall, to the extent permitted by applicable Requirements of Law, be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, however, that no error in such account and no failure of any Lender or the Administrative Agent to maintain any such account shall affect the obligations of any Loan Party to repay the Loans in accordance with their terms. In addition, the Loan Parties, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as a Lender for all purposes of this Agreement. Information contained in the Register with respect to any Lender shall be available for access by the Borrower, the Administrative Agent or such Lender at any reasonable time and from time to time upon reasonable prior notice. No Lender shall, in such capacity, have access to or be otherwise permitted to review any information in the Register other than information with respect to such Lender unless otherwise agreed by the Administrative Agent.

(e) Notes. Upon any Lender' s request, the Borrower shall promptly execute and deliver Notes to such Lender evidencing the Loans of such Lender and substantially in the form of Exhibit B; provided, however, that only one Note shall be issued to each Lender, except (i) to an existing Lender exchanging existing Notes to reflect changes in the Register relating to such Lender, in which case the new Notes delivered to such Lender shall be dated the date of the original Notes and (ii) in the case of loss, destruction or mutilation of existing Notes and similar circumstances. Each Note, if issued, shall only be issued as means to evidence the right, title or interest of a Lender or a registered assignee in and to the related Loan, as set forth in the Register, and in no event shall any Note be considered a bearer instrument or obligation.

Section 2.13 Suspension of Eurodollar Rate Option. Notwithstanding any provision to the contrary in this Article II, the following shall apply:

(a) Interest Rate Unascertainable, Inadequate or Unfair. In the event that (A) the Administrative Agent determines that adequate and fair means do not exist for ascertaining the applicable interest rates by reference to which the Eurodollar Rate is determined or (B) the Required Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period will not adequately reflect the cost to the Lenders of making or maintaining such Loans for such Interest Period, the Administrative Agent shall promptly so notify the Borrower and the Lenders, whereupon the obligation of each Lender to make or to continue Eurodollar Rate Loans shall be suspended as provided in clause (c) below until the Administrative Agent shall notify the Borrower that the Required Lenders have determined that the circumstances causing such suspension no longer exist. The Administrative Agent and the Lenders shall promptly so notify the Borrower once such circumstances no longer exist; provided that the Administrative Agent shall not be liable for any failure to give such notice.

(b) Illegality. If any Lender determines that the introduction of, or any change in or in the interpretation of, any Requirement of Law after the date of this Agreement shall make it unlawful, or any Governmental Authority shall assert that it is unlawful, for any Lender or its applicable lending office to make Eurodollar Rate Loans or to continue to fund or maintain Eurodollar Rate Loans, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, the

obligation of such Lender to make or to continue Eurodollar Rate Loans shall be suspended as provided in clause (c) below until such Lender shall, through the Administrative Agent, notify the Borrower that it has determined that it may lawfully make Eurodollar Rate Loans. The Administrative Agent and each such Lender shall promptly so notify the Borrower once such circumstances no longer exist; provided that the Administrative Agent shall not be liable for any failure to give such notice.

(c) Effect of Suspension. If the obligation of any Lender to make or to continue Eurodollar Rate Loans is suspended, (A) the obligation of such Lender to convert Base Rate Loans into Eurodollar Rate Loans shall be suspended, (B) such Lender shall make a Base Rate Loan at any time such Lender would otherwise be obligated to make a Eurodollar Rate Loan, (C) the Borrower may revoke any pending Notice of Borrowing or Notice of Conversion or Continuation to make or continue any Eurodollar Rate Loan or to convert any Base Rate Loan into a Eurodollar Rate Loan and (D) each Eurodollar Rate Loan of such Lender shall automatically and immediately (or, in the case of any suspension pursuant to clause (a) above, on the last day of the current Interest Period thereof) be converted into a Base Rate Loan.

Section 2.14 Breakage Costs; Increased Costs; Capital Requirements. (a) Breakage Costs. The Borrower shall compensate each Lender, upon demand from such Lender to such Borrower (with copy to the Administrative Agent), for all Liabilities (including, in each case, those incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to prepare to fund, to fund or to maintain the Eurodollar Rate Loans of such Lender to the Borrower but excluding any loss of the Applicable Margin on the relevant Loans) that such Lender may incur (A) to the extent, for any reason other than solely by reason of such Lender being a Non-Funding Lender, a proposed Borrowing, conversion into or continuation of Eurodollar Rate Loans does not occur on a date specified therefor in a Notice of Borrowing or a Notice of Conversion or Continuation or in a similar request made by telephone by the Borrower, (B) to the extent any Eurodollar Rate Loan is paid (whether through a scheduled, optional or mandatory prepayment) or converted to a Base Rate Loan (including because of Section 2.13) on a date that is not the last day of the applicable Interest Period or (C) as a consequence of any failure by the Borrower to repay Eurodollar Rate Loans when required by the terms hereof. For purposes of this clause (a), each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it using a matching deposit or other borrowing in the London interbank market.

(b) Increased Costs. If at any time any Lender determines that the adoption of, after the date hereof, or any change, after the date hereof, in or in the interpretation, application or administration of any Requirement of Law (other than any imposition or increase of Eurodollar Reserve Requirements) from any Governmental Authority, or compliance with any such adoption of or any change in, or in the interpretation, application or administration of, any such Requirement of Law shall have the effect of (i) increasing the cost to such Lender of making, funding or maintaining any Eurodollar Rate Loan or to agree to do so or of participating, or agreeing to participate, in extensions of credit or (ii) imposing any other cost to such Lender with respect to compliance with its obligations under any Loan Document, then, upon demand by such Lender (with copy to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender amounts sufficient to compensate such Lender for such increased cost.

(c) Increased Capital Requirements. If at any time any Lender determines that the adoption of, after the date hereof, or any change, after the date hereof, in or in the interpretation, application or administration of any Requirement of Law (other than any imposition or increase of Eurodollar Reserve Requirements) from any Governmental Authority, or compliance with any such adoption of or any change in, or in the interpretation, application or administration of, any such Requirement of Law, in each case, regarding capital adequacy, reserves, special deposits, compulsory loans, insurance charges against property of, deposits with or for the account of, Obligations owing to, or

other credit extended or participated in by, any Lender or any similar requirement (in each case other than any imposition or increase of Eurodollar Reserve Requirements) shall have the effect of reducing the rate of return on the capital of such Lender as a consequence of its obligations under or with respect to any Loan Document to a level below that which, taking into account the capital adequacy policies of such Lender, such Lender could have achieved but for such adoption or change, then, upon demand from time to time by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender amounts sufficient to compensate such Lender for such reduction.

(d) Compensation Certificate. Each demand for compensation under this Section 2.14 shall be accompanied by a certificate of the Lender claiming such compensation, setting forth the amounts to be paid hereunder and stating that it is seeking such compensation from its borrowers generally, which certificate shall be conclusive, binding and final for all purposes, absent manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

Section 2.15 Taxes. (a) Payments Free and Clear of Taxes. Except as otherwise provided in this Section 2.15, each payment by any Loan Party under any Loan Document shall be made free and clear of all present or future taxes, levies, imposts, deductions, charges or withholdings and all liabilities with respect thereto (and without deduction for any of them) (collectively, but excluding the taxes set forth in clauses (i) and (ii) below, the "Taxes") other than for (i) taxes imposed on or measured by net income or profits (including branch profits taxes) and franchise taxes imposed in lieu of net income taxes, in each case imposed on any Secured Party as a result of a present or former connection between such Secured Party and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than such connection arising solely from any Secured Party having executed, delivered or performed its obligations or received a payment under, or enforced, any Loan Document) or (ii) taxes that are directly attributable to the failure (other than as a result of a change in any Requirement of Law) by any Secured Party to deliver the documentation required to be delivered pursuant to clause (f) below.

(b) Gross-Up. If any Taxes shall be required by law to be deducted from or in respect of any amount payable under any Loan Document (other than any Secured Hedging Document) to any Secured Party (i) such amount shall be increased as necessary to ensure that, after all required deductions for Taxes are made (including deductions applicable to any increases to any amount under this Section 2.15), such Secured Party receives the amount it would have received had no such deductions been made, (ii) the relevant Loan Party shall make such deductions, (iii) the relevant Loan Party shall timely pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable Requirements of Law and (iv) within 30 days after such payment is made, the relevant Loan Party shall deliver to the Administrative Agent an original or certified copy of a receipt evidencing or other evidence reasonably satisfactory to the Administrative Agent of such payment; provided, however, that no such increase shall be made with respect to, and no Loan Party shall be required to indemnify any such Secured Party pursuant to clause (d) below for, withholding taxes to the extent that the obligation to withhold amounts existed on the date that such Secured Party became a "Secured Party" under this Agreement in the capacity under which such Secured Party makes a claim under this clause (b), except in each case to the extent such Secured Party is a direct or indirect assignee (other than pursuant to Section 2.16) of any other Secured Party that was entitled, at the time the assignment of such other Secured Party became effective, to receive additional amounts under this clause (b).

(c) Other Taxes. In addition, the Borrower agrees to pay, and authorizes the Administrative Agent to pay in its name, any stamp, documentary, excise or property tax, charges or similar levies imposed by any applicable Requirement of Law or Governmental Authority and all Liabilities with respect thereto (including by reason of any delay in payment thereof), in each case arising

from the execution, delivery or registration of, or otherwise with respect to, any Loan Document or any transaction contemplated therein (collectively, "Other Taxes"). Within 30 days after the date of any payment of Taxes or Other Taxes by any Loan Party, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 11.11, the original or a certified copy of a receipt evidencing or other evidence reasonably satisfactory to the Administrative Agent of payment thereof.

(d) Indemnification. The Borrower shall reimburse and indemnify, within 30 days after receipt of demand therefor (with copy to the Administrative Agent), each Secured Party for all Taxes and Other Taxes (including any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.15) paid by such Secured Party and any Liabilities arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. A certificate of the Secured Party (or of the Administrative Agent on behalf of such Secured Party) claiming any compensation under this clause (d), setting forth the amounts to be paid thereunder and delivered to the Borrower with copy to the Administrative Agent, shall be conclusive, binding and final for all purposes, absent manifest error; provided, that such Secured Party shall reasonably cooperate with the Borrower, at Borrower' s expense, in contesting any such Taxes or Other Taxes that the Borrower determines in good faith to have not been correctly or legally asserted. In determining such amount, the Administrative Agent and such Secured Party may use any reasonable averaging and attribution methods.

(e) Mitigation. Any Lender claiming any additional amounts payable pursuant to this Section 2.15 shall use its reasonable efforts (consistent with its internal policies and Requirements of Law) to change the jurisdiction of its lending office if such a change would reduce any such additional amounts (or any similar amount that may thereafter accrue) and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

(f) Tax Forms. (i) Each Non-U.S. Lender Party shall (w) on or prior to the date such Non-U.S. Lender Party becomes a "Non-U.S. Lender Party" hereunder, (x) on or prior to the date on which any such form or certification expires or becomes obsolete, (y) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it pursuant to this clause (i) and (z) from time to time if requested by the Borrower or the Administrative Agent (or, in the case of a participant or SPV, the relevant Lender), provide the Administrative Agent and the Borrower (or, in the case of a participant or SPV, the relevant Lender) with two completed originals of each of the following, as applicable: (A) Forms W-8ECI (claiming complete exemption from U.S. withholding tax because the income is effectively connected with a U.S. trade or business), W-8BEN (claiming complete exemption from U.S. withholding tax under an income tax treaty) or any successor forms, (B) in the case of a Non-U.S. Lender Party claiming exemption under Sections 871(h) or 881(c) of the Code, Form W-8BEN (claiming exemption from U.S. withholding tax under the portfolio interest exemption) or any successor form and a certificate in form and substance acceptable to the Administrative Agent that such Non-U.S. Lender Party is not (1) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code or (3) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code or (C) any other applicable document prescribed by the IRS certifying as to the entitlement of such Non-U.S. Lender Party to such exemption from United States withholding tax with respect to all payments to be made to such Non-U.S. Lender Party under the Loan Documents. Unless the Borrower and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments under any Loan Document to or for a Non-U.S. Lender Party are not subject to United States withholding tax, the Loan Parties and the Administrative Agent shall withhold amounts required to be withheld by applicable Requirements of Law from such payments at the applicable statutory rate, and the relevant Loan Party shall not be obligated pursuant to clause (b) to gross-up payments to be made to such Non-U.S. Lender Party in respect of income or similar taxes imposed by the United States or pursuant to clause (d) to indemnify such Non-U.S. Lender Party in respect thereto; provided, however, that a Non-U.S. Lender

Party shall not be obligated to deliver such forms if after the date it becomes a Non-U.S. Lender Party it no longer legally qualifies for an exemption from tax; and, provided, further, that the relevant Loan Party will be obligated to gross-up payments to such Non-U.S. Lender Party only if the reason for such Non-U.S. Lender Party' s inability to claim an exemption (or a full exemption) from tax results from a change-in-law arising after it becomes a Non-U.S. Lender Party.

(ii) Each U.S. Lender Party shall (A) on or prior to the date such U.S. Lender Party becomes a "U.S. Lender Party" hereunder, (B) on or prior to the date on which any such form or certification expires or becomes obsolete, (C) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it pursuant to this clause (f) and (D) from time to time if requested by the Borrower or the Administrative Agent (or, in the case of a participant or SPV, the relevant Lender), provide the Administrative Agent and the Borrower (or, in the case of a participant or SPV, the relevant Lender) with two completed originals of Form W-9 (certifying that such U.S. Lender Party is entitled to an exemption from U.S. backup withholding tax) or any successor form.

(iii) Each Lender having sold a participation in any of its Obligations or identified an SPV as such to the Administrative Agent shall collect from such participant or SPV the documents described in this clause (f) and provide them to the Administrative Agent.

Section 2.16 Substitution of Lenders. (a) Substitution Right. In the event that any Lender (an "Affected Lender"), (i) makes a claim under clause (b) or (c) of Section 2.14, (ii) notifies the Administrative Agent pursuant to Section 2.13(b) that it becomes illegal for such Lender to continue to fund or make any Eurodollar Rate Loan, (iii) makes a claim for payment pursuant to Section 2.15(b), (iv) becomes a Non-Funding Lender or (v) does not consent to any amendment, waiver or consent to any Loan Document for which the consent of the Required Lenders is obtained but that requires the consent of other Lenders, the Borrower may either pay in full such Affected Lender with respect to amounts due with the consent of the Administrative Agent or substitute for such Affected Lender any Lender or any Affiliate or Approved Fund of any Lender or any other Person acceptable (which acceptance shall not be unreasonably withheld or delayed) to the Administrative Agent (in each case, a "Substitute Lender").

(b) Procedure. To substitute such Affected Lender or pay in full the Obligations owed to such Affected Lender, the Borrower shall deliver a notice to the Administrative Agent and such Affected Lender. The effectiveness of such payment or substitution shall be subject to the delivery to the Administrative Agent by the Borrower (or, as may be applicable in the case of a substitution, by the Substitute Lender) of (i) payment for the account of such Affected Lender, of, to the extent accrued through, and outstanding on, the effective date for such payment or substitution, all Obligations owing to such Affected Lender (including those that will be owed because of such payment and all Obligations that would be owed to such Lender if it was solely a Lender), (ii) payment of any amount that, after giving effect to the termination of the Commitment of such Affected Lender, is required to be paid pursuant to Section 2.6(f) and (iii) in the case of a substitution, (A) payment of the assignment fee set forth in Section 11.2(c) and (B) an assumption agreement in form and substance satisfactory to the Administrative Agent whereby the Substitute Lender shall, among other things, agree to be bound by the terms of the Loan Documents and assume the Commitment of the Affected Lender.

(c) Effectiveness. Upon satisfaction of the conditions set forth in clause (b) above, the Administrative Agent shall record such substitution or payment in the Register, whereupon (i) such Affected Lender' s Commitments shall be terminated and (ii) in the case of any substitution, (A) the Affected Lender shall sell and be relieved of, and the Substitute Lender shall purchase and assume, all rights and claims of such Affected Lender under the Loan Documents, except that the Affected Lender shall retain such rights expressly providing that they survive the repayment of the Obligations and the

termination of the Commitments, (B) the Substitute Lender shall become a "Lender" hereunder having a Commitment in the amount of such Affected Lender' s Commitment and (C) the Affected Lender shall execute and deliver to the Administrative Agent an Assignment to evidence such substitution and deliver any Note in its possession; provided, however, that the failure of any Affected Lender to execute any such Assignment or deliver any such Note shall not render such sale and purchase (or the corresponding assignment) invalid.

ARTICLE III

CONDITIONS TO LOANS

Section 3.1 Conditions Precedent to Initial Loans. The obligation of each Lender to make any Loan hereunder is subject to the satisfaction or due waiver of each of the following conditions precedent on or before August 1, 2006:

(a) Certain Documents. The Administrative Agent shall have received on or prior to the Closing Date each of the following, each dated the Closing Date (or such other date as may be indicated below) unless otherwise agreed by the Administrative Agent, in form and substance satisfactory to the Administrative Agent and each Lender:

(i) this Agreement duly executed by the Borrower and, for the account of each Lender requesting the same by notice to the Administrative Agent and the Borrower received by each at least 3 Business Days prior to the Closing Date (or such later date as may be agreed by the Borrower), Notes conforming to the requirements set forth in Section 2.12(e);

(ii) the Guaranty and Security Agreement, duly executed by each Guarantor, and the Pledge Agreement, duly executed by Holdings, together with (A) copies of UCC, tax, judgment lien, Intellectual Property and other appropriate search reports and of all effective prior filings listed therein, together with evidence of the termination of such prior filings and other documents with respect to the priority of the security interest of the Administrative Agent in the Collateral, in each case as may be reasonably requested by the Administrative Agent, (B) all documents representing all Securities being pledged pursuant to such Guaranty and Security Agreement and the Pledge Agreement and related undated powers or endorsements duly executed in blank and (C) all Control Agreements that, in the reasonable judgment of the Administrative Agent, are required for the Loan Parties to comply with the Loan Documents as of the Closing Date, each duly executed by, in addition to the applicable Loan Party, the applicable financial institution;

(iii) duly executed opinions of counsel to the Loan Parties, each addressed to the Administrative Agent and the Lenders and addressing such matters as the Administrative Agent may reasonably request;

(iv) a copy of each Constituent Document of each Loan Party that is on file with any Governmental Authority in any jurisdiction, certified as of a recent date by such Governmental Authority, together with, if applicable, certificates attesting to the good standing of such Loan Party in such jurisdiction and each other jurisdiction where such Loan Party is qualified to do business as a foreign entity or where such qualification is necessary (and, if appropriate in any such jurisdiction, related tax certificates);

(v) a certificate of the secretary or other officer of each Loan Party in charge of maintaining books and records of such Loan Party certifying as to (A) the names and signatures of each officer of such Loan Party authorized to execute and deliver any Loan

Document, (B) the Constituent Documents of such Loan Party attached to such certificate are complete and correct copies of such Constituent Documents as in effect on the date of such certification (or, for any such Constituent Document delivered pursuant to clause (v) above, that there have been no changes from such Constituent Document so delivered) and (C) the resolutions of such Loan Party' s board of directors or other appropriate governing body approving and authorizing the execution, delivery and performance of each Loan Document to which such Loan Party is a party;

(vi) if any Loans are to be made on the Closing Date, a certificate of the Chief Financial Officer of the Borrower to the effect that (A) each condition set forth in Section 3.2(b) has been satisfied and (B) each Loan Party is Solvent after giving effect to the initial Loans, the application of the proceeds thereof in accordance with Section 7.9 and the payment of all estimated legal, accounting and other fees and expenses related hereto;

(vii) insurance certificates in form and substance satisfactory to the Administrative Agent demonstrating that the insurance policies required by Section 7.5 (other than any insurance policies in respect of equipment subject to a Master License Agreement which policies are maintained by the applicable exhibitor in accordance with the terms of the Master License Agreement) are in full force and effect and have all terms required by Section 7.5 (including, without limitation, in respect of the key man life insurance in respect of A. Dale Mayo);

(viii) a certificate of a Responsible Officer of the Borrower certifying true, complete and correct copies of all material contracts attached to such certificate (including, without limitation, (A) all Master License Agreements, (B) all Digital Cinema Deployment Agreements, (C) software license agreements between the Borrower and Holdings, including, without limitation, the Amended and Restated Software License Agreement dated as of July 15, 2006 by and between Holdings and the Borrower (D) all other Intercompany Agreements between the Borrower and Holdings and (E) Intercompany Agreements between the Borrower and Access IT) and that the Borrower is in compliance with all such material contracts as of the Closing Date;

(ix) a fully executed copy of (A) the employment agreement between A. Dale Mayo and Access IT and (B) the employment agreement between A. Dale Mayo and the Borrower;

(x) the Initial Projections demonstrating compliance with all financial covenants;

(xi) a Budget for the period following the Closing Date through March 31, 2007;

(xii) a consent from each distributor party to a Digital Cinema Deployment Agreement in effect on the Closing Date to the assignment by the Borrower of such Digital Cinema Deployment Agreement in favor of the Administrative Agent confirming (i) that the Administrative Agent and Lenders are acceptable financing sources, (ii) the security interests granted by the Group Members to the Administrative Agent and the Lenders, (iii) that no default exists under the applicable Digital Cinema Deployment Agreement and (iv) otherwise in form and substance acceptable to the Administrative Agent;

(xiii) unaudited monthly financial statements for the Borrower and its Subsidiaries for the period starting on the date of organization of the Borrower and ending on the

last day of the fiscal month ended at least 30 days prior to the Closing Date, certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the Consolidated and consolidating financial position, results of operations and cash flow of the Borrower as at the dates indicated for the period indicated in accordance with GAAP (subject to the absence of footnote disclosure and normal year-end audit adjustments);

(xiv) consents, waivers, acknowledgements and other agreements from third persons which the Administrative Agent may deem necessary in order to permit, protect or perfect its security interests in and Liens upon the Collateral and to effectuate the provisions of this Agreement and the other Loan Documents, including, without limitation, mortgagee or landlord waivers, estoppel certificates, bailee letters, consignment notices and other similar agreements;

(xv) a certificate of a Responsible Officer of the Borrower setting forth a detailed report of the locations and status of operation of all Digital Systems as of the Closing Date and attaching copies of all Digital Cinema Installation Certificates executed by Christie Digital Systems USA, Inc. confirming as of the Closing Date the delivery, installation and operation of such Digital Systems; and

(xvi) such other documents and information as any Lender through the Administrative Agent may reasonably request.

(b) Fees and Expenses. There shall have been paid to the Administrative Agent, for the account of the Administrative Agent, its Related Persons, or any Lender, as the case may be, all fees and all reimbursements of costs or expenses, in each case due and payable under any Loan Document on or before the Closing Date.

(c) Consents. Each Group Member shall have received all consents and authorizations required pursuant to any material Contractual Obligation with any other Person and shall have obtained all Permits of, and effected all notices to and filings with, any Governmental Authority, in each case, as may be necessary in connection with the consummation of the transactions contemplated in any Loan Document.

(d) Material Adverse Effect. Since December 31, 2005, there shall not have occurred or become known to the Administrative Agent any event, development or circumstance that has caused or could reasonably be expected to cause any material adverse condition or material adverse change in or affecting the industry in which the Borrower, Holdings or Access IT operates, the business, operations, property (including but not limited to the Collateral), condition (financial or otherwise) or prospects or projections of the Borrower and its Affiliates, or of any other Loan Parties.

(e) Litigation. No litigation shall have been commenced which would challenge the transactions contemplated hereunder or which, if successful, would have a material adverse impact on the transactions contemplated hereunder, the Borrower, its business or its ability to repay the Loans.

(f) Capital Contribution. The Administrative Agent shall have received the following evidence in form reasonably satisfactory to it that the Borrower shall have received Capital Contributions in an amount equal to at least $69,700,000: (i) a schedule prepared by the Borrower of all such Capital Contributions, (ii) copies of invoices from Christie Digital Systems USA, Inc. evidencing payment of Capital Contributions of the type described in clause (a)(ii) of the definition thereof and (iii) confirmation from the Borrower' s deposit account holders evidencing receipt of Capital Contributions of the type described in clause (a)(i) of the definition thereof.

(g) New Information. There shall not have occurred or become known to the Administrative Agent since March 27, 2006 any information or other matter affecting any Loan Party or any of its Affiliates or the transactions contemplated by the Loan Documents that, in the Administrative Agent' s judgment, is inconsistent in a material and adverse manner with any such information or other matter disclosed to the Administrative Agent prior to March 27, 2006;

(h) Corporate Structure, Etc. The management, corporate structure, capital structure, other instruments governing Indebtedness, material contracts and governing documents of the Borrower shall be acceptable to the Administrative Agent.

Section 3.2 Conditions Precedent to Each Loan. The obligation of each Lender on any date (including the Closing Date) to make any Loan is subject to the satisfaction of each of the following conditions precedent:

(a) Request. The Administrative Agent shall have received, to the extent required by Article II, a written, timely and duly executed and completed Notice of Borrowing.

(b) Representations and Warranties; No Defaults. The following statements shall be true on such date, both before and after giving effect to such Loan: (i) the representations and warranties set forth in any Loan Document shall be true and correct (A) if such date is the Closing Date, on and as of such date and (B) otherwise, in all material respects on and as of such date or, to the extent such representations and warranties expressly relate to an earlier date, on and as of such earlier date and (ii) no Default shall be continuing.

(c) Purchase Orders. The Administrative Agent shall have received copies of all purchase orders for the Digital Systems, including the Digital Systems to be financed with the proceeds of the Loans to be made on such date.

(d) Total Equity Ratio. The Administrative Agent shall have received a certificate duly executed by a Responsible Officer of the Borrower that shows in reasonable detail the calculation of the Total Equity Ratio both before and after giving effect to the Borrowing of Loans to be made on such date.

(e) Material Contracts. The Administrative Agent shall have received satisfactory evidence that the Borrower is in compliance with all material contracts including, without limitation, all Digital Cinema Deployment Agreements, all Master License Agreements and all Intercompany Agreements.

(f) Interest Reserve Account. The Borrower shall have funded the Interest Reserve in the Interest Reserve Account.

(g) Additional Matters. The Administrative Agent shall have received such additional documents and information as any Lender, through the Administrative Agent, may reasonably request.

The representations and warranties set forth in any Notice of Borrowing (or any certificate delivered in connection therewith) shall be deemed to be made again on and as of the date of the relevant Loan and the acceptance of the proceeds thereof.

Section 3.3 Determinations of Initial Borrowing Conditions. For purposes of determining compliance with the conditions specified in Section 3.1, each Lender shall be deemed to be satisfied with each document and each other matter required to be satisfactory to such Lender unless, prior to the

Closing Date, the Administrative Agent receives notice from such Lender specifying such Lender' s objections and such Lender has not made available its Pro Rata Share of any Borrowing scheduled to be made on the Closing Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lenders and the Administrative Agent to enter into the Loan Documents, the Borrower (and, to the extent set forth in any other Loan Document, each other Loan Party) represents and warrants to each of them each of the following on and as of each date applicable pursuant to Section 3.2:

Section 4.1 Corporate Existence; Compliance with Law. Each of Holdings and each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) is duly qualified to do business as a foreign entity and in good standing under the laws of each jurisdiction where such qualification is necessary, except where the failure to be so qualified or in good standing would not, in the aggregate, have a Material Adverse Effect, (c) has all requisite power and authority and the legal right to own, pledge, mortgage and operate its property, to lease or sublease any property it operates under lease or sublease and to conduct its business as now or currently proposed to be conducted, (d) is in compliance with its Constituent Documents, (e) is in compliance with all applicable Requirements of Law except where the failure to be in compliance would not have a Material Adverse Effect and (f) has all necessary Permits from or by, has made all necessary filings with, and has given all necessary notices to, each Governmental Authority having jurisdiction, to the extent required for such ownership, lease, sublease, operation, occupation or conduct of its business, except where the failure to obtain such Permits, make such filings or give such notices would not, in the aggregate, have a Material Adverse Effect.

Section 4.2 Loan. (a) Power and Authority. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party and the consummation of the transactions contemplated therein (i) are within such Loan Party' s corporate or similar powers and, at the time of execution thereof, shall have been duly authorized by all necessary corporate and similar action (including, if applicable, consent of holders of its Securities), (ii) do not (A) contravene such Loan Party' s Constituent Documents, (B) violate any applicable Requirement of Law, (C) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material Contractual Obligation of any Loan Party or any of its Subsidiaries (including other Loan Documents) other than those that would not, in the aggregate, have a Material Adverse Effect and are not created or caused by, or a conflict, breach, default or termination or acceleration event under, any Loan Document or (D) result in the imposition of any Lien (other than a Permitted Lien) upon any property of any Loan Party or any of its Subsidiaries and (iii) do not require any Permit of, or filing with, any Governmental Authority or any consent of, or notice to, any Person, other than (A) with respect to the Loan Documents, the filings required to perfect the Liens created by the Loan Documents and (B) those listed on Schedule 4.2 and that have been, or will be prior to the Closing Date, obtained or made, copies of which have been, or will be prior to the Closing Date, delivered to the Administrative Agent, and each of which on the Closing Date will be in full force and effect.

(b) Due Execution and Delivery. From and after its delivery to the Administrative Agent, each Loan Document has been duly executed and delivered to the other parties thereto by each Loan Party party thereto, is the legal, valid and binding obligation of such Loan Party and is enforceable against such Loan Party in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and the effects of general principles of equity.

Section 4.3 Ownership of Group Members. Set forth on Schedule 4.3 is a complete and accurate list showing, as of the Closing Date, for each Group Member and each Subsidiary of any Group Member and each joint venture of any of them, its jurisdiction of organization, the number of shares of each class of Stock authorized (if applicable), the number outstanding on the Closing Date and the number and percentage of the outstanding shares of each such class owned (directly or indirectly) by the Borrower and, in the case of the Stock of the Borrower, Holdings. All outstanding Stock of each of them has been validly issued, is fully paid and non-assessable (to the extent applicable) and is owned beneficially and of record by a Group Member (or, in the case of the Borrower, by Holdings) free and clear of all Liens other than the security interests created by the Loan Documents and non-consensual Permitted Liens. There are no Stock Equivalents with respect to the Stock of any Group Member or any Subsidiary of any Group Member or any joint venture of any of them as of the Closing Date, except as set forth on Schedule 4.3. There are no Contractual Obligations or other understandings to which Holdings, any Group Member, any Subsidiary of any Group Member or any joint venture of any of them is a party with respect to (including any restriction on) the issuance, voting, Sale or pledge of any Stock or Stock Equivalent of any Group Member or any such Subsidiary or joint venture.

Section 4.4 Financial Statements. (a) Subject to the absence of footnote disclosure and normal recurring year-end audit adjustments, each of the unaudited Consolidated balance sheets of the Borrower as at the end of each fiscal month ending at least 30 days after the date of organization of the Borrower and at least 30 days prior to the Closing Date and the related Consolidated statements of income, retained earnings and cash flows of the Borrower for the period then ended, copies of each of which have been furnished to the Administrative Agent, fairly present in all material respects the Consolidated financial position, results of operations and cash flow of the Borrower as at the date indicated and for the period indicated in accordance with GAAP.

(b) On the Closing Date, (i) no Group Member has any material liability or other obligation (including Indebtedness, Guaranty Obligations, contingent liabilities and liabilities for taxes, long-term leases and unusual forward or long-term commitments) that is not reflected in the Financial Statements referred to in clause (a) above or in the notes thereto and not otherwise permitted by this Agreement and (ii) since the date of the Financial Statements referenced in clause (a) above, there has been no Sale of any material property of the Group Members and no purchase or other acquisition of any material property.

(c) The Initial Projections have been prepared by the Borrower in light of the operations of the business of the Borrower and its Subsidiaries and reflect projections for the 7 year period beginning on April 1, 2006 on a quarterly basis for the first year and on a year by year basis thereafter. As of the Closing Date, the Initial Projections are based upon estimates and assumptions stated therein, all of which the Borrower believes to be reasonable and fair in light of conditions and facts known to the Borrower as of the Closing Date and reflect the good faith, reasonable and fair estimates by the Borrower of the future Consolidated financial performance of the Borrower and the other information projected therein for the periods set forth therein.

(d) The unaudited Consolidated balance sheet of the Borrower (the "Pro Forma Balance Sheet") delivered to the Administrative Agent prior to the date hereof, has been prepared as of May 31, 2006 and reflects as of such date, on a Pro Forma Basis for the transactions contemplated herein to occur on the Closing Date, the Consolidated financial condition of the Borrower, and the assumptions expressed therein are reasonable based on the information available to Access IT and the Borrower at such date and on the Closing Date.

Section 4.5 Material Adverse Effect. Since December 31, 2005, there have been no events, circumstances, developments or other changes in facts that would, in the aggregate, have a Material Adverse Effect.

Section 4.6 Solvency. Both before and after giving effect to (a) the Loans made on or prior to the date this representation and warranty is made, (b) the disbursement of the proceeds of such Loans and (c) the payment and accrual of all transaction costs in connection with the foregoing, each of the Loan Parties is Solvent.

Section 4.7 Litigation. There are no pending (or, to the knowledge of any Group Member, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes affecting the Borrower or any of its Subsidiaries with, by or before any Governmental Authority other than those that (a) cannot reasonably be expected to affect the Obligations, the Loan Documents, the other transactions contemplated therein, any Digital Cinema Deployment Agreement, any Master License Agreement or any Service Agreement and (b) would not have, individually or in the aggregate, a Material Adverse Effect.

Section 4.8 Taxes. All federal and material state, local and foreign income and franchise and other tax returns, reports and statements (collectively, the "Tax Returns") required to be filed by any Tax Affiliate have been filed with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed, all such Tax Returns are true and correct in all material respects, and all taxes, charges and other impositions reflected therein or otherwise due and payable have been paid prior to the date on which any Liability may be added thereto for non-payment thereof (except for those contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are maintained on the books of the appropriate Tax Affiliate in accordance with GAAP). No Tax Return is under audit or examination by any Governmental Authority and no notice of such an audit or examination or any assertion of any claim for Taxes has been given or made by any Governmental Authority, except such audit, examination or claim as could not, if adversely determined, reasonably be expected to have a Material Adverse Effect. Proper and accurate amounts have been withheld by each Tax Affiliate from their respective employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable Requirements of Law and such withholdings have been timely paid to the respective Governmental Authorities. No Tax Affiliate has participated in a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4(b) or has been a member of an affiliated, combined or unitary group other than the group of which a Tax Affiliate is the common parent.

Section 4.9 Margin Regulations. The Borrower is not engaged in the business of extending credit for the purpose of, and no proceeds of any Loan or other extensions of credit hereunder will be used for the purpose of, buying or carrying margin stock (within the meaning of Regulation U of the Federal Reserve Board) or extending credit to others for the purpose of purchasing or carrying any such margin stock, in each case in contravention of Regulation T, U or X of the Federal Reserve Board.

Section 4.10 No Burdensome Obligations; No Defaults. No Group Member is a party to any Contractual Obligation, no Group Member has Constituent Documents containing obligations, and, to the knowledge of any Group Member, there are no applicable Requirements of Law, in each case the compliance with which would have, in the aggregate, a Material Adverse Effect. No Group Member (and, to the knowledge of each Group Member, no other party thereto) is in default under or with respect to any Contractual Obligation of any Group Member, which Contractual Obligation is material to the operation of the Group Member' s business and which default gives the applicable third party the right to terminate such Contractual Obligation.

Section 4.11 Investment Company Act; Public Utility Holding Company Act. No Group Member is (a) an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940 or (b) a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company," as each such term is defined and used in the Public Utility Holding Company Act of 1935 or, as the case may be, the Public Utility Holding Company Act of 2005, enacted as part of the Energy Policy Act of 2005, Pub. L. No. 109-58 as codified at §§ 1261 et seq., and the regulations adopted thereunder as of the date hereof.

Section 4.12 Labor Matters. There are no strikes, work stoppages, slowdowns or lockouts existing, pending (or, to the knowledge of any Group Member, threatened) against or involving any Group Member, except, for those that would not, in the aggregate, have a Material Adverse Effect. As of the Closing Date, (a) there is no collective bargaining or similar agreement with any union, labor organization, works council or similar representative covering any employee of any Group Member, (b) no petition for certification or election of any such representative is existing or pending with respect to any employee of any Group Member and (c) no such representative has sought certification or recognition with respect to any employee of any Group Member.

Section 4.13 ERISA. Schedule 4.13 sets forth, as of the Closing Date, a complete and correct list of, and that separately identifies, (a) all Title IV Plans, (b) all Multiemployer Plans and (c) all material Benefit Plans. Each Benefit Plan, and each trust thereunder, intended to qualify for tax exempt status under Section 401 or 501 of the Code or other Requirements of Law so qualifies. Except for those that would not, in the aggregate, have a Material Adverse Effect, (x) each Benefit Plan is in compliance with applicable provisions of ERISA, the Code and other Requirements of Law, (y) there are no existing or pending (or to the knowledge of any Group Member, threatened) claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits or other proceedings or investigation involving any Benefit Plan to which any Group Member incurs or otherwise has or could have an obligation or any Liability and (z) no ERISA Event is reasonably expected to occur. On the Closing Date, no ERISA Event has occurred in connection with which obligations and liabilities (contingent or otherwise) remain outstanding. No ERISA Affiliate would have any Withdrawal Liability as a result of a complete withdrawal from any Multiemployer Plan on the date this representation is made.

Section 4.14 Environmental Matters. Except as set forth on Schedule 4.14, (a) the operations of each Group Member are and have been in compliance with all applicable Environmental Laws, including obtaining, maintaining and complying with all Permits required by any applicable Environmental Law, other than non-compliances that, in the aggregate, would not have a reasonable likelihood of resulting in Material Environmental Liabilities, (b) no Group Member is party to, and no Group Member and no real property currently (or to the knowledge of any Group Member previously) owned, leased, subleased, operated or otherwise occupied by or for any Group Member is subject to or the subject of, any Contractual Obligation or any pending (or, to the knowledge of any Group Member, threatened) order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any Environmental Law other than those that, in the aggregate, are not reasonably likely to result in Material Environmental Liabilities, (c) no Lien in favor of any Governmental Authority securing, in whole or in part, Environmental Liabilities has attached to any property of any Group Member and, to the knowledge of each Group Member, no facts, circumstances or conditions exist that could reasonably be expected to result in any such Lien attaching to any such property, (d) no Group Member has caused or suffered to occur a Release of Hazardous Materials at, to or from any real property of any Group Member and each such real property is free of contamination by any Hazardous Materials except for such Release or contamination that could not reasonably be expected to result, in the aggregate, in Material Environmental Liabilities, (e) no Group Member (i) is or has been engaged in, or has permitted any current or former tenant to engage in,

operations, or (ii) knows of any facts, circumstances or conditions, including receipt of any information request or notice of potential responsibility under CERCLA or similar Environmental Laws, that, in the aggregate, would have a reasonable likelihood of resulting in Material Environmental Liabilities and (f) each Group Member has made available to the Administrative Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential Environmental Liabilities, in each case to the extent such reports, reviews, audits and documents are in their possession, custody or control.

Section 4.15 Intellectual Property. Each Group Member owns or licenses all material Intellectual Property that is necessary for the operations of its business. To the knowledge of each Group Member, (a) the conduct and operation of the business of each Group Member does not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other Person and (b) no other Person has contested any right, title or interest of any Group Member in, or relating to, any Intellectual Property, other than, in each case, as would not, in the aggregate, have a Material Adverse Effect. In addition, (x) there are no pending (or, to the knowledge of any Group Member, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes affecting any Group Member with respect to, (y) no judgment or order regarding any such claim has been rendered by any competent Governmental Authority, no settlement agreement or similar Contractual Obligation has been entered into by any Group Member, with respect to and (z) no Group Member knows or has any reason to know of any valid basis for any claim based on, any such infringement, misappropriation, dilution, violation or impairment or contest, other than, in each case, as would not, in the aggregate, have a Material Adverse Effect.

Section 4.16 Title; Real Property. (a) Each Group Member has good and marketable fee simple title to all owned real property and valid leasehold interests in all leased real property, and owns all personal property, in each case that is purported to be owned or leased by it, including those reflected on the most recent Financial Statements delivered by the Borrower, and none of such property is subject to any Lien except Permitted Liens.

(b) Set forth on Schedule 4.16 is, as of the Closing Date, (i) a complete and accurate list of all real property owned in fee simple by any Group Member or in which any Group Member owns a leasehold interest setting forth, for each such real property, the current street address (including, where applicable, county, state and other relevant jurisdictions), the record owner thereof and, where applicable, each lessee and sublessee thereof, (ii) any lease, sublease, license or sublicense of such real property by any Group Member and (iii) for each such real property that the Administrative Agent has requested be subject to a Mortgage or that is otherwise material to the business of any Group Member, each Contractual Obligation by any Group Member, whether contingent or otherwise, to Sell such real property.

Section 4.17 Full Disclosure. The written information prepared or furnished by or on behalf of (and with the consent or at the direction of) Access IT, Holdings or any Group Member in connection with any Loan Document (including the information contained in any Financial Statement or Disclosure Document) or the consummation of any transaction contemplated therein, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances when made, not misleading in any material respect; provided, however, that projections contained therein are not to be viewed as factual and that actual results during the periods covered thereby may differ from the results set forth in such projections by a material amount. All projections that are part of such information (including those set forth in any Projections delivered subsequent to the Closing Date) are based upon good faith estimates and stated assumptions believed to be reasonable and fair as of the date made in light of conditions and facts then known and, as of such date, reflect good faith, reasonable and fair estimates of the information projected for the periods set forth

therein. All facts known to Access IT, Holdings or any Group Member and material to the financial condition, business, property or prospects of Access IT, Holdings or the Group Members taken as one enterprise have been disclosed to the Lenders.

Section 4.18 Deposit and Disbursement Accounts. Schedule 4.18 lists all banks and other financial institutions at which any Group Member maintains deposit or other accounts as of the Closing Date, including any disbursement accounts, and correctly identifies, as of the Closing Date, the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

Section 4.19 Agreements and Other Documents. As of the Closing Date, each Group Member has provided to the Administrative Agent accurate and complete copies of all of the following agreements or documents to which it is subject and each of which is listed on Schedule 4.19: all Master License Agreements; all Service Agreements; all Digital Cinema Deployment Agreements; all material licenses and permits held by the Group Members; instruments and documents evidencing any Indebtedness of such Group Member and any Lien granted by such Group Member with respect thereto; and instruments and agreements evidencing the issuance of any equity securities, warrants, rights or options to purchase equity securities of such Group Member.

Section 4.20 DCI Spec Compliance. As of the Closing Date, all Digital Systems comply with the Digital Cinema System Specification V1.0 dated July 20, 2005 issued by Digital Cinema Initiatives, LLC, except for watermarking technology, CineLink2, CineCanvas and FIPS certification.

ARTICLE V

FINANCIAL COVENANTS

The Borrower agrees with the Lenders and the Administrative Agent to each of the following, as long as any Obligation or any Commitment remains outstanding:

Section 5.1 Maximum Consolidated Leverage Ratio. The Borrower shall not have, during any Fiscal Quarter set forth below, a Consolidated Leverage Ratio greater than the maximum ratio set forth opposite the applicable Fiscal Quarter:

Fiscal Quarter Ending	**Maximum Consolidated Leverage Ratio**
March 31, 2007	17.0 to 1
June 30, 2007	17.0 to 1
September 30, 2007	9.5 to 1
December 31, 2007	9.5 to 1
March 31, 2008	4.5 to 1
June 30, 2008	4.5 to 1
September 30, 2008	3.5 to 1
December 31, 2008	3.5 to 1
March 31, 2009	3.0 to 1
June 30, 2009	3.0 to 1
September 30, 2009	3.0 to 1
December 31, 2009	3.0 to 1

Fiscal Quarter Ending	Maximum Consolidated Leverage Ratio
March 31, 2010	2.5 to 1
June 30, 2010	2.5 to 1
September 30, 2010	2.5 to 1
December 31, 2010	2.5 to 1
March 31, 2011	1.75 to 1
June 30, 2011	1.75 to 1
September 30, 2011	1.75 to 1
December 31, 2011	1.75 to 1
March 31, 2012	0.75 to 1
June 30, 2012	0.75 to 1
September 30, 2012	0.75 to 1
December 31, 2012	0.75 to 1

Section 5.2 Minimum Consolidated Fixed Charge Coverage Ratio. Commencing with the Fiscal Quarter ended March 31, 2007, the Borrower shall not have, on the last day of such Fiscal Quarter or any Fiscal Quarter ended thereafter, a Consolidated Fixed Charge Coverage Ratio for the four Fiscal Quarter period ending on such day less than 1.25 to 1.

Section 5.3 Minimum Total Equity Ratio. The Borrower shall at all times maintain a minimum Total Equity Ratio equal to or greater than the Applicable Percentage.

Section 5.4 Minimum Projection Systems. The Borrower shall have installed pursuant to a Master License Agreement, as of each date set forth below, no fewer than the number of fully operational Projection Systems set forth opposite such date, determined on a cumulative basis since the Borrower began operating:

Date	Projection Systems
Closing Date	***
***	***
***	***
***	***

; provided that, in the event (a) the Borrower obtains an amendment to the *** Agreements with *** to *** and (b) the Borrower enters into a *** Agreement with *** which provides for ***, then the date set forth above for installation of *** operating Projection Systems shall be extended to ***.

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

ARTICLE VI

REPORTING COVENANTS

The Borrower (and, to the extent set forth in any other Loan Document, each other Group Member) agrees with the Lenders and the Administrative Agent to each of the following, as long as any Obligation or any Commitment remains outstanding:

Section 6.1 Financial Statements. The Borrower shall deliver to the Administrative Agent (for further distribution to the Lenders in respect of the items listed in clauses (a), (b) and (c) below) each of the following:

(a) Monthly Reports. As soon as available, and in any event within 30 days after the end of each fiscal month in each Fiscal Quarter ending on or prior to the 1st anniversary of the Termination Date, a management report in form and substance acceptable to the Administrative Agent, setting forth in reasonable detail, among other things (i) the income, cash flow and selling, general and administrative expense for such fiscal month and that portion of the Fiscal Year ending as of the close of such fiscal month, (ii) in comparative form the figures for (A) the corresponding period in the Budget and (B) the corresponding period in the prior Fiscal Year, (iii) the aggregate amount of cash on hand as of the end of such fiscal month, (iv) the number of screens installed during such fiscal month and the aggregate number of screens installed as of the end of such fiscal month, (v) on an aggregate and per distributor basis (A) the number of digital titles released pursuant to a Digital Cinema Deployment Agreement and (B) the virtual print fee revenue and associated accounts receivable, (vi) on an aggregate a per exhibitor basis (A) the revenue generated from Non-Traditional Content (as defined in the applicable Master License Agreement) and (B) the revenue generated from Traditional Motion Picture Content (as defined in the applicable Master License Agreement) distributed by a distributor who has not signed a Digital Cinema Deployment Agreement, (vii) the amount of Excluded Capital Expenditures and Capital Expenditures, (viii) the calculations used in determining the Total Equity Ratio, including, without limitation, the calculations used in determining Excess Cash Flow, (ix) with respect to the Deposit Accounts, Securities Accounts and Cash Collateral Accounts of each Group Member, a copy of the bank statement for each such account as at the end of such fiscal month, (x) a list of all Digital Systems projected to be installed in the following 30-day period and the location of the same and (xi) copies of internally prepared reports detailing the utilization of the Installed Digital Systems and amounts billed to contracted parties, each in form and substance reasonably satisfactory to the Administrative Agent, it being acknowledged that the form of internally prepared report previously delivered to the Administrative Agent is acceptable.

(b) Quarterly Reports. As soon as available, and in any event within 45 days after the end of each Fiscal Quarter of each Fiscal Year, the Consolidated and consolidating unaudited balance sheet of the Borrower as of the close of such Fiscal Quarter and related Consolidated and consolidating statements of income and cash flow for such Fiscal Quarter and that portion of the Fiscal Year ending as of the close of such Fiscal Quarter, setting forth in comparative form the figures for the corresponding period in the prior Fiscal Year and the figures contained in the latest Projections, in each case certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the Consolidated and consolidating financial position, results of operations and cash flow of the Borrower as at the dates indicated and for the periods indicated in accordance with GAAP (subject to the absence of footnote disclosure and normal year-end audit adjustments).

(c) Annual Reports. Commencing with the Fiscal Year ended March 31, 2007, as soon as available, and in any event within 90 days after the end of each Fiscal Year, the Consolidated and consolidating balance sheet of the Borrower as of the end of such year and related Consolidated and

consolidating statements of income, stockholders' equity and cash flow for such Fiscal Year, each prepared in accordance with GAAP, together with a certification by the Group Members' Accountants that (i) such Consolidated and consolidating Financial Statements fairly present in all material respects the Consolidated financial position, results of operations and cash flow of the Borrower as at the dates indicated and for the periods indicated therein in accordance with GAAP without qualification as to the scope of the audit or as to going concern and without any other similar qualification and (ii) in the course of the regular audit of the businesses of the Group Members, which audit was conducted in accordance with the standards of the United States' Public Company Accounting Oversight Board (or any successor entity), such Group Members' Accountants have obtained no knowledge that a Default in respect of any financial covenant contained in Article V is continuing or, if in the opinion of the Group Members' Accountants such a Default is continuing, a statement as to the nature thereof (which certification with respect to clause (ii) may be limited or omitted to the extent required by accounting rules or guidelines);.

(d) Compliance Certificate. Together with each delivery of any Financial Statement pursuant to clause (b) or (c) above, a Compliance Certificate duly executed by a Responsible Officer of the Borrower that, among other things, (i) shows in reasonable detail the calculations used in determining the Total Equity Ratio, including, without limitation, the calculations used in determining Excess Cash Flow, (ii) demonstrates compliance with each financial covenant contained in Article V, (iii) shows in reasonable detail the amount of Excluded Capital Expenditures and Capital Expenditures as of the end of such fiscal period, (iv) provides a list of all Installed Digital Systems and the location of the same and (v) states that no Default is continuing as of the date of delivery of such Compliance Certificate or, if a Default is continuing, states the nature thereof and the action that the Borrower proposes to take with respect thereto.

(e) Corporate Chart and Other Collateral Updates. As part of the Compliance Certificate delivered pursuant to clause (d) above, each in form and substance satisfactory to the Administrative Agent, a certificate by a Responsible Officer of the Borrower that (i) the Corporate Chart attached thereto (or the last Corporate Chart delivered pursuant to this clause (e)) is correct and complete as of the date of such Compliance Certificate, (ii) the Loan Parties have delivered all documents (including updated schedules as to locations of Collateral and acquisition of Intellectual Property or real property) they are required to deliver pursuant to any Loan Document on or prior to the date of delivery of such Compliance Certificate and (iii) complete and correct copies of all documents modifying any term of any Constituent Document of any Group Member or any Subsidiary or joint venture thereof on or prior to the date of delivery of such Compliance Certificate have been delivered to the Administrative Agent or are attached to such certificate.

(f) Additional Projections. As soon as available and in any event not later than 60 days prior to the end of each Fiscal Year, (i) the annual business plan and the Budget of the Group Members for the Fiscal Year next succeeding such Fiscal Year approved by the Borrower' s Board of Directors and (ii) forecasts prepared by management of the Borrower (A) for each month in such next succeeding Fiscal Year and (B) for each other succeeding Fiscal Year through the Fiscal Year containing the Maturity Date, in each case including in such forecasts (x) a projected year-end Consolidated and consolidating balance sheet, income statement and statement of cash flows, (y) a statement of all of the material assumptions on which such forecasts are based and (z) substantially the same type of financial information as that contained in the Initial Projections.

(g) Management Discussion and Analysis. Together with each delivery of any Compliance Certificate pursuant to clause (d) above, a discussion and analysis of the financial condition and results of operations of the Group Members for the portion of the Fiscal Year then elapsed and discussing the reasons for any significant variations from the Projections for such period and the figures for the corresponding period in the previous Fiscal Year.

(h) Intercompany Loan Balances. Together with each delivery of any Compliance Certificate pursuant to clause (d) above, a summary of the outstanding balances of all intercompany Indebtedness as of the last day of the Fiscal Quarter covered by such Financial Statement, certified as complete and correct by a Responsible Officer of the Borrower as part of the Compliance Certificate delivered in connection with such Financial Statements.

(i) Audit Reports, Management Letters, Etc. Together with each delivery of any Financial Statement for any Fiscal Year pursuant to clause (c) above, copies of each management letter, audit report or similar letter or report received by any Group Member from any independent registered certified public accountant (including the Loan Parties Accountants) in connection with such Financial Statements or any audit thereof, each certified to be complete and correct copies by a Responsible Officer of the Borrower as part of the Compliance Certificate delivered in connection with such Financial Statements.

(j) Insurance Certifications.

(i) At each policy renewal, but not less than annually, the Borrower shall provide to the Administrative Agent a certification from each insurer or by an authorized representative of each insurer identifying the underwriters, the type of insurance, the limits, deductibles, and term thereof and shall specifically list the provisions delineated in clause (b) of Schedule 7.5;

(ii) Concurrently with the furnishing of all certificates referred to in clause (i) above, the Borrower shall furnish the Administrative Agent with a statement from an independent insurance broker, reasonably acceptable to the Administrative Agent, stating that (A) all premiums then due have been paid and (B) in the opinion of such broker, the insurance then maintained by the Borrower is in accordance with clause (b) of Schedule 7.5;

(iii) The Borrower shall request such insurance broker, upon its first knowledge, to advise the Administrative Agent promptly in writing of any default in the payment of any premiums or any other act or omission, on the part of any Person, which might invalidate or render unenforceable, in whole or in part, any insurance provided by the Borrower hereunder; and

(iv) Promptly after becoming available, but in any event within 45 days of the installation of any Digital System on or after the Closing Date, an insurance certificate in form and substance satisfactory to the Administrative Agent demonstrating that the insurance policies required by Section 7.5 in respect of such Digital System are in full force and effect and have all the terms required by Section 7.5; provided, that notwithstanding anything to the contrary, the Borrower shall not be in default under this Section 6.1(j)(iv) so long as the Borrower is otherwise in compliance with Section 2.6(d).

(k) Certificate of Acceptance. Promptly after becoming available, but in any event within 45 days of the installation of any Digital System, which becomes an Installed Digital System on or after the Closing Date, a copy of a certificate (a "Certificate of Acceptance") executed by the exhibitor party to the applicable Master License Agreement accepting delivery and installation of such Digital System, certifying as to the receipt, installation and operation of such Digital System and confirming the location of such Digital System; provided, that notwithstanding anything to the contrary, the Borrower shall not be in default under this Section 6.1(k) so long as the Borrower is otherwise in compliance with Section 2.6(d).

(l) Agreed Upon Procedures. On or before July 31, 2006, a copy of the agreed upon procedures letter from Group Members' Accountants in form and substance satisfactory to the Administrative Agent.

(m) Other Agreements. Promptly after the execution thereof, copies of all Digital Cinema Deployment Agreements, Master License Agreements, Service Agreements and any Intercompany Agreements.

Section 6.2 Other Events. The Borrower shall give the Administrative Agent notice of each of the following (which notice may be made by telephone if promptly confirmed in writing) promptly after any Responsible Officer of any Group Member knows or has reason to know of it: (a)(i) any Default and (ii) any event that would have a Material Adverse Effect, specifying, in each case, the nature and anticipated effect thereof and any action proposed to be taken in connection therewith, (b) any event (other than any event involving loss or damage to property) reasonably expected to result in a mandatory prepayment of the Obligations pursuant to Section 2.6, stating the material terms and conditions of such transaction and estimating the Net Cash Proceeds thereof, (c) the commencement of, or any material developments in, any action, investigation, suit, proceeding, audit, claim, demand, order or dispute with, by or before any Governmental Authority affecting any Group Member or any property of any Group Member that (i) seeks injunctive or similar relief, (ii) in the reasonable judgment of the Borrower, exposes any Group Member to liability in an aggregate amount in excess of $250,000 or (iii) if adversely determined would have a Material Adverse Effect and (d) the acquisition of any material real property or the entering into any material lease.

Section 6.3 Copies of Notices and Reports. The Borrower shall promptly deliver to the Administrative Agent copies of each of the following: (a) all reports that the Borrower transmits to its security holders generally, (b) all documents that any Group Member files with the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., any securities exchange or any Governmental Authority exercising similar functions, (c) all press releases issued by any Group Member or, to the extent such press release relates to a Group Member Access IT or Holdings not made available directly to the general public, (d) all material documents, notices or reports transmitted or delivered or received pursuant to, or in connection with, any Digital Deployment Agreement, Master License Agreement, Service Agreement or Intercompany Agreement and (e) any material document transmitted or received pursuant to, or in connection with, any Contractual Obligation governing Indebtedness of any Group Member.

Section 6.4 Taxes. The Borrower shall give the Administrative Agent notice of each of the following (which may be made by telephone if promptly confirmed in writing) promptly after any Responsible Officer of any Group Member knows or has reason to know of it: (a) the creation, or filing with the IRS or any other Governmental Authority, of any Contractual Obligation or other document extending, or having the effect of extending, the period for assessment or collection of any taxes with respect to any Tax Affiliate and (b) the creation of any Contractual Obligation of any Tax Affiliate, or the receipt of any request directed to any Tax Affiliate, to make any adjustment under Section 481(a) of the Code, by reason of a change in accounting method or otherwise, which would have a Material Adverse Effect.

Section 6.5 Labor Matters. The Borrower shall give the Administrative Agent notice of each of the following (which may be made by telephone if promptly confirmed in writing), promptly after, and in any event within 30 days after any Responsible Officer of any Group Member knows of it: (a) the commencement of any material labor dispute to which any Group Member is or may become a party, including any strikes, lockouts or other disputes relating to any of such Person' s plants and other facilities and (b) the incurrence by any Group Member of any Worker Adjustment and Retraining Notification Act

or related or similar liability incurred with respect to the closing of any plant or other facility of any such Person (other than, in the case of this clause (b), those that would not, in the aggregate, have a Material Adverse Effect).

Section 6.6 ERISA Matters. The Borrower shall give the Administrative Agent (a) on or prior to any filing by any ERISA Affiliate of any notice of intent to terminate any Title IV Plan, a copy of such notice and (b) promptly, and in any event within 10 days, after any Responsible Officer of any ERISA Affiliate knows or has reason to know that a request for a minimum funding waiver under Section 412 of the Code has been filed with respect to any Title IV Plan or Multiemployer Plan, a notice (which may be made by telephone if promptly confirmed in writing) describing such waiver request and any action that any ERISA Affiliate proposes to take with respect thereto, together with a copy of any notice filed with the PBGC or the IRS pertaining thereto.

Section 6.7 Environmental Matters. (a) The Borrower shall provide the Administrative Agent notice of each of the following (which may be made by telephone if promptly confirmed by the Administrative Agent in writing) promptly after any Responsible Officer of any Group Member knows or has reason to know of it (and, upon reasonable request of the Administrative Agent, documents and information in connection therewith): (i)(A) unpermitted Releases, (B) the receipt by any Group Member of any notice of violation of or potential liability or similar notice under, or the existence of any condition that could reasonably be expected to result in violations of or liabilities under, any Environmental Law or (C) the commencement of, or any material change to, any action, investigation, suit, proceeding, audit, claim, demand, dispute alleging a violation of or liability under any Environmental Law, that, for each of clauses (A), (B) and (C) above (and, in the case of clause (C), if adversely determined), in the aggregate for each such clause, could reasonably be expected to result in Environmental Liabilities in excess of $250,000, (ii) the receipt by any Group Member of notification that any property of any Group Member is subject to any Lien in favor of any Governmental Authority securing, in whole or in part, Environmental Liabilities and (iii) any proposed acquisition or lease of real property if such acquisition or lease would have a reasonable likelihood of resulting in aggregate Environmental Liabilities in excess of $250,000.

(b) Upon request of the Administrative Agent, the Borrower shall provide the Administrative Agent a report containing an update as to the status of any environmental, health or safety compliance, hazard or liability issue identified in any document delivered to any Secured Party pursuant to any Loan Document or as to any condition reasonably believed by the Administrative Agent to result in Material Environmental Liabilities.

Section 6.8 Other Information. The Borrower shall provide the Administrative Agent with such other documents and information with respect to the business, property, condition (financial or otherwise), legal, financial or corporate or similar affairs or operations of any Group Member as the Administrative Agent or such Lender through the Administrative Agent may from time to time reasonably request.

ARTICLE VII

AFFIRMATIVE COVENANTS

The Borrower (and, to the extent set forth in any other Loan Document, each other Loan Party) agrees with the Lenders and the Administrative Agent to each of the following, as long as any Obligation or any Commitment remains outstanding:

Section 7.1 Maintenance of Corporate Existence. Holdings and each Group Member shall (a) preserve and maintain its legal existence, except in the consummation of transactions expressly permitted by Sections 8.4 and 8.7, and (b) preserve and maintain it rights (charter and statutory),

privileges franchises and Permits necessary or desirable in the conduct of its business, except, in the case of this clause (b), where the failure to do so would not, in the aggregate, have a Material Adverse Effect.

Section 7.2 Compliance with Laws, Etc. Each Group Member shall comply in all material respects with (i) all applicable Requirements of Law, (ii) all Contractual Obligations and (iii) all Permits.

Section 7.3 Payment of Obligations. Each Group Member shall pay or discharge before they become delinquent (a) all material claims, taxes, assessments, charges and levies imposed by any Governmental Authority and (b) all other lawful claims that if unpaid would, by the operation of applicable Requirements of Law, become a Lien upon any property of any Group Member, except, in the case of clauses (a) and (b), for those (x) whose amount or validity is being contested in good faith by proper proceedings diligently conducted and for which adequate reserves are maintained on the books of the appropriate Group Member in accordance with GAAP or (y) which encumber property that, individually or in the aggregate, has a value less than $250,000.

Section 7.4 Maintenance of Property. Each Group Member shall maintain and preserve (a) in good working order and condition all of its property necessary in the conduct of its business and (b) all rights, permits, licenses, approvals and privileges (including all Permits) necessary, used or useful, whether because of its ownership, lease, sublease or other operation or occupation of property or other conduct of its business, and shall make all necessary or appropriate filings with, and give all required notices to, Government Authorities, except for such failures to maintain and preserve the items set forth in clauses (a) and (b) above that would not, in the aggregate, have a Material Adverse Effect.

Section 7.5 Maintenance of Insurance. (a) Each Group Member shall (i) maintain or cause to be maintained in full force and effect all policies of insurance of any kind with respect to the property and businesses of the Group Members (including policies of life, fire, theft, product liability, public liability, property damage, other casualty, employee fidelity, workers' compensation, business interruption and employee health and welfare insurance) with financially sound and reputable insurance companies or associations (in each case that are not Affiliates of the Borrower) of a nature and providing such coverage as is sufficient and as is customarily carried by businesses of the size and character of the business of the Group Members and in any event in form and substance reasonably acceptable to Administrative Agent; it being agreed that the insurance set forth on Schedule 7.5 is acceptable, (ii) maintain a key man life insurance policy in respect of the life of A. Dale Mayo in an aggregate amount not less than $5,000,000 and (iii) cause all such insurance relating to any property or business of any Group Member to name the Administrative Agent, on behalf of the Secured Parties, as additional insured or loss payee, as appropriate and to provide that no cancellation, material addition in amount or material change in coverage shall be effective until after 30 days (or 10 days in the case of a payment default) notice thereof to the Administrative Agent.

(b) General. The Administrative Agent shall be entitled, upon reasonable advance notice, to review the Borrower' s insurance policies carried and maintained with respect to the Group Members' obligations under this Section 7.5. Upon request, the Borrower shall furnish the Administrative Agent with copies of all insurance policies, binders, and cover notes or other evidence of such insurance. Notwithstanding anything to the contrary herein, no provision of this Section 7.5 or any provision of this Agreement shall impose on the Administrative Agent any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the Borrower, nor shall the Administrative Agent be responsible for any representations or warranties made by or on behalf of the Borrower to any insurance broker, company or underwriter. The Administrative Agent, at its sole option, may obtain such insurance if not provided by the Borrower and in such event, the Borrower shall reimburse the Administrative Agent upon demand for the cost thereof together with interest. The Borrower shall also carry and

maintain, should the Borrower' s risk profile change during the term of this Agreement, any other insurance that the Administrative Agent may reasonably require from time to time.

Section 7.6 Keeping of Books. The Group Members shall keep proper books of record and account, in which full, true and correct entries shall be made in accordance with GAAP and all other applicable Requirements of Law of all financial transactions and the assets and business of each Group Member.

Section 7.7 Access to Books and Property; Audit Rights. Each Group Member shall permit the Administrative Agent, the Lenders and any Related Person of any of them, as often as reasonably requested, at any reasonable time during normal business hours and with reasonable advance notice (except that, during the continuance of an Event of Default, no such notice shall be required) to (a) visit and inspect the property of each Group Member and examine and make copies of and abstracts from, the corporate (and similar), financial, operating and other books and records of each Group Member, (b) discuss the affairs, finances and accounts of each Group Member with any officer or director of any Group Member, (c) communicate directly with any registered certified public accountants (including the Group Members' Accountants) of any Group Member and (d) conduct such appraisals, audits, reviews, and investigations of the Collateral and any documents, instruments or agreements relating thereto; provided that, so long as no Event of Default exists, the Administrative Agent, the Lenders and any Related Persons shall not, collectively or individually, exercise the rights granted under this Section 7.7 more often than twice in the aggregate in any Fiscal Year. Each Group Member shall authorize their respective registered certified public accountants (including the Group Members' Accountants) to communicate directly with the Administrative Agent, the Lenders and their Related Persons and to disclose to the Administrative Agent, the Lenders and their Related Persons all financial statements and other documents and information as they might have and the Administrative Agent or any Lender reasonably requests with respect to any Group Member.

Section 7.8 Environmental. Each Group Member shall comply with, and maintain its real property, whether owned, leased, subleased or otherwise operated or occupied, in compliance with, all applicable Environmental Laws (including by implementing any Remedial Action necessary to achieve such compliance or that is required by orders and directives of any Governmental Authority) except for failures to comply that would not, in the aggregate, have a Material Adverse Effect. Without limiting the foregoing, if an Event of Default is continuing or if the Administrative Agent at any time has a reasonable basis to believe that there exist violations of Environmental Laws by any Group Member or that there exist any Environmental Liabilities, in each case, that would have, in the aggregate, a Material Adverse Effect, then each Group Member shall, promptly upon receipt of request from the Administrative Agent, cause the performance of, and allow the Administrative Agent and its Related Persons access to such real property for the purpose of conducting, such environmental audits and assessments, including subsurface sampling of soil and groundwater, and cause the preparation of such reports, in each case as the Administrative Agent may from time to time reasonably request. Such audits, assessments and reports, to the extent not conducted by the Administrative Agent or any of its Related Persons, shall be conducted and prepared by reputable environmental consulting firms reasonably acceptable to the Administrative Agent and shall be in form and substance reasonably acceptable to the Administrative Agent.

Section 7.9 Use of Proceeds. The proceeds of the Loans shall be used by the Borrower (and, to the extent distributed to them by the Borrower, each other Group Member) solely (a) to fund the cost of purchasing, acquiring, receiving, delivering, constructing or installing Installed Digital Systems, provided that such proceeds (i) shall not be utilized to fund more than an amount equal to the product of (A) 100% minus the Applicable Percentage (expressed as a decimal) and (B) the aggregate purchase price of all Installed Digital Systems and (ii) shall not fund the purchase of more than 4000 Installed Digital Systems, (b) to fund the Interest Reserve, (c) to make Restricted Payments to Holdings subject to and in accordance

with Section 8.5(d) hereof and (d) for the payment of transaction costs, fees and expenses incurred in connection with the Loan Documents and the transactions contemplated therein.

Section 7.10 Additional Collateral and Guaranties. To the extent not delivered to the Administrative Agent on or before the Closing Date (including in respect of after-acquired property and Persons that become Subsidiaries of any Group Member after the Closing Date), each Group Member shall, promptly, do each of the following, unless otherwise agreed by the Administrative Agent:

(a) deliver to the Administrative Agent such modifications to the terms of the Loan Documents (or, to the extent applicable as determined by the Administrative Agent, such other documents), in each case in form and substance reasonably satisfactory to the Administrative Agent and as the Administrative Agent deems necessary or advisable in order to ensure the following:

(i) (A) each Subsidiary of any Group Member that has entered into Guaranty Obligations with respect to any Indebtedness of the Borrower and (B) each Wholly Owned Subsidiary of any Group Member shall guaranty, as primary obligor and not as surety, the payment of the Obligations of the Borrower; and

(ii) each Group Member (including any Person required to become a Guarantor pursuant to clause (i) above) shall effectively grant to the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in all of its property, including all of its Stock and Stock Equivalents and other Securities, as security for the Obligations of such Group Member;

provided, however, that, unless the Borrower and the Administrative Agent otherwise agree, in no event shall (x) any Excluded Foreign Subsidiary be required to guaranty the payment of any Obligation, (y) the Group Members, individually or collectively, be required to pledge in excess of 65% of the outstanding Voting Stock of any Excluded Foreign Subsidiary or (z) a Lien or security interest be required to be granted on any property of any Excluded Foreign Subsidiary as security for any Obligation;

(b) deliver to the Administrative Agent all documents representing all Stock, Stock Equivalents and other Securities pledged pursuant to the documents delivered pursuant to clause (a) above, together with undated powers or endorsements duly executed in blank;

(c) upon request of the Administrative Agent, deliver to it a Mortgage on any real property owned by any Loan Party (other than Holdings) and on any of its leases, together with all Mortgage Supporting Documents relating thereto (or, if such real property or the real property subject to such lease is located in a jurisdiction outside the United States, similar documents deemed appropriate by the Administrative Agent to obtain the equivalent in such jurisdiction of a first-priority mortgage on such real property or lease);

(d) to take all other actions necessary or advisable to ensure the validity or continuing validity of any guaranty for any Obligation or any Lien securing any Obligation, to perfect, maintain, evidence or enforce any Lien securing any Obligation or to ensure such Liens have the same priority as that of the Liens on similar Collateral set forth in the Loan Documents executed on the Closing Date (or, for Collateral located outside the United States, a similar priority acceptable to the Administrative Agent), including the filing of UCC financing statements in such jurisdictions as may be required by the Loan Documents or applicable Requirements of Law or as the Administrative Agent may otherwise reasonably request; and

(e) deliver to the Administrative Agent legal opinions relating to the matters described in this Section 7.10, which opinions shall be as reasonably required by, and in form and substance and from counsel reasonably satisfactory to, the Administrative Agent.

Section 7.11 Deposit Accounts; Securities Accounts and Cash Collateral Accounts. (a) Each Group Member (other than Excluded Foreign Subsidiaries) shall (i) deposit all of its cash in deposit accounts that are Controlled Deposit Accounts, provided, however, that each Group Member may maintain zero-balance accounts for the purpose of managing local disbursements and may maintain payroll, withholding tax and other fiduciary accounts, which are not subject to Controlled Deposit Accounts, and (ii) deposit all of its Cash Equivalents in securities accounts that are Controlled Securities Accounts, in each case except for cash and Cash Equivalents the aggregate value of which does not exceed $250,000 for all of the Group Members at any time.

(b) The Group Members shall be permitted to direct disbursement of their funds (including, without limitation, the proceeds of the Loans and cash on hand) solely as reflected in the Budget; provided that prior to any disbursement the Borrower shall have given the Administrative Agent at least three Business Days prior notice of such disbursement and the Borrower shall not have received any objection from the Administrative Agent in respect of such disbursement; and provided, further, that, if any disbursement shall be for the purchase of Digital Systems, then it shall be a condition to such disbursement that the Administrative Agent shall have received copies of the purchase orders for, or other documentation reasonably satisfactory to the Administrative Agent relating to, the Digital Systems to be purchased with the disbursement.

(c) The Borrower shall fund and maintain at all times the Interest Reserve in the Interest Reserve Account. The Administrative Agent may (or shall at the request of the Required Lenders) debit the Interest Reserve Account for the purpose of paying overdue interest. Any debit applied by the Administrative Agent pursuant to this Section 7.11(c) shall not (i) discharge the Borrower' s obligations under this Agreement with respect to such payment or (ii) cure any Default or Event of Default arising under Section 9.1(a) as a result of any non-payment of interest as and when due under this Agreement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent, on behalf of the Lenders (and, as applicable, any counterparty to a Secured Hedging Agreement), shall have recourse to the amounts in the Interest Reserve Account, if any, for (i) the payment of the principal of the Loans on the Maturity Date (or such earlier date on which the Loans become due and payable pursuant to Section 9.2) and (ii) the payment in full of all other Obligations on the Maturity Date or during the existence of an Event of Default. At the Borrower' s option, the Interest Reserve may be deposited in an Interest Reserve Account which is an interest bearing account. All earnings on the Interest Reserve shall be credited to the Interest Reserve Account and, upon the request of the Borrower, such earnings shall be remitted to the Borrower.

(d) The Administrative Agent shall not have any responsibility for, or bear any risk of loss of, any investment or income of any funds in any Cash Collateral Account. From time to time after funds are deposited in any Cash Collateral Account, the Administrative Agent may apply funds then held in such Cash Collateral Account to the payment of Obligations in accordance with Section 2.10. No Group Member and no Person claiming on behalf of or through any Group Member shall have any right to demand payment of any funds held in any Cash Collateral Account at any time prior to the termination of all Commitments and the payment in full of all Obligations.

Section 7.12 Interest Rate Contracts. The Borrower shall, within 30 days after the Termination Date, enter into and thereafter maintain Interest Rate Contracts on terms and with counterparties reasonably satisfactory to the Administrative Agent, to provide protection against fluctuation of interest rates until the 5th anniversary of the Termination Date for a notional amount that

equals at least 50% of the aggregate principal amount of the Loans outstanding from time to time. To the extent any Secured Hedging Support Document is entered into with respect to such Interest Rate Contracts, such documents shall be on terms and with counterparties reasonably satisfactory to the Administrative Agent.

Section 7.13 Corporate Separateness. Each Group Member shall take, or refrain from taking, as the case may be, all actions, including, but not limited to the following, that are necessary or advisable to be taken or not to be taken in order to ensure that its existence shall be maintained and respected separate and apart from that of any other Person:

(a) Each Group Member shall maintain its own deposit, securities or other account or accounts, separate from those of any Affiliate, with commercial banking institutions or broker-dealers. Each Group Member shall ensure that its funds will not be diverted to any other Person or for other than corporate uses of such Group Member, as the case may be, and such funds will not be commingled with the funds of any other Person.

(b) To the extent that it shares the same officers or other employees as any of its Affiliates, each Group Member shall ensure that the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, to the extent practicable, on the basis of such entity' s actual share of such costs and to the extent such allocation is not practicable, on a basis reasonably related to such entity' s fair share of the salary and benefit costs associated with all such common officers and employees.

(c) To the extent that it jointly contracts with any of its Affiliates to do business with vendors or service providers or to share overhead expenses, each Group Member shall ensure that the costs incurred in so doing shall be allocated fairly among such entities, to the extent practicable, on the basis of such entities' actual share of such costs and to the extent such allocation is not practicable, on a basis reasonably related to such entities' fair share of such costs. To the extent that any Group Member contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods or services are provided on the basis of such entities' actual share of such costs and to the extent such allocation is not practicable, on a basis reasonably related to such entities' fair share of such costs. All material transactions between or among a Group Member and any of its respective Affiliates, whether currently existing or hereafter entered into, shall be only on an arm' s-length basis.

(d) Each Group Member shall maintain a principal executive office at a separate address from the address of each of its Affiliates (other than any Group Member or its respective Subsidiaries); provided that reasonably segregated offices in the same building shall constitute separate addresses for purposes of this clause (d) so long as such office space is leased or subleased to any Group Member under a separate written agreement between such Group Member and such Affiliate on arm' s-length terms. To the extent that any Group Member or any of its Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses.

(e) Each Group Member shall maintain and issue separate financial statements prepared not less frequently than annually and prepared in accordance with GAAP.

(f) Each Group Member shall conduct its affairs in its own name and strictly in accordance with its Constituent Documents and observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special officers' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of its

meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts.

(g) None of the Group Members shall, nor shall they permit any of their respective Subsidiaries to, assume or guarantee any of the liabilities of any Affiliate except as expressly permitted herein.

(h) Each Group Member shall have stationery and other business forms separate and distinct from that of any other Person.

(i) Each Group Member shall cause its assets to be maintained in a manner that facilitates their identification and segregation from those of any other Person.

(j) Not later than thirty (30) days after the Closing Date and at all times thereafter, the board of directors of the Borrower shall have at least 1 director who is not an officer, director, employee, material shareholder or material supplier of any Affiliate of the Borrower (other than any Loan Party) and whose vote is required in order for the Borrower to file a voluntary petition for bankruptcy or to commence any other event that would constitute an Event of Default under Section 9.1(e).

Section 7.14 Digital Cinema Deployment Agreements. No Group Member shall, on or after the Closing Date, enter into any Digital Cinema Deployment Agreement other than such Digital Cinema Deployment Agreements that are in form and substance reasonably acceptable to the Administrative Agent. The Borrower shall cause each distributor party to a Digital Cinema Deployment Agreement entered into on or after the Closing Date to (a) consent to the assignment of such Digital Cinema Deployment Agreement in favor of the Administrative Agent, (b) confirm that the Administrative Agent and the Lenders are acceptable financing sources and (c) acknowledge the security interests granted by the Group Members to the Administrative Agent and the Lenders.

Section 7.15 Locations of Installed Digital Cinema Systems; Master License Agreements. No Group Member shall, after the Closing Date, enter into any Master License Agreement, other than such Master License Agreements that are in form and substance, and with such Persons and for such locations, in each case that are reasonably satisfactory to the Administrative Agent.

Section 7.16 DCI Spec Compliance. From and after the date when watermarking technology, CineLink2 and CineCanvas become available on reasonable commercial terms, the Group Members shall thereafter deploy only Digital Systems that are compliant with Digital Cinema System Specification V1.0 dated July 20, 2005 issued by Digital Cinema Initiatives, LLC and within five months of such availability will upgrade all Digital Systems previously deployed to bring them into material compliance with such specifications.

Section 7.17 Certificates of Acceptance. The Borrower shall deliver a Certificate of Acceptance from each exhibitor party to a Master License Agreement entered into prior to the Closing Date, certifying as to the receipt, installation and operation of the Digital Systems subject thereto, according to the following schedule (a) within 60 days following the Closing Date, in respect of 70% of the Installed Digital Systems subject to Master License Agreements as of such date of determination, and (b) within 90 days following the Closing Date, in respect of 95% of the Installed Digital Systems subject to Master License Agreements as of such date of determination, provided, that within such 90 day period the Borrower shall deliver a Certificate of Acceptance from Carmike Cinemas, Inc. in respect of 100% of the Installed Digital Systems subject to the applicable Master License Agreement; provided, further, that, notwithstanding anything to the contrary, the Borrower shall not be in default under this Section 7.17 so long as the Borrower is otherwise in compliance with Section 2.6(d).

Section 7.18 Certificates of Insurance. The Borrower shall deliver, or cause to be delivered by the applicable exhibitor, certificates of insurance in respect of any Digital System installed prior to the Closing Date, in each case, in form and substance satisfactory to the Administrative Agent, demonstrating that the insurance policies required by Section 7.5 in respect of such Digital System are in full force and effect and have all the terms required by Section 7.5, according to the following schedule (a) within 60 days following the Closing Date, in respect of 70% of the Digital Systems as of such date of determination, and (b) within 90 days following the Closing Date, in respect of 100% of the Digital Systems as of such date of determination; provided, that notwithstanding anything to the contrary, the Borrower shall not be in default under this Section 7.18 so long as the Borrower is otherwise in compliance with Section 2.6(d).

ARTICLE VIII

NEGATIVE COVENANTS

The Borrower (and, to the extent set forth in any other Loan Document, each other Group Member) agrees with the Lenders and the Administrative Agent to each of the following, as long as any Obligation or any Commitment remains outstanding:

Section 8.1 Indebtedness. No Group Member shall, directly or indirectly, incur or otherwise remain liable with respect to or responsible for, any Indebtedness except for the following:

(a) the Obligations;

(b) Indebtedness existing on the date hereof and set forth on Schedule 8.1, together with any Permitted Refinancing of any Indebtedness permitted hereunder in reliance upon this clause (b);

(c) Indebtedness consisting of Capitalized Lease Obligations (other than with respect to a lease entered into as part of a Sale and Leaseback Transaction) and purchase money Indebtedness, in each case incurred by any Group Member to finance the acquisition, repair, improvement or construction of fixed or capital assets of such Group Member, together with any Permitted Refinancing of any Indebtedness permitted hereunder in reliance upon this clause (c); provided, however, that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed $250,000 at any time and (ii) the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed, whether directly or through a Permitted Refinancing, with such Indebtedness (each measured at the time such acquisition, repair, improvement or construction is made);

(d) Permitted Subordinated Indebtedness, together with any Permitted Refinancing permitted hereunder in reliance upon this clause (d); provided, however, that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed $31,000,000 at any time and (ii) the terms and conditions of all such Indebtedness are in form and substance acceptable to the Administrative Agent and the Required Lenders;

(e) intercompany loans owing to any Group Member and constituting Permitted Investments of such Group Member;

(f) (i) obligations under Interest Rate Contracts and Secured Hedging Support Documents entered into to comply with Section 7.12 and (ii) obligations under other Hedging Agreements and Secured Hedging Documents entered into for the sole purpose of hedging in the normal course of business and consistent with industry practices;

(g) Guaranty Obligations of any Group Member with respect to Indebtedness of any Group Member (other than Indebtedness permitted hereunder in reliance upon clause (b) or (c) above, for which Guaranty Obligations may be permitted to the extent set forth in such clauses);

(h) To the extent constituting Indebtedness, endorsements for collection or deposit; and

(i) unsecured Indebtedness not otherwise permitted hereby in an aggregate principal amount not to exceed $250,000 at any time outstanding and which has no cash pay interest.

Section 8.2 Liens. No Group Member shall incur, maintain or otherwise suffer to exist any Lien upon or with respect to any of its property, whether now owned or hereafter acquired, or assign any right to receive income or profits, except for the following:

(a) Liens created pursuant to any Loan Document;

(b) With respect to each Group Member, Customary Permitted Liens;

(c) Liens existing on the date hereof and set forth on Schedule 8.2;

(d) Liens on the property of any Group Member securing Indebtedness permitted hereunder in reliance upon Section 8.1(c); provided, however, that (i) such Liens exist prior to the acquisition of, or attach substantially simultaneously with, or within 90 days after, the acquisition, repair, improvement or construction of, such property financed, whether directly or through a Permitted Refinancing, by such Indebtedness and (ii) such Liens do not extend to any property of any Group Member other than the property (and proceeds thereof) acquired or built, or the improvements or repairs, financed, whether directly or through a Permitted Refinancing, by such Indebtedness;

(e) Liens on the property of any Group Member securing the Permitted Refinancing of any Indebtedness secured by any Lien on such property permitted hereunder in reliance upon clause (c) or (d) above or this clause (e) without any change in the property subject to such Liens; and

(f) Liens arising by operation of applicable Requirements of Law as a result of the non-payment of lawful claims; provided, that such Liens do not encumber property that, individually or in the aggregate, has a value greater than or equal to $250,000.

Section 8.3 Investments. No Group Member shall make or maintain, directly or indirectly, any Investment except for the following:

(a) Investments existing on the date hereof and set forth on Schedule 8.3;

(b) Investments in cash and Cash Equivalents;

(c) (i) endorsements for collection or deposit in the ordinary course of business consistent with past practice, (ii) extensions of trade credit (other than to Affiliates of the Borrower) arising or acquired in the ordinary course of business and (iii) Investments received in settlements in the ordinary course of business of such extensions of trade credit; and

(d) Investments by (i) any Loan Party (other than Holdings) in any other Loan Party (other than Holdings), (ii) any Group Member that is not a Loan Party in any Group Member or in any joint venture or (iii) any Loan Party in any Group Member that is not a Loan Party or in any joint venture; provided, however, that the aggregate outstanding amount of all Investments permitted pursuant to this clause (iii) shall not exceed $250,000 at any time; and provided, further, that any Investment consisting of

loans or advances to any Loan Party pursuant to clause (ii) above shall be subordinated in full to the payment of the Obligations of such Loan Party on terms and conditions satisfactory to the Administrative Agent.

Section 8.4 Asset Sales. No Group Member shall Sell any of its property (other than cash) or issue shares of its own Stock, except for the following:

(a) In each case to the extent entered into in the ordinary course of business and made to a Person that is not an Affiliate of the Borrower, (i) Sales of Cash Equivalents, inventory or property that has become obsolete or worn out and (ii) non-exclusive licenses of Intellectual Property;

(b) a true lease or sublease of real property not constituting Indebtedness and not entered into as part of a Sale and Leaseback Transaction;

(c) (i) any Sale of any property (other than their own Stock or Stock Equivalents) by any Group Member to any other Group Member to the extent any resulting Investment constitutes a Permitted Investment and (ii) any Restricted Payment by any Group Member permitted pursuant to Section 8.5;

(d) (i) any Sale or issuance by the Borrower of its own Stock, provided, that it shall be a condition to the Sale or issuance of such Stock that such Stock be pledged to the Administrative Agent, for the benefit of the Secured Parties, to secure the Obligations, (ii) any Sale or issuance by any Subsidiary of the Borrower of its own Stock to any Group Member, provided, however, that the proportion of such Stock and of each class of such Stock (both on an outstanding and fully-diluted basis) held by the Loan Parties, taken as a whole, does not change as a result of such Sale or issuance and (iii) to the extent necessary to satisfy any Requirement of Law in the jurisdiction of incorporation of any Subsidiary of the Borrower, any Sale or issuance by such Subsidiary of its own Stock constituting directors' qualifying shares or nominal holdings; and

(e) any Sale of Installed Digital Systems to an exhibitor in connection with the exercise by such exhibitor of its buyout option under the applicable Master License Agreement; provided, however, that the aggregate number of Installed Digital Systems sold pursuant to this clause (e) shall not exceed 10% of the aggregate number of Installed Digital Systems as of the date of such Sale.

Section 8.5 Restricted Payments. No Group Member shall directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Payment except for the following:

(a) (i) Restricted Payments (A) by any Group Member that is a Loan Party to any Loan Party (other than Holdings) and (B) by any Group Member that is not a Loan Party to any Group Member and (ii) dividends and distributions by any Subsidiary of the Borrower that is not a Loan Party to any holder of its Stock, to the extent made to all such holders ratably according to their ownership interests in such Stock;

(b) dividends and distributions declared and paid on the common Stock of any Group Member ratably to the holders of such common Stock and payable only in common Stock of such Group Member;

(c) Restricted Payments to holders of the Borrower' s Stock for the purpose of funding the net income taxes attributable to such holders' ownership of the Borrower but in an amount not to exceed the actual liability that would be incurred by the Group Members on a standalone basis;

(d) in the event the Borrower shall have entered into a *** Agreement with *** after the Closing Date but on or before ***, the Borrower may make Restricted Payments to Holdings not otherwise permitted hereby in the form of a redemption or repurchase of its Stock in an aggregate amount not to exceed $13,200,000; provided, that no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(e) in the event of the reinstatement of a Digital Cinema Deployment Agreement which previously ceased to be valid, binding and enforceable and in respect of which an Additional Equity Infusion has been made in accordance with Section 9.1(i), the Borrower may make Restricted Payments to the holders of the Borrower' s Stock in an aggregate amount not to exceed the amount of such Additional Equity Infusion; provided, that no Default or Event of Default shall have occurred and be continuing or would result therefrom; and

(f) in addition to the foregoing Restricted Payments, on or after the Termination Date, in the event 28.5004% or more of the aggregate principal amount of the Loans drawn on or prior to the Termination Date shall have been repaid in full, the Borrower may make additional Restricted Payments in any Fiscal Year in an aggregate amount not to exceed an amount equal to the portion of Excess Cash Flow from the prior Fiscal Year not required to be applied to prepay the Loans in accordance with Section 2.6(a) and not otherwise applied to pay interest on Permitted Subordinated Indebtedness as permitted in this Agreement; provided, that no Default or Event of Default shall have occurred and be continuing or would result therefrom.

Section 8.6 Prepayment of Indebtedness. No Group Member shall (x) prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof any Indebtedness, (y) set apart any property for such purpose, whether directly or indirectly and whether to a sinking fund, a similar fund or otherwise, or (z) make any payment in violation of any subordination terms of any Indebtedness; provided, however, that each Group Member may, to the extent otherwise permitted by the Loan Documents, do each of the following:

(a) (i) prepay the Obligations, (ii) consummate a Permitted Refinancing;

(b) prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof (or set apart any property for such purpose) (A) in the case of any Group Member that is not a Loan Party, any Indebtedness owing by such Group Member to any other Group Member and (B) otherwise, any Indebtedness owing to any Loan Party; and

(c) make regularly scheduled or otherwise required repayments or redemptions of Indebtedness (other than Indebtedness owing to any Affiliate of the Borrower) but only, in the case of Permitted Subordinated Indebtedness, to the extent permitted by the subordination provisions thereof.

Section 8.7 Fundamental Changes. No Group Member shall (a) merge, consolidate or amalgamate with any Person, (b) acquire all or substantially all of the Stock or Stock Equivalents of any Person or (c) acquire all or substantially all of the assets of any Person or all or substantially all of the assets constituting any line of business, division, branch, operating division or other unit operation of any Person, in each case except for the following: (x) the merger, consolidation or amalgamation of any Subsidiary of the Borrower into any Loan Party (other than Holdings) and (y) the merger, consolidation or amalgamation of any Group Member for the sole purpose, and with the sole material effect, of

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*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

changing its State of organization within the United States; provided, however, that (A) in the case of any merger, consolidation or amalgamation involving the Borrower, the Borrower shall be the surviving Person and (B) in the case of any merger, consolidation or amalgamation involving any other Loan Party, a Loan Party shall be the surviving Person and all actions required to maintain the perfection of the Lien of the Administrative Agent on the Stock or property of such Loan Party shall have been made.

Section 8.8 Change in Nature of Business. No Group Member shall carry on any business, operations or activities (whether directly, through a joint venture, or otherwise) substantially different from those carried on by the Borrower and its Subsidiaries at the date hereof and business, operations and activities reasonably related thereto.

Section 8.9 Transactions with Affiliates. No Group Member shall, except as otherwise expressly permitted herein, enter into any other transaction directly or indirectly with, or for the benefit of, any Affiliate of the Borrower that is not a Loan Party (including Guaranty Obligations with respect to any obligation of any such Affiliate), except for (a) transactions in the ordinary course of business on a basis no less favorable to such Group Member as would be obtained in a comparable arm' s length transaction with a Person not an Affiliate of the Borrower, (b) Restricted Payments, the proceeds of which, if received by Holdings, are used as required by Section 8.5 (to the extent Section 8.5 sets forth any such requirements) and (c) reasonable salaries and other reasonable director or employee compensation to officers and directors of any Group Member.

Section 8.10 Third-Party Restrictions on Indebtedness, Liens, Investments or Restricted Payments. No Group Member shall incur or otherwise suffer to exist or become effective or remain liable on or be responsible for any Contractual Obligation limiting the ability of (a) any Subsidiary of the Borrower to make Restricted Payments to, or Investments in, or repay Indebtedness or otherwise Sell property to, any Group Member or (b) any Group Member to incur or suffer to exist any Lien upon any property of any Group Member, whether now owned or hereafter acquired, securing any of its Obligations (including any "equal and ratable" clause and any similar Contractual Obligation requiring, when a Lien is granted on any property, another Lien to be granted on such property or any other property), except, for each of clauses (a) and (b) above, (x) pursuant to the Loan Documents and (y) limitations on Liens (other than those securing any Obligation) on any property whose acquisition, repair, improvement or construction is financed by purchase money Indebtedness, Capitalized Lease Obligations or Permitted Refinancings permitted hereunder in reliance upon Section 8.1(b) or (c) set forth in the Contractual Obligations governing such Indebtedness, Capitalized Lease Obligations or Permitted Refinancing or Guaranty Obligations with respect thereto.

Section 8.11 Modification of Certain Documents. No Group Member shall waive or otherwise modify any term of (a) any document governing any Permitted Subordinated Indebtedness if the effect thereof on such Permitted Subordinated Indebtedness is to (i) increase the interest rate, (ii) change the due dates for principal or interest, other than to extend such dates, (iii) modify any default or event of default, other than to delete it or make it less restrictive, (iv) add any covenant with respect thereto, (v) modify any subordination provision, (vi) modify any redemption or prepayment provision, other than to extend the dates therefor or to reduce the premiums payable in connection therewith or (vii) materially increase any obligation of any Group Member or confer additional material rights to the holder of such Permitted Subordinated Indebtedness in a manner adverse to any Group Member or any Secured Party, (b) any Digital Cinema Deployment Agreement, (c) any Master License Agreement or (d) any Intercompany Agreement, except in the case of clauses (b), (c) and (d) above, with the consent of the Administrative Agent.

Section 8.12 Accounting Changes; Fiscal Year. No Group Member shall change its (a) accounting treatment or reporting practices, except as required by GAAP or any Requirement of Law, or (b) its fiscal year or its method for determining fiscal quarters or fiscal months.

Section 8.13 Margin Regulations. No Group Member shall use all or any portion of the proceeds of any credit extended hereunder to purchase or carry margin stock (within the meaning of Regulation U of the Federal Reserve Board) in contravention of Regulation U of the Federal Reserve Board.

Section 8.14 Compliance with ERISA. No ERISA Affiliate shall cause or suffer to exist (a) any event that could result in the imposition of a Lien with respect to any Title IV Plan or Multiemployer Plan or (b) any other ERISA Event, that would, in the aggregate, have a Material Adverse Effect. No Group Member shall cause or suffer to exist any event that could result in the imposition of a Lien with respect to any Benefit Plan.

Section 8.15 Hazardous Materials. No Group Member shall cause or suffer to exist any Release of any Hazardous Material at, to or from any real property owned, leased, subleased or otherwise operated or occupied by any Group Member that would violate any Environmental Law, form the basis for any Environmental Liabilities or otherwise adversely affect the value or marketability of any real property (whether or not owned by any Group Member), other than such violations, Environmental Liabilities and effects that would not, in the aggregate, have a Material Adverse Effect.

Section 8.16 Excluded Capital Expenditures; Capital Expenditures. (a) No Group Member shall incur, or permit to be incurred, during any Fiscal Year prior to the Termination Date, Excluded Capital Expenditures in an aggregate amount in excess of the product of the amount of Excluded Capital Expenditures set forth in the Budget for such corresponding Fiscal Year times 110%.

(b) No Group Member shall incur, or permit to be incurred, any Capital Expenditures (other than Excluded Capital Expenditures) in excess of the maximum amount set forth below for such Fiscal Year:

Fiscal Year Ending	**Maximum Capital Expenditures**
March 31, 2007	$250,000
March 31, 2008	$250,000
March 31, 2009	$250,000
March 31, 2010	$250,000
March 31, 2011	$250,000
March 31, 2012	$250,000
March 31, 2013	$250,000

ARTICLE IX

EVENTS OF DEFAULT

Section 9.1 Definition. Each of the following shall be an Event of Default:

(a) the Borrower shall fail to pay (i) any principal of any Loan when the same becomes due and payable, (ii) any interest on any Loan and such non-payment continues for a period of three Business Days after the due date therefor or (iii) any fee under any Loan Document or any other

Obligation (other than those set forth in clauses (i) and (ii) above) and such non-payment continues for a period of five Business Days after the due date therefor; or

(b) any representation, warranty or certification made or deemed made by or on behalf of any Loan Party in any Loan Document or by or on behalf of any Loan Party (or any Responsible Officer thereof) in connection with any Loan Document (including in any document delivered in connection with any Loan Document) shall prove to have been incorrect in any material respect when made or deemed made; or

(c) any Loan Party shall fail to comply with (i) any provision of Article V, Sections 6.2(a)(i), 7.1, 7.9, 7.11(a), 7.11(b), 7.13, 7.16 or Article VIII, (ii) in the event the Borrower fails to deliver a Certificate of Acceptance or insurance certificate under Section 7.17 or 7.18, respectively, the mandatory prepayment provisions set forth in Section 2.6(d) or (iii) any other provision of any Loan Document if, in the case of this clause (iii), such failure shall remain unremedied for 30 days after the earlier of (A) the date on which a Responsible Officer of the Borrower becomes aware of such failure and (B) the date on which notice thereof shall have been given to the Borrower by the Administrative Agent or the Required Lenders, provided, that, with respect to any non-compliance with Section 6.1, the Borrower shall only be allowed one 30-day grace period in any 12-month period and four 30-day grace periods during the term of this Agreement; or

(d) (i) any Group Member shall fail to make any payment when due (whether due because of scheduled maturity, required prepayment provisions, acceleration, demand or otherwise) on any Indebtedness of any Group Member (other than the Obligations) and, in each case, such failure relates to Indebtedness having a principal amount of $250,000 or more, (ii) any other event shall occur or condition shall exist under any Contractual Obligation relating to any such Indebtedness, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness or (iii) any such Indebtedness shall become or be declared to be due and payable, or be required to be prepaid, redeemed, defeased or repurchased (other than by a regularly scheduled payment or required prepayment), prior to the stated maturity thereof; or

(e) (i) any Group Member shall generally not pay its debts as such debts become due, shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors, (ii) any proceeding shall be instituted by or against any Group Member seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, composition of it or its debts or any similar order, in each case under any Requirement of Law relating to bankruptcy, insolvency or reorganization or relief of debtors or seeking the entry of an order for relief or the appointment of a custodian, receiver, trustee, conservator, liquidating agent, liquidator, other similar official or other official with similar powers, in each case for it or for any substantial part of its property and, in the case of any such proceedings instituted against (but not by or with the consent of) any Group Member, either such proceedings shall remain undismissed or unstayed for a period of 60 days or more or any action sought in such proceedings shall occur or (iii) any Group Member shall take any corporate or similar action or any other action to authorize any action described in clause (i) or (ii) above; or

(f) one or more judgments, orders or decrees (or other similar process) shall be rendered against any Group Member (i)(A) in the case of money judgments, orders and decrees, involving an aggregate amount (excluding amounts adequately covered by insurance payable to any Group Member, to the extent the relevant insurer has not denied coverage therefor) in excess of $250,000 or (B) otherwise, that would have, in the aggregate, a Material Adverse Effect and (ii)(A) enforcement proceedings shall have been commenced by any creditor upon any such judgment, order or decree or (B) such judgment, order or decree shall not have been vacated or discharged for a period of 30 consecutive

days and there shall not be in effect (by reason of a pending appeal or otherwise) any stay of enforcement thereof; or

(g) except pursuant to a valid, binding and enforceable termination or release permitted under the Loan Documents and executed by the Administrative Agent or as otherwise expressly permitted under any Loan Document, (i) any provision of any Loan Document shall, at any time after the delivery of such Loan Document, fail to be valid and binding on, or enforceable against, any Loan Party party thereto, (ii) any Loan Document purporting to grant a Lien to secure any Obligation shall, at any time after the delivery of such Loan Document, fail to create a valid and enforceable Lien on any Collateral purported to be covered thereby or such Lien shall fail or cease to be a perfected Lien with the priority required in the relevant Loan Document or (iii) any subordination provision set forth in any agreement relating to any Permitted Subordinated Indebtedness shall, in whole or in part, terminate or otherwise fail or cease to be valid and binding on, or enforceable against, any holder of such Permitted Subordinated Indebtedness (or any such holder shall so state in writing), or any Group Member shall state in writing that any of the events described in clause (i), (ii) or (iii) above shall have occurred; or

(h) there shall occur any Change of Control; or

(i) (i) a *** Agreement with any of the *** set forth on Schedule 9.1(i) shall cease to be valid, binding or enforceable in accordance with its terms and within 120 days thereafter, the Borrower shall not have delivered to the Administrative Agent written evidence of (A) the reinstatement of such *** Agreement as a valid, binding and enforceable agreement or (B) the receipt by the Borrower of an Additional Equity Infusion and, if received on or after the Termination Date, application of such Additional Equity Infusion in accordance with Section 2.6(e) or (ii) any Group Member shall be in breach of any of the same and the effect of such breach is to permit the termination of such *** Agreement and within 120 days of such breach the Borrower has not delivered to the Administrative Agent written evidence of either (A) the cure or waiver of such breach by the applicable distributor or (B) the receipt by the Borrower of an Additional Equity Infusion; or

(j) (i) any *** Agreement or Service Agreement in respect of more than *** screens shall cease to be valid, binding or enforceable in accordance with its terms and within 120 days thereafter the Borrower shall not have (A) delivered to the Administrative Agent written evidence of the receipt by the Borrower of an Additional Equity Infusion and (B) (1) redeployed a number of the Installed Digital Systems covered by such agreement equal to or greater than the difference between (I) the number of screens covered by such agreement and (II) *** or (2) made a prepayment of the Loans in an amount equal to the MLA Prepayment Amount or (ii) any Group Member shall be in breach of any of the same and the effect of such breach is to permit the termination of such agreement, and within 120 days thereafter the Borrower has not (A) delivered to the Administrative Agent written evidence of the receipt by the Borrower of an Additional Equity Infusion and (B) (1) delivered to the Administrative Agent written evidence of the cure or waiver of such breach by the applicable exhibitor or (2) made a prepayment of the Loans in an amount equal to the MLA Prepayment Amount; or

(k) (i) any Intercompany Agreement set forth on Schedule 9.1(k) shall cease to be valid, binding or enforceable in accordance with its terms and within 120 days thereafter such agreement is not replaced with a new agreement satisfactory to the Administrative Agent or (ii) any Group Member shall be in breach of any of the same and the effect of such breach is to permit the termination of such agreement, and within 180 days thereafter such breach is not cured.

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

Section 9.2 Remedies. During the continuance of any Event of Default, the Administrative Agent may, and, at the request of the Required Lenders, shall, in each case by notice to the Borrower and in addition to any other right or remedy provided under any Loan Document or by any applicable Requirement of Law, do each of the following: (a) declare all or any portion of the Commitments terminated, whereupon the Commitments shall immediately be reduced by such portion or, in the case of a termination in whole, shall terminate together with any obligation any Lender may have hereunder to make any Loan or (b) declare immediately due and payable all or part of any Obligation (including any accrued but unpaid interest thereon), whereupon the same shall become immediately due and payable, without presentment, demand, protest or further notice or other requirements of any kind, all of which are hereby expressly waived by the Borrower (and, to the extent provided in any other Loan Document, other Loan Parties); provided, however, that, effective immediately upon the occurrence of the Events of Default specified in Section 9.1(e)(ii), (x) the Commitments of each Lender to make Loans shall each automatically be terminated and (y) each Obligation (including in each case any accrued all accrued but unpaid interest thereon) shall automatically become and be due and payable, without presentment, demand, protest or further notice or other requirement of any kind, all of which are hereby expressly waived by the Borrower (and, to the extent provided in any other Loan Document, any other Loan Party).

ARTICLE X

THE ADMINISTRATIVE AGENT

Section 10.1 Appointment and Duties. (a) Appointment of Administrative Agent. Each Lender hereby appoints GE Capital (together with any successor Administrative Agent pursuant to Section 10.9) as the Administrative Agent hereunder and authorizes the Administrative Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Group Member, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to the Administrative Agent under such Loan Documents and (iii) exercise such powers as are reasonably incidental thereto.

(b) Duties as Collateral and Disbursing Agent. Without limiting the generality of clause (a) above, the Administrative Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders), and is hereby authorized, to (i) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection with the Loan Documents (including in any proceeding described in Section 9.1(e)(ii) or any other bankruptcy, insolvency or similar proceeding), and each Person making any payment in connection with any Loan Document to any Secured Party is hereby authorized to make such payment to the Administrative Agent, (ii) file and prove claims and file other documents necessary or desirable to allow the claims of the Secured Parties with respect to any Obligation in any proceeding described in Section 9.1(e)(ii) or any other bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Secured Party), (iii) act as collateral agent for each Secured Party for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (iv) manage, supervise and otherwise deal with the Collateral, (v) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (vi) except as may be otherwise specified in any Loan Document, exercise all remedies given to the Administrative Agent and the other Secured Parties with respect to the Collateral, whether under the Loan Documents, applicable Requirements of Law or otherwise and (vii) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that the Administrative Agent hereby appoints, authorizes and directs each Lender to act as collateral sub-agent for the Administrative Agent and the Lenders for purposes of the perfection of all Liens with respect to the Collateral, including any deposit account maintained by a Loan Party with, and cash and Cash Equivalents held by, such Lender, and may further authorize and direct the Lenders to

take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to the Administrative Agent, and each Lender hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

(c) Limited Duties. Under the Loan Documents, the Administrative Agent (i) is acting solely on behalf of the Lenders (except to the limited extent provided in Section 2.12(b) with respect to the Register and in Section 10.11), with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Administrative Agent," the terms "agent," "administrative agent" and "collateral agent" and similar terms in any Loan Document to refer to the Administrative Agent, which terms are used for title purposes only, (ii) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender or any other Secured Party and (iii) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Lender hereby waives and agrees not to assert any claim against the Administrative Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (i) through (iii) above.

Section 10.2 Binding Effect. Each Lender agrees that (i) any action taken by the Administrative Agent or the Required Lenders (or, if expressly required hereby, a greater proportion of the Lenders) in accordance with the provisions of the Loan Documents, (ii) any action taken by the Administrative Agent in reliance upon the instructions of Required Lenders (or, where so required, such greater proportion) and (iii) the exercise by the Administrative Agent or the Required Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Secured Parties.

Section 10.3 Use of Discretion. (a) No Action without Instructions. The Administrative Agent shall not be required to exercise any discretion or take, or to omit to take, any action, including with respect to enforcement or collection, except any action it is required to take or omit to take (i) under any Loan Document or (ii) pursuant to instructions from the Required Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders).

(b) Right Not to Follow Certain Instructions. Notwithstanding clause (a) above, the Administrative Agent shall not be required to take, or to omit to take, any action (i) unless, upon demand, the Administrative Agent receives an indemnification satisfactory to it from the Lenders (or, to the extent applicable and acceptable to the Administrative Agent, any other Secured Party) against all Liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Administrative Agent or any Related Person thereof or (ii) that is, in the opinion of the Administrative Agent or its counsel, contrary to any Loan Document or applicable Requirement of Law.

Section 10.4 Delegation of Rights and Duties. The Administrative Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Secured Party). Any such Person shall benefit from this Article X to the extent provided by the Administrative Agent.

Section 10.5 Reliance and Liability. (a) The Administrative Agent may, without incurring any liability hereunder, (i) treat the payee of any Note as its holder until such Note has been assigned in accordance with Section 11.2(e), (ii) rely on the Register to the extent set forth in Section 2.12, (iii) consult with any of its Related Persons and, whether or not selected by it, any other advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Loan Party) and (iv) rely and act upon any document and information (including those transmitted by Electronic

Transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(b) None of the Administrative Agent and its Related Persons shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Lender and the Borrower hereby waive and shall not assert (and the Borrower shall cause each other Loan Party to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of the Administrative Agent or, as the case may be, such Related Person (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, the Administrative Agent:

(i) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Required Lenders or for the actions or omissions of any of its Related Persons selected with reasonable care (other than employees, officers and directors of the Administrative Agent, when acting on behalf of the Administrative Agent);

(ii) shall not be responsible to any Secured Party for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document;

(iii) makes no warranty or representation, and shall not be responsible, to any Secured Party for any statement, document, information, representation or warranty made or furnished by or on behalf of any Related Person or any Loan Party in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Loan Party, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by the Administrative Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by the Administrative Agent in connection with the Loan Documents; and

(iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Loan Party or as to the existence or continuation or possible occurrence or continuation of any Default or Event of Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from the Borrower or any Lender describing such Default or Event of Default clearly labeled "notice of default" (in which case the Administrative Agent shall promptly give notice of such receipt to all Lenders);

and, for each of the items set forth in clauses (i) through (iv) above, each Lender and the Borrower hereby waives and agrees not to assert (and the Borrower shall cause each other Loan Party to waive and agree not to assert) any right, claim or cause of action it might have against the Administrative Agent based thereon.

Section 10.6 Administrative Agent Individually. The Administrative Agent and its Affiliates may make loans and other extensions of credit to, acquire Stock and Stock Equivalents of, engage in any kind of business with, any Loan Party or Affiliate thereof as though it were not acting as Administrative Agent and may receive separate fees and other payments therefor. Without limiting the foregoing, the Administrative Agent and its Affiliates may receive fees, charges and expenses in respect of Secured

Hedging Support Documents or the arrangement of Interest Rate Contracts and other transactions supported by Secured Hedging Support Documents; *provided*, *however*, that GE Capital and its Affiliates shall look to the beneficiary of a Secured Hedging Support Document for payment of such fees, charges and expenses, and such beneficiary may factor such fees, charges and expenses into the pricing of the Interest Rate Contracts and other transactions supported by such Secured Hedging Support Document. To the extent the Administrative Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the terms "Lender" and "Required Lender" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include, without limitation, the Administrative Agent or such Affiliate, as the case may be, in its individual capacity as Lender or as one of the Required Lenders, respectively.

Section 10.7 Lender Credit Decision. Each Lender acknowledges that it shall, independently and without reliance upon the Administrative Agent or any Lender or any of their Related Persons or upon any document (including the Disclosure Documents) solely or in part because such document was transmitted by the Administrative Agent or any of its Related Persons, conduct its own independent investigation of the financial condition and affairs of each Loan Party and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by the Administrative Agent to the Lenders, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party that may come in to the possession of the Administrative Agent or any of its Related Persons.

Section 10.8 Expenses; Indemnities. (a) Each Lender agrees to reimburse the Administrative Agent and each of its Related Persons (to the extent not reimbursed by any Loan Party) promptly upon demand for such Lender' s Pro Rata Share of any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Other Taxes paid in the name of, or on behalf of, any Loan Party) that may be incurred by the Administrative Agent or any of its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding or otherwise) of, or legal advice in respect of its rights or responsibilities under, any Loan Document.

(b) Each Lender further agrees to indemnify the Administrative Agent and each of its Related Persons (to the extent not reimbursed by any Loan Party), from and against such Lender' s aggregate Pro Rata Share of the Liabilities (including taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to on or for the account of any Lender) that may be imposed on, incurred by or asserted against the Administrative Agent or any of its Related Persons in any matter relating to or arising out of, in connection with or as a result of any Loan Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by the Administrative Agent or any of its Related Persons under or with respect to any of the foregoing; provided, however, that no Lender shall be liable to the Administrative Agent or any of its Related Persons to the extent such liability has resulted primarily from the gross negligence or willful misconduct of the Administrative Agent or, as the case may be, such Related Person, as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

Section 10.9 Resignation of Administrative Agent. (a) The Administrative Agent may resign at any time by delivering notice of such resignation to the Lenders and the Borrower, effective on the date set forth in such notice or, if not such date is set forth therein, upon the date such notice shall be effective. If the Administrative Agent delivers any such notice, the Required Lenders shall have the right to appoint a successor Administrative Agent. If, within 30 days after the retiring Administrative Agent having given notice of resignation, no successor Administrative Agent has been appointed by the Required Lenders that has accepted such appointment, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent from among the Lenders. Each appointment under this clause (a) shall be subject to the prior written consent of the Borrower, which may not be unreasonably withheld but shall not be required during the continuance of a Default.

(b) Effective immediately upon its resignation, (i) the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents, (ii) the Lenders shall assume and perform all of the duties of the Administrative Agent until a successor Administrative Agent shall have accepted a valid appointment hereunder, (iii) the retiring Administrative Agent and its Related Persons shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Administrative Agent was, or because such Administrative Agent had been, validly acting as Administrative Agent under the Loan Documents and (iv) subject to its rights under Section 10.3, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Administrative Agent, a successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent under the Loan Documents.

Section 10.10 Release of Collateral or Guarantors. Each Lender hereby consents to the release and hereby directs the Administrative Agent to release (or, in the case of clause (b)(ii) below, release or subordinate) the following:

(a) any Subsidiary of the Borrower from its guaranty of any Obligation of any Loan Party if all of the Securities of such Subsidiary owned by any Group Member are Sold in a Sale permitted under the Loan Documents (including pursuant to a waiver or consent), to the extent that, after giving effect to such Sale, such Subsidiary would not be required to guaranty any Obligations pursuant to Section 7.10; and

(b) any Lien held by the Administrative Agent for the benefit of the Secured Parties against (i) any Collateral that is Sold by a Loan Party in a Sale permitted by the Loan Documents (including pursuant to a valid waiver or consent), to the extent all Liens required to be granted in such Collateral pursuant to Section 7.10 after giving effect to such Sale have been granted, (ii) any property subject to a Lien permitted hereunder in reliance upon Section 8.2(d) or (e) and (iii) all of the Collateral and all Loan Parties, upon (A) termination of the Commitments and all Secured Hedging Support Documents, (B) payment and satisfaction in full of all Loans and all other Obligations that the Administrative Agent has been notified in writing are then due and payable, (C) deposit of cash collateral with respect to all contingent Obligations, in amounts and on terms and conditions and with parties satisfactory to the Administrative Agent and each Indemnitee that is owed such Obligations and (D) to the extent requested by the Administrative Agent, receipt by the Secured Parties of liability releases from the Loan Parties each in form and substance acceptable to the Administrative Agent.

Each Lender hereby directs the Administrative Agent, and the Administrative Agent hereby agrees, upon receipt of reasonable advance notice from the Borrower, to execute and deliver or file such documents and to perform other actions reasonably necessary to release the guaranties and Liens when and as directed in this Section 10.10.

Section 10.11 Additional Secured Parties. The benefit of the provisions of the Loan Documents directly relating to the Collateral or any Lien granted thereunder shall extend to and be available to any Secured Party that is not a Lender as long as, by accepting such benefits, such Secured Party agrees, as among the Administrative Agent and all other Secured Parties, that such Secured Party is bound by (and, if requested by the Administrative Agent, shall confirm such agreement in a writing in form and substance acceptable to the Administrative Agent) this Article X, Section 11.8, Section 11.9 and Section 11.20 and the decisions and actions of the Administrative Agent and the Required Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders) to the same extent a Lender is bound; provided, however, that, notwithstanding the foregoing, (a) such Secured Party shall be bound by Section 10.8 only to the extent of Liabilities, costs and expenses with respect to or otherwise relating to the Collateral held for the benefit of such Secured Party, in which case the obligations of such Secured Party thereunder shall not be limited by any concept of Pro Rata Share or similar concept and (b) except as set forth herein specifically for such Secured Party, (i) each of the Administrative Agent and the Lenders shall be entitled to act at its sole discretion, without regard to the interest of such Secured Party, regardless of whether any Obligation to such Secured Party thereafter remains outstanding, is deprived of the benefit of the Collateral, becomes unsecured or is otherwise affected or put in jeopardy thereby, and without any duty or liability to such Secured Party or any such Obligation and (ii) such Secured Party shall not have any right to be notified of, consent to, direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under any Loan Document. The Borrower hereby authorizes each Secured Hedging Counterparty party to a Secured Hedging Support Document to receive confidential and other information from the counterparty to the Hedging Agreement supported by such Secured Hedging Support Document in respect of such Hedging Agreement, Secured Hedging Support Document or otherwise in respect of the Borrower and its Affiliates. Each party hereto that is a Secured Hedging Counterparty party to any Secured Hedging Support Document or whose Affiliate is such a Secured Hedging Counterparty agrees not to, or to cause or permit such Affiliate not to, revoke, cancel or otherwise terminate such Secured Hedging Support Document prior to the earliest of (a) the scheduled expiration or maturity of such Secured Hedging Support Document, (b) the occurrence and continuance of any Event of Default and (c) the Maturity Date.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Amendments, Waivers, Etc. (a) No amendment or waiver of any provision of any Loan Document (other than the Fee Letter and the Control Agreements) and no consent to any departure by any Loan Party therefrom shall be effective unless the same shall be in writing and signed (i) in the case of an amendment, consent or waiver to cure any ambiguity, omission, defect or inconsistency or granting a new Lien for the benefit of the Secured Parties or extending an existing Lien over additional property, by the Administrative Agent, the Borrower and any other Loan Party which is a party to the Loan Document in question, (ii) in the case of any other waiver, consent or amendment of any Secured Hedging Support Provision, by the Borrower and the applicable Secured Hedging Counterparty, (iii) in the case of any other waiver or consent, by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and (iv) in the case of any other amendment, by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders), the Borrower and any other Loan Party which is a party to the Loan Document in question; provided, however, that no amendment, consent or waiver described in clauses (ii), (iii) or (iv) above shall, unless in writing and signed by each Lender directly affected thereby (or by the Administrative Agent with the consent of such Lender), in addition to any other Person the signature of which is otherwise required pursuant to any Loan Document, do any of the following:

(i) waive any condition specified in Section 3.1, except any condition referring to any other provision of any Loan Document;

(ii) increase the Commitment of such Lender or subject such Lender to any additional obligation;

(iii) reduce (including through release, forgiveness, assignment or otherwise) (A) the principal amount of, the interest rate on, or any obligation of the Borrower to repay (whether or not on a fixed date), any outstanding Loan owing to such Lender or (B) any fee or accrued interest payable to such Lender; provided, however, that this clause (iii) does not apply to (x) any change to any provision increasing any interest rate or fee during the continuance of an Event of Default or to any payment of any such increase or (y) any modification to any financial covenant set forth in Article V or in any definition set forth therein or principally used therein;

(iv) waive or postpone any scheduled maturity date or other scheduled date fixed for the payment, in whole or in part, of principal of or interest on any Loan or fee owing to such Lender or for the reduction of such Lender' s Commitment; provided, however, that this clause (iv) does not apply to any change to mandatory prepayments, including those required under Section 2.6, or to the application of any payment, including as set forth in Section 2.10;

(v) except as provided in Section 10.10, release all or substantially all of the Collateral, Holdings from the Pledge Agreement or any Guarantor from its guaranty of any Obligation of the Borrower;

(vi) reduce or increase the proportion of Lenders required for the Lenders (or any subset thereof) to take any action hereunder or change the definition of the terms "Required Lenders," "Pro Rata Share" or "Pro Rata Outstandings" or

(vii) amend Section 10.10, Section 11.9 or this Section 11.1;

and provided, further, that (x) no amendment, waiver or consent shall affect the rights or duties under any Loan Document of, or any payment to, the Administrative Agent (or otherwise modify any provision of Article X or the application thereof) or any SPV that has been granted an option pursuant to Section 11.2(f) unless in writing and signed by the Administrative Agent or, as the case may be, such SPV in addition to any signature otherwise required and (y) the consent of the Borrower shall not be required to change any order of priority set forth in Section 2.10.

(b) Each waiver or consent under any Loan Document shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Loan Party shall entitle any Loan Party to any notice or demand in the same, similar or other circumstances. No failure on the part of any Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

Section 11.2 Assignments and Participations; Binding Effect. (a) Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Lender that such Lender has executed it. Thereafter, it shall be binding upon and inure to the benefit of, but only to the benefit of, the Borrower (except for Article X), the Administrative Agent and each Lender and, to the extent provided in Section 10.11, each other Indemnitee and Secured Party and, in each case, their respective successors and permitted assigns. Except as expressly provided in any Loan Document (including in Section 10.9), none of the Loan Parties, the Lenders or the Administrative Agent shall have

the right to assign any rights or obligations hereunder or any interest herein; provided, however, that each Secured Hedging Counterparty may assign its rights and interests in, but not its obligations under, Secured Hedging Support Provisions.

(b) Right to Assign. Each Lender may sell, transfer, negotiate or assign all or a portion of its rights and obligations hereunder (including all or a portion of its Commitments and its rights and obligations with respect to Loans) to (i) any existing Lender, (ii) any Affiliate or Approved Fund of any existing Lender or (iii) any other Person consented to in writing (which consent shall not be unreasonably withheld or delayed) by the Administrative Agent and, as long as no Event of Default is continuing, the Borrower; provided, however, that (x) such Sales must be ratable among the obligations owing to and owed by such Lender and (y) the aggregate outstanding principal amount (determined as of the effective date of the applicable Assignment) of the Loans and Commitments subject to any such Sale shall be an integral multiple of $1,000,000, unless such Sale is made to an existing Lender or an Affiliate or Approved Fund of any existing Lender, is of the assignor' s (together with its Affiliates' and Approved Funds') entire interest in the Loans and Commitments or is made with the prior written consent of the Borrower and the Administrative Agent.

(c) Procedure. The parties to each Sale made in reliance on clause (b) above (other than those described in clause (e) or (f) below) shall execute and deliver to the Administrative Agent (which shall keep a copy thereof) an Assignment, together with any existing Note subject to such Sale (or any affidavit of loss therefor acceptable to the Administrative Agent), any tax forms required to be delivered pursuant to Section 2.15(f) and payment by the assignee of an assignment fee in the amount of $3,500. Upon receipt of all the foregoing, and conditioned upon such receipt and upon the Administrative Agent consenting to such Assignment, from and after the effective date specified in such Assignment, the Administrative Agent shall record or cause to be recorded in the Register the information contained in such Assignment.

(d) Effectiveness. Effective upon the entry of such record in the Register, (i) such assignee shall become a party hereto and, to the extent that rights and obligations under the Loan Documents have been assigned to such assignee pursuant to such Assignment, shall have the rights and obligations of a Lender, (ii) any applicable Note shall be transferred to such assignee through such entry and (iii) the assignor thereunder shall, to the extent that rights and obligations under this Agreement have been assigned by it pursuant to such Assignment, relinquish its rights (except for those surviving the termination of the Commitments and the payment in full of the Obligations) and be released from its obligations under the Loan Documents, other than those relating to events or circumstances occurring prior to such assignment (and, in the case of an Assignment covering all or the remaining portion of an assigning Lender' s rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto except that each Lender agrees to remain bound by Article X, Section 11.8 and Section 11.9 to the extent provided in Section 10.11).

(e) Grant of Security Interests. In addition to the other rights provided in this Section 11.2, each Lender may grant a security interest in, or otherwise assign as collateral, any of its rights under this Agreement, whether now owned or hereafter acquired (including rights to payments of principal or interest on the Loans), to (A) any federal reserve bank (pursuant to Regulation A of the Federal Reserve Board), without notice to the Administrative Agent or (B) any holder of, or trustee for the benefit of the holders of, such Lender' s Securities by notice to the Administrative Agent; provided, however, that no such holder or trustee, whether because of such grant or assignment or any foreclosure thereon (unless such foreclosure is made through an assignment in accordance with clause (b) above), shall be entitled to any rights of such Lender hereunder and no such Lender shall be relieved of any of its obligations hereunder.

(f) Participants and SPVs. In addition to the other rights provided in this Section 11.2, each Lender may, (x) with notice to the Administrative Agent, grant to an SPV the option to make all or any part of any Loan that such Lender would otherwise be required to make hereunder (and the exercise of such option by such SPV and the making of Loans pursuant thereto shall satisfy the obligation of such Lender to make such Loans hereunder) and such SPV may assign to such Lender the right to receive payment with respect to any Obligation and (y) without notice to or consent from the Administrative Agent or the Borrower, sell participations to one or more Persons in or to all or a portion of its rights and obligations under the Loan Documents (including all its rights and obligations with respect to the Loans; provided, however, that, whether as a result of any term of any Loan Document or of such grant or participation, (i) no such SPV or participant shall have a commitment, or be deemed to have made an offer to commit, to make Loans hereunder, and, except as provided in the applicable option agreement, none shall be liable for any obligation of such Lender hereunder, (ii) such Lender' s rights and obligations, and the rights and obligations of the Loan Parties and the Secured Parties towards such Lender, under any Loan Document shall remain unchanged and each other party hereto shall continue to deal solely with such Lender, which shall remain the holder of the Obligations in the Register, except that (A) each such participant and SPV shall be entitled to the benefit of Sections 2.14 and 2.15, but only to the extent such participant or SPV delivers the tax forms such Lender is required to collect pursuant to Section 2.15(f) and then only to the extent of any amount to which such Lender would be entitled in the absence of any such grant or participation and (B) each such SPV may receive other payments that would otherwise be made to such Lender with respect to Loans funded by such SPV to the extent provided in the applicable option agreement and set forth in a notice provided to the Administrative Agent by such SPV and such Lender, provided, however, that in no case (including pursuant to clause (A) or (B) above) shall an SPV or participant have the right to enforce any of the terms of any Loan Document, and (iii) the consent of such SPV or participant shall not be required (either directly, as a restraint on such Lender' s ability to consent hereunder or otherwise) for any amendments, waivers or consents with respect to any Loan Document or to exercise or refrain from exercising any powers or rights such Lender may have under or in respect of the Loan Documents (including the right to enforce or direct enforcement of the Obligations), except for those described in clauses (iii) and (iv) of Section 11.1(a) with respect to amounts, or dates fixed for payment of amounts, to which such participant or SPV would otherwise be entitled and, in the case of participants, except for those described in Section 11.1(a)(v) (or amendments, consents and waivers with respect to Section 10.10 to release all or substantially all of the Collateral). No party hereto shall institute (and the Borrower shall cause each other Loan Party not to institute) against any SPV grantee of an option pursuant to this clause (f) any bankruptcy, reorganization, insolvency, liquidation or similar proceeding, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper of such SPV; provided, however, that each Lender having designated an SPV as such agrees to indemnify each Indemnitee against any Liability that may be incurred by, or asserted against, such Indemnitee as a result of failing to institute such proceeding (including a failure to get reimbursed by such SPV for any such Liability). The agreement in the preceding sentence shall survive the termination of the Commitments and the payment in full of the Obligations.

Section 11.3 Costs and Expenses. Any action taken by any Loan Party under or with respect to any Loan Document, even if required under any Loan Document or at the request of any Secured Party, shall be at the expense of such Loan Party, and no Secured Party shall be required under any Loan Document to reimburse any Loan Party or Group Member therefor except as expressly provided therein. In addition, the Borrower agrees to pay or reimburse upon demand (a) the Administrative Agent for all reasonable out-of-pocket costs and expenses incurred by it or any of its Related Persons in connection with the investigation, development, preparation, negotiation, syndication, execution, interpretation or administration of, any modification of any term of or termination of, any Loan Document, any commitment or proposal letter therefor, any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein (including periodic audits in connection therewith and environmental audits and assessments), in each case including the reasonable

fees, charges and disbursements of legal counsel to the Administrative Agent or such Related Persons, fees, costs and expenses incurred in connection with Intralinks® or any other E-System and allocated to the Facilities by the Administrative Agent in its sole discretion, (b) the Administrative Agent for all reasonable costs and expenses incurred by it or any of its Related Persons in connection with internal audit reviews, field examinations and Collateral examinations (which shall be reimbursed, in addition to the out-of-pocket costs and expenses of such examiners, at the per diem rate per individual charged by the Administrative Agent for its examiners) and (c) each of the Administrative Agent, its Related Persons, and each Lender for all costs and expenses incurred in connection with (i) any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out," (ii) the enforcement or preservation of any right or remedy under any Loan Document, any Obligation, with respect to the Collateral or any other related right or remedy or (iii) the commencement, defense, conduct of, intervention in, or the taking of any other action with respect to, any proceeding (including any bankruptcy or insolvency proceeding) related to any Group Member, Loan Document or Obligation (or the response to and preparation for any subpoena or request for document production relating thereto), including fees and disbursements of counsel (including allocated costs of internal counsel).

Section 11.4 Indemnities. (a) The Borrower agrees to indemnify, hold harmless and defend the Administrative Agent, each Lender, each Person (other than the Borrower) party to a Secured Hedging Document and each of their respective Related Persons (each such Person being an "Indemnitee") from and against all Liabilities (including brokerage commissions, fees and other compensation) that may be imposed on, incurred by or asserted against any such Indemnitee in any matter relating to or arising out of, in connection with or as a result of (i) any Loan Document, any Disclosure Document, any Obligation (or the repayment thereof), the use or intended use of the proceeds of any Loan or any securities filing of, or with respect to, any Group Member, (ii) any commitment letter, proposal letter or term sheet with any Person or any Contractual Obligation, arrangement or understanding with any broker, finder or consultant, in each case entered into by or on behalf of any Group Member or any Affiliate of any of them in connection with any of the foregoing and any Contractual Obligation entered into in connection with any E-Systems or other Electronic Transmissions and this Agreement or the transactions contemplated hereby, (iii) any actual or prospective investigation, litigation or other proceeding relating to any of the matters described in clause (i) or (ii) of this Section 11.4, whether or not brought by any such Indemnitee or any of its Related Persons, any holders of Securities or creditors (and including reasonable attorneys' fees in any case), whether or not any such Indemnitee, Related Person, holder or creditor is a party thereto, and whether or not based on any securities or commercial law or regulation or any other Requirement of Law or theory thereof, including common law, equity, contract, tort or otherwise, or (iv) any other act, event or transaction related, contemplated in or attendant to any of the foregoing (collectively, the "Indemnified Matters"); provided, however, that the Borrower shall not have any liability under this Section 11.4 to any Indemnitee with respect to any Indemnified Matter, and no Indemnitee shall have any liability with respect to any Indemnified Matter (to the extent such Indemnitee would otherwise be liable) other than, to the extent such liability has resulted solely from the gross negligence or willful misconduct of such Indemnitee, as determined by a court of competent jurisdiction in a final non-appealable judgment or order. Furthermore, the Borrower waives and agrees not to assert against any Indemnitee, and shall cause each other Loan Party to waive and not assert against any Indemnitee, any right of contribution with respect to any Liabilities that may be imposed on, incurred by or asserted against any Related Person.

(b) Without limiting the foregoing, "Indemnified Matters" includes all Environmental Liabilities, including those arising from, or otherwise involving, any property of any Related Person or any actual, alleged or prospective damage to property or natural resources or harm or injury alleged to have resulted from any Release of Hazardous Materials on, upon or into such property or natural resource or any property on or contiguous to any real property of any Related Person, whether or not, with respect to any such Environmental Liabilities, any Indemnitee is a mortgagee pursuant to any

leasehold mortgage, a mortgagee in possession, the successor-in-interest to any Related Person or the owner, lessee or operator of any property of any Related Person through any foreclosure action, in each case except to the extent such Environmental Liabilities (i) are incurred solely following foreclosure by any Secured Party or following any Secured Party having become the successor-in-interest to any Loan Party and (ii) are attributable solely to acts of such Indemnitee**.**

Section 11.5 Survival. Any indemnification or other protection provided to any Indemnitee pursuant to any Loan Document (including pursuant to Section 2.15, Section 2.14, Article X, Section 11.3, Section 11.4 or this Section 11.5) and all representations and warranties made in any Loan Document shall (A) survive the termination of the Commitments and the payment in full of other Obligations and (B) inure to the benefit of any Person that at any time held a right thereunder (as an Indemnitee or otherwise) and, thereafter, its successors and permitted assigns.

Section 11.6 Limitation of Liability for Certain Damages. In no event shall any Indemnitee be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). The Borrower hereby waives, releases and agrees (and shall cause each other Loan Party to waive, release and agree) not to sue upon any such claim for any special, indirect, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 11.7 Lender-Creditor Relationship. The relationship between the Lenders and the Administrative Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of lender and creditor. No Secured Party has any fiduciary relationship or duty to any Loan Party arising out of or in connection with, and there is no agency, tenancy or joint venture relationship between the Secured Parties and the Loan Parties by virtue of, any Loan Document or any transaction contemplated therein.

Section 11.8 Right of Setoff. Each of the Administrative Agent, each Lender and each Affiliate (including each branch office thereof) of any of them is hereby authorized, without notice or demand (each of which is hereby waived by the Borrower), at any time and from time to time during the continuance of any Event of Default and to the fullest extent permitted by applicable Requirements of Law, to set off and apply any and all deposits (whether general or special, time or demand, provisional or final) at any time held and other Indebtedness, claims or other obligations at any time owing by the Administrative Agent, such Lender or any of their respective Affiliates to or for the credit or the account of the Borrower against any Obligation of any Loan Party now or hereafter existing, whether or not any demand was made under any Loan Document with respect to such Obligation and even though such Obligation may be unmatured. Each of the Administrative Agent and each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender or its Affiliates; provided, however, that the failure to give such notice shall not affect the validity of such setoff and application. The rights under this Section 11.8 are in addition to any other rights and remedies (including other rights of setoff) that the Administrative Agent and the Lenders and their Affiliates and other Secured Parties may have.

Section 11.9 Sharing of Payments, Etc. If any Lender, directly or through an Affiliate or branch office thereof, obtains any payment of any Obligation of any Loan Party (whether voluntary, involuntary or through the exercise of any right of setoff or the receipt of any Collateral or "proceeds" (as defined under the applicable UCC) of Collateral) other than pursuant to Sections 2.14, 2.15 and 2.16 and such payment exceeds the amount such Lender would have been entitled to receive if all payments had gone to, and been distributed by, the Administrative Agent in accordance with the provisions of the Loan Documents, such Lender shall purchase for cash from other Secured Parties such participations in their Obligations as necessary for such Lender to share such excess payment with such Secured Parties to ensure such payment is applied as though it had been received by the Administrative Agent and applied in

accordance with this Agreement (or, if such application would then be at the discretion of the Borrower, applied to repay the Obligations in accordance herewith); provided, however, that (a) if such payment is rescinded or otherwise recovered from such Lender in whole or in part, such purchase shall be rescinded and the purchase price therefor shall be returned to such Lender without interest and (b) such Lender shall, to the fullest extent permitted by applicable Requirements of Law, be able to exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

Section 11.10 Marshaling; Payments Set Aside. No Secured Party shall be under any obligation to marshal any property in favor of any Loan Party or any other party or against or in payment of any Obligation. To the extent that any Secured Party receives a payment from the Borrower, from the proceeds of the Collateral, from the exercise of its rights of setoff, any enforcement action or otherwise, and such payment is subsequently, in whole or in part, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not occurred.

Section 11.11 Notices. (a) Addresses. All notices, demands, requests, directions and other communications required or expressly authorized to be made by this Agreement shall, whether or not specified to be in writing but unless otherwise expressly specified to be given by any other means, be given in writing and (i) addressed to (A) if to the Borrower, to Christie/AIX, Inc., 55 Madison Avenue, Suite 300, Morristown, New Jersey 07960, Attention: Chief Executive Officer, Tel: (973) 290-0080, Fax: (973) 290-0081, with copy to Access Integrated Technologies, 55 Madison Avenue, Suite 300, Morristown, New Jersey 07960, Attention: General Counsel, Fax: (973) 290-0091 and with a copy to Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York, 10178, Attention: Jonathan Cooperman, Esq., Tel: (212) 808-7534, Fax: (212) 808-7897, (B) if to the Administrative Agent, to General Electric Capital Corporation, 2325 Lakeview Parkway, Suite 700, Alpharetta, Georgia 30004, Attention: Account Manager, Tel: 678.624.7928, Fax: 678.624.7903, with copy to Weil, Gotshal & Manges LLP, 200 Crescent Court, Suite 300, Dallas, Texas 75201, Attention: Angela L. Fontana, Tel: 214.746.7895, Fax: 214.746.7777 and (C) otherwise to the party to be notified at its address specified opposite its name on Schedule II or on the signature page of any applicable Assignment, (ii) except as provided in Section 11.11(b), posted to Intralinks® (to the extent such system is available and set up by or at the direction of the Administrative Agent prior to posting) in an appropriate location by uploading such notice, demand, request, direction or other communication to www.intralinks.com, faxing it to 866-545-6600 with an appropriate bar-coded fax coversheet or using such other means of posting to Intralinks® as may be available and reasonably acceptable to the Administrative Agent prior to such posting, (iii) except as provided in Section 11.11(b), posted to any other E-System set up by or at the direction of the Administrative Agent in an appropriate location or (iv) addressed to such other address as shall be notified in writing (A) in the case of the Borrower and the Administrative Agent, to the other parties hereto and (B) in the case of all other parties, to the Borrower and the Administrative Agent. Transmission by electronic mail (including E-Fax, even if transmitted to the fax numbers set forth in clause (i) above) shall not be sufficient or effective to transmit any such notice under this clause (a) unless such transmission is an available means to post to any E-System.

(b) Effectiveness. All communications described in clause (a) above and all other notices, demands, requests and other communications made in connection with this Agreement shall be effective and be deemed to have been received (i) if delivered by hand, upon personal delivery, (ii) if delivered by overnight courier service, one Business Day after delivery to such courier service, (iii) if delivered by mail, when deposited in the mails, (iv) if delivered by facsimile, including E-Fax (other than to post to an E-System pursuant to clause (a)(ii) or (a)(iii) above), upon sender' s receipt of confirmation

of proper transmission, and (v) if delivered by posting to any E-System, on the later of the date of such posting in an appropriate location and the date access to such posting is given to the recipient thereof in accordance with the standard procedures applicable to such E-System; provided, however, that no communications to the Administrative Agent pursuant to Article II or Article X shall be effective until received by the Administrative Agent and no notice, demand, request, direction or other communication to any Loan Party pursuant to Section 9.1 shall be effective unless given in accordance with the methods described in clauses (i) through (iv) (other than by E-Fax) of this Section 11.11(b).

Section 11.12 Electronic Transmissions. (a) Authorization. Subject to the provisions of Section 11.11, each of the Administrative Agent, the Borrower, the Lenders and each of their Related Persons is authorized (but not required) to transmit, post or otherwise make or communicate, in its sole discretion, Electronic Transmissions in connection with any Loan Document and the transactions contemplated therein. The Borrower and each Secured Party hereby acknowledges and agrees, and the Borrower shall cause each other Group Member to acknowledge and agree, that the use of Electronic Transmissions is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing the transmission of Electronic Transmissions.

(b) Signatures. Subject to the provisions of Section 11.11, (i)(A) no posting to any E-System shall be denied legal effect merely because it is made electronically, (B) each E-Signature on any such posting shall be deemed sufficient to satisfy any requirement for a "signature" and (C) each such posting shall be deemed sufficient to satisfy any requirement for a "writing," in each case including pursuant to any Loan Document, any applicable provision of any UCC, the federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural Requirement of Law governing such subject matter, (ii) each such posting that is not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such posting, an E-Signature, upon which each Secured Party and Loan Party may rely and assume the authenticity thereof, (iii) each such posting containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original and (iv) each party hereto or beneficiary hereto agrees not to contest the validity or enforceability of any posting on any E-System or E-Signature on any such posting under the provisions of any applicable Requirement of Law requiring certain documents to be in writing or signed; provided, however, that nothing herein shall limit such party' s or beneficiary' s right to contest whether any posting to any E-System or E-Signature has been altered after transmission.

(c) Separate Agreements. All uses of an E-System shall be governed by and subject to, in addition to Section 11.11 and this Section 11.12, separate terms and conditions posted or referenced in such E-System and related Contractual Obligations executed by Secured Parties and Group Members in connection with the use of such E-System.

(d) LIMITATION OF LIABILITY. ALL E-SYSTEMS AND ELECTRONIC TRANSMISSIONS SHALL BE PROVIDED "AS IS" AND "AS AVAILABLE". NONE OF ADMINISTRATIVE AGENT, ANY LOAN PARTY OR ANY OF THEIR RESPECTIVE RELATED PERSONS WARRANTS THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY E-SYSTEMS OR ELECTRONIC TRANSMISSION, AND EACH DISCLAIMS ALL LIABILITY FOR ERRORS OR OMISSIONS THEREIN. NO WARRANTY OF ANY KIND IS MADE BY THE ADMINISTRATIVE AGENT, ANY LOAN PARTY OR ANY OF THEIR RESPECTIVE RELATED PERSONS IN CONNECTION WITH ANY E-SYSTEMS OR ELECTRONIC COMMUNICATION, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS. The Borrower and each Secured Party agrees (and the Borrower shall cause each other Loan Party to agree) that neither the Administrative Agent nor any Loan Party has any responsibility for maintaining or providing any equipment, software, services or

any testing required in connection with any Electronic Transmission or otherwise required for any E-System.

Section 11.13 Governing Law. This Agreement, each other Loan Document that does not expressly set forth its applicable law, and the rights and obligations of the parties hereto and thereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 11.14 Jurisdiction. (a) Submission to Jurisdiction. Any legal action or proceeding with respect to any Loan Document may be brought in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York and, by execution and delivery of this Agreement, each party hereto hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto (and, to the extent set forth in any other Loan Document, each other Loan Party) hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.

(b) Service of Process. Each party hereto (and, to the extent set forth in any other Loan Document, each other Loan Party) hereby irrevocably waives personal service of any and all legal process, summons, notices and other documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable Requirements of Law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of each party hereto specified in Section 11.11 (and shall be effective when such mailing shall be effective, as provided therein). Each party hereto (and, to the extent set forth in any other Loan Document, each other Loan Party) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Non-Exclusive Jurisdiction. Nothing contained in this Section 11.14 shall affect the right of the Administrative Agent, any Lender or any Loan Party to serve process in any other manner permitted by applicable Requirements of Law or the right of any party hereto to commence legal proceedings or otherwise proceed against any party hereto, any Loan Party or any of the Collateral in any other jurisdiction.

Section 11.15 Waiver of Jury Trial . EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREIN OR RELATED THERETO (WHETHER FOUNDED IN CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO OTHER PARTY AND NO RELATED PERSON OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THE LOAN DOCUMENTS, AS APPLICABLE, BY THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.15.

Section 11.16 Severability. Any provision of any Loan Document being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of any Loan Document or any part of such provision in any other jurisdiction.

Section 11.17 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be

deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

Section 11.18 Entire Agreement. The Loan Documents embody the entire agreement of the parties and supersede all prior agreements and understandings relating to the subject matter thereof and any prior letter of interest, commitment letter, fee letter, confidentiality and similar agreements involving any Loan Party and any of the Administrative Agent or any Lender or any of their respective Affiliates relating to a financing of substantially similar form, purpose or effect. In the event of any conflict between the terms of this Agreement and any other Loan Document, the terms of this Agreement shall govern (unless such terms of such other Loan Documents are necessary to comply with applicable Requirements of Law, in which case such terms shall govern to the extent necessary to comply therewith).

Section 11.19 Use of Name. The Borrower agrees, and shall cause each other Loan Party to agree, that it shall not, and none of its Affiliates shall, issue any press release or other public disclosure (other than any document filed with any Governmental Authority relating to a public offering of the Securities of any Loan Party) using the name, logo or otherwise referring to GE Capital or of any of its Affiliates, the Loan Documents or any transaction contemplated therein to which the Secured Parties are party without at least 2 Business Days' prior notice to GE Capital and without the prior consent of GE Capital except to the extent required to do so under applicable Requirements of Law and then, only after consulting with GE Capital prior thereto.

Section 11.20 Non-Public Information; Confidentiality. (a) Each Lender acknowledges and agrees that it may receive material non-public information hereunder concerning the Loan Parties and their Affiliates and Securities and agrees to use such information in compliance with all relevant policies, procedures and Contractual Obligations and applicable Requirements of Laws (including United States federal and state security laws and regulations).

(b) Each Lender and the Administrative Agent agrees to use all reasonable efforts to maintain, in accordance with its customary practices, the confidentiality of information obtained by it pursuant to any Loan Document and designated in writing by any Loan Party as confidential, except that such information may be disclosed (i) with the Borrower' s prior written consent, (ii) to Related Persons of such Lender or the Administrative Agent, as the case may be, that are advised of the confidential nature of such information and are instructed to keep such information confidential, (iii) to the extent such information presently is or hereafter becomes available to such Lender or the Administrative Agent, as the case may be, on a non-confidential basis from a source other than any Loan Party, (iv) to the extent disclosure is required by applicable Requirements of Law or other legal process or requested or demanded by any Governmental Authority, (v) to the extent necessary or customary for inclusion in league table measurements or in any tombstone or other advertising materials (provided that disclosure in any tombstone or other advertising materials shall be limited to matters previously disclosed in any press release made by or on behalf of a Loan Party or Access IT or otherwise consented to in writing by the Borrower), (vi) to the National Association of Insurance Commissioners or any similar organization, any examiner or any nationally recognized rating agency or otherwise to the extent consisting of general portfolio information that does not identify the Borrower or any other Loan Party, (vii) to current or prospective assignees, SPVs grantees of any option described in Section 11.2(f) or participants, direct or contractual counterparties to any Secured Hedging Document or any Hedging Agreement permitted hereunder and to their respective Related Persons, in each case to the extent such assignees, participants, counterparties or Related Persons agree to be bound by provisions substantially similar to the provisions of this Section 11.20 and (viii) in connection with the exercise of any remedy under any Loan Document. In the event of any conflict between the terms of this Section 11.20 and those of any other Contractual

Obligation entered into with any Loan Party (whether or not a Loan Document), the terms of this Section 11.20 shall govern.

Section 11.21 Patriot Act Notice. Each Lender subject to the USA Patriot Act of 2001 (31 U.S.C. 5318 et seq.) hereby notifies the Borrower that, pursuant to Section 326 thereof, it is required to obtain, verify and record information that identifies the Borrower, including the name and address of the Borrower and other information allowing such Lender to identify the Borrower in accordance with such act.

[SIGNATURE PAGES FOLLOW]

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC. OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

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

CHRISTIE/AIX, INC.,

as Borrower

By: /s/ A. Dale Mayo
Name: A. Dale Mayo
Title: CEO

SIGNATURE PAGE TO CREDIT AGREEMENT

GENERAL ELECTRIC CAPITAL CORPORATION,
as Administrative Agent and Lender

By: /s/ Gregory D. Watts
Name: Gregory D. Watts
Title: Duly Authorized Signatory

SIGNATURE PAGE TO CREDIT AGREEMENT

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC. OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

COMMERCE BANK, N.A.

By: /s/ John J. Phillips
Name: John J. Phillips
Title: Vice President

SIGNATURE PAGE TO CREDIT AGREEMENT

CIT LENDING SERVICES CORPORATION

By: /s/ Scott Plushry
Name: Scott Plushry
Title: Vice President

SIGNATURE PAGE TO CREDIT AGREEMENT

SOCIETE GENERAL

By: /s/ Mark Vigil
Name: Mark Vigil
Title: Managing Directors

SIGNATURE PAGE TO CREDIT AGREEMENT

CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC. OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

SCHEDULE I

COMMITMENTS

Lender	Commitment Amount	Commitment Percentage
Commerce Bank, N.A.	$15,000,000	6.912442396%
CIT Lending Services Corporation	$10,000,000	4.608294931%
General Electric Capital Corporation	$172,000,000	79.26267281%
Societe Generale	$20,000,000	9.216589862%
Total	$217,000,000	100%

SCHEDULE II

ADDRESSES FOR NOTICES

Lender	Address for Notice
Commerce Bank, N.A.	2059 Springdale Road Cherry Hill, NJ 08003 Attention: Samuel B. Miles, IV Facsimile: 856.470.5212 Telephone: 856.470.5204
CIT Lending Services Corporation	11 West 42nd Street, 13th Floor New York, NY 10036 Attention: Shivani Sawhney Facsimile: 212.771.1769 Telephone: 212.771.1765
General Electric Capital Corporation	2325 Lakeview Parkway, Suite 700 Alpharetta, Georgia 30004 Attention: Account Manager Facsimile: 678.624.7903 Telephone: 678.624.7928
Societe Generale	1221 Avenue of the Americas New York, NY 10020 Attention: Mark Vigil Facsimile: 212.278.6146 Telephone: 212.278.7350

Schedule 4.2 – Consents

None

Schedule 4.3 – Ownership of Borrower and Subsidiaries

Christie/AIX, Inc., a Delaware Corporation, is a wholly owned subsidiary of Access Digital Media, Inc. It is authorized to issue 4,000,000 shares and currently has 697,100 issued shares of common stock outstanding. Access Digital Media, Inc. owns 100% of the issued and outstanding shares of common stock of Christie/AIX, Inc.

Schedule 4.7 – Litigation

None

Schedule 4.13 – List of Plans

None

Schedule 4.14 – Environmental Matters

None

Schedule 4.16 - Real Property

SUBLEASED PREMISES

Christie/AIX, Inc. subleases approximately 500 square feet of the premises located at 6255 Sunset Boulevard, Suite 1026, Los Angeles, California 90028 from Access Integrated Technologies, Inc. pursuant to the sublease agreement described below. Access Integrated Technologies, Inc. is the original lessee leasing the aforementioned premises from USA Sunset Media, LLC.

SUBLEASE AGREEMENT

Sublease Agreement, dated as of July 1, 2006, by and between Access Integrated Technologies, Inc., a Delaware corporation, as sublessor, and Christie/AIX, Inc., a Delaware corporation, as sublessee.

Schedule 4.18 – Deposit and Disbursement Accounts

JPMorgan Chase Bank
1166 Avenue of the Americas, 21st Floor
New York, NY 10036
Fax No.: (212) 899-2777
Lockbox and Account in the name of Christie/AIX, Inc., for the purpose of granting a security interest in such account for General Electric Capital Corporation
Account Number: 114-768374

Merrill Lynch, Pierce, Fenner & Smith Incorporated
623 Fifth Avenue, 34th Floor
New York, NY 10022
Attn: Michael Haskell
Account in the name of Christie/AIX, Inc., for the purpose of granting a security interest in such account for General Electric Capital Corporation
Account Number: 5LW-02004

**CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.
OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH
RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934.**

Schedule 4.19 – Agreements and Other Documents

MASTER LICENSE AGREEMENTS

***

SERVICE AGREEMENTS

***

DIGITAL CINEMA AGREEMENTS

***

ISSUANCES OF STOCK

Unanimous Written Consent of the Board of Directors of Christie/AIX, Inc., dated as of July 11, 2005, issuing 100 shares of common stock to Access Digital Media, Inc.

Unanimous Written Consent of the Board of Directors of Christie/AIX, Inc., dated as of July 7, 2006, issuing 697,000 shares of common stock to Access Digital Media, Inc.

*** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

SCHEDULE 7.5

INSURANCE

(a) Coverage. Each Group Member shall, during the term of this Agreement, carry and maintain at least the minimum insurance coverage set forth in this Schedule 7.5. All insurance carried pursuant to this Schedule 7.5 shall be placed with such insurers having a minimum A.M. Best rating of A:X (or as may otherwise be agreed by the Administrative Agent) and be in such form, with terms, conditions, limits and deductibles as shall be acceptable to Administrative Agent:

(i) All Risk Property Insurance. Each Group Member shall maintain all risk property insurance covering against physical loss or damage to its assets (which for purposes of this clause (a)(i) shall not include any equipment subject to a Master License Agreement, provided, that the applicable exhibitor has insured such equipment in accordance with the terms of the Master License Agreement), including but not limited to fire and extended coverage, collapse, flood, earth movement and comprehensive boiler and machinery coverage (including electrical malfunction and mechanical breakdown). Coverage shall be written on a replacement cost basis, with an agreed amount endorsement waiving any coinsurance penalty and include coverage for expediting expenses; and,

(ii) Business Interruption Insurance. Each Group Member shall maintain business interruption insurance subject to an annual policy in an amount equal to the projected net profits and continuing expenses (including the debt payments hereunder) for the following 12-month period. Such insurance shall also cover service interruption and extra expenses and shall contain an agreed amount endorsement waiving any coinsurance penalty; and,

(iii) Comprehensive General Liability Insurance. Each Group Member shall maintain comprehensive general liability insurance written on an occurrence basis with a limit of not less than $1,000,000. Such coverage shall include, but not be limited to, premises/operations, broad form contractual liability, independent contractors, products/completed operations, property damage and personal injury liability; and,

(iv) Workers' Compensation/Employer' s Liability. Each Group Member shall maintain (x) workers' compensation insurance in accordance with statutory provisions and (y), employer' s liability in an amount not less than $1,000,000; and,

(v) Automobile Liability. Each Group Member shall maintain automobile liability insurance covering its vehicles against bodily injury or property damage in an amount not less than $1,000,000; and,

(vi) Excess/Umbrella Liability. Each Group Member shall maintain excess or umbrella liability insurance written on an occurrence basis in an amount not less than $15,000,000 providing coverage limits excess of the insurance limits required under clauses (a)(iii), (a)(iv) employer' s liability only, and (a)(v). Such insurance shall follow the form of the primary insurances and drop down in case of exhaustion of underlying limits and/or aggregates.

(vii) Key Man Life Insurance. The Borrower shall maintain key man life insurance in respect of the life of A. Dale Mayo in an amount not less than $5,000,000.

(b) Endorsements. Each Group Member shall use its commercially reasonable efforts to cause all insurance policies carried and maintained in accordance with this Section 7.5 to be endorsed as follows:

(i) The Administrative Agent shall be additional insured and sole loss payee with respect to the property policies described in clauses (a)(i) and (a)(ii). The Administrative Agent, on behalf of the Lenders, shall be additional insured with respect to liability policies described in clauses (a)(iii), (a)(iv) to the extent allowed by law, (a)(v) and (a)(vi). It shall be understood that any obligation imposed upon any Group Member, including but not limited to the obligation to pay premiums, shall be the sole obligation of such Group Member and not that of the Administrative Agent or any Lender; and,

(ii) With respect to property policies described in clauses (a)(i) and (a)(ii), the interests of the Administrative Agent shall not be invalidated by any action or inaction of any Group Member or any other person, and shall insure the Administrative Agent regardless of any breach or violation by any Group Member or any other person, of any warranties, declarations or conditions of such policies; and,

(iii) Inasmuch as the liability policies are written to cover more than one insured, all terms conditions, insuring agreements and endorsements, with the exception of the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured; and,

(iv) The insurers thereunder shall waive all rights of subrogation against the Administrative Agent, any right of setoff or counterclaim, and any other right to deduction, whether by attachment or otherwise; and,

(v) If such insurance is canceled for any reason whatsoever, including nonpayment of premium, or any changes are initiated by any Group Member or the carrier which affect the interests of the Administrative Agent, such cancellation or change shall not be effective as to the Administrative Agent until 30 days (10 days in the case of non-payment of premium) after receipt by the Administrative Agent of written notice sent by registered mail from such insurer.

Schedule 8.1 – Existing Indebtedness

None

Schedule 8.2 – Existing Liens

None

Schedule 8.3 – Existing Investments

None

Schedule 9.1(k) – List of Intercompany Agreements

Amended and Restated Software License Agreement, dated as of July 15, 2006, by and between Access Digital Media, Inc., as licensor, and Christie/AIX, Inc., as licensee.

Sublease Agreement, dated as of July 1, 2006, by and between Access Integrated Technologies, Inc., a Delaware corporation, as sublessor, and Christie/AIX, Inc., a Delaware corporation, as sublessee.

EXHIBIT A

TO

CREDIT AGREEMENT

FORM OF ASSIGNMENT

This ASSIGNMENT (this "Assignment"), dated as of the Effective Date, is entered into between the Assignor and the Assignee (each as defined below).

The parties hereto hereby agree as follows:

Borrower:	Christie/AIX, Inc., a Delaware corporation (the "Borrower")
Administrative Agent:	General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders (in such capacity and together with its successors and permitted assigns, the "Administrative Agent")
Credit Agreement:	Credit Agreement, dated as of August 1, 2006, among the Borrower, the Lenders party thereto and the Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein without definition are used as defined in the Credit Agreement)
[Trade Date:	_____, ____][1]
Effective Date:	[_____, ____][2]

1 Insert for informational purposes only if needed to determine other arrangements between the assignor and the assignee.

2 To be filled out by Administrative Agent upon entry in the Register.

Assignor (collectively, the "Assignors")3	Assignee (collectively, the "Assignees")4	Aggregate amount of Commitments or principal amount of Loans for all Lenders5	Aggregate amount of the Commitment or principal amount of Loans Assigned5	Percentage Assigned6
[Name of Assignor]	[Name of Assignee] [Affiliate][Approved Fund] of [Name of Lender]	$_____	$_____	__._____%
[Name of Assignor]	[Name of Assignee] [Affiliate][Approved Fund] of [Name of Lender]	$_____	$_____	__._____%
[Name of Assignor]	[Name of Assignee] [Affiliate][Approved Fund] of [Name of Lender]	$_____	$_____	__._____%

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3 List each Assignor, as appropriate.

4 List each Assignee, as appropriate.

5 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date. The aggregate amounts are inserted for informational purposes only to help in calculating the percentages assigned which, themselves, are for informational purposes only.

6 Set forth, to at least 9 decimals, the Assigned Interest as a percentage of the aggregate Commitment or Loans in the Facility. This percentage is set forth for informational purposes only and is not intended to be binding. The assignments are based on the amounts assigned not on the percentages listed in this column.

ARTICLE I Assignment. Each Assignor hereby sells and assigns to the Assignee set forth above opposite such Assignor, and such Assignee hereby purchases and assumes from such Assignor, such Assignor' s rights and obligations in its capacity as Lender under the Credit Agreement (including Liabilities owing to or by such Assignor thereunder) and the other Loan Documents, in each case to the extent related to the amounts identified above opposite such Assignor (such Assignor' s "Assigned Interest").

ARTICLE II Representations, Warranties and Covenants of Assignors. Each Assignor severally but not jointly (a) represents and warrants to its corresponding Assignee and the Administrative Agent that (i) it has full power and authority, and has taken all actions necessary for it, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and (ii) it is the legal and beneficial owner of its Assigned Interest and that such Assigned Interest is free and clear of any Lien and other adverse claims, (b) makes no other representation or warranty and assumes no responsibility, including with respect to the aggregate amount of the Loans, the percentage of the Loans represented by the amounts assigned, any statements, representations and warranties made in or in connection with any Loan Document or any other document or information furnished pursuant thereto, the execution, legality, validity, enforceability or genuineness of any Loan Document or any document or information provided in connection therewith and the existence, nature or value of any Collateral, (c) assumes no responsibility (and makes no representation or warranty) with respect to the financial condition of any Group Member or Loan Party or the performance or nonperformance by any Loan Party of any obligation under any Loan Document or any document provided in connection therewith and (d) attaches any Notes held by it evidencing at least in part the Assigned Interest of such Assignor (or, if applicable, an affidavit of loss or similar affidavit therefor) and requests that the Administrative Agent exchange such Notes for new Notes in accordance with Section 2.12(e) of the Credit Agreement.

ARTICLE III Representations, Warranties and Covenants of Assignees. Each Assignee severally but not jointly (a) represents and warrants to its corresponding Assignor and the Administrative Agent that (i) it has full power and authority, and has taken all actions necessary for such Assignee, to execute and deliver this Assignment and to consummate the transactions contemplated hereby, (ii) if and to the extent indicated above, it is an Affiliate or an Approved Fund of the Lender set forth above and (iii) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest assigned to it hereunder and either such Assignee or the Person exercising discretion in making the decision for such assignment is experienced in acquiring assets of such type, (b) appoints and authorizes the Administrative Agent to take such action as administrative agent and collateral agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (c) shall perform in accordance with their terms all obligations that, by the terms of the Loan Documents, are required to be performed by it as a Lender, (d) confirms it has received such documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and shall continue to make its own credit decisions in taking or not taking any action under any Loan Document independently and without reliance upon any Secured Party and based on such documents and information as it shall deem appropriate at the time, (e) acknowledges and agrees that, as a Lender, it may receive material non-public information and confidential information concerning the Loan Parties and their Affiliates and Securities and agrees to use such information only in accordance with Section 11.20 of the Credit Agreement, (f) specifies as its

applicable lending offices (and addresses for notices) the offices at the addresses set forth beneath its name on the signature pages hereof, (g) shall pay to the Administrative Agent an assignment fee in the amount of $3,500 to the extent such fee is required to be paid under Section 11.2(c) of the Credit Agreement and (h) to the extent required pursuant to Section 2.15(f) of the Credit Agreement, attaches two completed originals of Forms W-8ECI, W-8BEN or W-9.

ARTICLE IV Determination of Effective Date; Register. Following the due execution and delivery of this Assignment by each Assignor, each Assignee and, to the extent required by Section 11.2(b) of the Credit Agreement, the Borrower, this Assignment (including its attachments) will be delivered to the Administrative Agent for its acceptance and recording in the Register. The effective date of this Assignment (the "Effective Date") shall be the later of (i) the acceptance of this Assignment by the Administrative Agent and (ii) the recording of this Assignment in the Register. The Administrative Agent shall insert the Effective Date when known in the space provided therefor at the beginning of this Assignment.

ARTICLE V Effect. As of the Effective Date, (a) each Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment, have the rights and obligations of a Lender under the Credit Agreement and (b) each Assignor shall, to the extent provided in this Assignment, relinquish its rights (except those surviving the termination of the Commitments and payment in full of the Obligations) and be released from its obligations under the Loan Documents other than those obligations relating to events and circumstances occurring prior to the Effective Date.

ARTICLE VI Distribution of Payments. On and after the Effective Date, the Administrative Agent shall make all payments under the Loan Documents in respect of each Assigned Interest of any Assignor (a) in the case of amounts accrued to but excluding the Effective Date, to such Assignor and (b) otherwise, to the corresponding Assignee.

ARTICLE VII Miscellaneous. This Assignment is a Loan Document and, as such, is subject to certain provisions of the Credit Agreement, including Sections 1.5, 11.14(a) and 11.15 thereof. On and after the Effective Date, this Assignment shall be binding upon, and inure to the benefit of, the Assignors, Assignees, the Administrative Agent and their Related Persons and their successors and assigns. This Assignment shall be governed by, and be construed and interpreted in accordance with, the law of the State of New York. This Assignment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Assignment by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart of this Assignment.

[SIGNATURE PAGES FOLLOW]

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

[NAME OF ASSIGNOR]
as Assignor

By:_____
Name:
Title:

[NAME OF ASSIGNEE]
as Assignee

By:_____
Name:
Title:

Lending Office for Eurodollar Rate Loans:[7]

[Insert Address (including contact name, fax number and e-mail address)]

Lending Office (and address for notices)
for any other purpose:

[Insert Address (including contact name, fax number and e-mail address)]

---

7 Insert for each Assignee.

ACCEPTED and AGREED

this __ day of _____ _____:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By:_____
Name:
Title:

CHRISTIE/AIX, INC.

By:_____
Name:
Title:

[SIGNATURE PAGE FOR ASSIGNMENT FOR CHRISTIE/AIX, INC.' S CREDIT AGREEMENT]

EXHIBIT B

TO

CREDIT AGREEMENT

FORM OF NOTE

Lender: [_____]
Principal Amount: $[_____]

New York, New York
[_____, ____]

FOR VALUE RECEIVED, the undersigned, Christie/AIX, Inc., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of the lender set forth above (the "Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of the Loans of the Lender to the Borrower, payable at such times and in such amounts as are specified in the Credit Agreement (as hereinafter defined).

The Borrower promises to pay interest on the unpaid principal amount of the Loans from the date made until such principal amount is paid in full, payable at such times and at such interest rates as are specified in the Credit Agreement. Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Borrower.

Both principal and interest are payable in Dollars to General Electric Capital Corporation, as Administrative Agent, at [_____], in immediately available funds.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement, dated as of August 1, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders. Capitalized terms used herein without definition are used as defined in the Credit Agreement.

The Credit Agreement, among other things, (a) provides for the making of Loans by the Lender to the Borrower in an aggregate amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrower resulting from such Loans being evidenced by this Note and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein.

This Note is a Loan Document, is entitled to the benefits of the Loan Documents and is subject to certain provisions of the Credit Agreement, including Sections 1.5, 11.14(a) and 11.15 thereof.

This Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

CHRISTIE/AIX, INC.

By:_____
Name:
Title:

[SIGNATURE PAGE FROM PROMISSORY NOTE OF CHRISTIE/AIX, INC. FOR THE BENEFIT OF [NAME OF LENDER]]

EXHIBIT C

TO

CREDIT AGREEMENT

FORM OF NOTICE OF BORROWING

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent under the
Credit Agreement referred to below

[_____ __, ____]

Attention: [_____]

Re: CHRISTIE/AIX, INC. (the "Borrower")

Reference is made to the Credit Agreement, dated as of August 1, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for such Lenders. Capitalized terms used herein without definition are used as defined in the Credit Agreement.

The Borrower hereby gives you irrevocable notice, pursuant to Section 2.2 of the Credit Agreement of its request of a Borrowing (the "Proposed Borrowing") under the Credit Agreement and, in that connection, sets forth the following information:

ARTICLE IThe date of the Proposed Borrowing is [_____, ____] (the "Funding Date").

ARTICLE IIThe aggregate principal amount of the Loans constituting the Proposed Borrowings is $[_____], of which $[_____] consists of Base Rate Loans and $[_____] consists of Eurodollar Rate Loans having an initial Interest Period of [_____] months.

The undersigned hereby certifies that the following statements are true on the date hereof, both before and after giving effect to the Proposed Borrowing and any other Loan to be made on or before the Funding Date:

1) the representations and warranties set forth in Article IV of the Credit Agreement and elsewhere in the Loan Documents are true and correct [in all material respects][8] [as though made on and as of such Funding Date],[9] except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such date;

2) no Default is continuing;

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8 Insert for any Proposed Borrowing after the Closing Date.

9 Delete for Borrowings on the Closing Date.

3) attached hereto as Annex A are true, correct and complete copies of all purchase orders for Digital Systems, including the Digital Systems to be purchased with the proceeds of the Proposed Borrowing;

4) attached hereto as Annex B is a calculation of the Total Equity Ratio both before and after giving effect to the Proposed Borrowing;

5) the Borrower is in compliance with all material contracts, including, without limitation, all Digital Cinema Deployment Agreements, all Master License Agreements and all Intercompany Agreements; and

6) on or before the making of the Proposed Borrowing on the Funding Date, the Borrower shall have funded the Interest Reserve in the Interest Reserve Account.

CHRISTIE/AIX, INC.

By:_____
Name:
Title:

[SIGNATURE PAGE TO NOTICE OF BORROWING DATED _____ __, ____]

ANNEX A
TO
NOTICE OF BORROWING

PURCHASE ORDERS

(See attached.)

ANNEX B
TO
NOTICE OF BORROWING

TOTAL EQUITY RATIO

C-4

EXHIBIT D

TO

CREDIT AGREEMENT

FORM OF NOTICE OF CONVERSION OR CONTINUATION

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent under the
Credit Agreement referred to below

[_____ __, ____]
Attention: [_____]

Re: Christie/AIX, Inc. (the "Borrower")

Reference is made to the Credit Agreement, dated as of August 1, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrower hereby gives you irrevocable notice, pursuant to Section 2.8 of the Credit Agreement of its request for the following:

1) a continuation, on [_____, ____], as Eurodollar Rate Loans having an Interest Period of [___] months of Loans in an aggregate outstanding principal amount of $[_____] having an Interest Period ending on the proposed date for such continuation;

2) a conversion, on [_____, ____], to Eurodollar Rate Loans having an Interest Period of [___] months of Loans in an aggregate outstanding principal amount of $[_____]; and

3) a conversion, on [_____, ____], to Base Rate Loans, of Loans in an aggregate outstanding principal amount of $[_____].

In connection herewith, the undersigned hereby certifies that no Event of Default is continuing on the date hereof, both before and after giving effect to any Loan to be made on or before any date for any proposed conversion or continuation set forth above.

CHRISTIE/AIX, INC.

By:_____
Name:
Title:

EXHIBIT E

TO

CREDIT AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

[_____, ____][10]

This COMPLIANCE CERTIFICATE (this "Compliance Certificate") is delivered pursuant to Section 6.1(d) of the Credit Agreement, dated as of August 1, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Christie/AIX, Inc. (the "Borrower"), the Lenders party thereto and General Electric Capital Corporation, as administrative agent and collateral agent for the Lenders (the "Administrative Agent"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The undersigned, a duly authorized Responsible Officer of the Borrower having the name and title set forth below under his signature, hereby certifies, on behalf of the Borrower for the benefit of the Secured Parties and pursuant to Section 6.1 of the Credit Agreement that such Responsible Officer of the Borrower is familiar with the Credit Agreement and that, in accordance with each of the following sections of the Credit Agreement, each of the following is true on the date hereof, both before and after giving effect to any Loan to be made on or before the date hereof:

Section 11.22 In accordance with Section 6.1[(b)/(c)] of the Credit Agreement, attached hereto as Annex A are the Financial Statements for the [Fiscal Quarter/Fiscal Year] ended [_____, ____] required to be delivered pursuant to Section 6.1[(b)/(c)] of the Credit Agreement. Such Financial Statements fairly present in all material respects the Consolidated and consolidating financial position, results of operations and cash flow of the Borrower as at the dates indicated therein and for the periods indicated therein in accordance with GAAP [(subject to the absence of footnote disclosure and normal year-end audit adjustments)] [11] [without qualification as to the scope of the audit or as to going concern and without any other similar qualification, together with the certificate from the Group Members' Accountants with respect to such Consolidated Financial Statements required to be delivered pursuant to Section 6.1(c) of the Credit Agreement.] [12]

Section 11.23 In accordance with Section 6.1(d) of the Credit Agreement, attached hereto as Annex B are the calculations used to determine the Total Equity Ratio, including, without limitation, the calculations used in determining Excess Cash Flow.

Section 11.24 In accordance with Section 6.1(d) of the Credit Agreement, attached hereto as Exhibit C are the calculations used to determine the Consolidated Leverage Ratio, the Consolidated Fixed Charge Coverage Ratio and any other

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10 Insert date of delivery of certificate.

11 Insert language in brackets only for quarterly reports.

12 Insert language in brackets only for annual certifications.

calculations, if any, used to determine compliance with each financial covenant contained in Article V of the Credit Agreement.

Section 11.25 In accordance with Section 6.1(d) of the Credit Agreement, attached hereto as Annex D are the calculations used to determine the amount of Excluded Capital Expenditures and Capital Expenditures as of the end of the applicable fiscal period for purposes of determining compliance with Section 8.16 of the Credit Agreement.

Section 11.26 In accordance with Section 6.1(d) of the Credit Agreement, attached hereto as Annex E is a list of all Installed Digital Systems and the location of the same as of the date hereof.

Section 11.27 In accordance with Section 6.1(d) of the Credit Agreement, no Default is continuing as of the date hereof[, except as provided for on Annex F attached hereto, with respect to each of which the Borrower proposes to take the actions set forth on Annex F].

Section 11.28 In accordance with Section 6.1(e) of the Credit Agreement, (i) the [Corporate Chart attached hereto as Annex G[-1]] [last Corporate Chart delivered pursuant to such Section)], is correct and complete as of the date hereof, (ii) all documents (including updated schedules as to locations of Collateral and acquisition of Intellectual Property or real property) required to be delivered pursuant to the Loan Documents by any Loan Party on or prior to the date of delivery of this Compliance Certificate have been delivered thereunder (or such delivery requirement was otherwise duly waived or extended) and (iii) complete and correct copies of all documents modifying any term of any Constituent Document of any Group Member or any Subsidiary or joint venture thereof on or prior to the date hereof have been delivered to the Administrative Agent [or are attached hereto as Annex G[-2]].

Section 11.29 In accordance with Section 6.1(g) of the Credit Agreement, attached hereto as Annex H is a discussion and analysis of the financial condition and results of operations of the Group Members for the portion of the Fiscal Year elapsed on or prior to the date hereof discussing the reasons for any significant variations from the Projections for such period and the figures for the corresponding period in the previous Fiscal Year.

Section 11.30 [In accordance with Section 6.1(h) of the Credit Agreement, attached hereto as Annex I is a complete and correct summary of the outstanding balances of all intercompany Indebtedness as of the last day of the Fiscal Quarter covered by the Financial Statements attached hereto as Annex A.] [13]

[SIGNATURE PAGE FOLLOWS]

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13 Insert bracketed language only for quarterly reports.

(j) [In accordance with Sections 6.1(i) and (j) of the Credit Agreement, attached hereto as Annexes J and K are complete and correct (i) copies of each management letter, audit report or similar letter or report received by any Group Member from any independent registered certified public accountant (including the Group Members' Accountants) in connection with such Financial Statements or any audit thereof and (ii) (A) a certification from each insurer or by an authorized representative of each insurer identifying the underwriters, the type of insurance, the limits, deductibles, and the term thereof and specifying the specific provisions delineated in clause (b) of Schedule 7.5 and (B) a statement from an independent insurance broker, reasonably acceptable to the Administrative Agent, stating that (1) all premiums then due have been paid and (2) in the opinion of such broker, the insurance maintained by the Borrower is in accordance with clause (b) of Schedule 7.5].[14]

IN WITNESS WHEREOF, the undersigned has executed this certificate on the date first written above.

CHRISTIE/AIX, INC.

By: _____
Name:
Title:

---

14 Insert bracketed language only for annual reports.

ANNEX A

TO

COMPLIANCE CERTIFICATE OF CHRISTIE/AIX, INC.

DATED [_____, ____]

FINANCIAL STATEMENTS

ANNEX B

TO

COMPLIANCE CERTIFICATE OF CHRISTIE/AIX, INC.

DATED [_____, ____]

TOTAL EQUITY RATIO

ANNEX C

TO

COMPLIANCE CERTIFICATE OF CHRISTIE/AIX, INC.

DATED [_____, ____]

FINANCIAL CALCULATIONS

ANNEX D

TO

COMPLIANCE CERTIFICATE OF CHRISTIE/AIX, INC.

DATED [_____, ____]

EXCLUDED CAPITAL EXPENDITURES

AND

CAPITAL EXPENDITURES

ANNEX E

TO

COMPLIANCE CERTIFICATE OF CHRISTIE/AIX, INC.

DATED [_____, ____]

INSTALLED DIGITAL SYSTEMS

[ANNEX F

TO

COMPLIANCE CERTIFICATE OF CHRISTIE/AIX, INC.

DATED [_____, ____]

CONTINUING DEFAULTS][15]

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15 DELETE IF NOT USED IN THE TEXT OF THE CERTIFICATE.

EXHIBIT 10.2

FIRST AMENDMENT

FIRST AMENDMENT, effective as of August 30, 2006 (the "Amendment"), with respect to that certain Credit Agreement, dated as of August 1, 2006 (the "Credit Agreement"), among Christie/AIX, Inc., a Delaware corporation (the "Borrower"), the Lenders and General Electric Capital Corporation, a Delaware corporation ("GE Capital"), as the administrative agent and collateral agent for the Lenders (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to the Credit Agreement;

WHEREAS, the Borrower has requested that the Lenders agree to amend the Credit Agreement to (i) amend the minimum borrowing requirements and (ii) extend the deadline for appointment or election of an independent director to the board of directors;

WHEREAS, the Lenders are willing to agree to the requested amendments on the terms and conditions contained herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Credit Agreement shall have their defined meanings when used herein.

2. Amendment to Credit Agreement .

(a) The last sentence of Section 2.2(a) of the Credit Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

"Each Borrowing shall be in an aggregate amount that is $1,000,000 or an integral multiple of $1,000,000 (or such lesser amount as the Administrative Agent may agree) in excess thereof."

(b) Section 7.13(j) of the Credit Agreement shall be amended (i) to delete the phrase "thirty (30)" in the first line thereof and (ii) to substitute in lieu thereof the phrase "ninety (90)".

3. Representations and Warranties. In order to induce the Administrative Agent and the Lenders to enter into this Amendment, the Loan Parties hereby represent and warrant to the Administrative Agent and the Lenders that (a) the representations and warranties of the Loan Parties contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof (after giving effect hereto), except where such representations and warranties expressly relate to an earlier date in which case such representations and warranties were true and correct in all material respects as of such earlier date and (b) no Default or Event of Default has occurred and is continuing.

4. Conditions to Effectiveness. This Amendment shall be effective on the date when the following conditions shall have occurred (the "First Amendment Effective Date"):

(a) the Administrative Agent shall have executed this Amendment and shall have received counterparts hereof, duly executed and delivered by the Borrower, Holdings and the Required Lenders;

(b) No Default shall have occurred and be continuing; and

(c) Borrower shall have paid all fees and expenses of Administrative Agent' s counsel, Weil, Gotshal & Manges LLP, owing to date.

5. Reference to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," or words of like or similar import shall mean and be a reference to the Credit Agreement, as modified and amended by this Amendment.

6. Governing Law and Jurisdiction. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

7. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all its reasonable costs and expenses incurred in connection with the preparation and delivery of this Amendment, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

8. Headings. Section headings in the Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

9. Counterparts. This Amendment may be executed by the parties hereto in any number of separate counterparts (including by facsimile transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the Borrower, Holdings and their respective successors and assigns, and upon the Administrative Agent and the Lenders and their respective successors and assigns.

11. Continuing Effect. Except as expressly amended hereby, the Credit Agreement, as amended by this Amendment, shall continue to be and shall remain in full force and effect in accordance with its terms. This Amendment shall not constitute an amendment or waiver of any provision of the Credit Agreement not expressly referred to herein and shall not be construed as an amendment, waiver or consent to any action on the part of the Borrower that would require an amendment, waiver or consent of the Administrative Agent or the Lenders except as expressly stated herein. Any reference to the "Credit Agreement" in the Loan Documents or any related documents shall be deemed to be a reference to the Credit Agreement as amended by this Amendment. The Amendment constitutes a Loan Document.

12. NO ORAL AGREEMENTS. **THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS EMBODY THE ENTIRE AGREEMENT OF THE PARTIES AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS RELATING TO THE SUBJECT MATTER THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the day and year first above written.

CHRISTIE/AIX, INC.,
as a Borrower

By:/s/ A. Dale Mayo
Name: A. Dale Mayo
Title: CEO

ACCESS DIGITAL MEDIA, INC.

By:/s/ A. Dale Mayo
Name: A. Dale Mayo
Title: President

GENERAL ELECTRIC CAPITAL CORPORATION,
as the Administrative Agent and Lender

By:/s/ Greg Watts
Name: Greg Watts
Title: Duly Authorized Signatory

[SIGNATURE PAGE TO FIRST AMENDMENT]

CIT LENDING SERVICES CORPORATION,
as a Lender

By:/s/ Scott Plushry
Name: Scott Plushry
Title: Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT]

COMMERCE BANK, N.A.,
as a Lender

By:/s/ Peter L. Davis
Name: Peter L. Davis
Title: SVP

[SIGNATURE PAGE TO FIRST AMENDMENT]

AIB Debt Management LTD,
as a Lender

By:/s/ Gregory J. Wiske
Name: Gregory J. Wiske
Title: Vice President Investment Advisor to AIB Debt Management, Limited

By: /s/ Joseph Augustini
Name: Joseph Augustini
Title: Vice President Investment Advisor to AIB Debt Management, Limited

[SIGNATURE PAGE TO FIRST AMENDMENT]

EXHIBIT 10.3

AMENDMENT NO. 4

TO

FIRST AMENDED AND RESTATED

ACCESS INTEGRATED TECHNOLOGIES, INC. 2000 STOCK OPTION PLAN

AMENDMENT NO. 4, dated as of September 14, 2006 (this "Amendment"), to the First Amended and Restated 2000 Stock Option Plan (as amended, the "Plan") of Access Integrated Technologies, Inc., a Delaware corporation (the "Corporation").

WHEREAS, the Corporation maintains the Plan, effective as of June 1, 2000; and

WHEREAS, in order to provide the Corporation with the flexibility to be able to grant additional stock options to its employees, the Board of Directors of the Corporation deems it to be in the best interest of the Corporation and its stockholders to amend the Plan in order to increase the maximum number of shares of the Corporation' s Class A Common Stock, par value $0.001 per share, which may be issued and sold under the Plan from 1,100,000 shares to 2,200,000 shares.

NOW, THEREFORE, BE IT RESOLVED the Plan is hereby amended as follows:

1. The first sentence of Section 4.01 shall be revised and amended to read as follows:

"The maximum number of shares authorized to be issued under the Plan and available for issuance as Options shall be 2,200,000 shares of Common Stock."

2. This Amendment shall be effective as of the date first set forth above, which is the date that this Amendment was approved by a majority of the outstanding votes cast at the September 14, 2006 meeting of the holders of the Corporation' s Class A Common Stock and Class B Common Stock.

3. In all respects not amended, the Plan is hereby ratified and confirmed and remains in full force and effect.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By: /s/ A. Dale Mayo
_____

A. Dale Mayo
President, Chief Executive Officer and
Chairman of the Board of Directors

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of December 29, 2005, is by and between UNIQUESCREEN MEDIA, INC., a Delaware corporation (the "Borrower"), and EXCEL BANK MINNESOTA, a Minnesota state banking corporation (the "Bank").

RECITALS:

A. The Borrower has requested that the Bank make available to the Borrower a revolving credit facility in an aggregate principal amount not to exceed $7,500,000 (the "Revolving Credit Facility").

B. The Borrower will use the proceeds of advances under the Revolving Credit Facility to repay existing indebtedness and for the Borrower' s general working capital purposes.

AGREEMENTS:

IN CONSIDERATION of the foregoing premises, and the mutual covenants set forth herein, the parties agree as follows:

ARTICLE 1 DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Defined Terms. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings set out respectively after each (and such meanings shall be equally applicable to both the singular and plural form of the terms defined, as the context may require):

Act of Bankruptcy: With respect to any Person, if (i) the Person shall (1) be or become insolvent, or (2) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Person or of all or a substantial part of the Person' s property, or (3) commence a voluntary case under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding under the laws of any jurisdiction, or (4) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or *(5)* admit in writing the Person' s inability to pay the Person' s debts as they mature, or (6) make an assignment for the benefit of the Person' s creditors; or (ii) a proceeding or case shall be commenced, without the application or consent of the Person, in any court of competent jurisdiction, and such proceeding or case shall not be dismissed within 60 days after commencement, seeking (1) the liquidation, reorganization, dissolution, winding up or the composition or adjustment of debts of the Person, (2) the appointment of a trustee, receiver, custodian or liquidator or the like of the Person or of all or any substantial part of the Person' s property, or (3) similar relief in respect of the Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts.

Adjustment Date: The second Business Day following receipt by the Bank of both (a) the financial statements required to be delivered pursuant to Section 8.1 for the most recently completed quarter, and (b) the Compliance Certificate required to be delivered pursuant to Section 8.1 with respect to such quarter.

Adverse Effect: A material adverse effect on the business, operations, property, assets or condition (financial or otherwise) of the Borrower or on the ability of the Borrower or any other party obligated thereunder to perform its obligations under the Loan Documents.

Affiliate: Any Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Borrower or any of its Subsidiaries, or (ii) five percent (5%) or more of the equity interest of which is held beneficially or of record by the Borrower or any of its Subsidiaries. Control for purposes of this definition means the possession, directly or indirectly, of the power to cause the direction of management and policies of a Person, whether through the ownership of voting securities or otherwise.

Agreement: This Credit Agreement, as it may be amended, modified, supplemented, restated or replaced from time to time.

Borrowing Base: At any time an amount equal to the sum of *85%* of Net Installments Receivable.

Borrowing Base Certificate: The borrowing base certificate in such form as the Bank may require from time to time to be delivered by the Borrower to the Bank.

Business Day: Any day (other than a Saturday, Sunday or legal holiday in the State of Minnesota) on which state banks are permitted to be open in Minneapolis, Minnesota.

Capital Expenditure: Any amount debited to the fixed asset account on the balance sheet of the Borrower in respect of (a) the acquisition (including, without limitation, acquisition by entry into a Capitalized Lease), construction, improvement, replacement or betterment of land, buildings, machinery, equipment or of any other fixed assets or leaseholds, (b) to the extent related to and not included in (a) above, materials, contract labor and direct labor (excluding expenditures properly chargeable to repairs or maintenance in accordance with GAAP), and (c) other capital expenditures and other uses recorded as capital expenditures or similar terms having substantially the same effect.

Capitalized Lease: Any lease which is or should be capitalized on the books of the lessee in accordance with GAAP.

Code: The Internal Revenue Code of 1986, as amended, or any successor statute, together with regulations thereunder.

Collateral: The collateral as defined in Section 5.1.

Compliance Certificate: The compliance certificate in such form as the Bank may require from time to time to be delivered by the Borrower to the Bank.

Credit Party: The Borrower, any Subsidiary of the Borrower, any Person who at any time guaranties or pledges any assets to secure the Obligations, or any one or more of them.

Default: Any event which, with the giving of notice to the Borrower or lapse of time, or both, would constitute an Event of Default.

EBITDA: For any period of determination and with respect to the Borrower, net income plus (i) deductions for Interest Expense, income taxes, depreciation, amortization and management fees paid or accrued under the Services Agreement in an amount not to exceed $36,000 per year, minus (ii) extraordinary income and gains (losses) on sales of assets, all as determined in accordance with GAAP.

ERISA: The Employee Retirement Income Security Act of 1974, as amended, and any successor statute, together with regulations thereunder.

ERISA Affiliate: Any trade or business (whether or not incorporated) that is a member of a group of which the Borrower is a member and which is treated as a single employer under Section 414 of the Code.

Event of Default: Any event described in Section 10.1.

Federal Reserve Board: The Board of Governors of the Federal Reserve System or any successor thereto.

Fixed Charge Coverage Ratio: For any period of determination and with respect to the Borrower, the ratio of (a) the sum of (i) EBITDA for such period, plus (ii) the greater of (1) 25% multiplied by the Capital Expenditures made in such period, or (2) $500,000, minus (iii) income tax paid in such period, to (b) the sum of (i) Interest Expense in such period, minus (ii) scheduled principal payments on Indebtedness in such period, plus (iii) $600,000, plus (iv) management fees paid or accrued under the Services Agreement in an amount not to exceed $36,000 per year. The Fixed Charge Coverage Ratio shall be determined on a trailing four-quarter basis.

GAAP: Generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

Indebtedness: Without duplication, all indebtedness for borrowed money or credit extended to or for the account of the Borrower or any Subsidiary, including without limitation, (a) obligations secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the obligation secured thereby shall have been assumed and whether or not the obligation secured is the obligation of the owner or another party; (b) any obligation on account of deposits or advances; (c) any obligation for the deferred purchase price of any property or services excluding, however, all Trade Accounts Payable; (d) any obligation as lessee under any Capitalized Lease; (e) all guaranties, endorsements and other contingent obligations respecting Indebtedness of others; and (f) undertakings or agreements to reimburse or indemnify issuers of letters of credit. Indebtedness of the Borrower shall exclude any debt owed to Eugene or Alyssa Schreder to the extent such debt is offset (dollar for dollar) with payment of the stock subscription receivable from Granite Equity Limited Partnership. For all purposes of this Agreement (i) the Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner, and (ii) the Indebtedness of any Person shall include the Indebtedness of any joint venture in which such Person is a joint venturer.

Interest Expense: For any period, the total interest expense for such period (whether paid in cash, accrued or deferred, and including any default rate of interest if then applicable), on Indebtedness of the Borrower, minus interest earned during such period, all as determined in accordance with GAAP.

Investment: The acquisition, purchase, making or holding of any stock or other security, any loan, advance, contribution to capital, extension of credit (except for trade and customer accounts receivable for inventory sold or services rendered in the ordinary course of business and payable in accordance with customary trade terms), any acquisitions of real or personal property (other than real and personal property acquired in the ordinary course of business) and any purchase or commitment or option to purchase stock or other debt or equity securities of or any interest in another Person or any integral part of any business or the assets comprising such business or part thereof.

LIBOR Rate: The "London Interbank Offered Rates (LIBOR)" for one month as published in the "Money Rates" column of The Wall Street Journal on the first Business Day of each month (or, if The Wall Street Journal ceases to publish a rate so designated, any similar successor rate as the Bank shall in good faith designate). The Bank may lend to its customers at rates that are at, above or below the LIBOR Rate.

Lien: Any security interest, mortgage, pledge, lien, hypothecation, judgment lien or similar legal process, charge, encumbrance, title retention agreement or analogous instrument or device (including, without limitation, the interest of the lessors under Capitalized Leases and the interest of a vendor under any conditional sale or other title retention agreement).

Loan(s): Any one or more Revolving Loans.

Loan Documents: This Agreement, the Note, the Security Agreement, the Lockbox Agreement, and each other instrument, document, guaranty, security agreement, pledge agreement, mortgage, or other agreement executed and delivered by the Borrower or any guarantor or party granting security interests in connection with this Agreement, the Loans or any collateral for the Loans.

Loan Sweep Agreement. That certain Loan Sweep Agreement, dated the date hereof, between the Borrower and the Bank, as it may be amended, modified, supplemented, restated or replaced from time to time.

Lockbox Agreement: That certain Lockbox Agreement executed by the Borrower, and delivered to the Bank, as it may be amended, modified, supplemented, restated or replaced from time to time.

Net Installments Receivable: The dollar value of all installments receivable owing to the Borrower currently and in the future from noncancelable customer advertising contracts which are recorded at the time the contracts are consummated, less the reserve for bad debt, all as determined in the ordinary course of business and consistent with past practice and as reflected on the Borrower' s balance sheet.

Note: The Revolving Note.

Obligations: The obligation of the Borrower: (a) to pay the principal of and interest on the Note in accordance with the terms hereof and thereof, and to satisfy all of the Borrower' s other obligations to the Bank, whether hereunder or otherwise, whether now existing or hereafter incurred, matured or unmatured including without limitation the obligations pursuant to letters of credit, direct or contingent, joint or several, and including without limitation obligations to or credit from others in which the Bank has a direct or indirect interest (including without limitation participations), including any extensions, modifications, renewals thereof and substitutions therefor; (b) to repay to the Bank all amounts advanced by the Bank hereunder or otherwise on behalf of the Borrower, including, but without limitation, advances for principal or interest payments to prior secured parties, mortgagees or lienors, or for taxes, levies, insurance, rent, repairs to or maintenance or storage of any of the Collateral; and (c) to pay all of the Bank' s expenses and costs, together with the reasonable fees and expenses of its counsel in connection with this Agreement or any other Loan Document(s) and any amendments thereto, and the documents required hereunder or thereunder, excluding costs and attorneys' fees incurred in the negotiation and preparation of this Agreement and the other initial Loan Documents, or any proceedings brought or threatened to enforce payment of any of the Obligations described in clauses (a) or (b) above.

PBGC: The Pension Benefit Guaranty Corporation, established pursuant to Subtitle A of Title IV of ERISA, and any successor thereto or to the functions thereof.

Permitted Lien: Any Lien of a kind specified in paragraphs (a)-(f) of Section 9.11.

Person: Any natural person, corporation, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

Plan: An employee benefit plan or other plan, maintained for employees of the Borrower or of any ERISA Affiliate, and subject to Title IV of ERISA or Section 412 of the Code.

Ratio of Senior Debt to TTM EBITDA: For any determination date and with respect to the Borrower, the ratio of (i) the sum of Senior Interest Bearing Debt on such date to (ii) EBITDA for the four quarters ending on such date, all as determined in accordance with GAAP.

Reportable Event: A reportable event as defined in Section 4043 of ERISA and the regulations issued under such Section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided that a failure to meet the minimum funding standard of Section 412 of the Code and Section 302 of ERISA shall be a reportable event regardless of the issuance of any such waivers in accordance with Section 412(d) of the Code.

Revolving Applicable Margin: The rate per annum equal to (a) 3.50%, if the Ratio of Senior Debt to TTM EBITDA is greater than 2.50; (b) 3.25%, if the Ratio of Senior Debt to TTM EBITDA is equal to or less than 2.50 and greater than 2.00; (c) 3.00% if the Ratio of Senior Debt to TTM EBITDA is equal to or less than 2.00 and greater than 1.00; and (d) 2.75%, if the Ratio of Senior Debt to TTM EBITDA is equal to or less than 1.00; provided, however,

that from the date hereof until receipt of the financial statements for the period ended March 31, 2006, the Revolving Applicable Margin shall be based upon the Senior Debt to TTM EBITDA ratio as of November 30, 2005. Notwithstanding the foregoing, in the event that the Borrower fails to timely deliver the financial statements and Compliance Certificate as required under Section 8.1, then the Revolving Applicable Margin shall be 3.50% for the period from the date upon which they were to be delivered until the next Adjustment Date. The Revolving Applicable Margin shall be determined by the Bank based on the Ratio of Senior Debt to TTM EBITDA calculated from the financial statements for the quarter just ended prior to the relevant Adjustment Date.

Revolving Credit Expiration Date: The date that first occurs: (i) December 31, 2008, or (ii) the date on which the Revolving Credit Facility is terminated pursuant to Section 10.2.

Revolving Credit Facility: The revolving credit facility under which the Bank may make Revolving Loans to the Borrower in accordance with Article 2 and the Revolving Note up to an aggregate principal amount at any one time outstanding not to exceed the lesser of (a) the Borrowing Base or (b) $7,500,000.

Revolving Interest Rate: The annual rate of interest that shall at all times be equal to the LIBOR Rate plus the Revolving Applicable Margin. The Revolving Interest Rate shall (a) change on the effective date of any change in the LIBOR Rate, and (b) change on the Adjustment Date if there is a change in the Ratio of Senior Debt to TTM EBITDA from the previous Adjustment Date which results in a different Revolving Applicable Margin. Notwithstanding the foregoing, from and after the occurrence of any Default or Event of Default and continuing thereafter until such Default or Event of Default shall be remedied to the written satisfaction of the Bank, the Revolving Interest Rate shall, at the election of the Bank, be that rate of interest that would otherwise be then in effect plus 2.0%. The Bank may lend to its customers at rates that are at, above, or below the Revolving Interest Rate.

Revolving Loan(s): Any loan(s) made by the Bank to the Borrower under the Revolving Credit Facility.

Revolving Note: That certain Revolving Note dated the date hereof executed by the Borrower and made payable to the order of the Bank in the original principal amount of $7,500,000, as it may be amended, modified, supplemented, restated or replaced from time to time.

Security Agreement: That certain Security Agreement, dated the date hereof, executed by the Borrower, and delivered to the Bank, as it may be amended, modified, supplemented, restated or replaced from time to time.

Senior Interest Bearing Debt: The sum of all interest-bearing Indebtedness of the Borrower owed to the Bank or to others, including without limitation all Capitalized Leases, but specifically excluding any Subordinated Debt.

Services Agreement. That certain Services Agreement dated March 8, 2004 between Borrower and Granite Equity Partners, LLC, as it may be amended from time to time.

Subordinated Debt: Any Indebtedness of the Borrower, now existing or hereafter created, incurred or arising, which is subordinated in right of payment to the payment of the Obligations in a manner and to an extent that the Bank has approved in writing prior to the date hereof or prior to the creation of such Indebtedness.

Subsidiary: Any Person of which or in which the Borrower and its other Subsidiaries own directly or indirectly 50% or more of: (a) the combined voting power of all classes of stock having general voting power under ordinary circumstances to elect a majority of the board of directors of such Person, if it is a corporation, (b) the capital interest or profit interest of such Person, if it is a partnership, joint venture or similar entity, or (c) the beneficial interest of such Person, if it is a trust, association or other unincorporated organization.

Trade Accounts Payable: The trade accounts payable of any Person with a maturity of not greater than 90 days (or such longer period of time as may be permitted by the terms of such payable) incurred in the ordinary course of such Person' s business, and including checks issued in payment of such Trade Accounts Payable but not yet cashed.

Section 1.2 Accounting Terms and Calculations. Except as maybe expressly provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder (including, without limitation, determination of compliance with financial ratios and restrictions in Articles 8 and 9 hereof) shall be made in accordance with GAAP consistently applied.

Section 1.3 Other Definitional Terms. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections, Exhibits, Schedules and like references are to this Agreement unless otherwise expressly provided.

ARTICLE 2 TERMS OF LENDING

Section 2.1 Revolving Credit Facility. Subject to and upon the terms and conditions hereof and in reliance upon the representations and warranties of the Borrower herein, the Bank agrees to make Revolving Loans to the Borrower under this Section 2.1 from time to time from the date hereof until the Revolving Credit Expiration Date, during which period the Borrower may repay and reborrow in accordance with the provisions hereof, provided, that the aggregate unpaid principal amount of all outstanding loans under this Section 2.1 shall not exceed the amount of the Revolving Credit Facility at any time. If, at any time, or for any reason, the principal amount outstanding under the Revolving Loan exceeds the Revolving Credit Facility, the Borrower shall immediately pay to the Bank, in cash, the amount of such excess.

Section 2.2 Borrowing Procedures for Revolving Loans. Each time the Borrower desires to obtain a loan under the Revolving Credit Facility pursuant to Section 2.1, such request shall be in writing (which may be by telecopy) or by telephone, and must be given so as to be received by the Bank not later than 11:00 a.m., Minneapolis time, on the date of the requested advance. Each request for a Revolving Loan shall specify (i) the borrowing date (which shall be a Business Day), and (ii) the amount of such Loan, which shall be in increments of $1,000. Any

request for a Revolving Loan shall be deemed to be a representation that no event has occurred and is continuing, or will result from such Revolving Loan, which constitutes a Default or an Event of Default, and that the Borrower' s representations and warranties contained in Article 7 are true and correct as of the date of the Revolving Loan as though made on and as of such date. Unless the Bank determines that any applicable condition specified in Article 6 has not been satisfied, the Bank shall make the amount of the requested advance available to the Borrower at the Bank' s main office in Minneapolis, Minnesota, in immediately available funds not later than 5:00 p.m., Minneapolis time, on the date requested. The Borrower shall be obligated to repay all advances the Bank reasonably determines were requested on behalf of the Borrower notwithstanding the fact that the person requesting the same was not in fact authorized to do so.

Section 2.3 The Revolving Note. The obligation of the Borrower to repay any and all Revolving Loans made under Section 2.1, shall be evidenced by the Revolving Note. The Bank shall enter in its records the amount of each advance under, and the payments made on, the Revolving Credit Facility, and such records shall be deemed conclusive evidence of the subject matter thereof, absent manifest error.

Section 2.4 Loan Sweep. The Bank and the Borrower each acknowledge that they have entered into the Loan Sweep Agreement, and while such Agreement is in effect the Bank shall have the right to make advances under the Revolving Credit Facility, and to sweep the Deposit Account (as defined in the Loan Sweep Agreement), all as provided in the Loan Sweep Agreement. Except as expressly provided in Section 4.5 below, to the extent there are any inconsistencies between the provisions of this Agreement and the provisions of the Loan Sweep Agreement, then the provisions of the Loan Sweep Agreement shall control.

ARTICLE 3 INTEREST AND COSTS

Section 3.1 Interest on Revolving Loan. The unpaid principal amount of the Revolving Loan shall bear interest at the Revolving Interest Rate.

Section 3.2 Computation. Interest on the Note shall be computed on the basis of actual days elapsed and a year of 360 days.

Section 3.3 Payment Dates. Interest accruing on the Revolving Loan shall be due and payable as specified in the Revolving Note.

Section 3.4 Increased Costs. If, as a result of any generally applicable law, rule, regulation, treaty or directive, or any generally applicable change therein or in the interpretation or administration thereof, or compliance by the Bank with any generally applicable request or directive (whether or not having the force of law) from any court, central bank, governmental authority, agency or instrumentality, or comparable agency, in each case after the date hereof:

(a) any tax, duty or other charge with respect to the Note or the Revolving Credit Facility is imposed, modified or deemed applicable, or the basis of taxation of payments to the Bank of interest or principal of the Loans (other than taxes imposed on the overall net income of the Bank by the jurisdiction in which the Bank has its principal office) is changed;

(b) any reserve, special deposit, special assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Bank is imposed, modified or deemed applicable;

(c) any increase in the amount of capital required or expected to be maintained by the Bank or any Person controlling the Bank is imposed, modified or deemed applicable; or

(d) any other condition affecting this Agreement, the Loans or the Revolving Credit Facility is imposed on the Bank or the relevant funding markets;

and the Bank reasonably and in good faith determines that, by reason thereof, the cost to the Bank of making or maintaining the Loans or the Revolving Credit Facility is increased, or the amount of any sum receivable by the Bank hereunder or under the Note in respect of any Loan is reduced; then, the Borrower shall pay to the Bank upon demand (which demand shall include sufficient evidence thereof) such additional amount or amounts as will compensate the Bank (or the controlling Person in the instance of (c) above) for such additional costs or reduction. Determinations by the Bank for purposes of this Section 3.4 of the additional amounts required to compensate the Bank shall be conclusive in the absence of manifest error. In determining such amounts, the Bank may use any reasonable averaging, attribution and allocation methods.

Section 3.5 Late Fees. In the event that any interest is not paid within 10 days after the due date thereof, the Borrower shall pay to the Bank upon demand a late charge equal to *5%* of such overdue amount or $5.00, whichever is greater. This late charge is in addition to any default rate of interest that may be imposed.

Section 3.6 Facility Fee. On the date hereof, the Borrower shall pay to the Bank a one-time non-refundable facility fee in the amount of $56,250.

Section 3.7 Unused Line Fee. The Borrower agrees to pay to the Bank an unused line fee at the rate of one-quarter of one percent (0.25%) per annum calculated upon the amount by which the Revolving Credit Facility exceeds the average daily principal balance of the outstanding Revolving Loans from the date of this Agreement to and including the Revolving Credit Expiration Date, due and payable quarterly in arrears within 15 days after the Bank invoices Borrower and on the Revolving Credit Expiration Date.

ARTICLE 4 PAYMENTS AND PREPAYMENTS

Section 4.1 Repayment. Principal of the Revolving Loan shall be due and payable as specified in the Revolving Note.

Section 4.2 Optional Prepayments. The Borrower may prepay the Revolving Loan in whole or in part and, if prepaying in whole, terminate the Revolving Credit Facility, at any time without premium or penalty.

Section 4.3 Accelerated Payments. Upon the occurrence of an Event of Default and the acceleration of the Note, pursuant to and as permitted by Section 10.2, the Note and all other Obligations, shall be immediately due and payable as provided in Section 10.2 and in the Note.

Section 4.4 Payments. Payments and prepayments of principal of, and interest on, the Note and all fees, expenses and other obligations under the Loan Documents shall be made without set-off or counterclaim in immediately available funds not later than 3:00 p.m., Minneapolis time, on the dates due at the main office of the Bank in Minneapolis, Minnesota. Funds received on any day after such time shall be deemed to have been received on the next Business Day. Whenever any payment to be made hereunder or on the Note shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of any interest or fees.

Section 4.5 Debits; Advances. The Bank is hereby authorized to pay accrued interest on the Note, the principal of the Note, any and all other amounts due and payable under the Loan Documents, and any checks presented for payment, by debiting any account of the Borrower at the Bank or by making one or more advances under the Revolving Loan, all without further authorization of the Borrower. Nothing in the Loan Sweep Agreement shall limit or be deemed to limit the Bank' s rights under this Section 4.5.

Section 4.6 Application of the Payments. Any voluntary prepayment shall be applied to such Note as the Borrower may direct, and any prepayment shall be applied first to the payment of the Prepayment Premium, if any, then to accrued interest and then to the reduction of principal of such Note in inverse order of maturity. Any prepayment resulting from an acceleration of the Note shall be applied to the Note in such order and such amounts as the Bank may from time to time determine and direct, notwithstanding any contrary instructions or directions of the Borrower.

ARTICLE 5 COLLATERAL SECURITY

Section 5.1 Composition of the Collateral. The property in which a security interest is, or is intended to be, granted pursuant to this Agreement, the Security Agreement or any other Loan Document and the provisions of Section 5.2 is herein collectively called the "Collateral." The Collateral, together with all the Borrower' s other property of any kind held by the Bank, shall stand as one general, continuing collateral security for all of the Obligations, and may be retained by the Bank until all Obligations have been satisfied in full, and the Revolving Credit Facility has terminated.

Section 5.2 Rights in Property Held by the Bank. As security for the prompt satisfaction of all Obligations, the Borrower hereby assigns, transfers and sets over to the Bank all of its right, title and interest in and to, and grants to the Bank a lien on and a security interest in, any amounts which may be owing from time to time by the Bank to the Borrower in any capacity, including, but without limitation, any balance or share belonging to the Borrower of any deposit or other account with the Bank, which lien and security interest shall be independent of any right of setoff which the Bank may have.

Section 5.3 Priority of Liens. The liens as provided for under this Agreement, the Security Agreement and the other Loan Documents shall be first and prior liens except as set forth on Schedule 9.11.

Section 5.4 Financing Statements. The Borrower will authorize, execute and deliver such security agreements, assignments, and UCC-1 financing statements (including amendments thereto and continuation statements thereof) in form satisfactory to the Bank as the Bank may specify and will pay or reimburse the Bank for all costs of filing or recording the same in such public offices as the Bank may designate except for such costs incurred in filing the initial financing statement, and take such other steps as the Bank shall direct, including the noting of the Bank' s lien on the chattel paper or any vehicle certificates of title, in order to perfect the Bank' s interest in the Collateral.

ARTICLE 6 CONDITIONS PRECEDENT

Section 6.1 Conditions of Initial Loan. The obligation of the Bank to make the initial Loan hereunder shall be subject to the satisfaction of the conditions precedent, in addition to the conditions precedent set forth in Section 6.2 below, that the Bank shall have received all of the following, in form and substance satisfactory to the Bank, each duly executed and certified or dated the date hereof or such other date as is satisfactory to the Bank:

(a) The Revolving Note, duly executed by the Borrower.

(b) The Security Agreement, duly executed by the Borrower.

(c) The Loan Sweep Agreement, duly executed by the Borrower.

(d) A certified copy of the Borrower' s Certificate of Incorporation, as of a recent date and issued by the Delaware Secretary of State.

(e) Certificates of Good Standing respecting the Borrower, as of a recent date and issued by the Secretary of State of Minnesota and by the Delaware Secretary of State.

(f) A Secretary' s Certificate of the Borrower certifying (1) a copy of its Bylaws with all amendments thereto, (2) a copy of any shareholder control agreement, (3) a copy of its resolutions authorizing the execution, delivery and performance of the Loan Documents to which it is a party, and (4) the names, titles, and signatures of its officers authorized to execute and perform the Loan Documents to which it is a party.

(g) Evidence acceptable to the Bank in its discretion showing that the insurance required by the Security Agreement and the other Loan Documents is in full force and effect.

(h) Such other documents or instruments as the Bank may request to consummate the transaction contemplated hereby.

Section 6.2 Conditions Precedent to all Loans. The obligation of the Bank to make any Loan hereunder shall be subject to the satisfaction of the following conditions precedent (and any request for a Loan) shall be deemed a written certification that such conditions precedent have been satisfied):

(a) Before and after giving effect to such Loan, the representations and warranties contained in Article 7 shall be true and correct, as though made on the date of such Loan; and

(b) Before and after giving effect to such Loan, no Default or Event of Default shall have occurred and be continuing.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

To induce the Bank to enter into this Agreement, and to grant the Revolving Credit Facility and to make Loans hereunder, the Borrower represents and warrants to the Bank:

Section 7.1 Organization, Standing, Etc. The Borrower is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to carry on its businesses as now conducted and as proposed to be conducted, to enter into the Loan Documents and to perform its obligations under the Loan Documents. The Borrower is duly qualified and in good standing as a foreign corporation in Minnesota and in each other jurisdiction in which the character of the properties owned, leased or operated by it or the business conducted and as proposed to be conducted by it makes such qualification necessary, and where the failure to so qualify could reasonably be expected to have an Adverse Effect. The Borrower holds all certificates of authority, licenses and permits necessary to carry on its business as presently conducted and as proposed to be conducted in each jurisdiction in which it carries or proposes to carry on such business.

Section 7.2 Authorization and Validity. The execution, delivery and performance by the Borrower of the Loan Documents have been duly authorized by all necessary corporate action by the Borrower, and the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject to limitations as to enforceability which might result from bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and subject to limitations on the availability of equitable remedies.

Section 7.3 No Conflict; No Default. The execution, delivery and performance by the Borrower of the Loan Documents will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to the Borrower, (b) violate or contravene any provisions of the Borrower' s Certificate of Incorporation or the Borrower' s Bylaws or any shareholder control agreement respecting the Borrower, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which the Borrower is a party or by which it or any of its properties may be bound or result in the creation of any Lien on any asset of the Borrower, other than Permitted Liens. The Borrower is not in default under or in violation of any such law, statute, rule or regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, loan or credit agreement or other agreement, lease or instrument in any case in which the consequences of such default or violation could reasonably be expected to have an Adverse Effect.

Section 7.4 Government Consent. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority is required on the part of the Borrower to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, the Loan Documents.

Section 7.5 Financial Statements and Condition. The Borrower' s financial statements, as heretofore furnished to the Bank by the Borrower, fairly present the financial condition of the Borrower as at the dates specified therein and the results of its operations and changes in financial position for the periods ended as of the dates specified therein. As of the dates of such financial statements, the Borrower has not had any material obligation, contingent liability, liability for taxes for long-term lease obligation which is not reflected in such financial statements or in the notes thereto. Since November 30, 2005, no Adverse Event has occurred.

Section 7.6 Litigation. Except as disclosed on Schedule 7.6 hereto, there are no actions, suits or proceedings pending or threatened against or affecting the Borrower or any of its properties before any court or arbitrator, or any governmental department, board, agency or other instrumentality which, if determined adversely to the Borrower, could reasonably be expected to have an Adverse Effect.

Section 7.7 Compliance. The Borrower is in material compliance with all statutes and governmental rules and regulations applicable to it.

Section 7.8 Environmental, Health and Safety Laws. There does not exist any violation by the Borrower of any applicable federal, state or local law, rule or regulation or order of any government, governmental department, board, agency or other instrumentality relating to environmental, pollution, health or safety matters which will or threatens to impose a material liability on the Borrower or which would require a material expenditure by the Borrower to cure. The Borrower has not received any notice to the effect that any part of its operations or properties is not in material compliance with any such law, rule, regulation or order or notice that it or its property is the subject of any governmental investigation evaluating whether any remedial action is needed to respond to any release of any toxic or hazardous waste or substance into the environment, the consequences of which non-compliance or remedial action could reasonably be expected to have an Adverse Effect.

Section 7.9 ERISA. Each Plan complies with all material applicable requirements of ERISA and the Code and with all material applicable rulings and regulations issued under the provisions of ERISA and the Code setting forth those requirements. No Reportable Event, other than a Reportable Event for which the reporting requirements have been waived by regulations of the PBGC, has occurred and is continuing with respect to any Plan. All of the minimum funding standards applicable to such Plans have been satisfied and there exists no event or condition which would permit the institution of proceedings to terminate any Plan under Section 4042 of ERISA. The current value of the Plans' benefits guaranteed under Title IV of ERISA does not exceed the current value of the Plans' assets al1ocab1e to such benefits.

Section 7.10 Regulation U. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (as defined in Regulation U of the

Federal Reserve Board) and no part of the proceeds of any Loan will be used to purchase or carry margin stock or for any other purpose which would violate any of the margin requirements of the Federal Reserve Board.

Section 7.11 Ownership of Property: Liens. The Borrower has good and marketable title to its real properties and good and sufficient title to its other properties, including all properties and assets referred to as owned by the Borrower in the financial statements referred to in Section 7.5 (other than property disposed of since the date of such financial statement in the ordinary course of business). None of the properties, revenues or assets of the Borrower is subject to a Lien, except for Permitted Liens.

Section 7.12 Taxes. The Borrower has filed all federal, state and local tax returns required to be filed and has paid or made provision for the payment of all taxes due and payable pursuant to such returns and pursuant to any assessments made against it or any of its property and all other taxes, fees and other charges imposed on it or any of its property by any governmental authority (other than taxes, fees or charges the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower). No tax Liens have been filed and no material claims are being asserted with respect to any such taxes, fees or charges. The charges, accruals and reserves on the books of the Borrower in respect of taxes and other governmental charges are adequate.

Section 7.13 Licenses and Infringement. The Borrower possesses adequate licenses, permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto, to conduct its business substantially as now conducted and as presently proposed to be conducted. There does not exist and there is no reason to anticipate that there may exist, any liability to the Borrower with respect to any claim of infringement regarding any franchise, patent, copyright, trademark or trade name possessed or used by the Borrower.

Section 7.14 Investment Company Act. The Borrower is not an "investment company" or a company "controlled" by an investment company within the meaning of the Investment Company Act of 1940, as amended.

Section 7.15 Public Utility Holding Company Act. The Borrower is not a "holding company" or a "subsidiary company" of a holding company or an "affiliate" of a holding company or of a subsidiary company of a holding company within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 7.16 Subsidiaries. The Borrower does not have any Subsidiaries.

Section 7.17 Partnerships and Joint Ventures. The Borrower is not a partner (limited or general) in any partnerships and the Borrower is not a joint venturer in any joint ventures.

Section 7.18 Use of Proceeds. The Borrower will use the proceeds as set forth in Recital B set forth above.

Section 7.19 Completeness of Disclosures. No representation or warranty by the Borrower contained herein or in any other Loan Document, or in any certificate or other

document furnished heretofore or concurrently with the signing of this Agreement or any other Loan Document by the Borrower to the Bank in connection with the transactions contemplated hereunder or under any other Loan Document, contains any untrue statement of a material fact or omits to state a material fact which would prevent or materially inhibit the Borrower from performing this Agreement or any other Loan Document according to its terms.

Section 7.20 Survival of Representations. All of the representations and warranties set forth in the immediately preceding subsections shall survive until all the Obligations shall have been satisfied in full, and the Revolving Credit Facility has been terminated.

Each of the foregoing warranties and representations shall be deemed to be repeated and reaffirmed on and as of the date any Loan is made hereunder by the Bank to the Borrower pursuant to Article 2.

ARTICLE 8 AFFIRMATIVE COVENANTS

From the date of this Agreement and thereafter until the Revolving Credit Facility is terminated or expires and the Obligations have been paid in full, unless the Bank shall otherwise expressly consent in writing, the Borrower will do all of the following and will cause each Subsidiary, if any, to do all of the following:

Section 8.1 Financial Statements and Reports. Furnish to the Bank:

(a) As soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, the annual financial statements of the Borrower prepared in conformity with GAAP, consisting of at least statements of income, cash flow and shareholder' s equity for such year, and a balance sheet as at the end of such year, all in reasonable detail and audited by independent certified public accountants of recognized standing selected by the Borrower and acceptable to the Bank and containing the unqualified opinion of such accountants.

(b) As soon as available and in any event within 30 days after the end of each month, a copy of the company-prepared financial statements of the Borrower prepared in the same manner as the financial statements referred to in Section 8.1 (a), signed by the Borrower' s Chief Financial Officer, consisting of at least statements of income, cash flow and shareholder' s equity for such month, and a balance sheet as at the end of such month.

(c) As soon as available and in any event within 30 days after the end of each month, a Borrowing Base Certificate, signed by the Borrower' s Chief Financial Officer.

(d) As soon as available and in any event within 30 days prior to the start of each fiscal year of the Borrower, company-prepared financial projections, budgets and forecasts for the Borrower for such fiscal year, based on reasonable assumptions, in form and substance acceptable to the Bank.

(e) As soon as available and in any event within 30 days after the end of each quarter, a Compliance Certificate signed by the Borrower' s Chief Financial Officer.

(f) Promptly upon becoming aware of the occurrence, with respect to any Plan, of any Reportable Event (other than a Reportable Event for which the reporting requirements have been waived by PBGC regulations) or any "prohibited transaction" (as defined in Section 4975 of the Code), a notice specifying the nature thereof and what action the Borrower proposes to take with respect thereto, and, when received, copies of any notice from PBGC of intention to terminate or have a trustee appointed for any Plan.

(g) Promptly upon becoming aware of the occurrence thereof, notice of any violation as to any environmental matter by the Borrower and of the commencement of any judicial or administrative proceeding relating to health, safety or environmental matters (i) in which an adverse determination or result could reasonably be expected to result in the revocation of or have a material adverse effect on any operating permits, air emission permits, water discharge permits, hazardous waste permits or other permits held by the Borrower which are material to the operations of the Borrower, or (ii) which will or threatens to impose a material liability on the Borrower to any Person or which will require a material expenditure by the Borrower to cure any alleged problem or violation.

(h) From time to time, such other information regarding the business, operation and financial condition of the Borrower as the Bank may reasonably request.

Section 8.2 Financial Covenants.

(a) Maintain its Fixed Charge Coverage Ratio (determined at the end of each quarter beginning December 31, 2006) at not less than (i) 1.10 to 1.0 at December 31, 2006 and March 31, 2007, and (ii) 1.25 to 1.0 at June 30, 2007 and thereafter.

(b) Maintain its Ratio of Senior Debt to TTM EBITDA (determined at the end of each quarter beginning March 31, 2006) at not greater than (i) 3.25 through September 30, 2006, (ii) 3.00 at December 31, 2006 through September 30, 2007, and (iii) 2.75 at December 31, 2007 and thereafter.

Section 8.3 Corporate Existence. Maintain its corporate existence in good standing under the laws of its jurisdiction of organization and its qualification to transact business in each jurisdiction in which the character of the properties owned, leased or operated by it or the business conducted by it makes such qualification necessary. Without limiting the generality of the foregoing, the Borrower will maintain all of its certificates, permits, licenses and agreements of any kind or nature necessary to the operation of its business in full force and effect and in good standing.

Section 8.4 Insurance. Maintain with financially sound and reputable insurance companies such insurance in such amounts and against such risks as is reasonably requested by the Bank or as may be required by law or as may be customary in the case of reputable corporations engaged in the same or similar business and similarly situated, including, without limitation, property, hazard, fire, wind, hail, theft, collapse, comprehensive general public liability, and business interruption insurance, and worker' s compensation or similar insurance. The Borrower shall furnish to the Bank full information and written evidence as to the insurance maintained by the Borrower or any Subsidiary. All policies shall contain the insurer' s promise

not to cancel the policy without 10 days prior written notice to the Bank at its address set forth below. All policies shall name the Bank as an additional insured or lender loss payee, as appropriate, as its interests may appear.

Section 8.5 Payment of Taxes and Claims. File all tax returns and reports which are required by law to be filed by it and pay before they become delinquent all taxes, assessments and governmental charges and levies imposed upon it or its property and all claims or demands of any kind (including, without limitation, those of suppliers, mechanics, carriers, warehouses, landlords and other like Persons) which, if unpaid, might result in the creation of a Lien upon its property; provided that the foregoing items need not be paid if they are being contested in good faith by appropriate proceedings, and as long as its title to its property is not materially adversely affected, its use of such property in the ordinary course of its business is not materially interfered with and adequate reserves with respect thereto have been set aside on its books in accordance with GAAP. In addition, and without limitation, promptly pay all Trade Accounts Payable.

Section 8.6 Inspection; Collateral Audits. Permit any Person designated by the Bank to visit and inspect any of its properties, corporate books and financial records, to examine and to make copies of its books of accounts and other financial records, to discuss its affairs, finances and accounts with, and to be advised as to the same by, its officers, and to conduct such collateral audits and appraisals, at such times and intervals as the Bank may reasonably designate. The reasonable expenses of the Bank for such visits, inspections, examinations, audits and appraisals shall be at the expense of the Borrower.

Section 8.7 Maintenance of Properties. Maintain its properties used or useful in the conduct of its business in good condition, repair and working order, and supplied with all necessary equipment, and make all necessary repairs, renewals, replacements**,** betterments and improvements thereto, all as may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 8.8 Books and Records. Keep adequate and proper records and books of account in which full and correct entries will be made of its dealings, business and affairs.

Section 8.9 Compliance. Comply with the requirements of all applicable state and federal laws, and of all rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

Section 8.10 ERISA. Maintain each Plan in compliance with all material applicable requirements of ERISA and of the Code and with all material applicable rulings and regulations issued under the provisions of ERISA and of the Code.

Section 8.11 Environmental Matters. Observe and comply with all laws, rules, regulations and orders of any government or government agency relating to health, safety, pollution, hazardous materials or other environmental matters to the extent non-compliance could reasonably be likely to result in a material liability or otherwise have an Adverse Effect.

Section 8.12 Notice of Litigation. Promptly provide written notice to the Bank of all litigation, arbitration or mediation proceedings, and of all proceedings by or before any court or governmental or regulatory agency affecting the Borrower, which alone or in the aggregate seeks

in excess of $50,000, describing the nature thereof and the steps being taken with respect to such proceeding.

Section 8.13 Notice of Default. Promptly provide written notice to the Bank of any Default or Event of Default, describing the nature thereof and what action the Borrower proposes to take with respect thereto.

Section 8.14 Accounts. By April 30, 2006, maintain the Borrower' s primary depository accounts at the Bank.

ARTICLE 9 NEGATIVE COVENANTS

From the date of this Agreement and thereafter until the Revolving Credit Facility is terminated or expires and the Obligations have been paid in full, unless the Bank shall otherwise expressly consent in writing, the Borrower will not do any of the following and the Borrower will not cause or allow any of its Subsidiaries, if any, to do any of the following:

Section 9.1 Merger. Merge or consolidate or enter into any analogous reorganization or transaction with any Person.

Section 9.2 Sale of Assets. Sell, transfer, assign, lease or otherwise convey all or any part of its assets (whether in one transaction or in a series of transactions) to any Person other than in the ordinary course of business or in excess of $50,000 in any calendar year.

Section 9.3 Purchase of Assets. Purchase or lease or otherwise acquire any right, title or interest in or to, any real or personal property not directly related to or necessary in connection with its present operations or not consistent with past practice in the ordinary course of business.

Section 9.4 Plans. Permit any condition to exist in connection with any Plan which might constitute grounds for the PBGC to institute proceedings to have such Plan terminated or a trustee appointed to administer such Plan, permit any Plan to terminate under any circumstances which would cause the lien provided for in Section 4068 of ERISA to attach to any of its properties, revenues or assets or permit the underfunded amount of Plan benefits guaranteed under Title IV of ERISA to exceed $10,000.

Section 9.5 Change in Nature of Business. Make any material change in the nature of its business as carried on at the date hereof.

Section 9.6 Subsidiaries, Partnerships, Joint Ventures. Do any of the following: (a) form or acquire any corporation which would thereby become a Subsidiary; or (b) form or enter into any partnership as a general partner or into any joint venture.

Section 9.7 Other Agreements. Enter into any agreement, bond, note or other instrument with or for the benefit of any Person other than the Bank which would: (a) prohibit it from granting, or otherwise limit its ability to grant, to the Bank any Lien on any of its assets or properties; or (b) be violated or breached by its performance of its obligations under the Loan Documents.

Section 9.8 Restricted Payments. Either: (a) except for repurchase of any restricted stock owned by officers or employees of Borrower pursuant to a contractual obligation of Borrower existing on the date of this Agreement, purchase or redeem or otherwise acquire for value any of its capital stock, declare or pay any dividends or distributions with respect to any of its capital stock, make any distribution on, or payment on account of the purchase, redemption, defeasance or other acquisition or retirement for value of, any of its capital stock or set aside any funds for any such purpose; or (b) directly or indirectly make any payment on, or redeem, repurchase, defease, or make any sinking fund payment on account of, or any other provision for, or otherwise pay, acquire or retire for value, any of its Indebtedness that is subordinated in right of payment to the Loans (whether pursuant to its terms or by operation of law), except for regularly-scheduled payments of interest and principal (which shall not include payments contingently required upon occurrence of a change of control or other event) that are not otherwise prohibited hereunder or under the document or agreement stating the terms of such subordination.

Section 9.9 Investments. Acquire for value, make, have or hold any Investments, except:

(a) Investments outstanding on the date hereof and listed on Schedule 9.9;

(b) direct obligations of the United States of America;

(c) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale of goods and services in the ordinary course of business;

(d) commercial paper issued by U.S. corporations rated "A-1" by Standard & Poor Corporation or "P-1" by Moody' s Investors Service or certificates of deposit or bankers' acceptances having a maturity of one year or less issued by members of the Federal Reserve System having deposits in excess of $100,000,000 (which certificates of deposit or bankers' acceptances are fully insured by the Federal Deposit Insurance Corporation); and

(e) other Investments (consistent with the Borrower' s current operations) not to exceed $250,000 at any time.

Section 9.10 Indebtedness. Create, incur, issue, assume or suffer to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness outstanding on the date hereof and listed on Schedule 9.10;

(c) any Subordinated Debt; and

(d) Indebtedness to finance Capital Expenditures permitted under Section 9.16, provided that the aggregate amount of such Indebtedness incurred in any year does not exceed $200,000.

Section 9.11 Liens. Create, incur, assume or suffer to exist any Lien with respect to any property, revenues or assets now owned or hereafter arising or acquired, except:

(a) Liens in favor of the Bank;

(b) Liens existing on the date of this Agreement and disclosed on Schedule 9.11;

(c) Deposits or pledges to secure payment of workers' compensation, unemployment insurance, old age pensions or other social security obligations, in the ordinary course of its business;

(d) Liens for taxes, fees, assessments and governmental charges not delinquent or to the extent that payments therefor shall not at the time be required to be made in accordance with the provisions of Section 8.5;

(e) Liens of carriers, warehousemen, mechanics and materialmen, and other like Liens arising in the ordinary course of business, for sums not due or to the extent that payment therefor shall not at the time be required to be made in accordance with the provisions of Section 8.5; and

(f) Liens in connection with the acquisition of Capital Expenditures, provided that such liens attach only to the property being acquired if the Indebtedness secured thereby is permitted under Section 9.10(d) and does not exceed 100% of the fair market value of such property at the time of acquisition thereof.

Section 9.12 Contingent Payments or Liabilities. Either: (i) endorse, guarantee, contingently agree to purchase or to provide funds for the payment of, or otherwise become contingently liable upon, any obligation of any other Person, except by the endorsement of negotiable instruments for deposit or collection (or similar transactions) in the ordinary course of business, or (ii) agree to maintain the net worth or working capital of, or provide funds to satisfy any other financial test applicable to, any other Person.

Section 9.13 Unconditional Purchase Obligations. Enter into or be a party to any contract for the purchase or lease of materials, supplies or other property or services if such contract requires that payment be made by it regardless of whether or not delivery is ever made of such materials, supplies or other property or services.

Section 9.14 Transactions with Affiliates. Enter into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of and pursuant to the reasonable requirements of its business and upon fair and reasonable terms no less favorable to it than would be obtained in a comparable arm' s-length transaction with a Person not an Affiliate, and other than the Services Agreement (provided that no more than $36,000 per year shall be payable by Borrower thereunder).

Section 9.15 Use of Proceeds. Permit any proceeds of the Loans to be used, either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing

or carrying any margin stock" within the meaning of Regulation U of the Federal Reserve Board, as amended from time to time, and furnish to the Bank, upon its request, a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U.

Section 9.16 Capital Expenditures. Pay or incur, or commit to pay or incur, any Capital Expenditures during any fiscal year which exceed $3,000,000 in the aggregate.

ARTICLE 10 EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default:

(a) The Borrower shall fail to make, within five (5) days of the date when due, whether by acceleration or otherwise, any payment of principal of the Note, or any interest on the Note, or any fee or other amount required to be made to the Bank pursuant to the Loan Documents; or

(b) Any representation or warranty made or deemed to have been made by or on behalf of the Borrower or any other Credit Party in the Loan Documents or on behalf of the Borrower or any other Credit Party in any certificate, statement, report or other writing furnished by or on behalf of the Borrower or any other Credit Party to the Bank pursuant to the Loan Documents or any other instrument, document or agreement shall prove to have been false or misleading in any material respect on the date as of which the facts set forth are stated or certified or deemed to have been stated or certified; or

(c) The Borrower shall fail to comply with Section 8.2 or Section 8.4 hereof or any Section of Article 9 hereof; or

(d) The Borrower or any other Credit Party shall fail to comply with any agreement, covenant, condition, provision or term contained in the Loan Documents (and such failure shall not constitute an Event of Default under any of the other provisions of this Section 10.1) and such failure to comply shall continue for a period of 15 days after the earlier of: (i) the date the Borrower gives notice of such failure to the Bank, (ii) the date the Borrower should have given notice of such failure to the Bank pursuant to Section 8.13, or (iii) the date the Bank gives notice of such failure to the Borrower; or

(e) An Act of Bankruptcy shall occur with respect to the Borrower or any other Credit Party, or any one or more of them; or

(f) A judgment or judgments for the payment of money in excess of the sum of $100,000 in the aggregate shall be rendered against the Borrower or any other Credit Party and the Borrower or such other Credit Party shall not pay or discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, prior to any execution on such judgments by such judgment creditor, within 30 days from the date of entry thereof, and within said period of 30 days, or such longer period during which execution of such judgment shall be stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(g) Any property of the Borrower or any other Credit Party (including, without limitation, the Collateral) shall be garnished or attached in any legal proceeding pursuant to an order or writ of a court of competent jurisdiction and such garnishment or attachment shall remain undischarged for a period of 30 days during which execution is not effectively stayed; or

(h) The institution by the Borrower or any ERISA Affiliate of steps to terminate any Plan if in order to effectuate such termination, the Borrower or any ERISA Affiliate would be required to make a contribution to such Plan, or would incur a liability or obligation to such Plan, in excess of $50,000, or the institution by the PBGC of steps to terminate any Plan; or

(i) The maturity of any Indebtedness of the Borrower or any other Credit Party (other than Indebtedness under this Agreement) owed to the Bank, or the maturity of any Indebtedness of the Borrower or any other Credit Party in an aggregate amount equal to or greater than $50,000 owed to others, shall be accelerated, or the Borrower or any other Credit Party shall fail to pay any such Indebtedness when due or, in the case of such Indebtedness payable on demand, when demanded, and all cure periods related thereto have expired and such debt has been accelerated; or

(j) The Borrower or any other Credit Party shall fail to pay, withhold, collect or remit any tax or tax deficiency when assessed or due, unless contested in good faith pursuant to Section 8.5, or notice of any state or federal tax lien shall be filed or issued.

Section 10.2 Remedies. If (a) any Event of Default described in Section 10.1(e) shall occur, the Revolving Credit Facility shall automatically terminate and the outstanding unpaid principal balance of the Note, the accrued interest thereon and all other obligations of the Borrower to the Bank under the Loan Documents shall automatically become immediately due and payable; or (b) any other Event of Default shall occur and be continuing, then the Bank may take any or all of the following actions: (i) declare the Revolving Credit Facility to be terminated, whereupon the Revolving Credit Facility shall terminate, and (ii) declare that the outstanding unpaid principal balance of the Note, the accrued and unpaid interest thereon and all other obligations of the Borrower to the Bank under the Loan Documents to be forthwith due and payable, whereupon such Note, all accrued and unpaid interest thereon and all such obligations shall immediately become due and payable, in each case without further demand or notice of any kind, all of which are hereby expressly waived, anything in this Agreement or in the Note to the contrary notwithstanding. In addition, upon any Event of Default, the Bank may exercise all rights and remedies under any other instrument, document or agreement between the Borrower or any other Credit Party and the Bank, and enforce all rights and remedies under any applicable law, including without limitation the rights and remedies available upon default to a secured party under the Uniform Commercial Code as adopted in the State of Minnesota, including, without limitation, the right to take possession of the Collateral, or any evidence thereof, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which the Borrower hereby expressly waives) and the right to sell, lease or otherwise dispose of any or all of the Collateral, and, in connection therewith, the Borrower will on demand assemble the Collateral and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties.

Section 10.3 Offset. In addition to the remedies set forth in Section 10.2, the Bank or any other holder of the Note may offset any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies of the Borrower then or thereafter with the Bank or such other holder, or any obligations of the Bank or such other holder of the Note, against the Indebtedness then owed by the Borrower to the Bank. Nothing in this Agreement shall be deemed a waiver or prohibition of the Bank' s rights of banker' s lien, offset, or counterclaim, which right the Borrower hereby grants to the Bank.

ARTICLE 11 MISCELLANEOUS

Section 11.1 Waiver and Amendment. No failure on the part of the Bank or the holder of the Note to exercise and no delay in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The remedies herein and in any other instrument, document or agreement delivered or to be delivered to the Bank hereunder or in connection herewith are cumulative and not exclusive of any remedies provided by law. No notice to or demand on the Borrower not required hereunder or under the Note shall in any event entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank or the holder of the Note to any other or further action in any circumstances without notice or demand. No amendment, modification or waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall be effective unless the same shall be in writing and signed by the Bank, and then such amendment, modifications, waiver or consent shall be effective only in the specific instances and for the specific purpose for which given.

Section 11.2 Expenses and Indemnities. The Borrower agrees to reimburse the Bank upon demand for all reasonable expenses paid or incurred by the Bank (including any fees and expenses of legal counsel) in connection with the transactions contemplated by this Agreement, and the preparation and negotiation of this Agreement or any amendment, or any interpretation, collection and enforcement of the Loan Documents, excluding costs and attorneys' fees incurred in the negotiation and preparation of this Agreement and the other initial Loan Documents. The Borrower agrees to indemnify and hold the Bank harmless from any loss or expense which may arise or be created by the acceptance of instructions for making Loans or disbursing the proceeds thereof. The obligations of the Borrower under this Section 11.2 shall survive any termination or expiration of the Revolving Credit Facility and payment in full of the Obligations.

Section 11.3 Notices. Except when telephonic notice is expressly authorized by this Agreement, any notice or other communication to any party in connection with this Agreement shall be in writing and shall be sent by manual delivery, facsimile transmission or overnight courier for next Business Day delivery addressed to such party at the address specified on the signature page hereof, or at such other address as such party shall have specified to the other party hereto in writing. All periods of notice shall be measured from the date of delivery thereof if manually delivered, from a first Business Day after the date of sending thereof if sent by facsimile transmission, or from a first Business Day after the date of sending if sent by overnight courier for next Business Day delivery; provided, however, that any notice to the Bank under Article 2 hereof shall be deemed to have been given only when received by the Bank. If notice

to the Borrower of any intended disposition of the Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least ten calendar days prior to the date of intended disposition or other action.

Section 11.4 Successors. This Agreement shall be binding on the Borrower and the Bank and their respective successors and assigns, and shall inure to the benefit of the Borrower and the Bank, and the successors and assigns of the Bank. The Borrower shall not assign its rights or duties hereunder without the written consent of the Bank.

Section 11.5 Participations and Information. The Bank may sell participation interests in any or all of the Loans and in all or any portion of the Revolving Credit Facility to any Person. The Bank may furnish any information concerning the Borrower in the possession the Bank from time to time to participants and prospective participants and may furnish information in response to credit inquiries consistent with general banking practice.

Section 11.6 Severability. Any provision of the Agreement which is prohibited or unenforceable in any jurisdiction shall, in such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.7 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

Section 11.8 Entire Agreement. This Agreement and the Note, and the other Loan Documents, embody the entire agreement and understanding between the Borrower and the Bank with respect to the subject matter hereof and thereof. This Agreement supersedes all prior agreements and understandings relating to the subject matter hereof.

Section 11.9 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either of the parties hereto may execute this Agreement by signing any such counterpart.

Section 11.10 Governing Law and Construction. THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PRINCIPLES THEREOF. Whenever possible, each provision of this Agreement and the other Loan Documents and any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Agreement, the other Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, the other Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto.

Section 11.11 Consent to Jurisdiction. AT THE OPTION OF THE BANK, THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS MAY BE ENFORCED IN ANY

FEDERAL COURT OR MINNESOTA STATE COURT SITTING IN HENNEPIN COUNTY, MINNESOTA; AND THE BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT THE BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, THE BANK AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

Section 11.12 Waiver of Jury Trial. EACH OF THE BORROWER AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 11.13 Borrower Acknowledgments. The Borrower hereby acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents, (b) the Bank has no fiduciary relationship to the Borrower, the relationship being solely that of debtor and creditor, (c) no joint venture exists between the Borrower and the Bank, and (d) the Bank undertakes no responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the business or operations of the Borrower and the Borrower shall rely entirely upon its own judgment with respect to its business, and any review, inspection or supervision of, or information supplied to, the Borrower by the Bank is for the protection of the Bank and neither the Borrower nor any third party is entitled to rely thereon.

(The signature page follows.)

THE PARTIES HERETO have caused this Credit Agreement to be executed as of the date first above written.

UNIQUESCREEN MEDIA, INC.

By:/s/ John B. Brownson
Title: Chief Operating Officer and
Chief Financial Officer

4140 Thielman Lane, Suite 110 W.
St. Cloud, MN 56301
Attention: Mr. John B. Brownson
Telephone: (320) 654-6578
Fax: (320) 258-3192

EXCEL BANK MINNESOTA

/s/ Ryan McKinney
Title: Senior Vice President

50 South Sixth Street, Suite 1000
Minneapolis, MN 55402
Attention: Mr. Ryan McKinney
Telephone: (612) 238-2152
Fax: (612) 238-2075

List of Schedules *(TO BE COMPLETED BY THE BORROWER)*

7.6 Litigation

9.9 Existing Investments

9.10 Existing Indebtedness

9.11 Existing Liens

Schedules to Credit Agreement

These Schedules modify, supplement and form a part of the representations or warranties of Borrower contained in that certain Credit Agreement, dated as of December 29, 2005, by and between UniqueScreen Media, Inc., as Borrower, and Excel Bank Minnesota (the "Agreement"). Unless the context indicates otherwise, all capitalized terms used and not otherwise defined herein shall have the meanings given them in the Agreement. A matter disclosed in any Schedule shall be deemed disclosed for purposes of all other Schedules. Notwithstanding any materiality qualifications in any of Borrower' s representations or warranties in the Agreement, for administrative ease, certain items have been included herein that are not considered by Borrower to be material to Borrower' s business, financial condition or results of operations. The inclusion of any item herein shall not be deemed to be an admission by Borrower that such item is material to its business, financial condition or results of operations, nor shall it be deemed an admission of any obligation or liability to any third party,

SCHEDULE 7.6
LITIGATION

Varilease

Borrower is engaged in litigation in the Federal District Court for the District of Minnesota entitled UniqueScreen Media, Inc. and Eugene K. Schreder v. Varilease Finance, Inc., Court File No. 05-2046 (ADM/RLE).

Borrower commenced an action in Minnesota Federal District Court for a declaratory judgment against Varilease Finance, Inc. Borrower entered into two equipment lease schedules with Varilease, each of which were subsequently assigned by Varilease to third parties. At the time of Varilease' s assignment, Varilease informed the Borrower in writing that Varilease had transferred its entire interest in the Lease to All Points Leasing and to Wells Fargo Leasing and instructing Borrower to make all further rent payments to the assignees. Borrower prepaid the Lease assigned to All Points and has paid the final rents due Wells Fargo under the second Lease assigned by Varilease. At or about the time of the final payment under the Wells Fargo Lease, Varilease contended that since no notice of the exercise of any end of term option was given to Varilease more than 180 days prior to the scheduled expiration date of each Lease, the Borrower was deemed to have exercised an additional one year lease extension and demanded the rent therefore. One year' s rent under the All Points' Lease would be $84,576.84 and under the Wells Fargo Lease would be $100,262.52.

Neither All Points nor Wells Fargo has asserted any claim to additional rent. Borrower' s chief contention is that since Varilease notified Borrower that Varilease had transferred all of its interest in the Leases, it has no right now to demand, based upon a superseded notification requirement, additional payment or assert claims under the Leases. Varilease counterclaimed against Borrower for approximately $338,000, an amount in excess of the combined annual rent under both Leases, under a liquidated damage clause in the Lease. Borrower denies any such liability and challenges the use of the liquidated damage penalty. Cross motions for judgment on the pleadings have been made and are expected to be heard in late January or early February 2006.

Zwilling

In September 2004, the Borrower commenced a civil suit in Stearns County District Court against Michael Zwilling ("Zwilling"), a former employee of the Borrower. The Borrower asserts in its Complaint that Zwilling breached his common law duty of loyalty and his employment contract with the Borrower by engaging in various acts of unfair competition. In response to the Borrower' s Complaint, Zwilling filed a Counterclaim against the Borrower. Rather than stating any particular cause of action by name in the Counterclaim, Zwilling instead generally asserts in his Counterclaim that he is owed: (i) damages of $100,000, plus interest, as a result of an allegedly broken promise to pay him $100,000 upon the sale of Eugene Schreder' s majority interest in the Borrower; (ii) damages in excess of $50,000 a year for four years as a result of alleged wrongful interference with business opportunities; (iii) damages of $15,000 for allegedly unpaid commissions; (iv) damages in excess of $30,000 for negative impact on his

reputation and value as a salesperson; and (v) damages of $5,000 for alleged wrongful failure to award him a prize in connection with a sales contest.

On October 13, 2005 (just nine days after Zwilling' s deposition was taken), he filed a Chapter 7 bankruptcy petition. The state court litigation has been stayed by the filing of the bankruptcy petition, and the first meeting of creditors in the bankruptcy case is scheduled for January 31, 2006 at the Stearns County Courthouse.

Howell Fitness

The Borrower is currently in a dispute with Howell Fitness regarding advertising purchased for display in a Michigan theater. Howell Fitness filed an action in the Circuit Court for the county of Livingston, State of Michigan, filed as Case No.: 04-21152-CK, claiming that the Borrower breached a provision of its Client Service and Advertising Agreement that Howell Fitness would be the exclusive health club advertiser in the Brighton, Michigan theater serviced by the Borrower. Borrower has offered to settle for $1,500. A nonbinding alternative dispute resolution case evaluation recently found in favor of Howell Fitness in the amount of $10,000, which Borrower is taking under consideration.

SCHEDULE 9.9
EXISTING INVESTMENTS

The Borrower is currently in the process of negotiating the following Investments:

1. Fifteen (15) shares of the 130 outstanding common shares of M.A. Operating, Inc., an Ohio corporation, to be acquired for the investment of $50,000.00. M.A. Operating Inc. is engaged in the business of advertising and promotion.

2. Ten percent (10%) unrestricted limited partnership interest in Cinema Direct Media, LTD, a Texas Limited Liability partnership to be acquired for the investment of approximately $100,000.00. Cinema Direct Media, LTD is a newly-forming company engaged in the distribution of application software enabling advertising agencies to purchased cinema screen advertising in theatres throughout the country.

SCHEDULE 9.10
EXISTING INDEBTEDNESS

Revolving and Term Loan Agreement by and between the Borrower and Bremer Bank National Association dated as of March 8, 2004*

a. Revolving Note in the original principal amount of $1,000,000 dated March 8, 2004*
b. Promissory Note in the original principal amount of $1,100,000 dated March 8, 2004*
c. Promissory Note in the original principal amount of $2,780,000 dated March 8, 2004*

Promissory Note in the original principal amount of $250,000 dated March 8, 2004 to Eugene K. Schreder and Alyssa M. Schreder*

Promissory Note in the original principal amount of $1,000,000 dated March 8, 2004 to Eugene K. Schreder and Alyssa M. Schreder

Promissory Note to John Goltz, Sr.*

Retail Installment Sale Agreement by and between Media Pro International, Inc. and General Motors Acceptance Corporation in the original principal amount of $43,522.20 dated January 2, 2003 pursuant to the purchase of a 2003 GMC Yukon, V1N3GKFK16Z53G197235

See attached list of capital leases.

_____

* To be paid in full with the proceeds of advances under the Revolving Credit Facility.

CAPITAL LEASES

	Lessor/Assignee	Name of Agreement	Description	Payment Terms	Length of Lease
1.	*Assignee:* American Capital Group, Inc. 500 North State College Blvd., Suite 950 Orange, CA 92868 Phone: (714) 937-4126 Fax: (714) 937-4127 Attn: Steve Prettyman *Lessor:* Dimension Funding, LLC 17748 Sky Park Blvd., Suite 100 Irvine, CA 92612 Phone: (949) 250-0585	Terms and Conditions of Lease (Lease Schedule No. 101138-01GE), dated May 24, 2002, by and between Media Pro International, Inc. and American Capital Group, Inc (i.e. GE Capital Colonial Pacific Leasing Co.).	Theatre Equipment (55-9200A Digital Sound System, 20 - 100 Projector Controllers)	$844.30/mo.	March 2007
2.	*Assignee 1:* Nat' l City Commercial Capital (NCCC) 995 Dalton Avenue Cincinnati, OH 45203 Phone: (513) 455-2323 Fax: (513) 763-6075 *Assignee 2:* Sovereign Bank PO Box 14833 Reading, PA 19612-4833 Phone: (800) 238-4009 Fax: (631) 531-0684 Lessor: Preferred Capital, Inc. 6860 West Snowville Road, Suite 110 Brecksville, OH 44114 Phone: (440) 546-7400 or 1-800-338-4535 Fax: (440) 546-7406	Master Lease Agreement (No. 28293), and Equipment Schedules Nos. 001-009, dated March 12, 2003, by and between UniqueScreen Media, Inc. and Preferred Capital, Inc., as assigned <u>Assigned Leases for NCCC</u> 001, 002, 003, 004, 006 and 007 <u>Assigned Leases for Sovereign Bank</u> 005, 008 and 009	Theatre Equipment (9 locations)	$9,160.22/ mo.	January 2006

	Lessor/Assignee	Name of Agreement	Description	Payment Terms	Length of Lease
3.	*Assignee:* All Points Capital Corp. 275 Broadhollow Road Melville, NY 11747 Phone: (631) 777-5715 *Lessor:* Varilease Finance, Inc. 488 East 6400 South, Suite 225 Murray, VT 84107 Phone: (801) 685-7300 Fax: (801) 685-7500	Master Lease Agreement (Schedule No. 01), dated July 18, 2002, by and between Varilease Finance, Inc. and Media Pro International, Inc., as assigned	Theatre Equipment (4 locations)	See Schedule 7.6	See Schedule 7.6
4.	*Assignee:* Wells Fargo Equipment Finance, Inc. Investors Building, Suite 300 733 Marquette Avenue Minneapolis, MN 55402 Ann: Rocky H. O' Bannon, Contract Admin. Lessor: Varilease Finance, Inc. 488 East 6400 South, Suite 225 Murray, VT 84107 Phone: (801) 685-7300 Fax: (801) 685-7500	Master Lease Agreement (Schedule No. 02), dated July 18, 2002, by and between Varilease Finance, Inc. and Media Pro International, Inc., as assigned.	Theatre Equipment (4 locations)	See Schedule 7.6	See Schedule 7.6

SCHEDULE 9.11
EXISTING LIENS

Secured Party	Jurisdiction	Collateral	Number
Bremer Bank National Association*	Delaware	Blanket lien	40652521
Bremer Bank National Association*	Delaware	Blanket lien	40652687
John Goltz Sr.*	Minnesota	Blanket lien	1915506
First American Bank NA*	Minnesota	Blanket lien	1966752
Studebaker Worthington Leasing Corp.**	Minnesota	Specified equipment	20023793442
Colonial Pacific Leasing Co.	Minnesota	Specified equipment	20024069486
Michigan Heritage Bank**	Minnesota	Specified equipment	20024459823
Varilease Finance Inc.	Minnesota	Specified equipment	20025130505
Varilease Finance Inc/Wells Fargo Equipment Financing Inc.	Minnesota	Specified equipment	20025683774
Bremer Bank*	Minnesota	Blanket lien	20036483140
National City Commercial Capital Corporation	Minnesota	Specified equipment	20036991669
National City Commercial Capital Corporation	Minnesota	Specified equipment	20036991692
Sovereign Bank	Minnesota	Specified equipment	20036991739
National City Commercial Capital Corporation	Minnesota	Specified equipment	20036991773
National City Commercial Capital Corporation	Minnesota	Specified equipment	20036991809
National City Commercial Capital Corporation	Minnesota	Specified equipment	20036991810
National City Commercial Capital Corporation	Minnesota	Specified equipment	20036991832
Sovereign Bank	Minnesota	Specified equipment	20037159957
Sovereign Bank	Minnesota	Specified equipment	20037160019
US Bancorp	Minnesota	Specified equipment	200410049243

* To be terminated as part of financing.

** Paid in full. Lien should be released.

FIRST AMENDMENT
TO
CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is dated as of March 10, 2006, by and between UNIQUESCREEN MEDIA, INC., a Delaware corporation (the "Borrower"), and EXCEL BANK MINNESOTA, a Minnesota state banking corporation (the "Bank").

RECITALS:

A. The Borrower and the Bank are parties to that certain Credit Agreement dated as of December 29, 2005 (the "Credit Agreement").

B. The Borrower has requested and the Bank has agreed to amend the Credit Agreement on the terms and conditions provided herein.

AGREEMENTS:

IN CONSIDERATION of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. Any capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement.

2. Amendments to Section 1.1. The following definitions contained in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety or added to read as follows:

Borrowing Base: Either an amount equal to the sum of *85%* of Net Installments Receivable or, for the months ending February 28, 2006 through July 31, 2006, if Borrower has outstanding Subordinated Debt of $500,000 of principal, an amount equal to the sum of 85% of Net Installments Receivable plus the Additional Advance.

Additional Advance: An amount equal to $300,000.

3. Revised Borrowing Base Certificate. The following definitions contained in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety or added to read as follows:

4. Representations and Warranties. To induce the Bank to enter into this Amendment, the Borrower represents and warrants to the Bank as follows:

(a) The execution, delivery and performance by the Borrower of this Amendment and any other documents required to be executed and/or delivered by the Borrower by the terms of this Amendment have been duly authorized by all necessary corporate action, do not require any approval or consent of, or any registration, qualification or filing with, any government agency or authority or any approval or consent of any other person, do not and will not conflict with, result in any violation of or

constitute any default under, any provision of the Borrower' s Certificate of Incorporation or Bylaws, any agreement binding on or applicable to the Borrower or any of its property, or any law or governmental regulation or court decree or order, binding upon or applicable to the Borrower or of any of its property and will not result in the creation or imposition of any security interest or other lien or encumbrance in or on any of its property pursuant to the provisions of any agreement applicable to the Borrower or any of its property.

(b) The representations and warranties contained in the Credit Agreement are true and correct as of the date hereof as though made on the date hereof except to the extent that such representations and warranties relate solely to an earlier date.

(c) There does not exist any Default or Event of Default.

5. Release. The Borrower hereby releases, acquits, and forever discharges the Bank and each and every past and present subsidiary, affiliate, stockholder, officer, director, agent, servant, employee, representative, and attorney of the Bank from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses (including attorneys' fees) of any kind, character, or nature whatsoever, known or unknown, fixed or contingent, which any of them may have or claim to have now or which may hereafter arise out of or be connected with any act of commission or omission of the Bank existing or occurring prior to the date of this Amendment or any instrument executed prior to the date of this Amendment including, without limitation, any claims, liabilities or obligations arising with respect to the indebtedness evidenced by the Note or with respect to any other Loan Document. The provisions of this Section shall survive payment of the Note and any other Obligations and shall be binding upon the Borrower and shall inure to the benefit of the Bank and its successors and assigns.

6. Estoppel. The Borrower represents and warrants that there are no known claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses (including attorneys' fees) of any kind, character or nature whatsoever, fixed or contingent, which the Borrower may have or claim to have against the Bank, which might arise out of or be connected with any act of commission or omission of the Bank existing or occurring on or prior to the date of this Amendment, including, without limitation, any claims, liabilities or obligations arising with respect to the indebtedness evidenced by the Note or with respect to any other Loan Document.

7. Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

(a) the Bank shall have received evidence satisfactory to it that Borrower shall have entered into documents for the receipt of at least $500,000 of Subordinated Debt from Granite Equity Limited Partnership the terms and conditions of which shall be acceptable to the Bank; and

(b) the Bank shall have received such other documents or instruments as the Bank may request.

8. **Payment of Expenses; Right to Debit Account.** The Borrower agrees to reimburse the Bank upon demand for all out-of-pocket expenses, including attorneys' fees and expenses, incurred by the Bank in connection with the drafting, negotiation and execution of this Amendment, and all other documents executed in connection herewith. The Bank shall have the right to pay all such expenses by debiting any account of the Borrower at the Bank, without further authorization from the Borrower.

9. **Binding Nature of Loan Documents.** The Borrower acknowledges and agrees that the terms, conditions and provisions of the Credit Agreement and of each Loan Document executed and delivered in connection therewith are fully binding and enforceable agreements, and are not subject to any defense, counterclaim, set off or other claim of any kind or nature. The Borrower hereby reaffirms and restates its duties, obligations and liability under the Credit Agreement and each Loan Document executed by it in connection with the Credit Agreement.

10. **Reference to the Loan Documents.** From and after the date of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference to the "Credit Agreement" or "Loan Agreement", "thereunder", "thereof", "therein" or words of like import referring to the Credit Agreement in any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

11. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Any executed counterpart of this Amendment delivered by facsimile or other electronic transmission to a party hereto shall constitute an original counterpart of this Amendment.

12. **No Other Modification.** Except as expressly amended by the terms of this Amendment, all other terms of the Credit Agreement shall remain unchanged and in full force and effect.

13. **No Waiver.** This Amendment is not intended to operate as, and shall not be construed as, a waiver of any Default or Event of Default whether known to the Bank or unknown, as to which all rights and remedies of the Bank shall remain reserved.

(The signature page follows.)

THE PARTIES have executed this First Amendment to Credit Agreement as of the day and year first above written.

UNIQUESCREEN MEDIA, INC.

By: */s/ John B. Brownson*
Title: *CFO/COO*

4140 Thielman Lane, Suite 110 W
St Cloud, MN 56301
Attention: Mr. John B. Brownson
Telephone: (320) 654-6578
Fax: (320) 258-3192

STATE OF MINNESOTA)
) ss.
COUNTY OF *Stearns*)

The foregoing instrument was acknowledged before me this *13* day of March by *John Brownson* (who is known to me personally or who produced a driver' s license as identification), the *CFO/COO* of UniqueScreen Media, Inc. a Minnesota corporation, on behalf of the corporation.

/s/ Jodi Lynn Anderson-Nystedt
Notary

EXCEL BANK MINNESOTA

By: */s/ Ryan McKinney*
Title: Senior Vice President

50 South Sixth Street, Suite 1000
Minneapolis, MN 55402
Attention: Mr. Ryan McKinney
Telephone: (612) 238-2152
Fax; (612) 238-2075

SECOND AMENDMENT
TO
CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is dated as of July 25, 2006, by and between UNIQUESCREEN MEDIA, INC., a Delaware corporation (the "Borrower"), and EXCEL BANK MINNESOTA, a Minnesota state banking corporation (the "Bank").

RECITALS:

A. The Borrower and the Bank are parties to that certain Credit Agreement dated as of December 29, 2005, as amended by that certain First Amendment to Credit Agreement dated as of March 10, 2006 (as so amended, the "Credit Agreement").

B. The Borrower has entered into that certain Stock Purchase Agreement dated as of July 6, 2006 (the "AIX Stock Purchase Agreement") with Access Integrated Technologies, Inc. ("AIX") pursuant to which all of the outstanding shares of stock of the Borrower would be sold to AIX (the "AIX Transaction"), and the Borrower has requested that the Bank consent to the AIX Transaction.

C. The Borrower and the Bank desire to amend the Credit Agreement on the terms and conditions provided herein.

AGREEMENTS:

IN CONSIDERATION of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. Any capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement.

2. Amendments to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended by deleting the definitions of "Additional Advance," "Borrowing Base," "EBITDA," and "Fixed Charge Coverage Ratio," currently contained in such Section. Section 1.1 of the Credit Agreement is further amended to add the following definitions to such Section in their correct alphabetical order:

Borrowing Base: At any time an amount equal to the sum of 85% of Net Installments Receivable.

EBITDA: For any period of determination and with respect to the Borrower, net income plus (i) deductions for Interest Expense, income taxes, depreciation, and amortization, plus (ii) deductions for management fees paid or accrued under the Services Agreement prior to July 31, 2006 (provided such amount does not exceed $36,000 per year) minus (iii) extraordinary income and gains (losses) on sales of assets, all as determined in accordance with GAAP.

Fixed Charge Coverage Ratio: For any period of determination and with respect to the Borrower, the ratio of (a) the sum of (i) EBITDA for such period, minus (ii) the greater of (1) 25% multiplied by the Capital Expenditures made in such period, or (2) $500,000, minus (iii) income tax paid in such period, to (b) the sum of (i) Interest Expense in such period, plus (ii) scheduled principal payments on Indebtedness in such period, plus (iii) $600,000, plus (iv) deductions for management fees paid or accrued under the Services Agreement prior to July 31, 2006 (provided such amount does not exceed $36,000 per year). The Fixed Charge Coverage Ratio shall be determined on a trailing four-quarter basis.

3. Amendment of Section 9.14. Section 9.14 of the Credit Agreement is hereby amended in its entirety to read as follows:

Section 9.14 Transactions with Affiliates. Enter into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of and pursuant to the reasonable requirements of its business and upon fair and reasonable terms no less favorable to it than would be obtained in a comparable arm' s-length transaction with a Person not an Affiliate.

4. Representations and Warranties. To induce the Bank to enter into this Amendment, the Borrower represents and warrants to the Bank as follows:

(a) The execution, delivery and performance by the Borrower of this Amendment and any other documents required to be executed and/or delivered by the Borrower by the terms of this Amendment have been duly authorized by all necessary corporate action, do not require any approval or consent of, or any registration, qualification or filing with, any government agency or authority or any approval or consent of any other person, do not and will not conflict with, result in any violation of or constitute any default under, any provision of the Borrower' s Certificate of Incorporation or Bylaws, any agreement binding on or applicable to the Borrower or any of its property, or any law or governmental regulation or court decree or order, binding upon or applicable to the Borrower or of any of its property and will not result in the creation or imposition of any security interest or other lien or encumbrance in or on any of its property pursuant to the provisions of any agreement applicable to the Borrower or any of its property.

(b) The representations and warranties contained in the Credit Agreement are true and correct as of the date hereof as though made on the date hereof except to the extent that such representations and warranties relate solely to an earlier date.

(c) There does not exist any Default or Event of Default.

5. Release. The Borrower hereby releases, acquits, and forever discharges the Bank and each and every past and present subsidiary, affiliate, stockholder, officer, director, agent, servant, employee, representative, and attorney of the Bank from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses (including

attorneys' fees) of any kind, character, or nature whatsoever, known or unknown, fixed or contingent, which any of them may have or claim to have now or which may hereafter arise out of or be connected with any act of commission or omission of the Bank existing or occurring prior to the date of this Amendment or any instrument executed prior to the date of this Amendment including, without limitation, any claims, liabilities or obligations arising with respect to the indebtedness evidenced by the Note or with respect to any other Loan Document. The provisions of this Section shall survive payment of the Note and any other Obligations and shall be binding upon the Borrower and shall inure to the benefit of the Bank and its successors and assigns.

6. Estoppel. The Borrower represents and warrants that there are no known claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses (including attorneys' fees) of any kind, character or nature whatsoever, fixed or contingent, which the Borrower may have or claim to have against the Bank, which might arise out of or be connected with any act of commission or omission of the Bank existing or occurring on or prior to the date of this Amendment, including, without limitation, any claims, liabilities or obligations arising with respect to the indebtedness evidenced by the Note or with respect to any other Loan Document.

7. Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

(a) the Bank shall have received this Amendment duly executed on behalf of the Borrower; and

(b) the Bank shall have received such other documents or instruments as the Bank may request.

8. Payment of Expenses; Right to Debit Account. The Borrower agrees to reimburse the Bank upon demand for all out-of-pocket expenses, including attorneys' fees and expenses, incurred by the Bank in connection with the drafting, negotiation and execution of this Amendment, and all other documents executed in connection herewith. The Bank shall have the right to pay all such expenses by debiting any account of the Borrower at the Bank, without further authorization from the Borrower.

9. Binding Nature of Loan Documents. The Borrower acknowledges and agrees that the terms, conditions and provisions of the Credit Agreement and of each Loan Document executed and delivered in connection therewith are fully binding and enforceable agreements, and are not subject to any defense, counterclaim, set off or other claim of any kind or nature. The Borrower hereby reaffirms and restates its duties, obligations and liability under the Credit Agreement and each Loan Document executed by it in connection with the Credit Agreement.

10. Reference to the Loan Documents. From and after the date of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference to the "Credit Agreement" or "Loan Agreement", "thereunder", "thereof", "therein" or words of like import

referring to the Credit Agreement in any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

11. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Any executed counterpart of this Amendment delivered by facsimile or other electronic transmission to a party hereto shall constitute an original counterpart of this Amendment.

12. No Other Modification. Except as expressly amended by the terms of this Amendment, all other terms of the Credit Agreement shall remain unchanged and in full force and effect.

13. No Waiver. This Amendment is not intended to operate as, and shall not be construed as, a waiver of any Default or Event of Default whether known to the Bank or unknown, as to which all rights and remedies of the Bank shall remain reserved.

14. Consent to AIX Transaction. The Bank hereby consents to the AIX Transaction, provided that (a) the transaction is consummated in accordance with the terms and conditions specified in the AIX Stock Purchase Agreement in the form delivered to the Bank, and (b) this consent shall not apply to any subsequent sale by AIX of the Borrower' s stock.

(The signature page follows.)

THE PARTIES have executed this Second Amendment to Credit Agreement as of the day and year first above written.

UNIQUESCREEN MEDIA, INC.

By:/s/ John B. Brownson
Title: CFO/COO

4140 Thielman Lane, Suite 110 W.
St. Cloud, MN 56301
Attention: Mr. John B. Brownson
Telephone: (320) 654-6578
Fax: (320) 258-3192

EXCEL BANK MINNESOTA

By:/s/ Ryan McKinney
Title: Executive Vice President

50 South Sixth Street, Suite 1000
Minneapolis, MN 55402
Attention: Mr. Ryan McKinney
Telephone: (612) 238-2152
Fax: (612)238-2075

BORROWING BASE CERTIFICATE
(Dated _____)

I, John Brownson, the Chief Financial Officer of UniqueScreen Media, Inc., a Delaware corporation (the "Borrower"), acting on behalf of the Borrower under that certain Credit Agreement dated December 29, 2005 (as amended from time to time, the "Agreement"), hereby certify to Excel Bank Minnesota (the "Bank") as follows (all capitalized terms used herein have the meanings given to them in the Agreement):

As of the close of business on _____, 200_, the Borrowing Base and the unpaid principal balance of the Revolving Note were as follows:

1.	Installments Receivable	$_____(1)
2.	Less: Bad Debt Reserve	$_____(2)
3.	Net Installments Receivable (Line 1 minus Line 2)	$_____(3)
4.	Borrowing Base (85% of Line 3)	$_____(4) *
5.	Revolving Credit Facility (lesser of Line 4 or $7,500,000)	$_____(5)
6.	Unpaid principal balance of Revolving Note	$_____(6)
7.	Availability (or Shortfall) (Line 5 minus Line 6)	$_____(7)

Attached hereto is supporting information regarding the Borrower' s installments receivable, and bad debt reserve calculation, as of the date hereof.

As of the date of this Certificate, no event has occurred which constitutes a Default or an Event of Default.

Dated: _____,200_

_____
Signature of Chief Financial Officer of
UniqueScreen Media, Inc.

EXHIBIT 31.1

CERTIFICATION

I, A. Dale Mayo, President and Chief Executive Officer of Access Integrated Technologies, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Access Integrated Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the small business issuer' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the small business issuer' s internal control over financial reporting that occurred during the small business issuer' s most recent fiscal quarter (the small business issuer' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer' s internal control over financial reporting; and

5. The small business issuer' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer' s auditors and the audit committee of the small business issuer' s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer' s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer' s internal control over financial reporting.

Date: November 14, 2006

By: /s/ A. Dale Mayo
A. Dale Mayo
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Brian D. Pflug, Senior Vice President-Accounting and Finance of Access Integrated Technologies, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Access Integrated Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the small business issuer' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the small business issuer' s internal control over financial reporting that occurred during the small business issuer' s most recent fiscal quarter (the small business issuer' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer' s internal control over financial reporting; and

5. The small business issuer' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer' s auditors and the audit committee of the small business issuer' s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer' s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer' s internal control over financial reporting.

Date: November 14, 2006

By: /s/ Brian D. Pflug
Brian D. Pflug
Senior Vice President - Accounting and Finance
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-QSB of Access Integrated Technologies, Inc. (the "Company") for the period ended September 30, 2006 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: November 14, 2006

By: /s/ A. Dale Mayo
A. Dale Mayo
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-QSB of Access Integrated Technologies, Inc. (the "Company") for the period ended September 30, 2006 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company

Date: November 14, 2006

By: /s/ Brian D. Pflug
Brian D. Pflug
Senior Vice President - Accounting and Finance
(Principal Financial Officer)