

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RELATIVITY FASHION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 15-11989 (MEW)

(Jointly Administered)

**AMENDED ORDER (A) ESTABLISHING BID PROCEDURES FOR THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS,
(B) APPROVING STALKING HORSE APA AND BIDDING
PROTECTIONS, AND (C) GRANTING CERTAIN RELATED RELIEF**

Upon the Debtors' motion (Dkt. No. 25) (the "**Motion**")² for (i) approval of the procedures (the "**Bidding Procedures**") to be used in connection with the sale of substantially all of the Debtors' assets (the "**Acquired Assets**"), (ii) authorization to enter into the Stalking Horse APA (as defined below) in connection therewith, (iii) authorization to pay the Stalking Horse Protections (as defined below) in connection therewith, (iv) the setting of dates for the Bid Deadline, Auction and Sale Hearing, and (v) the approval of procedures related to the assumption and assignment of executory contracts and unexpired leases, all as more fully described in the Motion; and the Court having held a hearing to consider the relief requested therein (the "**Bidding Procedures Hearing**") with the appearances of all interested parties noted in the record of the Bidding Procedures Hearing; and upon the record of the Bidding Procedures Hearing, the Declaration of Dr. Brian G. Kushner in Support of First-Day Pleadings (Dkt. No. 14) (the "**First Day Declaration**"), and all of the proceedings before the Court; and the Bankruptcy Court having reserved the right of the objecting parties to assert without prejudice

¹ The Debtors in these chapter 11 cases are: see page (i).

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion or the Debtors' motion for approval of post-petition financing and use of cash collateral (Dkt. No. 23).

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Relativity Fashion, LLC (4571); Relativity Holdings LLC (7052); Relativity Media, LLC (0844); Relativity REAL, LLC (1653); RML Distribution Domestic, LLC (6528); RML Distribution International, LLC (6749); RMLDD Financing, LLC (9114); 21 & Over Productions, LLC (7796); 3 Days to Kill Productions, LLC (5747); A Perfect Getaway P.R., LLC (9252); A Perfect Getaway, LLC (3939); Armored Car Productions, LLC (2750); Best of Me Productions, LLC (1490); Black Or White Films, LLC (6718); Blackbird Productions, LLC (8037); Brant Point Productions, LLC (9994); Brick Mansions Acquisitions, LLC (3910); Brilliant Films, LLC (0448); Brothers Productions, LLC (9930); Brothers Servicing, LLC (5849); Catfish Productions, LLC (7728); Cine Productions, LLC (8359); CinePost, LLC (8440); Cisco Beach Media, LLC (8621); Cliff Road Media, LLC (7065); Den of Thieves Films, LLC (3046); Don Jon Acquisitions, LLC (7951); DR Productions, LLC (7803); Einstein Rentals, LLC (5861); English Breakfast Media, LLC (2240); Furnace Films, LLC (3558); Gotti Acquisitions, LLC (6562); Great Point Productions, LLC (5813); Guido Contini Films, LLC (1031); Hooper Farm Music, LLC (3773); Hooper Farm Publishing, LLC (3762); Hummock Pond Properties, LLC (9862); Hunter Killer La Productions, LLC (1939); Hunter Killer Productions, LLC (3130); In The Hat Productions, LLC (3140); J&J Project, LLC (1832); JGAG Acquisitions, LLC (9221); Left Behind Acquisitions, LLC (1367); Long Pond Media, LLC (7197); Madaket Publishing, LLC (9356); Madaket Road Music, LLC (9352); Madvine RM, LLC (0646); Malavita Productions, LLC (8636); MB Productions, LLC (4477); Merchant of Shanghai Productions, LLC (7002); Miacomet Media LLC (7371); Miracle Shot Productions, LLC (0015); Most Wonderful Time Productions, LLC (0426); Movie Productions, LLC (9860); One Life Acquisitions, LLC (9061); Orange Street Media, LLC (3089); Out Of This World Productions, LLC (2322); Paranoia Acquisitions, LLC (8747); Phantom Acquisitions, LLC (6381); Pocomo Productions, LLC (1069); Relative Motion Music, LLC (8016); Relative Velocity Music, LLC (7169); Relativity Development, LLC (5296); Relativity Film Finance II, LLC (9082); Relativity Film Finance III, LLC (8893); Relativity Film Finance, LLC (2127); Relativity Films, LLC (5464); Relativity Foreign, LLC (8993); Relativity India Holdings, LLC (8921); Relativity Jackson, LLC (6116); Relativity Media Distribution, LLC (0264); Relativity Media Films, LLC (1574); Relativity Music Group, LLC (9540); Relativity Production LLC (7891); Relativity Rogue, LLC (3333); Relativity Senator, LLC (9044); Relativity Sky Land Asia Holdings, LLC (9582); Relativity TV, LLC (0227); Reveler Productions, LLC (2191); RML Acquisitions I, LLC (9406); RML Acquisitions II, LLC (9810); RML Acquisitions III, LLC (9116); RML Acquisitions IV, LLC (4997); RML Acquisitions IX, LLC (4410); RML Acquisitions V, LLC (9532); RML Acquisitions VI, LLC (9640); RML Acquisitions VII, LLC (7747); RML Acquisitions VIII, LLC (7459); RML Acquisitions X, LLC (1009); RML Acquisitions XI, LLC (2651); RML Acquisitions XII, LLC (4226); RML Acquisitions XIII, LLC (9614); RML Acquisitions XIV, LLC (1910); RML Acquisitions XV, LLC (5518); RML Bronze Films, LLC (8636); RML Damascus Films, LLC (6024); RML Desert Films, LLC (4564); RML Documentaries, LLC (7991); RML DR Films, LLC (0022); RML Echo Films, LLC (4656); RML Escobar Films LLC (0123); RML Film Development, LLC (3567); RML Films PR, LLC (1662); RML Hector Films, LLC (6054); RML Hillsong Films, LLC (3539); RML IFWT Films, LLC (1255); RML International Assets, LLC (1910); RML Jackson, LLC (1081); RML Kidnap Films, LLC (2708); RML Lazarus Films, LLC (0107); RML Nina Films, LLC (0495); RML November Films, LLC (9701); RML Oculus Films, LLC (2596); RML Our Father Films, LLC (6485); RML Romeo and Juliet Films, LLC (9509); RML Scripture Films, LLC (7845); RML Solace Films, LLC (5125); RML Somnia Films, LLC (7195); RML Timeless Productions, LLC (1996); RML Turkeys Films, LLC (8898); RML Very Good Girls Films, LLC (3685); RML WIB Films, LLC (0102); Rogue Digital, LLC (5578); Rogue Games, LLC (4812); Roguelife LLC (3442); Safe Haven Productions, LLC (6550); Sanctum Films, LLC (7736); Santa Claus Productions, LLC (7398); Smith Point Productions, LLC (9118); Snow White Productions, LLC (3175); Spy Next Door, LLC (3043); Story Development, LLC (0677); Straight Wharf Productions, LLC (5858); Strangers II, LLC (6152); Stretch Armstrong Productions, LLC (0213); Studio Merchandise, LLC (5738); Summer Forever Productions, LLC (9211); The Crow Productions, LLC (6707); Totally Interns, LLC (9980); Tribes of Palos Verdes Production, LLC (6638); Tuckernuck Music, LLC (8713); Tuckernuck Publishing, LLC (3960); Wright Girls Films, LLC (9639); Yuma, Inc. (1669); Zero Point Enterprises, LLC (9558). The location of the Debtors' corporate headquarters is: 9242 Beverly Blvd., Suite 300, Beverly Hills, CA 90210.

any objection to the entry of the Sale Order in accordance with paragraph 11 hereto; pursuant to sections 105(a), 363(b), 365, 503(b), and 507 of chapter 11 of title 11 of the United States Code (as amended, the “**Bankruptcy Code**”), Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 6004 1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “**Local Rules**”); the Court having entered an order approving the Bidding Procedures and providing for related relief (Dkt. No. 356); and the Debtors having requested a modified order to make clarifications to the form of Notice of Assignment and Cure and correct other typographical or clerical errors (Dkt No. 368);

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334. Venue of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. The Debtors have provided due and proper notice of the Motion and the Bidding Procedures Hearing to the parties listed on the affidavit of service (Dkt. No. 150), and no other or further notice is necessary. A reasonable opportunity to object or be heard regarding the relief requested in the Motion (including, without limitation, with respect to the Bidding Procedures and Stalking Horse Protections) has been afforded to all interested persons and entities.

C. The Debtors’ proposed notice of the Motion, the Bidding Procedures, the Auction, and the Sale Hearing is appropriate and reasonably calculated to provide all interested parties with timely and proper notice, and no other or further notice is required.

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See FED. R. BANKR. P. 7052. This order shall be deemed to incorporate any findings of fact and conclusions of law made on the record at the Bidding Procedures Hearing pursuant to Bankruptcy Rule 7052.

D. The Bidding Procedures in the form attached hereto as Annex 1 are fair, reasonable, and appropriate and are designed to maximize the recovery from a sale of the Acquired Assets (the “**Sale**”).

E. The Debtors and the Stalking Horse Bidder each negotiated the Bidding Procedures and the Stalking Horse APA in good faith and at arm’s length. The process for the Stalking Horse Bidder’s selection was fair and appropriate under the circumstances and is in the best interests of the Debtors’ estates.

F. The Stalking Horse Bidder is not an “insider” or “affiliate” of any of the Debtors, as those terms are defined in section 101 of the Bankruptcy Code, and no common identity of incorporators, directors, or controlling stockholders exist between the Stalking Horse Bidder and any of the Debtors. The Stalking Horse Bidder, its members, and its counsel and advisors have acted in “good faith” within the meaning of section 363(m) of the Bankruptcy Code in connection with the Stalking Horse Bidder’s negotiation of the Stalking Horse Protections and negotiation and entry into the Stalking Horse APA.

G. The Debtors have demonstrated a compelling and sound business justification for the Court to enter this Order and thereby (i) approve the Bidding Procedures as contemplated by the Second Amended and Restated Purchase Agreement dated as of August 27, 2015 (as amended, the “**Stalking Horse APA**”) for the sale of substantially all of the Debtors’ assets to RM Bidder LLC (the “**Stalking Horse Bidder**”) and filed as Exhibit 1 to the Debtors’ Notice of Filing (Dkt. No. 348); (ii) authorize the Debtors to pay the Expense Reimbursement on the terms and subject to the conditions set forth in the Stalking Horse APA; (iii) set the dates of the Bid Deadline, the Auction (if required), and the Sale Hearing; (iv) establish notice procedures and approve the forms of various notices; and (v) approve the procedures related to the Debtors’

assumption and assignment of executory contracts and unexpired leases in connection with the Sale.

H. The Expense Reimbursement, as approved by this Order, is fair and reasonable and provide a benefit to the Debtors' estates and creditors.

I. The Debtors have demonstrated a compelling and sound justification for authorizing the payment of the Expense Reimbursement to the Stalking Horse Bidder under the circumstances, including, without limitation, that:

- i. the Expense Reimbursement is the product of negotiations between the Debtors and the Stalking Horse Bidder conducted in good faith and at arm's-length, and the Stalking Horse APA (including the Expense Reimbursement) is the culmination of a process undertaken by the Debtors and their professionals to ensure a transaction with a bidder who was prepared to pay the highest or otherwise best purchase price for the Purchased Assets (subject to higher or otherwise better bids) in order to maximize the value of the Debtors' estates;
- ii. the Expense Reimbursement is actual and necessary costs and expenses of preserving the Debtors' estates within the meaning of sections 503(b) and 507(a) of the Bankruptcy Code;
- iii. the Expense Reimbursement is fair, reasonable, and appropriate in light of, among other things, the size and nature of the proposed Sale under the Stalking Horse APA, the substantial efforts that have been and will be expended by the Stalking Horse Bidder, notwithstanding that the proposed Sale is subject to higher or better offers, and the substantial benefits the Stalking Horse Bidder has provided to the Debtors, their estates, their creditors, and all parties in interest, including, among other things, by increasing the likelihood that the best possible price for the Acquired Assets will be received;
- iv. the protection afforded to the Stalking Horse Bidder by way of the Expense Reimbursement was material inducements for, and express conditions of, the Stalking Horse Bidder's willingness to enter into the Stalking Horse APA, and was necessary to ensure that the Stalking Horse Bidder would continue to pursue the proposed acquisition on terms acceptable to the Debtors in their sound business judgment, subject to competitive bidding; and
- v. the offer of the Expense Reimbursement in intended to promote more competitive bidding by inducing the Stalking Horse Bidder's bid, which

(i) will serve as a minimum or floor bid on which all other bidders can rely, (ii) may prove to be the highest or otherwise best available offer for the Acquired Assets, and (iii) increases the likelihood that the final purchase price will reflect the true value of the Acquired Assets.

J. Entry of this Order is in the best interests of the Debtors and their estates, creditors, and interest holders and all other parties-in-interest herein.

K. The (i) Notice of Assignment and Cure and (ii) Notice of Successful Bidder(s) are both reasonably calculated to provide counterparties to the Assumed Contracts and Leases proper notice of the potential assumption and assignment of their respective Assumed Contracts and Leases, any cure amounts relating thereto, and the Assignment Procedures.

L. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law.

ORDERED, ADJUDGED AND DECREED THAT:

1. The Bidding Procedures attached hereto as Annex 1 are approved and fully incorporated into this Order, and the Debtors are authorized and directed to act in accordance therewith. The failure to specifically include a reference to any particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness of such provision.

2. Any objections to the Motion or the relief requested therein that have not been adjourned, withdrawn, expressly reserved, or resolved are overruled in all respects on the merits. Heatherden Securities LLC's objection to the Motion on the grounds that the Debtors' approval of the Bidding Procedures was an *ultra vires* action is overruled on a final basis for the reasons stated on the record at the Bidding Procedures Hearing.

3. The form of Sale Notice attached hereto as Annex 2 is approved.

4. On or before September 3, 2015, the Debtors shall serve the Sale Notice on (a) the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**");

(b) all applicable state and local taxing authorities; (c) the Internal Revenue Service; (d) the Securities & Exchange Commission; (e) the United States Attorney General/Antitrust Division of Department of Justice; (f) each of the non-Debtor counterparties to the Assumed Contracts and Leases⁴; (g) counsel to the Stalking Horse Bidder; and (h) all entities who are known to possess or assert a claim against the Debtors (collectively, the “**Notice Parties**”). On or about the same date, the Debtors shall publish the Sale Notice once in the National Edition of The Wall Street Journal. Additionally, as soon as practicable, but in no event later than September 3, 2015, the Debtors shall make available to contract counterparties the materials of the Stalking Horse Bidder demonstrating its ability to perform under the applicable Assumed Contracts and Leases at <https://www.donlinrecano.com/clients/rm/static/adequateassurance>.

5. Service of the Sale Notice on the Notice Parties and any interested bidders in the manner described in the Motion and this Order constitutes good and sufficient notice of the Auction and the Sale Hearing. No other or further notice shall be required.

6. If the Debtors do not receive any Qualified Bid (other than the Stalking Horse Bid) on or prior to the Bid Deadline, the Debtors may, but are not required to, in their reasonable business judgment, and after reasonable consultation with the Lender Representative and the Committee, cancel the Auction and, instead, will seek approval of the sale of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse APA at the Sale Hearing.

7. In the event the Debtors receive, on or before the Bid Deadline, one or more Qualified Bids in addition to the Stalking Horse APA, an Auction shall be conducted at the offices of Blackstone, 280 Park Avenue, 16th Floor, New York, NY 10017 on October 1, 2015 at

⁴ To the extent that the Debtors later identify additional non-Debtor counterparties to the Assumed Contracts and Leases as part of their contract review process, the Debtors may serve the Sale Notice and/or the Cure Notice, as applicable, on a later date, *provided* that such notice is served on or before September 4, 2015.

10:00 a.m. (Eastern Time), or such later time on such day or such other place as the Debtors shall notify all Qualified Bidders.

8. The Specified Collateral may be offered and sold together with the Acquired Assets and any other assets of the Debtors only if such offer and sale provides in all respects on the consummation thereof for the payment in full in cash of the applicable Pre-Release P&A Loan (as defined in the Final DIP Order) related to such Specified Collateral. In addition, Armored Car Productions LLC and/or DR Productions LLC and any of their respective assets may be offered and sold together with the Acquired Assets only if such offer and sale provides in all respects for the payment in full in cash of the applicable Production Obligations, as defined in the Stalking Horse APA.

9. For parties that filed an objection as to the timing of adequate assurance materials provided by the Debtors (objections at Dockets 153, 157, and 163), the Debtors shall provide such parties with the adequate assurance materials of all Qualified Bidders on or prior to 5:00 p.m. (Eastern Time) on September 28, 2015.

10. As soon as reasonably practicable, but in no event greater than three (3) hours after the conclusion of the Auction, the Debtors shall file (a) a notice identifying the Successful Bidder(s) (the “**Notice of Successful Bidders**”) which shall include the website where the adequate assurance information of the Successful Bidder(s) and the Alternate Bidder(s) will be available; and (b) then-current proposed form of order approving the Sale as agreed upon between the Debtors and the Successful Bidder(s).

11. Objection Deadline to Sale Order. Objections to the relief sought in the Motion, including objections to the Sale free and clear of all liens, claims, interests and encumbrances, must (a) be in writing and (b) filed and served, so as to be actually received by (a) the Debtors,

c/o FTI Consulting, Inc., 633 West 5th Street, 16th Floor, Los Angeles, CA 90071, Attn: Brian G. Kushner (Brian.Kushner@fticonsulting.com) and Luke Schaeffer (Luke.Schaeffer@FTIConsulting.com); (b) proposed co-counsel to the Debtors, Jones Day, 555 South Flower Street, Fiftieth Floor, Los Angeles, California 90071, Attn: Richard L. Wynne (Rlwynne@jonesday.com) and Lori Sinanyan (Lsinanyan@jonesday.com), and Sheppard Mullin Richter Hampton, 30 Rockefeller Plaza, New York, New York 10112, Attn: Craig Wolfe (CWolfe@sheppardmullin.com); (c) the U.S. Trustee, 201 Varick Street, Suite 1006, New York, NY 10014, Attn: Susan Golden; (d) counsel to the Stalking Horse Bidder, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, 30th Floor, Los Angeles, California 90017, Attn: Mark Shinderman (mshinderman@milbank.com) and Dennis C. O'Donnell (dodonnell@milbank.com); and (e) counsel to the Official Committee of Unsecured Creditors, Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, NY 10119, Attn: Al Togut (altogut@teamtogut.com) and Frank Oswald (frankoswald@teamtogut.com) (collectively, the “**Service Parties**”) no later than September 18, 2015 at 4:00 p.m. (Eastern Time).

12. Any written replies to objections to the relief sought in the Motion with respect to the Sale shall be filed by 12:00 p.m. (Eastern Time) on the date that is one (1) business day before the Sale Hearing.

13. The Sale Hearing shall be held in the United States Bankruptcy Court for the Southern District of New York, Courtroom 617, One Bowling Green, New York, New York 10004-1408, on October 5, 2015 at 10:00 a.m. (Eastern Time), or such other date and time that the Court may later direct; *provided, however*, that the Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Court’s docket.

14. Expense Reimbursement. Pursuant to sections 105, 363, 364, 503, and 507 of the Bankruptcy Code, the Debtors are hereby authorized, empowered, and directed to pay the Expense Reimbursement to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse APA without further order of this Court. The dollar amount of the Expense Reimbursement is hereby approved. The Expense Reimbursement shall, subject to any interim or final DIP orders, be allowed as administrative expense claims in each of the Debtors' cases as super-priority administrative expense priority obligations of each Debtor under sections 364 and 503 of the Bankruptcy Code with priority over any and all other administrative expenses allowed in these cases (including all administrative expenses entitled to superpriority status pursuant to Section 507(b) of the Bankruptcy Code). In the event that a sale transaction (or transactions) is consummated with the Successful Bidder(s) or Alternate Bidder(s) that are not the Stalking Horse Bidder (each, an "**Alternative Transaction**"), then the Debtors shall pay the Expense Reimbursement to the Stalking Horse Bidder, in accordance with the terms and conditions of the Stalking Horse APA, by wire transfer of immediately available funds from the proceeds of the applicable Alternative Transaction immediately upon the consummation thereof.

15. Assignment Procedures. The assignment procedures ("**Assignment Procedures**") set forth in the notice (the "**Notice of Assignment and Cure**") attached hereto as Annex 3 are hereby approved.⁵ The Debtors shall file and serve on the non-Debtor counterparties to each Assumed Contract and Lease the Notice of Assignment and Cure by first class mail. For each Assumed Contract and Lease, the Notice of Assignment and Cure shall include (a) its title,

⁵ The executory contracts and unexpired leases proposed to be assumed and assigned pursuant to the Stalking Horse APA (the "**Assumed Contracts and Leases**") is attached as Schedule 10.1(e) to the Stalking Horse APA (the "**Assignment Schedule**"). The Assignment Schedule is subject to modification as set forth in the Motion and the Stalking Horse APA.

(b) the name of the non-Debtor counterparty, (c) any applicable cure amount (the “**Cure Amount**”), (d) the identity of the assignee, and (e) the deadline by which the non-Debtor counterparty must object to the proposed assumption and assignment.

16. Any objection to the proposed assumption of any of the Assumed Contracts and Leases and its assignment including (i) an objection to the applicable Cure Amount (a “**Cure Objection**”) and (ii) an objection to the adequate assurance of future performance (the “**Adequate Assurance Objection**”) provided by the Stalking Horse Bidder must be in writing, filed with the Court, and be actually received by the Service Parties no later than fourteen (14) days after the Notice of Assignment and Cure is mailed to the affected party, as indicated by the date noted on such Notice of Assignment and Cure. The objection must set forth the specific default alleged under the applicable Assumed Contract and Lease and claim a specific monetary amount that differs from the applicable Cure Amount, if any, and/or further information required of the Stalking Horse Bidder with respect to adequate assurance of future performance. The deadline to file the Adequate Assurance Objection pertaining to a Successful Bidder(s) other than the Stalking Horse Bidder shall be at any time up until the commencement of the Sale Hearing and verbally at the Sale Hearing, if not previously raised. The foregoing deadlines shall be referred to as the “**Applicable Objection Deadline**”.

17. Resolution of Objections to Assumption and Assignment of Assumed Contracts and Leases. If no objection is received by the Objection Deadline to an Assumed Contract or Lease, including any objection to any Cure Amount then the assumption and assignment of such Assumed Contract or Lease shall be authorized pursuant to section 365 of the Bankruptcy Code and the applicable Cure Amount, if any, shall be binding upon the non-Debtor counterparty to such Assumed Contract or Lease for all purposes and shall constitute a final determination of the

cure amount required to be paid to such Assumed Contract or Lease counterparty in connection with the assignment of such Assumed Contract or Lease to the applicable Successful Bidder. The non-Debtor counterparty to such Assumed Contract or Lease shall be (i) deemed to have waived its right to object to, contest, condition, or otherwise restrict the assumption and/or assignment of such Assumed Contract or Lease, and (ii) forever barred from objecting to the assumption and/or assignment of such Assumed Contract or Lease or the Cure Amount (including, without limitation, from asserting any additional cure or other amounts with respect to the Assumed Contract or Lease arising prior to such assumption and assignment). Furthermore, upon the assumption of such Assumed Contract or Lease, the applicable Successful Bidder shall enjoy all of the applicable Debtor's rights and benefits thereunder without the necessity of obtaining any party's written consent to such Debtor's assumption and/or assignment of such rights and benefits.

18. If a timely objection is received and such objection cannot otherwise be resolved by the parties, the Court may hear such objection at a hearing on or before October 5, 2015. Upon the agreement of the Debtors and the Buyer, the pendency of a dispute relating to cure amounts will not prevent or delay the assumption and assignment of any particular Assumed Contract or Lease. If an objection is filed only with respect to the Cure Amount, upon the agreement of the Debtors and the Buyer, the Debtors may proceed with the assumption and assignment of the relevant Assumed Contract or Lease and resolve the dispute regarding the Cure Amount at a later date, either consensually, if possible, or, if the parties are unable to resolve their dispute, by the Court.

19. Pursuant to applicable law and section 363(k) of the Bankruptcy Code, the Stalking Horse Bidder shall have the right to use (i) the DIP Obligations and (ii) the Cortland

Obligations to credit bid for all, or any portion of, the DIP Collateral or the Cortland Collateral, as applicable; *provided, however*, that any credit bid submitted by the Stalking Horse Bidder must comply with the terms of the applicable Intercreditor Agreements (as defined in the Stalking Horse APA); *provided further, however*, that to the extent that it is determined at or prior to the Sale Hearing that the Stalking Horse Bidder does not have a valid lien on the membership interests in Select Music LLC, the Stalking Horse Bidder shall be determined to not have the right to credit bid for the purchase of said membership interests.

20. Board Approval. The Debtors may not enter into or consummate a Sale Transaction without first obtaining approval from the Debtors' Board of Directors.

21. Alternative Bidder Sale Transaction. In the event that the Debtors, in consultation with the Lender Representative and the Committee, conclude that one or moreZZ Successful Bidder(s) is unable or unwilling to conclude the sale of the Purchased Assets, and the Debtors intend to proceed with one or more sale transaction(s) with an Alternative Bidder(s), the Debtors shall file a "*Notice of Intent to Proceed with Alternative Bid(s)*," identifying the Alternative Bidder(s) and the particular Purchased Assets. Following such filing, the Debtors may seek the expedited scheduling of a status conference before the Bankruptcy Court (at which counsel for the affected parties may appear telephonically) with respect to the scheduling of further proceedings relating to approval of the sale of Purchased Assets to such Alternative Bidder(s).

22. Order Effective Immediately. Notwithstanding Bankruptcy Rules 6004, 6006, 7062 or otherwise, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing.

23. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

24. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby lifted to the extent necessary, without further order of the Court, to allow the Stalking Horse Bidder to deliver any notice provided for in the Stalking Horse APA, including, without limitation, a notice terminating the Stalking Horse APA, and allow the Stalking Horse Bidder to take any and all actions permitted under the Stalking Horse APA in accordance with the terms and conditions thereof.

25. To the extent the provisions of this Order are inconsistent with the provisions of any Exhibit referenced herein or with the Motion, the provisions of this Order shall govern.

26. The Court shall retain jurisdiction over any matters related to or arising from the implementation or interpretation of this Order. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order control.

Dated: New York, New York
September 1, 2015

s/Michael E. Wiles
UNITED STATES BANKRUPTCY JUDGE

Annex 1

Bidding Procedures

BIDDING PROCEDURES

The bidding procedures set forth below (the “**Bidding Procedures**”) detail the process by which Relativity Fashion, LLC and its affiliated debtors (collectively, the “**Debtors**”)¹ are authorized to conduct a sale by auction (the “**Auction**”) of all or substantially all of the Debtors’ assets in one or more lots (the “**Acquired Assets**”) (which may or may not be identical to the Purchased Assets as defined in the Stalking Horse APA).

On July 30, 2015, the Debtors’ filed a motion (Dkt. No. 25) (the “**Motion**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) requesting, among other items, (a) approval of bidding procedures in connection with the sale of the Acquired Assets, (b) approval of the form and manner of the sale and publication notices, (c) the scheduling of the Auction and a hearing to approve the sale(s) of the Acquired Assets (the “**Sale Hearing**”), and (d) approval of procedures for determining cure amounts in connection with the assumption and assignment of executory contracts and unexpired leases. On August 9, 2015, the Debtors filed a *Notice of Filing Exhibits* (Dkt. No. 122). On August 21, 2015, the Debtors filed *Notice of Filing Modified Exhibits* (Dkt. No. 258). On August 28, 2015, the Debtors filed *Notice of Filing Second Amended and Restated APA and Form of Sale Order* (Dkt. No. 348). On August 28, 2015, the Bankruptcy Court entered an order (Dkt. No. 356), as amended on September 1, 2015 (Dkt. No. ____) (the “**Bidding Procedures Order**”) approving these Bidding Procedures. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Motion, the Stalking Horse APA, or the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing and (B) Use Cash Collateral; (II) Granting the Prepetition Lenders Adequate Protection; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief* (Dkt. No. 23).

On August 9, 2015, the Debtors entered into to an agreement with RM Bidder LLC (the “**Stalking Horse Bidder**”) to sell the Purchased Assets, which agreement was amended and restated on August 13, 2015, and further amended and restated on August 27, 2015 (as amended, the “**Stalking Horse APA**”).

Any interested bidder should contact, as soon as practical, the Debtors’ investment bankers, Blackstone Advisory Partners L.P. (“Blackstone”) at the following address: 280 Park Avenue, 16th Floor, New York, NY 10017, Attn: Tim Coleman (coleman@blackstone.com), C.J. Brown (cj.brown@blackstone.com) and Paul Sheaffer (Paul.Sheaffer@blackstone.com). Any party desiring to obtain a copy of the Motion or the Stalking Horse APA may do so by contacting Debtors’ counsel at Jones Day, 555 South Flower Street, Los Angeles, CA 90071, Attn: Susan Perry (sperry@jonesday.com).

I. The Bidding Process

The Debtors will (a) coordinate the efforts of Potential Bidders (as defined below) in conducting their respective due diligence investigations regarding the Acquired Assets;

¹ The Debtors consist of 145 entities. A complete list of these entities and further information regarding the Debtors’ chapter 11 cases is available at <https://donlinrecano.com/relativity>.

(b) receive and evaluate bids from Potential Bidder; (c) determine whether any Potential Bidder is a Qualified Bidder (as defined below); (d) receive and evaluate bids from Qualified Bidders prior to the Auction; and (e) administer the Auction. The foregoing activities are referred to, collectively, as the “**Bidding Process**.” Neither the Debtors nor their representatives will be obligated to furnish information of any kind whatsoever to any person or entity that is not (i) a Potential Bidder (or their legal counsel and financial advisors), (ii) the special purpose entity formed by certain of the Debtors’ prepetition and post-petition lenders to, among other things, represent such lenders’ interests in connection with the Auction (the “**Lender Representative**”), (iii) the Official Committee of Unsecured Creditors (the “**Committee**”), or (iv) Manchester Securities Corporation and Manchester Library Company LLC (collectively, “**Manchester**”).² The Debtors and their representatives will use good faith efforts to provide all Potential Bidders and the Stalking Horse Bidder with substantially similar access and information.

Any person or entity who wishes to participate in the Bidding Process (other than the Stalking Horse Bidder) must meet the participation requirements for Potential Bidders below and must thereafter submit a Qualified Bid to become a Qualified Bidder.

II. Participation Requirements

A. Interested Parties

Unless otherwise provided herein or ordered by the Bankruptcy Court for cause shown, to participate in the Bidding Process, each interested person or entity (each, an “**Interested Party**”) must deliver the below-listed items (unless previously delivered) to Blackstone *on or before* September 17, 2015 (or such later date to which the Debtors consent, but, in all events prior to the commencement of the Auction), delivery of which will constitute an Interested Party’s acknowledgment that its identity may be known to the Lender Representative, Manchester, and the Committee. The Interested Party must deliver each of the following:

- (1) an executed confidentiality agreement in a form and substance deemed reasonably satisfactory by the Debtors (to the extent such entity is not already party to a confidentiality agreement with the Debtors);
- (2) a statement and other factual support demonstrating to the Debtors’ reasonable satisfaction, after reasonable consultation with the Lender Representative, Manchester, and the Committee, that the Interested Party has a *bona fide* interest in purchasing all or a portion of the Acquired Assets; and
- (3) current financial statements or other information deemed reasonably acceptable to the Debtors demonstrating financial wherewithal to perform of (i) the Interested Party or (ii) the equity holder(s) of the Interested Party, if the

² If at any point at or prior to the Auction, Manchester or a Manchester affiliated entity becomes an Interested Party, Manchester agrees to forfeit the consultation rights and the right to receive any documents or materials provided for in these Bidding Procedures; *provided, however*, that such entity shall be entitled to any rights granted to an Interested Party or Qualified Bidder, as applicable.

Interested Party is an entity formed for the purpose of acquiring all or a portion of the Acquired Assets. In the case of a newly formed entity, the equity holder(s) of the Interested Party shall either guarantee the obligations of the Interested Party or provide such other form of financial disclosure and credit-quality support information or enhancement deemed reasonably acceptable to the Debtors, after reasonable consultation with the Lender Representative, Manchester, and the Committee.

After receipt of the items identified above, the Debtors shall review the materials as soon as reasonably practicable and, after reasonable consultation with the Lender Representative, Manchester, and the Committee, determine that an Interested Party has a bona fide interest in purchasing the Acquired Assets (or a subset thereof) and the financial wherewithal to do so, deeming such Interested Party a **“Potential Bidder.”** No later than two business days after the Debtors determine that an Interested Party is a Potential Bidder, the Debtors will deliver to such Potential Bidder (a) an electronic copy of the Stalking Horse APA and (b) access information for the Debtors’ confidential electronic data room, which will contain financial and other information concerning the Acquired Assets (the **“Data Room”**).

B. Due Diligence

Until the Bid Deadline (as defined below) and in addition to access to the Data Room, the Debtors will provide any Potential Bidder such due diligence access or additional information as a Potential Bidder may reasonably request and that the Debtors determine to be reasonable and appropriate under the circumstances. The Debtors may, in their sole discretion, schedule management presentations and make management otherwise available to selected bidders prior to the Bid Deadline. For any Potential Bidder who is a competitor of the Debtors or is affiliated with any competitor of the Debtors, the Debtors reserve the right to withhold any materials or information that the Debtors determine are commercially sensitive or otherwise not appropriate for disclosure to such Potential Bidder. In the event the Debtors determine that they must withhold any such information from a Potential Bidder, the Debtors shall notify the Lender Representative, Manchester, and the Committee of such determination and provide reasonable detail regarding the information withheld.

Potential Bidders must direct all additional due diligence requests to Blackstone. The Debtors, with the assistance of Blackstone, will coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. In the event that any such due diligence material is in written form and has not previously been provided to any other Potential Bidder, the Debtors will simultaneously provide such materials to all Potential Bidders and the Stalking Horse Bidder.

Unless the Debtors determine otherwise, the availability of additional due diligence to a Potential Bidder will cease if (i) the Potential Bidder does not become a Qualified Bidder (defined below), from and after the Bid Deadline; or (ii) the Bidding Process otherwise terminates.

III. Aggregate Bids

The Acquired Assets may be sold in *more than one lot*, so long as the aggregate sales proceeds of all lots, net of the costs to the Debtors' estates relating to the Acquired Assets not sold, would, as determined by the Debtors, after reasonable consultation with the Committee and Manchester, result in greater net proceeds than any Qualified Bid for all of the Purchased Assets. The Debtors may aggregate separate Qualified Bids from unaffiliated persons to create one Qualified Bid from one or more Qualified Bidders. Potential Bidders wishing to bid on one or more lots need not be affiliated persons and need not act in concert with one another; provided, however, that all Potential Bidders shall be subject to the provisions of 11 U.S.C. § 363(n) regarding collusive bidding.

IV. Qualified Bid

Each bid, offer, solicitation, or proposal a Potential Bidder submits must satisfy each of the following conditions to constitute a "**Qualified Bid**" and for the Potential Bidder to constitute a "**Qualified Bidder**."

A. Bid Deadline

A Potential Bidder who desires to be a Qualified Bidder must deliver written and electronic copies of the Required Bid Documents (as defined below) to the following parties no later than **12:00 p.m.** (Eastern Time) on **September 25, 2015** (the "**Bid Deadline**"):

- (1) Blackstone Advisory Partners L.P., 280 Park Avenue, 16th Floor, New York, NY 10017, Attn: Tim Coleman (Coleman@blackstone.com), C.J. Brown (CJ.Brown@blackstone.com) and Paul Sheaffer (Paul.Sheaffer@blackstone.com);
- (2) FTI Consulting, Inc., 633 West 5th Street, 16th Floor, Los Angeles, CA 90071, Attn: Brian G. Kushner (Brian.Kushner@fticonsulting.com) and Luke Schaeffer (Luke.Schaeffer@FTIConsulting.com);
- (3) Jones Day, 555 South Flower Street, Fiftieth Floor, Los Angeles, California 90071, Attn: Richard L. Wynne (Rlwynne@jonesday.com) and Lori Sinanyan (Lsinanyan@jonesday.com);
- (4) Sheppard Mullin Richter Hampton, 30 Rockefeller Plaza, New York, NY 10112, Attn: Craig Wolfe (CWolfe@sheppardmullin.com); and
- (5) Counsel to the Committee at Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, NY 10119, Attn: Al Togut (altogut@teamtogut.com) and Frank Oswald (frankoswald@teamtogut.com).

After reasonable consultation with the Lender Representative, Manchester, and the Committee, the Debtors may extend the Bid Deadline once or successively, but are not obligated to do so. If the Debtors extend the Bid Deadline, they will promptly notify all Potential Bidders of such extension.

At any time after the Bid Deadline and prior to the conclusion of the Auction, the Debtors further reserve the right, in their reasonable business judgment and after reasonable consultation with the Lender Representative, Manchester, and the Committee, to invite parties that have not previously submitted Qualified Bids to do so, such that they may be considered for participation in the Auction pursuant to the Bidding Procedures.

B. Bid Requirements

Other than the bid submitted by the Stalking Horse Bidder (the “**Stalking Horse Bid**”), and except as otherwise provided herein, all bids must include the following items (the “**Required Bid Documents**”):

- (a) a letter stating that the bidder’s offer is irrevocable until (a) the conclusion of the Auction to the extent the bidder is not the Successful Bidder or the Alternate Bidder, or (b) the closing of the Sale Transaction (the “**Closing**”) to the extent the bidder is the Successful Bidder or the Alternate Bidder;
- (b) a duly authorized and executed purchase agreement, setting forth the purchase price for the Acquired Assets (or a subset thereof), together with all exhibits and schedules, each marked to show the required amendments and modifications to the Stalking Horse APA and the proposed Sale Order; provided however, that any purchase agreement seeking to acquire one or more motion picture titles must contain language that is identical to Section 2.3(f) and Section 2.4 of the Stalking Horse APA.
- (c) written evidence of a firm commitment for financing, or other evidence of ability to consummate the proposed transaction without financing; provided however, that the Debtors will determine, in their business judgment and after reasonable consultation with the Lender Representative, Manchester, and the Committee, whether the written evidence of such financial wherewithal is acceptable.

Other than the exceptions for credit bids of a Senior Lender as provided for in Section XIII, a bid will be considered only if the bid:

- (1) identifies all or a portion of the Acquired Assets to be purchased and the contracts and leases to be assumed and assigned;
- (2) sets forth the consideration to be provided for the Acquired Assets (or a subset thereof) to be purchased and the contracts and leases to be assumed and assigned;
- (3) is not conditioned on obtaining financing or any contingencies as to the validity, effectiveness, and/or binding nature of the offer, including without limitation, further due diligence other than confirmatory due diligence (provided that no Qualified Bid at the Auction may be conditioned on completion of due diligence);

- (4) provides evidence satisfactory to the Debtors, in their business judgment and after reasonable consultation with the Lender Representative, Manchester, and the Committee, of the bidder's financial wherewithal and operational ability to consummate the transaction and satisfy its adequate assurance of future performance requirement with respect to any executory contract or unexpired lease to be assigned to it³;
- (5) provides evidence satisfactory to the Debtors that, in their business judgment and after reasonable consultation with the Lender Representative, Manchester, and the Committee, is sufficient to demonstrate that the bidder has all required internal corporate, legal, or other authorizations to purchase the Acquired Assets (or a subset thereof) and can satisfy all regulatory conditions or requirements to consummate the transaction no later than October 20, 2015;
- (6) is irrevocable until (a) the conclusion of the Auction to the extent the bidder is not the Successful Bidder or the Alternate Bidder or (b) the Debtors have consummated a transaction with the Successful Bidder(s) (as defined below) or the Alternate Bidder(s) (as defined below) for the applicable Acquired Assets;
- (7) is accompanied by a cash deposit (via wire transfer) to an escrow agent selected by the Debtors (the "**Deposit Agent**") equal to five percent (5%) of such bidder's bid (a "**Good Faith Deposit**");
- (8) sets forth the representatives who are authorized to appear and act on behalf of the bidder at the Auction;
- (9) indicates that the bidder will not seek any break-up fee, expense reimbursement, or similar type of payment;
- (10) include evidence of the bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including, without limitation, providing adequate assurance of such bidder's ability to perform future obligations arising under the contracts and leases proposed in its bid to be assumed by the Debtors and assigned to the bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases; and
- (11) is received on or before the Bid Deadline.

³ Adequate assurance of future performance information should: (1) demonstrate the bidder's adequate capitalization and ability to adequately fund its operations, including in the case of bidders for the film business, the ability to make and to theatrically release films; (2) for bidders purchasing either the television or film business, or both, identify who the buyer's management team will be; and (3) in the case of a bidder seeking to have assumed and assigned to it the Netflix or Viacom distribution agreements, demonstrate the ability to comply with the technical requirements for films distributed under such agreement, to the extent that such requirements are already set forth in the Netflix or Viacom distribution agreements.

In addition to the enumerated requirements set forth immediately above, with respect to any bid that seeks to purchase all or substantially all of the Acquired Assets, in order to be a Qualified Bid, the bid must provide for consideration that is higher or better than the consideration provided for under the Stalking Horse APA, taking into account the amount of the Expense Reimbursement, including, without limitation, total cash consideration in an amount not less than the Expense Reimbursement and any amounts required to be paid by the Stalking Horse Bidder to pay in full in cash the Senior Obligations (as defined in the Stalking Horse APA) applicable to the Purchased Assets. In aggregating the bids of Qualified Bids for anything less than all or substantially all of the Acquired Assets, (i) the aggregate of the bids must provide for the same total cash consideration in order for the aggregate of the Qualified Bids to be considered a topping bid; provided however, that such cash consideration requirement shall not apply to credit bids of a Senior Lender as provided for in Section XIII, and (ii) the Debtors may take into account the failure of a Qualified Bid to include its proportional share of all requisite cash components in its bid.

If a bid is received and, in the Debtors' judgment, in consultation with Manchester and the Committee, it is not clear to the Debtors whether the bid is a Qualified Bid, the Debtors may consult with the Potential Bidder and seek additional information in an effort to establish whether or not a bid is a Qualified Bid.

Each bidder will be deemed to acknowledge and each bidder will represent that it has had an opportunity to conduct any and all due diligence regarding the Acquired Assets that are the subject of the Auction prior to making any such bids; that it has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the applicable Acquired Assets in making its bid; and that it did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the applicable Acquired Assets or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures or, as to the Successful Bidder(s), the asset purchase agreement(s) with such Successful Bidder(s).

Upon the Debtors' receipt of a bid(s) from a Potential Bidder, the Debtors shall, within twenty four (24) hours, provide a summary of such bid(s) to (i) the Lender Representative and its counsel; (ii) Manchester and its counsel; and (iii) the Committee and its counsel; and (iv) each of the Senior Lenders and its respective counsel.

V. Evaluation of Qualified Bids

Unless the Debtors, after reasonable consultation with the Lender Representative, Manchester, and the Committee, agree otherwise, a bid received from a Potential Bidder (other than the Stalking Horse Bidder) will constitute a Qualified Bid only if it includes all of the Required Bid Documents and meets all of the above requirements (except as otherwise provided for credit bids of a Senior Lender as provided for in Section XIII). All Qualified Bids will be considered, but the Debtors reserve the right to reject any and all bids other than the highest or otherwise best bid(s) in the Debtors' business judgment and after reasonable consultation with the Committee and Manchester. The Debtors may, in their business judgment and after reasonable consultation with the Committee and Manchester, evaluate bids on numerous grounds including, without limitation, (i) any delay, (ii) additional risks (including closing risks), (iii) whether the Qualified Bidder provides for an amount sufficient to pay the Senior Obligations

applicable to the Purchased Assets in cash in full (other than for credit bids of a Senior Lender as provided for in Section XIII), and (iv) added costs to the Debtors including, without limitation, payment of the Expense Reimbursement.

The Debtors shall make a determination regarding whether a bid is a Qualified Bid and shall notify bidders whether their bids have been determined to be qualified by no later than **3:00 p.m.** (Eastern time) on **September 28, 2015**. The Debtors reserve the right, at any time after the Bid Deadline and prior to the commencement of the Auction, to request parties submitting written offers (whether or not such offers might be determined to be Qualified Bids) to amend their written offers.

Notwithstanding the foregoing, the Stalking Horse Bidder will be deemed a Qualified Bidder and the Stalking Horse APA will be deemed a Qualified Bid for all purposes in connection with the Bidding Procedures.

VI. Expense Reimbursement

Recognizing the Stalking Horse Bidder's expenditure of time, energy, and resources, and the benefit that these efforts provided, the Debtors have agreed that, if the Stalking Horse Bidder is not the Successful Bidder, the Sellers will pay to the Stalking Horse Bidder the Expense Reimbursement up to \$1,000,000.00. The applicable provisions of the Stalking Horse APA and the order of the Bankruptcy Court approving these Bidding Procedures (the "**Bidding Procedures Order**") will govern the payment of the Expense Reimbursement.

VII. Auction

The Stalking Horse Bidder is deemed a Qualified Bidder, and the Stalking Horse Bid is deemed a Qualified Bid. If the Debtors do not receive any Qualified Bid (other than the Stalking Horse Bid) on or prior to the Bid Deadline, the Debtors may, but are not required to, in their reasonable business judgment, and after reasonable consultation with the Lender Representative, Manchester, and the Committee, cancel the Auction.

In the event that the Debtors timely receive more than one Qualified Bid, the Debtors shall conduct the Auction of the Acquired Assets. The Debtors shall conduct the Auction in accordance with these Bidding Procedures and upon notice to all Qualified Bidders who have submitted Qualified Bids. The Auction for the Acquired Assets will be conducted at the offices of Blackstone, 280 Park Avenue, 16th Floor, New York, NY 10017 on **October 1, 2015 at 10:00 a.m. (Eastern Time)**. To the extent the Auction concludes without disposing of all or substantially all of the Acquired Assets, the Debtors may elect, after reasonable consultation with Manchester and the Committee, to conduct one or more additional auctions to dispose of the balance of the Acquired Assets on October 2, 2015 and other dates thereafter as may be announced at the Auction.

Only representatives or agents of the Debtors, the Stalking Horse Bidder, the Lender Representative, the Cortland Agent, the DIP Agent, the Committee, and any Qualified Bidders that have submitted a Qualified Bid (and the legal and financial advisors to each of the foregoing) will be entitled to attend the Auction. Additionally, each Senior Lender and Manchester will be entitled to send two representatives (or a greater number of representatives

that the Debtors may reasonably accommodate) to attend the Auction. Only the Stalking Horse Bidder and Qualified Bidders will be entitled to make any subsequent bids at the Auction. All bids must be made openly and in the presence of all parties at the Auction.

At least 18 hours prior to the Auction, the Debtors will provide copies of the Qualified Bid(s) that the Debtors believe, in their reasonable discretion and after reasonable consultation with Manchester and the Committee, represent the highest or otherwise best offer (the “**Starting Bid**”) to (i) all Qualified Bidders (including the Stalking Horse Bidder) that have informed the Debtors of their intent to participate in the Auction, (ii) the Lender Representative, (iii) the DIP Agent, (iv) the Cortland Agent and (v) the Senior Lenders. If requested, the Debtors will provide to these same parties an explanation of how the Starting Bid is valued and a list of all Qualified Bidders.

If a Qualified Bidder elects not to attend the Auction, such Qualified Bidder’s Qualified Bid will nevertheless remain fully enforceable against such Qualified Bidder and such Qualified Bidder may still be designated as the Alternate Bidder.

After reasonable consultation with the Lender Representative, Manchester, and the Committee, the Debtors may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids (as defined below)) for conducting the Auction, provided that such rules are (a) not inconsistent with the Bidding Procedures Order, the Bankruptcy Code, or any Order of the Bankruptcy Court entered in connection herewith; and (b) disclosed to each Qualified Bidder participating in the Auction.

Bidding for all or substantially all of the assets at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round a Qualified Bidder(s) submits at least one subsequent bid that is no less than \$1,000,000.00 above the immediately preceding highest or best bid. The Debtors may, in consultation with Manchester and the Committee, set the bid increment for any follow-on auction(s) to dispose of the balance of the Acquired Assets at an amount proportional to the assets being sold.

After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid(s) that they believe to be the highest or otherwise best offer or combination of offers (the “**Leading Bid**”).

A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge and written confirmation of the Leading Bid.

For the purpose of evaluating the value of the consideration provided by Subsequent Bids, the Debtors shall take into account the Expense Reimbursement that may be payable to the Stalking Horse Bidder and whether the bid provides for an amount sufficient to pay the Senior Obligations applicable to the Purchased Assets in cash in full (except as otherwise provided for credit bids of a Senior Lender as provided for in Section XIII), any additional liabilities to be assumed by a Qualified Bidder, and any additional costs that may be imposed on the Debtors.

For the purpose of evaluating Subsequent Bids (including any subsequent bid from the Stalking Horse Bidder), the Sellers may require a Qualified Bidder (other than the Stalking Horse Bidder) submitting a Subsequent Bid to submit, as part of its Subsequent Bid, additional evidence (in the form of financial disclosure or credit-quality support information or

enhancement reasonably acceptable to the Debtors in their business judgment and after reasonable consultation with Manchester and the Committee) demonstrating such Qualified Bidder's ability to close the proposed transaction. To the extent a Qualified Bidder has, by the time of the Auction, secured HSR approval, such approval shall be taken into consideration in determining higher or better offers.

VIII. Selection Of Successful Bid(s)

The Debtors reserve the right to (a) determine, in their reasonable business judgment and after reasonable consultation with Manchester and the Committee, which Qualified Bid(s) is/are the highest or otherwise best and (b) reject at any time prior to entry of a Bankruptcy Court order approving an offer, without liability, any bid or offer, other than the Stalking Horse Bid, that the Debtors, in their reasonable business judgment and after reasonable consultation with Manchester and the Committee, deem to be (i) inadequate or insufficient, (ii) not a Qualified Bid or not otherwise in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, or procedures set forth therein or herein, or (iii) contrary to the best interests of the Debtors and their estates.

Prior to the conclusion of the Auction, the Debtors, after reasonable consultation with Manchester and the Committee, will (a) review and evaluate each bid made at the Auction on the basis of financial and contractual terms and other factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale Transaction and the cost to the Debtors' estates with respect to the payment of the Expense Reimbursement; (b) identify the highest or otherwise best offer or collection of offers (the "**Successful Bid(s)**"); (c) determine which Qualified Bid is the next highest or otherwise best offer or collection of offers (the "**Alternate Bid(s)**") for the Acquired Assets; and (d) notify all Qualified Bidders participating in the Auction, prior to its adjournment, of (i) the identity of the bidder(s) whose bid(s) were determined to be the Successful Bids (the "**Successful Bidder(s)**"), (ii) the amount and other material terms of the Successful Bid(s), and (iii) the identity of the party or parties that submitted the Alternate Bid(s) (the "**Alternate Bidder(s)**").

Notwithstanding anything contained herein to the contrary, the Debtors shall not accept any offer or any collection of offers which would have Net Cash Proceeds (as defined in the DIP Credit Agreement) less than the amount necessary to repay the DIP Obligations in full on the date the sale contemplated by such bid is consummated; provided however, that such requirement shall not be applicable to the extent such requirement conflicts with the Bidding Procedures Order or to credit bids of a Senior Lender as provided for in Section XIII so long as the credit bid otherwise complies with any applicable Intercreditor Agreement.

In the event that there are three or more Qualified Bidders for substantially all of the Acquired Assets, and, at the conclusion of the Auction, the Stalking Horse Bidder is in second position, at the election of the Stalking Horse Bidder, the Stalking Horse Bidder may cede its position as Alternate Bidder, with the result that the Qualified Bidder in third position will be deemed to have made the Alternate Bid.

In advance of the Sale Hearing, the Debtors shall seek the approval from the Debtors' Board of Directors of the sale to the Successful Bidder(s). Thereafter, the Successful Bidder(s) and the applicable Debtors shall complete and execute all agreements, instruments, or other

documents necessary to bind the Successful Bidder(s) to close on the applicable sale(s) or transactions contemplated by the applicable Successful Bid(s).

The Debtors will sell the Acquired Assets for the highest or otherwise best Qualified Bid(s) to the Successful Bidder(s) upon the approval of such Qualified Bid by the Bankruptcy Court after the Sale Hearing. The presentation of a particular Qualified Bid to the Bankruptcy Court for approval does not constitute the Debtors' acceptance of the Qualified Bid. The Debtors will be deemed to have accepted a Qualified Bid only when the bid has been approved by the Bankruptcy Court at the Sale Hearing. Only the Stalking Horse Bidder or another entity or entities constituting the Successful Bidder(s) will be entitled to purchase the Acquired Assets (or a subset thereof) pursuant to these Bidding Procedures.

If for any reason, the Successful Bidder(s) fails to consummate the purchase of the Acquired Assets (or a subset thereof), the Debtors and the Alternate Bidder(s) are authorized to effect the sale of the Acquired Assets (or a subset thereof) to such Alternate Bidder(s) as soon as is commercially reasonable. If such failure to consummate the purchase is the result of a breach by the Successful Bidder(s), the Debtors reserve the right to seek all available remedies from the defaulting Successful Bidder(s), subject to the terms of the applicable purchase agreement.

IX. The Sale Hearing

The Sale Hearing will be held before the Honorable Michael E. Wiles on **October 5, 2015 at 10:00 a.m. (Eastern Time)** in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004-1408. The Sale Hearing may be adjourned without further notice by an announcement of the adjourned date at the Sale Hearing. If the Debtors do not receive any Qualified Bids (other than the Stalking Horse Bid), the Debtors will report the same to the Bankruptcy Court at the Sale Hearing and will seek approval of the sale of the Purchased Assets to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse APA. In all other events, the Debtors will seek (1) at the Sale Hearing approval of the offer(s) constituting the Successful Bid(s), and (2) to the extent applicable, approval of the offer(s) constituting the Alternate Bid(s) after filing a "*Notice of Intent to Proceed with Alternative Bid(s)*" and seeking a status conference and hearing.

The Debtors' presentation to the Bankruptcy Court of the offer or offers constituting the Successful Bid(s) and Alternate Bid(s) will not constitute the Debtors' acceptance of either of any such bid, which acceptance will only occur upon approval of such bid(s) by the Bankruptcy Court at the Sale Hearing. Following approval of the Sale to the Successful Bidder(s), if the Successful Bidder(s) fails to consummate the sale because of (a) failure of a condition precedent beyond the control of either the Debtors or the Successful Bidder(s), upon which occurrence the Debtors have filed a notice with the Bankruptcy Court advising of such failure, or (b) a breach or failure to perform on the part of such Successful Bidder(s), upon which occurrence the Debtors have filed a notice with the Bankruptcy Court advising of such breach or failure to perform, then the Alternate Bid(s) will be deemed to be the Successful Bid(s) and the Debtors will be authorized, but not directed, to effectuate a sale to the Alternate Bidder(s) subject to the terms of the Alternate Bid(s) of such Alternate Bidder(s) without further order of the Bankruptcy Court.

X. Return of Good Faith Deposit

The Deposit Agent will hold the Good Faith Deposits of all Qualified Bidders in escrow, and, while held in escrow, the Good Faith Deposits will not become property of the Debtors'

bankruptcy estates unless released from escrow pursuant to terms of the applicable escrow agreement or pursuant to further order of the Bankruptcy Court. The Deposit Agent will retain the Good Faith Deposits of the Successful Bidder(s) and the Alternate Bidder(s) until the Closing unless otherwise ordered by the Bankruptcy Court. The Good Faith Deposits of the other Qualified Bidders will be returned within five (5) business days of the entry of the Sale Order. At the Closing, the Successful Bidder(s) will be entitled to a credit for the amount of its Good Faith Deposit. The Deposit Agent will release the Good Faith Deposit of the Alternate Bidder(s) five business days after the Closing with the Successful Bidder(s). Upon the return of the Good Faith Deposits, their respective owners will receive any and all interest that will have accrued thereon.

XI. As Is, Where Is

The sale of the Acquired Assets will be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by the Debtors, their agents, or their estates except as provided in any agreement with respect to the sale or sales approved by the Bankruptcy Court.

XII. Free and Clear of Any and All Interests

Except as otherwise provided in the Sale Order, the Stalking Horse APA or another Successful Bidder(s)’s purchase agreement, all of Debtors’ right, title, and interest in, and to, the Acquired Assets subject thereto will be sold free and clear of any pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon (collectively, the “**Interests**”) to the maximum extent permitted under section 363 of the Bankruptcy Code. Such Interests will attach to the net proceeds of the sale of the Acquired Assets (or a subset thereof) with the same validity and priority as such Interests applied against the applicable Acquired Assets.

XIII. Credit Bid Right

Subject to the entry of the order approving the DIP Facility on a final basis and other applicable law and pursuant to section 363(k) of the Bankruptcy Code, the Stalking Horse Bidder, or another party to which the Stalking Horse Bidder’s rights under the Stalking Horse APA are assigned with the consent of the Debtors, will have the right to use its portion of (i) the DIP Obligations, DIP Liens, and DIP Superpriority Claims; and (ii) the Cortland Obligations to credit bid as the equivalent of cash on a dollar-for-dollar basis with respect to any bulk or piecemeal sale of all, or any portion of, the DIP Collateral or the Cortland Collateral, as applicable; provided however, that any credit bid by the Stalking Horse Bidder, or another party to which the Stalking Horse Bidder’s rights under the Stalking Horse APA are assigned, must be consistent with the terms of the applicable Intercreditor Agreements (as defined in the Stalking Horse APA).

In addition, any Senior Lender, whose Liens are not the subject of a current challenge filed with the Bankruptcy Court on or before September 27, 2015 at 11:59 p.m. (Eastern time), will have the right to use its portion of the Senior Obligations to credit bid as the equivalent of cash on a dollar-for-dollar basis up to the amount of its secured claim with respect to any sale, without compliance with the Qualified Bid requirements II(A), and IV(B)(4), (5) and (7) set forth above; provided however, that if a Lien(s) is the subject of such a challenge, the applicable

Senior Lender shall be entitled to seek relief from the Bankruptcy Court allowing such credit bid to nonetheless proceed, with the rights and objections of all parties reserved in connection therewith.

XIV. Reservation of Rights; Deadline Extension

Notwithstanding any of the foregoing and subject in all respects to the terms of the DIP Credit Agreement and the Bidding Procedures Order, the Debtors reserve their rights, in the exercise of their fiduciary obligations and after reasonable consultation with Manchester and the Committee, to modify the Bidding Procedures or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Acquired Assets or any subset thereof, including, without limitation, extending the deadlines set forth in the Bidding Procedures, modifying bidding increments, adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice, withdrawing from the Auction the Acquired Assets at any time prior to or during the Auction or canceling the Auction, and rejecting all Qualified Bids.

Dated: September 3, 2015

JONES DAY

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Annex 2

**Form of Notice of (A) Solicitation of Bids to Purchase
Substantially All of the Debtors' Assets, (B) Auction and (C) Sale Hearing**

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Proposed Co-Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RELATIVITY FASHION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 15-11989 (MEW)

(Jointly Administered)

**NOTICE OF (A) SOLICITATION OF BIDS TO PURCHASE SUBSTANTIALLY
ALL THE DEBTORS' ASSETS, (B) AUCTION AND (C) SALE HEARING**

¹ The Debtors in these chapter 11 cases are: see page (i).
NAI-1500459786v7 -2-

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Relativity Fashion, LLC (4571); Relativity Holdings LLC (7052); Relativity Media, LLC (0844); Relativity REAL, LLC (1653); RML Distribution Domestic, LLC (6528); RML Distribution International, LLC (6749); RMLDD Financing, LLC (9114); 21 & Over Productions, LLC (7796); 3 Days to Kill Productions, LLC (5747); A Perfect Getaway P.R., LLC (9252); A Perfect Getaway, LLC (3939); Armored Car Productions, LLC (2750); Best of Me Productions, LLC (1490); Black Or White Films, LLC (6718); Blackbird Productions, LLC (8037); Brant Point Productions, LLC (9994); Brick Mansions Acquisitions, LLC (3910); Brilliant Films, LLC (0448); Brothers Productions, LLC (9930); Brothers Servicing, LLC (5849); Catfish Productions, LLC (7728); Cine Productions, LLC (8359); CinePost, LLC (8440); Cisco Beach Media, LLC (8621); Cliff Road Media, LLC (7065); Den of Thieves Films, LLC (3046); Don Jon Acquisitions, LLC (7951); DR Productions, LLC (7803); Einstein Rentals, LLC (5861); English Breakfast Media, LLC (2240); Furnace Films, LLC (3558); Gotti Acquisitions, LLC (6562); Great Point Productions, LLC (5813); Guido Contini Films, LLC (1031); Hooper Farm Music, LLC (3773); Hooper Farm Publishing, LLC (3762); Hummock Pond Properties, LLC (9862); Hunter Killer La Productions, LLC (1939); Hunter Killer Productions, LLC (3130); In The Hat Productions, LLC (3140); J&J Project, LLC (1832); JGAG Acquisitions, LLC (9221); Left Behind Acquisitions, LLC (1367); Long Pond Media, LLC (7197); Madaket Publishing, LLC (9356); Madaket Road Music, LLC (9352); Madvine RM, LLC (0646); Malavita Productions, LLC (8636); MB Productions, LLC (4477); Merchant of Shanghai Productions, LLC (7002); Miacomet Media LLC (7371); Miracle Shot Productions, LLC (0015); Most Wonderful Time Productions, LLC (0426); Movie Productions, LLC (9860); One Life Acquisitions, LLC (9061); Orange Street Media, LLC (3089); Out Of This World Productions, LLC (2322); Paranoia Acquisitions, LLC (8747); Phantom Acquisitions, LLC (6381); Pocomo Productions, LLC (1069); Relative Motion Music, LLC (8016); Relative Velocity Music, LLC (7169); Relativity Development, LLC (5296); Relativity Film Finance II, LLC (9082); Relativity Film Finance III, LLC (8893); Relativity Film Finance, LLC (2127); Relativity Films, LLC (5464); Relativity Foreign, LLC (8993); Relativity India Holdings, LLC (8921); Relativity Jackson, LLC (6116); Relativity Media Distribution, LLC (0264); Relativity Media Films, LLC (1574); Relativity Music Group, LLC (9540); Relativity Production LLC (7891); Relativity Rogue, LLC (3333); Relativity Senator, LLC (9044); Relativity Sky Land Asia Holdings, LLC (9582); Relativity TV, LLC (0227); Reveler Productions, LLC (2191); RML Acquisitions I, LLC (9406); RML Acquisitions II, LLC (9810); RML Acquisitions III, LLC (9116); RML Acquisitions IV, LLC (4997); RML Acquisitions IX, LLC (4410); RML Acquisitions V, LLC (9532); RML Acquisitions VI, LLC (9640); RML Acquisitions VII, LLC (7747); RML Acquisitions VIII, LLC (7459); RML Acquisitions X, LLC (1009); RML Acquisitions XI, LLC (2651); RML Acquisitions XII, LLC (4226); RML Acquisitions XIII, LLC (9614); RML Acquisitions XIV, LLC (1910); RML Acquisitions XV, LLC (5518); RML Bronze Films, LLC (8636); RML Damascus Films, LLC (6024); RML Desert Films, LLC (4564); RML Documentaries, LLC (7991); RML DR Films, LLC (0022); RML Echo Films, LLC (4656); RML Escobar Films LLC (0123); RML Film Development, LLC (3567); RML Films PR, LLC (1662); RML Hector Films, LLC (6054); RML Hillsong Films, LLC (3539); RML IFWT Films, LLC (1255); RML International Assets, LLC (1910); RML Jackson, LLC (1081); RML Kidnap Films, LLC (2708); RML Lazarus Films, LLC (0107); RML Nina Films, LLC (0495); RML November Films, LLC (9701); RML Oculus Films, LLC (2596); RML Our Father Films, LLC (6485); RML Romeo and Juliet Films, LLC (9509); RML Scripture Films, LLC (7845); RML Solace Films, LLC (5125); RML Somnia Films, LLC (7195); RML Timeless Productions, LLC (1996); RML Turkeys Films, LLC (8898); RML Very Good Girls Films, LLC (3685); RML WIB Films, LLC (0102); Rogue Digital, LLC (5578); Rogue Games, LLC (4812); Roguelife LLC (3442); Safe Haven Productions, LLC (6550); Sanctum Films, LLC (7736); Santa Claus Productions, LLC (7398); Smith Point Productions, LLC (9118); Snow White Productions, LLC (3175); Spy Next Door, LLC (3043); Story Development, LLC (0677); Straight Wharf Productions, LLC (5858); Strangers II, LLC (6152); Stretch Armstrong Productions, LLC (0213); Studio Merchandise, LLC (5738); Summer Forever Productions, LLC (9211); The Crow Productions, LLC (6707); Totally Interns, LLC (9980); Tribes of Palos Verdes Production, LLC (6638); Tuckernuck Music, LLC (8713); Tuckernuck Publishing, LLC (3960); Wright Girls Films, LLC (9639); Yuma, Inc. (1669); Zero Point Enterprises, LLC (9558). The location of the Debtors' corporate headquarters is: 9242 Beverly Blvd., Suite 300, Beverly Hills, CA 90210.

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On July 30, 2015, the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) filed the *Debtors’ Motion for (I) an Order (A) Establishing Bid Procedures for the Sale of Substantially All of the Debtors’ Assets, (B) Approving Stalking Horse APA and Bidding Protection, and (C) Granting Certain Related Relief and (II) an Order (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Certain Related Relief* [Dkt. No. 25] (the “**Sale Motion**”) with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).² On August 9, 2015, the Debtors filed a Notice of Filing Exhibits [Dkt. No. 122]. On August 21, 2015, the Debtors filed Notice of Filing Modified Exhibits [Dkt. No. 258]. On August 28, 2015, the Debtors filed a Notice of Filing including the Stalking Horse APA and form of sale order [Dkt. No. 348].

2. You may obtain a copy of the Sale Motion, the Bidding Procedures Order, and the Stalking Horse APA by: (a) sending a written request to the Debtors’ co-counsel, Jones Day, 555 S. Flower St, Los Angeles, CA 90071, Fax No. (213) 243-2539, Attn: Susan J. Perry (sjperry@jonesday.com); or (b) accessing the website maintained by the Debtors’ claims and noticing agent, Donlin, Recano & Company, Inc., at <https://www.donlinrecano.com/relativity>.

3. The Debtors have agreed upon the material terms of a Stalking Horse APA with the Stalking Horse Bidder and will seek capable and willing bidders for all or substantially all of the Debtors’ assets in one or more lots (the “**Acquired Assets**”) (which may or may not be identical to the Purchased Assets as defined in the Stalking Horse APA) prior to the Auction date as provided in the Bidding Procedures Order (as defined below).

4. On August 28, 2015, the Bankruptcy Court entered the Bidding Procedures Order [Dkt. No. 356], as amended on September 1, 2015 [Dkt. No. ____]. The Bidding Procedures Order specifies, among other things, procedures under which interested parties may submit a “**Qualified Bid**” to purchase the Acquired Assets or some subset thereof in one or more lots. All interested parties are invited to submit a Qualified Bid pursuant to the terms of the Bidding Procedures Order.

5. In the event the Debtors timely receive, on or before the Bid Deadline, one or more Qualified Bids in addition to the Stalking Horse APA, the Debtors shall conduct an Auction at the offices of Blackstone, 280 Park Avenue, 16th Floor, New York, NY 10017 on **October 1, 2015 at 10:00 a.m.** (Eastern Time) or such later time on such day or such other place as the Debtors notify all Qualified Bidders.

6. If the Debtors do not receive any Qualified Bid (other than the Stalking Horse Bid) on or prior to the Bid Deadline, the Debtors may, but are not required to, in their reasonable business judgment, and after reasonable consultation with the Lender Representative, Manchester, and the Committee, cancel the Auction and, instead, will seek approval of the sale of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse APA at the Sale Hearing.

7. The Sale Hearing will be held in the United States Bankruptcy Court for the Southern District of New York, Courtroom 617, One Bowling Green, New York, New York 10004-

² Capitalized terms not otherwise defined herein have the meanings given them in the Sale Motion.
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1408, on October 5, 2015 at 10:00 a.m. (Eastern Time) or such other date and time that the Bankruptcy Court may later direct.

8. Objections to the relief sought in the Sale Order, including but not limited to the sale free and clear of liens, claims, encumbrances and other interests, must (a) be in writing and (b) filed and served, so as to be actually received by (a) the Debtors c/o FTI Consulting, Inc., 633 West 5th Street, 16th Floor, Los Angeles, CA 90071, Attn: Brian G. Kushner (Brian.Kushner@fticonsulting.com) and Luke Schaeffer (Luke.Schaeffer@FTIConsulting.com); (b) counsel for the Debtors, Jones Day, 555 South Flower Street, Fiftieth Floor, Los Angeles, California 90071, Attn: Richard L. Wynne (Rlwynne@jonesday.com) and Lori Sinanyan (LSinanyan@jonesday.com) and Sheppard Mullin Richter Hampton, 30 Rockefeller Plaza, New York, NY 10112, Attn: Craig Wolfe (CWolfe@sheppardmullin.com) and Malani Cademartori (Mcademartori@sheppardmullin.com); (c) the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”), 201 Varick Street, Suite 1006, New York, New York 10014 (Attention: Susan Golden); (d) counsel to the Stalking Horse Bidder, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, 30th Floor, Los Angeles, California 90017, Attention: Mark Shinderman (mshinderman@milbank.com) and Dennis O'Donnell (dodonnell@milbank.com); and (e) counsel to the Official Committee of Unsecured Creditors (the “Committee”) at Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, NY 10119, Attn: Al Togut (altogut@teamtogut.com) and Frank Oswald (frankoswald@teamtogut.com) no later than **September 18, 2015 at 4:00 p.m. (Eastern Time)** (the “**Sale Order Objection Deadline**”).

9. Furthermore, if by the Sale Order Objection Deadline, no objection including no timely objection to the sale of assets free and clear of liens, claims, encumbrances and other interests is filed, such non-Debtor party will be forever barred from objecting to the Sale and shall be deemed to have consented to the Sale in accordance with section 363(f)(2) of the Bankruptcy Code. If, prior to the Sale Order Objection Deadline, an objection to the sale free and clear of liens, claims, encumbrances and other interests is filed, such objection must, *inter alia*, specify the liens, claims and encumbrances at issue and the obligations (liquidated, unliquidated, or contingent) that they secure.

10. The Auction or the Sale Hearing or both may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open Bankruptcy Court or on the Bankruptcy Court's docket.

Dated: September 3, 2015

JONES DAY

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*Proposed Attorneys For Debtors And Debtors
In Possession*

Annex 3
Form of Notice of (I) Proposed Assumption and Assignment of
Executory Contracts and Unexpired Leases in Connection with
Sale and (II) Associated Cure Costs

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Proposed Co-Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RELATIVITY FASHION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 15-11989 (MEW)

(Jointly Administered)

**NOTICE OF (I) PROPOSED ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED
LEASES IN CONNECTION WITH SALE AND (II) ASSOCIATED CURE COSTS**

¹ The Debtors in these chapter 11 cases are: see page (i).

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Relativity Fashion, LLC (4571); Relativity Holdings LLC (7052); Relativity Media, LLC (0844); Relativity REAL, LLC (1653); RML Distribution Domestic, LLC (6528); RML Distribution International, LLC (6749); RMLDD Financing, LLC (9114); 21 & Over Productions, LLC (7796); 3 Days to Kill Productions, LLC (5747); A Perfect Getaway P.R., LLC (9252); A Perfect Getaway, LLC (3939); Armored Car Productions, LLC (2750); Best of Me Productions, LLC (1490); Black Or White Films, LLC (6718); Blackbird Productions, LLC (8037); Brant Point Productions, LLC (9994); Brick Mansions Acquisitions, LLC (3910); Brilliant Films, LLC (0448); Brothers Productions, LLC (9930); Brothers Servicing, LLC (5849); Catfish Productions, LLC (7728); Cine Productions, LLC (8359); CinePost, LLC (8440); Cisco Beach Media, LLC (8621); Cliff Road Media, LLC (7065); Den of Thieves Films, LLC (3046); Don Jon Acquisitions, LLC (7951); DR Productions, LLC (7803); Einstein Rentals, LLC (5861); English Breakfast Media, LLC (2240); Furnace Films, LLC (3558); Gotti Acquisitions, LLC (6562); Great Point Productions, LLC (5813); Guido Contini Films, LLC (1031); Hooper Farm Music, LLC (3773); Hooper Farm Publishing, LLC (3762); Hummock Pond Properties, LLC (9862); Hunter Killer La Productions, LLC (1939); Hunter Killer Productions, LLC (3130); In The Hat Productions, LLC (3140); J&J Project, LLC (1832); JGAG Acquisitions, LLC (9221); Left Behind Acquisitions, LLC (1367); Long Pond Media, LLC (7197); Madaket Publishing, LLC (9356); Madaket Road Music, LLC (9352); Madvine RM, LLC (0646); Malavita Productions, LLC (8636); MB Productions, LLC (4477); Merchant of Shanghai Productions, LLC (7002); Miacomet Media LLC (7371); Miracle Shot Productions, LLC (0015); Most Wonderful Time Productions, LLC (0426); Movie Productions, LLC (9860); One Life Acquisitions, LLC (9061); Orange Street Media, LLC (3089); Out Of This World Productions, LLC (2322); Paranoia Acquisitions, LLC (8747); Phantom Acquisitions, LLC (6381); Pocomo Productions, LLC (1069); Relative Motion Music, LLC (8016); Relative Velocity Music, LLC (7169); Relativity Development, LLC (5296); Relativity Film Finance II, LLC (9082); Relativity Film Finance III, LLC (8893); Relativity Film Finance, LLC (2127); Relativity Films, LLC (5464); Relativity Foreign, LLC (8993); Relativity India Holdings, LLC (8921); Relativity Jackson, LLC (6116); Relativity Media Distribution, LLC (0264); Relativity Media Films, LLC (1574); Relativity Music Group, LLC (9540); Relativity Production LLC (7891); Relativity Rogue, LLC (3333); Relativity Senator, LLC (9044); Relativity Sky Land Asia Holdings, LLC (9582); Relativity TV, LLC (0227); Reveler Productions, LLC (2191); RML Acquisitions I, LLC (9406); RML Acquisitions II, LLC (9810); RML Acquisitions III, LLC (9116); RML Acquisitions IV, LLC (4997); RML Acquisitions IX, LLC (4410); RML Acquisitions V, LLC (9532); RML Acquisitions VI, LLC (9640); RML Acquisitions VII, LLC (7747); RML Acquisitions VIII, LLC (7459); RML Acquisitions X, LLC (1009); RML Acquisitions XI, LLC (2651); RML Acquisitions XII, LLC (4226); RML Acquisitions XIII, LLC (9614); RML Acquisitions XIV, LLC (1910); RML Acquisitions XV, LLC (5518); RML Bronze Films, LLC (8636); RML Damascus Films, LLC (6024); RML Desert Films, LLC (4564); RML Documentaries, LLC (7991); RML DR Films, LLC (0022); RML Echo Films, LLC (4656); RML Escobar Films LLC (0123); RML Film Development, LLC (3567); RML Films PR, LLC (1662); RML Hector Films, LLC (6054); RML Hillsong Films, LLC (3539); RML IFWT Films, LLC (1255); RML International Assets, LLC (1910); RML Jackson, LLC (1081); RML Kidnap Films, LLC (2708); RML Lazarus Films, LLC (0107); RML Nina Films, LLC (0495); RML November Films, LLC (9701); RML Oculus Films, LLC (2596); RML Our Father Films, LLC (6485); RML Romeo and Juliet Films, LLC (9509); RML Scripture Films, LLC (7845); RML Solace Films, LLC (5125); RML Somnia Films, LLC (7195); RML Timeless Productions, LLC (1996); RML Turkeys Films, LLC (8898); RML Very Good Girls Films, LLC (3685); RML WIB Films, LLC (0102); Rogue Digital, LLC (5578); Rogue Games, LLC (4812); Roguelife LLC (3442); Safe Haven Productions, LLC (6550); Sanctum Films, LLC (7736); Santa Claus Productions, LLC (7398); Smith Point Productions, LLC (9118); Snow White Productions, LLC (3175); Spy Next Door, LLC (3043); Story Development, LLC (0677); Straight Wharf Productions, LLC (5858); Strangers II, LLC (6152); Stretch Armstrong Productions, LLC (0213); Studio Merchandise, LLC (5738); Summer Forever Productions, LLC (9211); The Crow Productions, LLC (6707); Totally Interns, LLC (9980); Tribes of Palos Verdes Production, LLC (6638); Tuckernuck Music, LLC (8713); Tuckernuck Publishing, LLC (3960); Wright Girls Films, LLC (9639); Yuma, Inc. (1669); Zero Point Enterprises, LLC (9558). The location of the Debtors' corporate headquarters is: 9242 Beverly Blvd., Suite 300, Beverly Hills, CA 90210.

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On July 30, 2015, the above-captioned debtors and debtors-in-possession (collectively, the **"Debtors"**) filed a motion [Dkt. No. 25] (the **"Sale Motion"**) with the United States Bankruptcy Court for the Southern District of New York (the **"Bankruptcy Court"**)² seeking approval of key dates, times and procedures related to a sale of all or substantially all of the Debtors' assets in one or more lots to RM Bidder LLC (the **"Stalking Horse Bidder"**) pursuant to the terms of a purchase agreement (the **"Stalking Horse APA"**). On August 28, 2015, the Debtors filed a Notice of Filing including the Stalking Horse APA, and form of sale order [Dkt. No. 348].

2. On August 28, 2015, the Court entered the Bidding Procedures Order [Dkt. No. 356], as amended on September 1, 2015 [Dkt. No. ____]. The Bidding Procedures Order specifies, among other things, the procedures by which counterparties to Assumed Contracts and Leases with one or more of the Debtors may object to the Debtors' proposed assumption and/or assignment of such Assumed Contracts and Leases in connection with the sale of substantially all of the Debtors' assets (the **"Sale"**).

3. You may obtain a copy of the Sale Motion and the Stalking Horse APA by: (a) sending a written request to the Debtors' co-counsel, Jones Day, 555 S. Flower St, Los Angeles, CA 90071, Fax No. (213) 243-2539, Attn: Susan J. Perry (sjperry@jonesday.com); or (b) accessing the website maintained by the Debtors' claims and noticing agent, Donlin, Recano & Company, Inc., at <https://www.donlinrecano.com/relativity>.

4. YOU ARE RECEIVING THIS NOTICE (the **"Notice of Assignment and Cure"**) BECAUSE YOU OR ONE OF YOUR AFFILIATES IS A COUNTERPARTY TO AN ASSUMED CONTRACT OR LEASE WITH ONE OR MORE OF THE DEBTORS.³

5. A searchable list of the Debtors' Assumed Contracts and Leases that are subject to potential assumption and assignment in connection with the Sale and the cure costs associated therewith can be found at <https://www.donlinrecano.com/clients/rm/static/curennotice> (the **"Contract and Cure Schedule"**). You should reference the Contract and Cure Schedule to ascertain the treatment of your Assumed Contract(s) or Lease(s).⁴ A counterparty may request a hard copy of the Contract and Cure Schedule and/or submit an inquiry online at this site or by contacting counsel. In addition, the materials of the Stalking Horse Bidder demonstrating its ability to perform under the applicable Assumed Contracts and Leases are immediately available to contract counterparties at <https://www.donlinrecano.com/clients/rm/static/adequateassurance>.

6. As soon as reasonably practicable, but in no event greater than three hours after the conclusion of the Auction, the Debtors shall file with the Bankruptcy Court a Notice of the Successful Bidder(s). To the extent the Successful Bidder(s) is not the Stalking Horse Bidder,

² Capitalized terms not otherwise defined herein have the meanings given them in the Sale Motion.

³ This Notice of Assignment and Cure is being sent to counterparties to Executory Contracts and Unexpired Leases. This Notice of Assignment and Cure is not an admission by the Debtors that such contract or lease is executory or unexpired.

⁴ The Debtors recommend that individuals review the Contract and Cure Schedule by both first and last name. The Debtors further recommend that corporate entities and/or partnerships review the Contract and Cure Schedule by any known variations on the spelling or word order of their name.

the Debtors simultaneously shall provide the materials of the Successful Bidder(s) demonstrating its ability to perform under the applicable Assumed Contracts and Leases by making it available to contract counterparties at <https://www.donlinrecano.com/clients/rm/static/adequateassurance>.

7. Any objections to the proposed assumption and assignment of any of the Assumed Contracts and Leases listed on the Contract and Cure Schedule (including any objections to any cure amount(s) set forth on the Notice of Assignment and Cure (any such objection, a “**Cure Objection**”)) and any objection to the adequate assurance of future performance (the “**Adequate Assurance Objection**”) provided by the Stalking Horse Bidder must be in writing, filed with the Court, and be actually received by (a) the Debtors c/o FTI Consulting, Inc., 633 West 5th Street, 16th Floor, Los Angeles, CA 90071, Attn: Brian G. Kushner (Brian.Kushner@fticonsulting.com) and Luke Schaeffer (Luke.Schaeffer@FTIConsulting.com); (b) counsel for the Debtors, Jones Day, 555 South Flower Street, Fiftieth Floor, Los Angeles, California 90071, Attn: Richard L. Wynne (Rlwynne@jonesday.com) and Lori Sinanyan (Lsinanyan@jonesday.com) and Sheppard Mullin Richter Hampton, 30 Rockefeller Plaza, New York, NY 10112, Attn: Craig Wolfe (CWolfe@sheppardmullin.com) and Malani Cademartori (Mcademartori@sheppardmullin.com); (c) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), 201 Varick Street, Suite 1006, New York, New York 10014 (Attention: Susan Golden); (d) counsel to the Stalking Horse Bidder, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, 30th Floor, Los Angeles, California 90017, Attention: Mark Shinderman (mshinderman@milbank.com) and Dennis O'Donnell (dodonnell@milbank.com); and (e) Counsel to the Official Committee of Unsecured Creditors at Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, NY 10119, Attn: Al Togut (altogut@teamtogut.com) and Frank Oswald (frankoswald@teamtogut.com) no later than fourteen (14) days after the Notice of Assignment and Cure is mailed to the affected party, as indicated by the date noted on the Notice of Assignment and Cure, and must set forth a specific default under the Assumed Contract or Lease and claim a specific monetary amount that differs from the amount, if any, specified by the Debtors in the Contract and Cure Schedule and/or further information required of the Stalking Horse Bidder with respect to adequate assurance of future performance. The deadline to file the Adequate Assurance Objection pertaining to a Successful Bidder(s) other than the Stalking Horse Bidder shall be at any time up until the commencement of the Sale Hearing and verbally at the Sale Hearing, if not previously raised. The foregoing deadlines shall be referred to as the “**Applicable Objection Deadline**”.

8. If no objection is received by the Applicable Objection Deadline, then the assumption and assignment of the applicable Assumed Contract or Lease will be authorized pursuant to Section 365 of the Bankruptcy Code and the cure amounts, if any, set forth on the Contract and Cure Schedule will be binding upon the non-Debtor party to the applicable Assumed Contract or Lease for all purposes and will constitute a final determination of total cure amounts required to be paid to any applicable Assumed Contract or Lease counterparty in connection with any potential assignment of such Assumed Contracts and Leases to the Successful Bidder(s).

9. In addition, each non-Debtor party to such applicable Assumed Contract or Lease will be forever barred from objecting to the assumption and assignment of such contract or lease or the cure information set forth in the Contract and Cure Schedule, including, without limitation, the right to assert any additional cure or other amounts with respect to the applicable

Assumed Contract or Lease arising or relating to any period prior to such assumption and assignment.

10. Furthermore, if no timely objection is received by the Applicable Objection Deadline, the Stalking Horse Bidder (or Successful Bidder(s), if applicable) will enjoy all of the rights and benefits under all applicable Assumed Contract or Lease acquired under the Stalking Horse APA (or such other purchase agreement of an alternative Successful Bidder(s), if applicable) without the necessity of obtaining any party's written consent to the Debtors' assumption and assignment of such rights and benefits, and each such party will be deemed to have waived any right to object to, contest, condition, or otherwise restrict any such assumption and assignment.

11. With respect to any of the Assumed Contracts and Leases, in the event of a Cure Objection, Adequate Assurance Objection or any other matter pertaining to assumption pending as of the Closing of the Sale, the Debtors reserve the right, in consultation with the Committee and the Successful Bidder(s), to settle any dispute regarding the amount of a cure or assignment to the Successful Bidder(s) without any further notice to or action, order or approval of the Bankruptcy Court.

12. Notwithstanding anything herein, this Notice of Assignment and Cure shall not be deemed to be an assumption, adoption, rejection or termination of the Assumed Contracts and Leases. Moreover, the Debtors explicitly reserve their rights, in their sole discretion, to seek to reject or assume each Assumed Contract and Lease pursuant to section 365(a) of the Bankruptcy Code and nothing herein (a) alters in any way the prepetition nature of the Assumed Contracts and Leases or the validity, priority or amount of any claims of a counterparty to an Assumed Contract and Lease against the Debtors that may arise under such Assumed Contract and Lease, (b) creates a postpetition contract or agreement or (c) elevates to administrative expense priority any claims of a counterparty to an Assumed Contract and Lease against the Debtors that may arise under such Assumed Contract and Lease.

Dated: September 3, 2015

JONES DAY

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