UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

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

For the fiscal period ended: March 31, 2017

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

Commission File Number: 000-31810

Cinedigm Corp.

(Exact name of registrant as specified in its charter)

Delaware	**22-3720962**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
902 Broadway, 9th Floor New York, NY	**10010**
(Address of principal executive offices)	(Zip Code)

(212) 206-8600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
CLASS A COMMON STOCK, PAR VALUE $0.001 PER SHARE	**NASDAQ GLOBAL MARKET**

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. ☐

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒ Emerging growth company ☐
(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the issuer based on a price of $2.03 per share, the closing price of such common equity on the Nasdaq Global Market, as of September 30, 2016, was $13,713,062. For purposes of the foregoing calculation, all directors, officers and shareholders who beneficially own 10% of the shares of such common equity have been deemed to be affiliates, but the Company disclaims that any of such persons are affiliates.

As of June 26, 2017, 12,386,353 shares of Class A Common Stock, $0.001 par value were outstanding, which number includes 1,179,138 shares subject to our forward purchase transaction.

DOCUMENTS INCORPORATED BY REFERENCE

None.

CINEDIGM CORP.
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FORWARD-LOOKING STATEMENTS

Various statements contained in this report or incorporated by reference into this report constitute “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements are based on current expectations and are indicated by words or phrases such as “believe,” “expect,” “may,” “will,” “should,” “seek,” “plan,” “intend” or “anticipate” or the negative thereof or comparable terminology, or by discussion of strategy. Forward-looking statements represent as of the date of this report our judgment relating to, among other things, future results of operations, growth plans, sales, capital requirements and general industry and business conditions applicable to us. Such forward-looking statements are based largely on our current expectations and are inherently subject to risks and uncertainties. Our actual results could differ materially from those that are anticipated or projected as a result of certain risks and uncertainties, including, but not limited to, a number of factors, such as:

- successful execution of our business strategy, particularly for new endeavors;
- the performance of our targeted markets;
- competitive product and pricing pressures;
- changes in business relationships with our major customers;
- successful integration of acquired businesses;
- the content we distribute through our in-theatre, on-line and mobile services may expose us to liability;
- general economic and market conditions;
- the effect of our indebtedness on our financial condition and financial flexibility, including, but not limited to, the ability to obtain necessary financing for our business; and
- the other risks and uncertainties that are set forth in Item 1, “Business”, Item 1A "Risk Factors" and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Except as otherwise required to be disclosed in periodic reports required to be filed by public companies with the Securities and Exchange Commission (“SEC”) pursuant to the SEC's rules, we have no duty to update these statements, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, we cannot assure you that the forward-looking information contained in this report will in fact transpire.

In this report, “Cinedigm,” “we,” “us,” “our” and the “Company” refers to Cinedigm Corp. and its subsidiaries unless the context otherwise requires.

PART I

ITEM 1. BUSINESS

OVERVIEW

Cinedigm Corp. was incorporated in Delaware on March 31, 2000 (“Cinedigm”, and collectively with its subsidiaries, the “Company”). We are (i) a leading distributor and aggregator of independent movie, television and other short form content managing a library of distribution rights to thousands of titles and episodes released across digital, physical, and home and mobile entertainment platforms as well as (ii) a leading servicer of digital cinema assets on over 12,000 domestic and foreign movie screens.

Since our inception, we have played a significant role in the digital distribution revolution that continues to transform the media landscape. In addition to our pioneering role in transitioning over 12,000 movie screens from traditional analog film prints to digital distribution, we have become a leading distributor of independent content, both through organic growth and acquisitions. We distribute products for major brands such as Hallmark, Televisa, ZDF, Shout! Factory, NFL, NHL and Scholastic as well as leading international and domestic content creators, movie producers, television producers and other short form digital content producers. We collaborate with producers, major brands and other content owners to market, source, curate and distribute quality content to targeted audiences through (i) existing and emerging digital home entertainment platforms, including iTunes, Amazon Prime, Netflix, Hulu, Xbox, PlayStation, and cable video-on-demand ("VOD") and (ii) packaged distribution of DVD and Blu-ray discs to wholesalers and retailers with sales coverage to over 60,000 brick and mortar storefronts, including Walmart, Target, Best Buy and Amazon. In addition, we operate a growing number of branded and curated over-the-top ("OTT") entertainment channels, including Docurama, CONtv and Dove Channel.

We report our financial results in four primary segments as follows: (1) the first digital cinema deployment (“Phase I Deployment”), (2) the second digital cinema deployment (“Phase II Deployment”), (3) digital cinema services (“Services”) and (4) media content

and entertainment group (“Content & Entertainment” or "CEG"). The Phase I Deployment and Phase II Deployment segments are the non-recourse, financing vehicles and administrators for our digital cinema equipment (the “Systems”) installed in movie theatres throughout the United States and Canada, and in Australia and New Zealand. Our Services segment provides fee-based support to over 12,000 movie screens in our Phase I Deployment and Phase II Deployment segments as well as directly to exhibitors and other third party customers in the form of monitoring, billing, collection and verification services. Our Content & Entertainment segment is a market leader in: (1) ancillary market aggregation and distribution of entertainment content, and (2) branded and curated OTT digital network business providing entertainment channels, applications and distribution services.

We are structured so that our digital cinema business (collectively, our Phase I Deployment, Phase II Deployment and Services segments) operates independently from our Content & Entertainment business. As of March 31, 2017, we had approximately $63.8 million of non-recourse outstanding debt principal that relates to, and is serviced by, our digital cinema business. We also have approximately $84.3 million of outstanding debt principal, as of March 31, 2017 that is attributable to our Content & Entertainment and Corporate segments.

CONTENT & ENTERTAINMENT

Content Distribution and our OTT Entertainment Channels and Applications

Cinedigm Entertainment Group, or CEG, is a leading independent content distributor in the United States as well as an innovator and leader in the quickly evolving OTT digital network business. We are unique among most independent distributors because of our direct relationships with thousands of physical retail locations and digital platforms, including Walmart, Target, iTunes, Netflix and Amazon, as well as the national Video on Demand platforms. Our library of films and television episodes encompass award-winning documentaries from Docurama Films®, acclaimed independent films, festival picks and a wide range of content from brand name suppliers, including Scholastic, NFL, Shout! Factory and Hallmark.

Additionally, we are leveraging our infrastructure, technology, content and distribution expertise to rapidly and cost effectively build and expand our OTT digital network business. Our first channel, Docurama, launched in May 2014 as an advertising-supported video on demand service ("AVOD") across most Internet connected devices and now contains hundreds of documentary films to stream. In December 2015, we successfully transitioned Docurama to a subscription video on demand ("SVOD") service with its launch on Amazon Prime. In March 2015, Wizard World, Inc. and we launched CONtv, a fandom and pop culture entertainment targeted lifestyle channel and "Freemium" service with both AVOD and SVOD components. Our Freemium business model provides users with free content and the ability to upgrade to a selection of premium services by paying subscription fees. CONtv is one of the largest Freemium OTT channels available in terms of hours of content, with over 3,000 hours of film and television episodes, including original programs and live coverage of Comic-Con and pop culture events from around the country. In the fall of 2015, we introduced our third OTT channel, Dove Entertainment Channel, which is a family entertainment service providing high-quality film and television programs approved by the Dove Foundation. In February 2017, we announced our fourth channel, Wham Network, which is an entertainment, news and lifestyle channel targeting the eSports industry. Wham Network is expected to launch in the Fall of 2017.

We distribute our OTT content in two distinct ways: direct to consumer, through major application platforms such as the Internet, iOS, Android, Roku, AppleTV, Amazon Fire, and Samsung; and through third party distributors of content on emerging platforms such as Amazon Prime.

CEG has focused its activities in the areas of: (1) ancillary market aggregation and distribution of entertainment content, and (2) branded and curated over-the-top OTT digital network business providing entertainment channels and applications. With these complementary entertainment distribution capabilities, we believe that we are capitalizing on the key drivers of value that we believe are critical to success in content distribution going forward.

Our CEG segment holds direct relationships with thousands of physical storefronts and digital retailers, including Walmart, Target, iTunes, Netflix, and Amazon, as well as all the national cable and satellite television VOD platforms.

Our Strategy

Direct to consumer digital distribution of film and television content over the Internet is rapidly growing. We believe that our large library of film and television episodes, long-standing relationships with digital platforms, up-to-date technologies and three years of experience operating OTT channels, will allow us to continue to build a diversified portfolio of narrowcast OTT channels that generate recurring revenue streams from advertising, merchandising and subscriptions. We plan to launch niche channels that make use of our existing library of titles, while partnering with strong brands that bring name recognition, marketing support and an existing customer base for new channel opportunities.

Rapid changes in the entertainment landscape require that we continually refine our strategy to adapt to new technologies and consumer behaviors. For example, we have added acquisitions of home entertainment content to focus on long-term partnerships with producers of high quality, cast-driven, genre content, to our traditional catalog based titles business. In recent years, we acquired the distribution rights to a variety of new and original films. In addition, we have accelerated our efforts to be a leader in the OTT digital network business, where we can leverage our existing infrastructure and library, in partnership with well-known brands, to distribute our content direct-to-consumers.

We believe that we are well positioned to succeed in the OTT channel business for the following key reasons:

- Three years of history operating OTT channels with millions of downloads, hundreds of thousands of registered users, and hundreds of millions of discrete data points on our customer's behavior and preferences,
- The enormous depth and breadth of our almost 50,000 title film and television episode library,
- Our digital assets and deep, long-standing relationships as launch partners that cover the major digital platforms and devices,
- Our marketing expertise,
- Our flexible releasing strategies, which differ from larger entertainment companies that need to protect their legacy businesses,
- Our strengthened capital base, and
- Our experienced management team

Intellectual Property

We own certain copyrights, trademarks and Internet domain names in connection with the Content & Entertainment business. We view these proprietary rights as valuable assets. We maintain registrations, where appropriate, to protect them and monitor them on an ongoing basis.

Customers

For the fiscal year ended March 31, 2017, two customers, Walmart and Amazon, represented 10% or more of CEG's revenues and one of these customers represented approximately 34% of our consolidated revenues.

Competition

Numerous companies are engaged in various forms of producing and distributing independent movies and alternative content. These competitors may have significantly greater financial, marketing and managerial resources than we do, may have generated greater revenue and may be better known than we are at this time.

Competitors to our Content & Entertainment segment are as follows:

- Anchor Bay Entertainment
- Entertainment One (eOne) Ltd.
- IFC Entertainment
- Lionsgate Entertainment
- Magnolia Pictures
- Pureflix
- RLJ Entertainment, Inc.
- Warner Brothers Digital Networks
- AMC Networks

DEPLOYMENT

Our Phase I Deployment and Phase II Deployment segments consist of the following:

Operations of:	Products and services provided:
Cinedigm Digital Funding I, LLC (“Phase 1 DC”)	Financing vehicles and administrators for 3,724 Systems installed nationwide in Phase 1 DC's deployment to theatrical exhibitors. We retain ownership of the Systems and the residual cash flows related to the Systems after the repayment of all non-recourse debt at the expiration of exhibitor, master license agreements. As of March 31, 2017, we are no longer earning virtual print fees ("VPFs") revenues from certain major studios on 2,467 of such systems.
Access Digital Cinema Phase 2 Corp. (“Phase 2 DC”)	Financing vehicles and administrators for our 8,904 Systems installed in the second digital cinema deployment and international deployments, through Phase 2 DC. We retain no ownership of the residual cash flows and digital cinema equipment after the completion of cost recoupment and at the expiration of the exhibitor master license agreements.

In June 2005, we formed our Phase I Deployment segment in order to purchase up to 4,000 Systems under an amended framework agreement with Christie Digital Systems USA, Inc. (“Christie”). As of March 31, 2017, Phase I Deployment had 3,724 Systems installed.

In October 2007, we formed our Phase II Deployment segment for the administration of up to 10,000 additional Systems. As of March 31, 2017, Phase II Deployment had 8,904 of such Systems installed.

Our Phase I Deployment and Phase II Deployment segments own and license Systems to theatrical exhibitors and collect VPFs from motion picture studios and distributors, as well as alternative content fees ("ACFs") from alternative content providers and theatrical exhibitors, when content is shown on exhibitors' screens. We have licensed the necessary software and technology solutions to the exhibitor and have facilitated the industry's transition from analog (film) to digital cinema. As part of the Phase I Deployment of our Systems, we have agreements with nine motion picture studios and certain smaller independent studios and exhibitors, allowing us to collect VPFs and ACFs when content is shown in theatres, in exchange for having facilitated and financed the deployment of Systems. Phase 1 DC has agreements with 20 theatrical exhibitors that license our Systems in order to show digital content distributed by the motion picture studios and other providers, including Content & Entertainment, which is described below.

Beginning in December 2015, certain of our Phase I Deployment Systems began to reach the conclusion of their deployment payment period with certain distributors and, therefore, VPF revenues ceased to be recognized on such Systems, related to such distributors. Furthermore, because the Phase I Deployment installation period ended in November 2007, a majority of the VPF revenue associated with the Phase I Deployment Systems has ended. As of March 31, 2017, 2,467 of the systems in our Phase I Deployment segment had ceased to earn a significant portion VPF revenue from certain major studios, representing approximately 66% of the total Systems in our Phase I Deployment. By December 2017, we expect that nearly all of our Phase I Deployment systems will no longer earn VPF revenue from certain major studios. We expect to continue to earn VPFs from other distributors and ancillary revenue from the Phase I Deployment Systems through December of 2020; however, such amounts are expected to be significantly less material to our consolidated financial statements. The expected reduction in VPF revenue on our Phase I Deployment systems is scheduled to approximately coincide with the conclusion of certain of our non-recourse debt obligations and, therefore, we expect that reduced cash outflows related to such non-recourse debt obligations will partially offset reduced VPF revenue after November 2017.

Under the terms of our standard Phase I Deployment licensing agreements, exhibitors will continue to have the right to use our Systems through December 2020, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms, or; (3) purchase the Systems from us at fair-market-value.

Our Phase II Deployment segment has entered into digital cinema deployment agreements with eight motion picture studios, and certain smaller independent studios and exhibitors, to distribute digital movie releases to exhibitors equipped with our Systems, for which we and our wholly owned, non-consolidated subsidiary Cinedigm Digital Funding 2, LLC ("CDF2 Holdings") earn VPFs. As of March 31, 2017, our Phase II Deployment segment also entered into master license agreements with 434 exhibitors and CDF2 covering 8,992 screens, whereby the exhibitors agreed to install our Systems. As of March 31, 2017, we had 8,904 Phase 2 DC Systems installed, including 6,428 screens under the exhibitor-buyer structure ("Exhibitor-Buyer Structure"), 1,050 screens covering 10 exhibitors through non-recourse financing provided by KBC Bank NV (“KBC”), 1,421 screens covering 179 exhibitors through CDF2, and 22 screens under other arrangements with two exhibitors.

Exhibitors paid us an installation fee of up to $2.0 thousand per screen out of the VPFs collected by our Services segment. We manage the billing and collection of VPFs and remit to exhibitors all VPFs collected, less an administrative fee of approximately 10%. For Phase 2 DC Systems we own and finance on a non-recourse basis, we typically received a similar installation fee of up

to $2.0 thousand per screen and an ongoing administrative fee of approximately 10% of VPFs collected. We have recorded no debt, property and equipment, financing costs or depreciation in connection with Systems covered under the Exhibitor-Buyer Structure and CDF2 Holdings.

VPFs are earned pursuant to contracts with movie studios and distributors, whereby amounts are payable to our Phase I and Phase II deployment businesses according to fixed fee schedules, when movies distributed by studios are displayed in movie theatres using our installed Systems. One VPF is payable to us upon the initial booking of a movie, for every movie title displayed per System. Therefore, the amount of VPF revenue that we earn depends on the number of unique movie titles released and displayed using our Systems. Our Phase II Deployment segment earns VPF revenues only for Systems that it owns.

Our Phase II Deployment agreements with distributors require payment of VPFs for ten years from the date that each system is installed; however, we may no longer collect VPFs once "cost recoupment," as defined in the contracts with movie studios and distributors, is achieved. Cost recoupment will occur once the cumulative VPFs and other cash receipts collected by us have equaled the total of all cash outflows, including the purchase price of all Systems, all financing costs, all "overhead and ongoing costs," as defined, subject to maximum agreed upon amounts during the four-year roll-out period and thereafter. Furthermore, if cost recoupment occurs before the end of the eighth contract year, a one-time "cost recoupment bonus" is payable to us by the studios. Cash flows, net of expenses, received by our Phase II Deployment business, following the achievement of cost recoupment, must be returned to the distributors on a pro-rata basis. At this time, we cannot estimate the timing or probability of the achievement of cost recoupment.

Beginning in December 2018, certain Phase 2 DC Systems will have reached the conclusion of their deployment payment period, subject to earlier achievement of cost recoupment. In accordance with existing agreements with distributors, VPF revenues will cease to be recognized on such Systems. Because the Phase II deployment installation period ended in December 2012, a majority of the VPF revenue associated with the Phase II systems will end by December 2022 or earlier if cost recoupment is achieved.

Customers

Phase I and Phase II Deployment customers are mainly motion picture studios and theatrical exhibitors. For the fiscal year ended March 31, 2017, 5 customers, 20th Century Fox, Warner Brothers, Disney Worldwide Services, Universal Pictures and Sony Pictures Releasing Corporation, each represented 10% or more of Phase 1 DC's revenues and together generated 58%, 64% and 21% of Phase 1 DC's, Phase 2 DC's and consolidated revenues, respectively. No single Phase 1 DC or Phase 2 DC customer comprised more than 10% of our consolidated accounts receivable. We expect to continue to conduct business with each of these customers during the fiscal year ending March 31, 2018.

Seasonality

Revenues earned by our Phase I and Phase II Deployment segments from the collection of VPFs from motion picture studios are seasonal, coinciding with the timing of releases of movies by the motion picture studios. Generally, motion picture studios release the most marketable movies during the summer and the winter holiday season. The unexpected emergence of a hit movie during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily indicative of results for the next quarter or any other quarter. The seasonality of motion picture exhibition; however, has become less pronounced as the motion picture studios are releasing movies somewhat more evenly throughout the year.

SERVICES

Our Services segment provides monitoring, billing, collection, verification and other management services to Phase 1 DC and Phase 2 DC as well as to exhibitor-buyers who purchase their own equipment. Our Services segment provides such services to the 3,724 screens in the Phase 1 Deployment for a monthly service fee equal to 5% of the VPFs earned by Phase 1 DC and an incentive service fee equal to 2.5% of the VPFs earned by Phase 1 DC. The Services segment also provides services to the 8,904 Phase 2 Systems deployed, for which we typically receive a monthly fee of approximately 10% of the VPFs earned by Phase 2 DC. The total Phase 2 service fees are subject to an annual limitation under the terms of our agreements with motion picture studios, and are determined based upon the respective Exhibitor-Buyer Structure, KBC or CDF2 agreements. Unpaid service fees in any period remain an obligation to Phase 2 DC in the cost recoupment framework. Such fees are not recognized as income or accrued as an asset on our balance sheet given the uncertainty of the receipt and the timing thereof as future movie release and bookings are not known. Service fees are accrued and recognized only on deployed Phase 2 Systems. As a result, the annual service fee limitation is variable until these fees are paid.

In February 2013, we (i) assigned to our wholly owned subsidiary, Cinedigm DC Holdings LLC ("DC Holdings "), the right and obligation to service the digital cinema projection systems from the Phase I Deployment and certain systems that were part of the Phase II Deployment, (ii) delegated to DC Holdings the right and obligation to service certain other systems that were part of the Phase II Deployment and (iii) assigned to DC Holdings the right to receive servicing fees from the Phase I and Phase II Deployments. We also transferred to DC Holdings certain of our operational staff whose responsibilities and activities relate solely to the operation of the servicing business and to provide DC Holdings with the right to use the supporting software and other intellectual property associated with the operation of the servicing business.

Our Services segment also has international servicing partnerships in Australia and New Zealand with the Independent Cinema Association of Australia and is currently servicing 530 screens as of March 31, 2017.

Customers

For the fiscal year ended March 31, 2017, no customer comprised more than 10% of Services' revenues or accounts receivable.

Competition

Our Services segment faces limited competition domestically in its digital cinema services business as the major Hollywood movie studios have only signed digital cinema deployment agreements with five entities, including us, and the deployment period in North America is now complete. Competitors include: Digital Cinema Implementation Partners ("DCIP"), a joint venture of three large exhibitors (Regal Entertainment Group, AMC Entertainment Holdings, Inc. and Cinemark Holdings, Inc.) focused on managing the conversions of those three exhibitors; Sony Digital Cinema, to support the deployment of Sony projection equipment; Christie Digital USA, Inc., to support the deployment of Christie equipment; and GDC, Inc., to support the deployment of GDC equipment. We have a significantly greater market share than all other competitors except for the DCIP consortium, which services approximately 16,000 total screens representing its consortium members.

As we expand our servicing platform internationally, additional competitors beyond those listed above consist of Arts Alliance, Inc., a leading digital cinema servicer focused on the European markets, GDC, as well as other potential local start-ups seeking to service a specific international market. We typically seek to partner with a leading local entity to combine our efficient servicing infrastructure and strong studio relationships with the necessary local market expertise and exhibitor relationships.

ENVIRONMENTAL

The nature of our business does not subject us to environmental laws in any material manner.

EMPLOYEES

As of March 31, 2017, we had 114 employees, with 8 part-time and 106 full-time, of which 11 are in sales and marketing, 57 are in operations, and 38 are in executive, finance, technology and administration functions.

AVAILABLE INFORMATION

Our Internet website address is www.cinedigm.com. We will make available, free of charge at the "About Us - Investor Relations - Financial Information" section of its website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and all amendments to those reports and statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC.

In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding companies that file electronically with the Commission. This information is available at www.sec.gov, the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549 or by calling 1-800-SEC-0330.

ITEM 1A. RISK FACTORS

Risks Related to our Business

We maintain a substantial amount of outstanding indebtedness, which could impair our ability to operate our business and react to changes in our business, remain in compliance with debt covenants and make payments on our debt.

We maintain a substantial amount of outstanding indebtedness, which could impair our ability to operate our business and react to changes in our business, remain in compliance with debt covenants and make payments on our debt. Our level of indebtedness could have important consequences, including, without limitation:

- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- limiting our ability to pursue our growth strategy or, including restricting us from making strategic acquisitions or causing us to make nonstrategic divestitures;
- placing us at a disadvantage compared to our competitors who are less leveraged and may be better able to use their cash flow to fund competitive responses to changing industry, market or economic conditions; and
- making us more vulnerable in the event of a downturn in our business, our industry or the economy in general.

In addition, our current credit facilities contain, and any future credit facilities will likely contain, covenants and other provisions that restrict our operations. These restrictive covenants and provisions could limit our ability to obtain future financing, make needed capital expenditures, withstand a future downturn in our business or the economy in general, or otherwise conduct necessary corporate activities, and may prevent us from taking advantage of business opportunities that arise in the future. If we refinance our credit facilities, we cannot guarantee that any new credit facility will not contain similar covenants and restrictions.

We face the risks of doing business in new and rapidly evolving markets and may not be able successfully to address such risks and achieve acceptable levels of success or profits.

We have encountered and may continue to encounter the challenges, uncertainties and difficulties frequently experienced in new and rapidly evolving markets, including:

- limited operating experience;
- net losses;
- lack of sufficient customers or loss of significant customers;
- a changing business focus;
- the downward trend in sales of physical DVD and Blu-ray discs;
- rapidly-changing technology for some of the products and services we offer; and
- difficulties in managing potentially rapid growth.

We expect competition to be intense. If we are unable to compete successfully, our business and results of operations will be seriously harmed.

The markets for the digital cinema business and the content distribution business are competitive, evolving and subject to rapid technological and other changes. We expect the intensity of competition in each of these areas to increase in the future. Companies willing to expend the necessary capital to create facilities and/or capabilities similar to ours may compete with our business. Increased competition may result in reduced revenues and/or margins and loss of market share, any of which could seriously harm our business. In order to compete effectively in each of these fields, we must differentiate ourselves from competitors.

Many of our current and potential competitors have longer operating histories and greater financial, technical, marketing and other resources than we do, which may permit them to adopt aggressive pricing policies. As a result, we may suffer from pricing pressures that could adversely affect our ability to generate revenues and our results of operations. Many of our competitors also have significantly greater name and brand recognition and a larger customer base than us. If we are unable to compete successfully, our business and results of operations will be seriously harmed.

Our plan to acquire additional businesses involves risks, including our inability to complete an acquisition successfully, our assumption of liabilities, dilution of your investment and significant costs.

Strategic and financially appropriate acquisitions are a key component of our growth strategy. Although there are no other acquisitions identified by us as probable at this time, we may make further acquisitions of similar or complementary businesses or assets. Even if we identify appropriate acquisition candidates, we may be unable to negotiate successfully the terms of the acquisitions, finance them, integrate the acquired business into our then existing business and/or attract and retain customers. Completing an acquisition and integrating an acquired business may require a significant diversion of management time and resources and may involve assuming new liabilities. Any acquisition also involves the risks that the assets acquired may prove less valuable than expected and/or that we may assume unknown or unexpected liabilities, costs and problems. If we make one or more significant acquisitions in which any of the consideration consists of our capital stock, your equity interest in the Company could be diluted, perhaps significantly. If we were to proceed with one or more significant acquisitions in which the consideration included cash, we could be required to use a substantial portion of our available cash, or obtain additional financing to consummate them.

Our previous acquisitions involve risks, including our inability to integrate successfully the new businesses and our assumption of certain liabilities.

Our acquisition of these businesses and their respective assets also involved the risks that the businesses and assets acquired may prove to be less valuable than we expected and/or that we may assume unknown or unexpected liabilities, costs and problems. In addition, we assumed certain liabilities in connection with these acquisitions and we cannot assure you that we will be able to satisfy adequately such assumed liabilities. Other companies that offer similar products and services may be able to market and sell their products and services more cost-effectively than we can.

We have recorded goodwill impairment charges and may be required to record additional charges to future earnings if our goodwill becomes further impaired or our intangible assets become impaired.

We are required under generally accepted accounting principles to review our goodwill and definite-lived intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill must be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our reporting units and intangible assets may not be recoverable include a decline in stock price and market capitalization, slower growth rates in our industry or our own operations, and/or other materially adverse events that have implications on the profitability of our business. In fiscal year ended March 31, 2016, we recorded a goodwill impairment charge of $18.0 million in our Content & Entertainment operating segment. See Note 2 - *Summary of Significant Accounting Policies* of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for details. We may be required to record additional charges to earnings during any period in which a further impairment of our goodwill or other intangible assets is determined which could adversely affect our results of operations.

If we do not manage our growth, our business will be harmed.

We may not be successful in managing our growth. Past growth has placed, and future growth will continue to place, significant challenges on our management and resources, related to the successful integration of the newly acquired businesses. To manage the expected growth of our operations, we will need to improve our existing, and implement new, operational and financial systems, procedures and controls. We may also need to expand our finance, administrative, client services and operations staffs and train and manage our growing employee base effectively. Our current and planned personnel, systems, procedures and controls may not be adequate to support our future operations. Our business, results of operations and financial position will suffer if we do not effectively manage our growth.

If we are not successful in protecting our intellectual property, our business will suffer.

We depend heavily on technology and viewing content to operate our business. Our success depends on protecting our intellectual property, which is one of our most important assets. We have intellectual property consisting of:

- rights to certain domain names;
- registered service marks on certain names and phrases;
- various unregistered trademarks and service marks;
- film, television and other forms of viewing content;
- know-how; and
- rights to certain logos.

If we do not adequately protect our intellectual property, our business, financial position and results of operations would be harmed. Our means of protecting our intellectual property may not be adequate. Unauthorized parties may attempt to copy aspects of our

intellectual property or to obtain and use information that we regard as proprietary. In addition, competitors may be able to devise methods of competing with our business that are not covered by our intellectual property. Our competitors may independently develop similar technology, duplicate our technology or design around any intellectual property that we may obtain.

Although we hold rights to various web domain names, regulatory bodies in the United States and abroad could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. The relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear. We may be unable to prevent third parties from acquiring domain names that are similar to or diminish the value of our proprietary rights.

Our substantial debt and lease obligations could impair our financial flexibility and restrict our business significantly.

We now have, and will continue to have, significant debt obligations. In October 2013, we entered into the Cinedigm Credit Agreement pursuant to which we borrowed Term Loans in the aggregate amount of $25.0 million and had the ability to borrow revolving loans and have letters of credit issued in an aggregate amount at any one time outstanding not to exceed $30.0 million. In April 2015, we repaid and terminated the term loan in its entirety, and in May 2016, we reduced the capacity of the revolving loans to $22.0 million and in July 2016, we further reduced the borrowing capacity of such loans to $19.8 million. The obligations under the Cinedigm Credit Agreement, as amended and restated, are with full recourse to Cinedigm. As of March 31, 2017, principal amount outstanding under the Cinedigm Credit Agreement was $19.6 million. Additionally, in October 2013, we issued $5.0 million aggregate principal amount of subordinated notes (the "2013 Notes"), which debt is unsecured and subordinate to the debt under the Cinedigm Credit Agreement. In April 2015, we issued $64.0 million aggregate principal amount of 5.5% Convertible Senior Notes due 2035 (the "Convertible Notes"), of which $50.6 million is outstanding as of March 31, 2017. The Convertible Notes are unsecured and subordinate to the debt under the Cinedigm Credit Agreement and senior to the 2013 Notes. In July, September and October 2016 and January and February 2017, we issued $9.0 million aggregate principal amount of 12.75% Second Secured Lien Notes due 2019 (the "Second Secured Lien Notes," which debt is secured on a second lien basis and is subordinate to the debt under the Cinedigm Credit Agreement, pari passu (other than as to the collateral) with the Convertible Notes and senior to the 2013 Notes.

As of March 31, 2017, total indebtedness of our consolidated subsidiaries (not including guarantees of our debt) was $63.8 million, none of which is guaranteed by Cinedigm Corp. or our subsidiaries, other than CDF I with respect to the Phase I Credit Agreement, DC Holdings LLC, AccessDM and ADCP2 with respect to the Prospect Loan, and Phase 2 B/AIX with respect to the KBC Agreements. In connection with the Prospect Loan, we provided a limited recourse guaranty pursuant to which Cinedigm guaranteed certain representations and warranties and performance obligations with respect to the Prospect Loan in favor of the collateral agent and the administrative agent for the Prospect Loan. Cinedigm Corp. has provided a limited recourse guaranty in respect of a portion of this indebtedness ($54.7 million as of March 31, 2017) pursuant to which it agreed to become a primary obligor of such indebtedness in certain specified circumstances, none of which have occurred as of the date hereof.

We also had capital lease obligations covering a facility and computer equipment with an aggregate principal amount of $0.1 million as of March 31, 2017. On October 28, 2016, we entered into an agreement to fully terminate our lease obligation on the Pavilion Theater, a facility that was accounted for as a capital lease and for which we were considered the primary obligor. Contemporaneously, we also terminated a sublease agreement that we had with the tenant of the Pavilion Theater.

In February 2013, DC Holdings LLC, our wholly owned subsidiary, entered into the Prospect Loan in the aggregate principal amount of $70.0 million. Additionally, in February 2013, CDF I, our indirect wholly owned subsidiary that is intended to be a special purpose, bankruptcy remote entity, amended and restated the Phase I Credit Agreement, pursuant to which it borrowed $130.0 million of which $5.0 million was assigned to DC Holding LLC. As of March 31, 2017, the outstanding principal amount of the Prospect Loan was $54.7 million. In November 2016, the Phase I Credit Agreement was repaid in full, and accordingly no amount remains outstanding as of March 31, 2017. Phase 2 B/AIX, our indirect wholly owned subsidiary, has entered into the KBC Agreements pursuant to which it has borrowed $65.3 million in the aggregate. As of March 31, 2017, the outstanding principal balance under the KBC Agreements was $8.6 million in the aggregate.

The obligations and restrictions under the Cinedigm Credit Agreement, the Prospect Loan, the KBC Agreements and our other debt obligations could have important consequences for us, including:

- limiting our ability to obtain necessary financing in the future; and
- requiring us to dedicate a substantial portion of our cash flow to payments on our debt obligations, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other corporate requirements or expansion of our business.

CDF2 and CDF2 Holdings are our indirect wholly owned, non-consolidated VIEs that are intended to be special purpose, bankruptcy remote entities. CDF2 has entered into the Phase II Credit Agreement, pursuant to which it borrowed $63.2 million in the aggregate. As of March 31, 2017, the outstanding balance under the Phase II Credit Agreement, which includes interest payable, was $22.0 million. CDF2 Holdings has entered into the CHG Lease pursuant to which CHG provided sale/leaseback financing for digital cinema projection systems that were partially financed by the Phase II Credit Agreement in an amount of approximately $57.2 million in the aggregate. These facilities are non-recourse to Cinedigm and our subsidiaries, excluding our VIE, CDF2 and CDF2 Holdings, as the case may be. Although the Phase II financing arrangements undertaken by CDF2 and CDF2 Holdings are important to us with respect to the success of our Phase II Deployment, our financial exposure related to the debt of CDF2 and CDF2 Holdings is limited to the $2.0 million initial investment it made into CDF2 and CDF2 Holdings. CDF2 Holding's total stockholder's deficit at March 31, 2017 was $18.7 million. We have no obligation to fund the operating loss or the deficit beyond its initial investment, and accordingly, we carried our investment in CDF2 Holdings at $0 as of March 31, 2017 and 2016.

The obligations and restrictions under the Phase II Credit Agreement and the CHG Lease could have important consequences for CDF2 and CDF2 Holdings, including:

- Limiting our ability to obtain necessary financing in the future; and
- requiring them to dedicate a substantial portion of their cash flow to payments on their debt obligations, thereby reducing the availability of their cash flow for other uses.

If we are unable to meet our lease and debt obligations, we could be forced to restructure or refinance our obligations, to seek additional equity financing or to sell assets, which we may not be able to do on satisfactory terms or at all. As a result, we could default on those obligations and in the event of such default, our lenders could accelerate our debt or take other actions that could restrict our operations.

The foregoing risks would be intensified to the extent we borrow additional money or incur additional debt.

The agreements governing the financing of our Phase I Deployment and part of our Phase II Deployment, the Cinedigm Credit Agreement and the Prospect Loan impose certain limitations on us.

The Cinedigm Credit Agreement restricts our ability and the ability of our subsidiaries that have guaranteed the obligations under the Cinedigm Credit Agreement, subject to certain exceptions, to, among other things:

- make certain capital expenditures and investments;
- incur other indebtedness or liens;
- create or acquire subsidiaries which do not guarantee the obligations or foreign subsidiaries;
- engage in a new line of business;
- pay dividends;
- sell assets;
- amend certain agreements;
- acquire, consolidate with, or merge with or into other companies; and
- enter into transactions with affiliates.

One or more of the KBC Agreements governing part of the financing of our Phase II Deployment restrict the ability of Phase 2 B/AIX to, among other things:

- dispose of or incur other liens on the digital cinema projection systems financed by KBC;
- engage in a new line of business;
- sell assets outside the ordinary course of business or on other than arm's length terms;
- make payments to majority owned affiliated companies; and
- consolidate with, or merge with or into other companies.

The agreements governing the Prospect Loan restrict the ability of DC Holdings LLC and its subsidiaries, subject to certain exceptions, to, among other things:

- make certain capital expenditures and investments;
- incur other indebtedness or liens;
- engage in a new line of business;
- sell assets;
- acquire, consolidate with, or merge with or into other companies; and

- enter into transactions with affiliates.

The agreements governing the financing of other parts of our Phase II Deployment impose certain limitations, which may affect our Phase 2 deployment.

The Phase II Credit Agreement governing part of the financing of part of our Phase II Deployment that has not been financed by the KBC Agreements restricts the ability of CDF2, CDF2 Holdings and their existing and future subsidiaries to, among other things:

- make certain capital expenditures and investments;
- incur other indebtedness or liens;
- engage in a new line of business;
- sell assets;
- acquire, consolidate with, or merge with or into other companies; and
- enter into transactions with affiliates.

The CHG Lease governing part of the financing of part of our Phase II Deployment restricts the ability of CDF2 Holdings to, among other things:

- incur liens on the digital cinema projection systems financed; and
- sublease, assign or modify the digital cinema projection systems financed.

We may not be able to generate the amount of cash needed to fund our future operations.

Our ability either to make payments on or to refinance our indebtedness, or to fund planned capital expenditures and research and development efforts, will depend on our ability to generate cash in the future. Our ability to generate cash is in part subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

Based on our current level of operations and in conjunction with the cost reduction measures that we have recently implemented and continue to implement, we believe our cash flow from operations, available borrowings and loan and credit agreement terms will be adequate to meet our future liquidity needs through at least March 31, 2018. Significant assumptions underlie this belief, including, among other things, that there will be no material adverse developments in our business, liquidity or capital requirements. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as:

- reducing capital expenditures;
- reducing our overhead costs and/or workforce;
- reducing research and development efforts;
- selling assets;
- restructuring or refinancing our remaining indebtedness; and
- seeking additional funding.

We cannot assure you, however, that our business will generate sufficient cash flow from operations, or that we will be able to make future borrowings in amounts sufficient to enable us to pay the principal and interest on our current indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all.

We have incurred losses since our inception.

We have incurred losses since our inception in March 2000 and have financed our operations principally through equity investments and borrowings. As of March 31, 2017, we had negative working capital, defined as current assets less current liabilities, of $15.4 million, and cash and cash equivalents and restricted cash totaling $13.6 million; we have total stockholders' deficit of $70.7 million; however, during the fiscal year ended March 31, 2017, we generated $31.7 million of net cash flows from operating activities.

Our net losses and cash outflows may increase as and to the extent that we increase the size of our business operations, increase our sales and marketing activities, increase our content distribution rights acquisition activities, enlarge our customer support and professional services and acquire additional businesses. These efforts may prove to be more expensive than we currently anticipate which could further increase our losses. We must continue to increase our revenues in order to become profitable. We cannot

reliably predict when, or if, we will become profitable. Even if we achieve profitability, we may not be able to sustain it. If we cannot generate operating income or positive cash flows in the future, we will be unable to meet our working capital requirements.

Many of our corporate actions may be controlled by our officers, directors and principal stockholders; these actions may benefit these principal stockholders more than our other stockholders.

As of March 31, 2017, our directors, executive officers and principal stockholders, those known by us to beneficially own more than 5% of the outstanding shares of the Class A common stock, beneficially own, directly or indirectly, in the aggregate, approximately 51.3% of our outstanding Class A common stock. In particular, Chris McGurk, our Chairman and Chief Executive Officer, owns 510,740 shares of Class A common stock and has stock options to purchase 600,000 shares of Class A common stock, all of which are vested. If all the options were exercised, Mr. McGurk would own 1,110,740 shares or approximately 8.9% of the then-outstanding Class A common stock. In addition, Ronald L. Chez, a former director and a current strategic advisor to the Board, owns 1,362,171 shares of Class A common stock and warrants to purchase 297,500 shares of Class A common stock. If such warrants were exercised, Mr. Chez would own 1,659,671 shares or approximately 13.7% of the Class A common stock.

These stockholders may have significant influence over our business affairs, with the ability to control matters requiring approval by our security holders, including elections of directors and approvals of mergers or other business combinations. In addition, certain corporate actions directed by our officers may not necessarily inure to the proportional benefit of our other stockholders.

Our success will significantly depend on our ability to hire and retain key personnel.

Our success will depend in significant part upon the continued performance of our senior management personnel and other key technical, sales and creative personnel. We do not currently have significant "key person" life insurance policies for any of our employees. We currently have employment agreements with our chief executive officer. If we lose one or more of our key employees, we may not be able to find a suitable replacement(s) and our business and results of operations could be adversely affected. In addition, competition for key employees necessary to create and distribute our entertainment content and software products is intense and may grow in the future. Our future success will also depend upon our ability to hire, train, integrate and retain qualified new employees and our inability to do so may have an adverse impact upon our business, financial condition, operating results, liquidity and prospects for growth.

If we do not respond to future changes in technology and customer demands, our financial position, prospects and results of operations may be adversely affected.

The demand for our Systems and other assets in connection with our digital cinema business (collectively, our "Digital Cinema Assets") may be affected by future advances in technology and changes in customer demands. We cannot assure you that there will be continued demand for our Digital Cinema Assets. Our profitability depends largely upon the continued use of digital presentations at theatres. Although we have entered into long term agreements with major motion picture studios and independent studios (the "Studio Agreements"), there can be no assurance that these studios will continue to distribute digital content to movie theatres. If the development of digital presentations and changes in the way digital files are delivered does not continue or technology is used that is not compatible with our Systems, there may be no viable market for our Systems and related products. Any reduction in the use of our Systems and related products resulting from the development and deployment of new technology may negatively impact our revenues and the value of our Systems.

The demand for DVD products is declining, and we anticipate that this decline will continue. We anticipate, however, that the distribution of DVD products will continue to generate positive cash flows for the Company for the foreseeable future. Should a decline in consumer demand be greater than we anticipate, our business could be adversely affected.

We have concentration in our digital cinema business with respect to our major motion picture studio customers, and the loss of one or more of our largest studio customers could have a material adverse effect on us.

Our Studio Agreements account for a significant portion of our revenues within Phase 1 DC and Phase 2 DC. Together these studios generated 58%**,** 64%, and 21% of Phase 1 DC's, Phase 2 DC's and our consolidated revenues, respectively, for the fiscal year ended March 31, 2017.

The Studio Agreements are critical to our business. If some of the Studio Agreements were terminated prior to the end of their terms or found to be unenforceable, or if our Systems are not upgraded or enhanced as necessary, or if we had a material failure of our Systems, it may have a material adverse effect on our revenue, profitability, financial condition and cash flows. The Studio Agreements also generally provide that the VPF rates and other material terms of the agreements may not be more favorable to one studio as compared to the others.

Termination of the MLAs and MLAAs could damage our revenue and profitability.

The master license agreements with each of our licensed exhibitors (the "MLAs") are critical to our business as are master license administrative agreements (the "MLAAs"). The MLAs have terms, which expire in 2020 through 2022 and provide the exhibitor with an option to purchase our Systems or to renew for successive one-year periods up to ten years thereafter. The MLAs also require our suppliers to upgrade our Systems when technology necessary for compliance with DCI Specification becomes commercially available and we may determine to enhance the Systems, which may require additional capital expenditures. If any one of the MLAs were terminated prior to the end of its term, not renewed at its expiration or found to be unenforceable, or if our Systems are not upgraded or enhanced as necessary, it would have a material adverse effect on our revenue, profitability, financial condition and cash flows. Additionally, termination of MLAAs could adversely impact our servicing business.

We have concentration in our business with respect to our major licensed exhibitors, and the loss of one or more of our largest exhibitors could have a material adverse effect on us.

Approximately 64% of Phase 1 DC's Systems and 19% of total systems are under MLA in theatres owned or operated by one large exhibitor. The loss of this exhibitor or another of our major licensed exhibitors could have a negative impact on the aggregate receipt of VPF revenues as a result of the loss of any associated MLAs. Although we do not receive revenues from licensed exhibitors and we have attempted to limit our licenses to only those theatres, which we believe are successful, each MLA with our licensed exhibitors is important, depending on the number of screens, to our business since VPF revenues are generated based on screen turnover at theatres. If the MLA with a significant exhibitor was terminated prior to the end of its term, it would have a material adverse effect on our revenue, profitability, financial condition and cash flows. There can be no guarantee that the MLAs with our licensed exhibitors will not be terminated prior to the end of its term.

An increase in the use of alternative movie distribution channels and other competing forms of entertainment could drive down movie theatre attendance, which, if causing significant theatre closures or a substantial decline in motion picture production, may lead to reductions in our revenues.

Various exhibitor chains, which are our distributors, face competition for patrons from a number of alternative motion picture distribution channels, such as DVD, network and syndicated television, VOD, pay-per-view television and downloading utilizing the Internet. These exhibitor chains also compete with other forms of entertainment competing for patrons' leisure time and disposable income such as concerts, amusement parks and sporting events. An increase in popularity of these alternative movie distribution channels and competing forms of entertainment could drive down movie theatre attendance and potentially cause certain of our exhibitors to close their theatres for extended periods of time. Significant theatre closures could in turn have a negative impact on the aggregate receipt of our VPF revenues, which in turn may have a material adverse effect on our business and ability to service our debt.

An increase in the use of alternative movie distribution channels could also cause the overall production of motion pictures to decline, which, if substantial, could have an adverse effect on the businesses of the major studios with which we have Studio Agreements. A decline in the businesses of the major studios could in turn force the termination of certain Studio Agreements prior to the end of their terms. The Studio Agreements with each of the major studios are critical to our business, and their early termination may have a material adverse effect on our revenue, profitability, financial condition and cash flows.

Our success depends on external factors in the motion picture and television industry.

Our success depends on the commercial success of movies and television programs, which is unpredictable. Operating in the motion picture and television industry involves a substantial degree of risk. Each movie and television program is an individual artistic work, and inherently unpredictable audience reactions primarily determine commercial success. Generally, the popularity of movies and television programs depends on many factors, including the critical acclaim they receive, the format of their initial release, for example, theatrical or direct-to-video, the actors and other key talent, their genre and their specific subject matter. The commercial success of movies and television programs also depends upon the quality and acceptance of movies or programs that our competitors release into the marketplace at or near the same time, critical reviews, the availability of alternative forms of entertainment and leisure activities, general economic conditions and other tangible and intangible factors, many of which we do not control and all of which may change. We cannot predict the future effects of these factors with certainty, any of which could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects. In addition, because a movie's or television program's performance in ancillary markets, such as home video and pay and free television, is often directly related to its box office performance or television ratings, poor box office results or poor television ratings may negatively affect future revenue streams. Our success will depend on the experience and judgment of our management to select and develop new content acquisition and investment opportunities. We cannot make assurances that movies and television programs will obtain favorable reviews or ratings, will perform well at the box office or in ancillary markets or that broadcasters will license the rights

to broadcast any of our television programs in development or renew licenses to broadcast programs in our library. The failure to achieve any of the foregoing could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

Our business involves risks of liability claims for media content, which could adversely affect our business, results of operations and financial condition.

As a distributor of media content, we may face potential liability for:

- defamation;
- invasion of privacy;
- negligence;
- copyright or trademark infringement (as discussed above); and
- other claims based on the nature and content of the materials distributed.

These types of claims have been brought, sometimes successfully, against producers and distributors of media content. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

Our revenues and earnings are subject to market downturns.

Our revenues and earnings may fluctuate significantly in the future. General economic or other conditions could cause lower than expected revenues and earnings within our digital cinema, technology or content and entertainment businesses. The global economic turmoil of recent years has caused a general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, an unprecedented level of intervention from the U.S. federal government and other foreign governments, decreased consumer confidence, overall slower economic activity and extreme volatility in credit, equity and fixed income markets. While the ultimate outcome of these events cannot be predicted, a decrease in economic activity in the U.S. or in other regions of the world in which we do business could adversely affect demand for our movies, thus reducing our revenue and earnings. While stabilization has continued, it remains a slow process and the global economy remains subject to volatility. Moreover, financial institution failures may cause us to incur increased expenses or make it more difficult either to financing of any future acquisitions, or financing activities. Any of these factors could have a material adverse effect on our business, results of operations and could result in significant additional dilution to shareholders.

Changes in economic conditions could have a material adverse effect on our business, financial position and results of operations.

Our operations and performance could be influenced by worldwide economic conditions. Uncertainty about current global economic conditions poses a risk as consumers and businesses may postpone spending in response to tighter credit, negative financial news and/or declines in income or asset values, which could have a material negative effect on the demand for the our products and services. Other factors that could influence demand include continuing increases in fuel and other energy costs, conditions in the residential real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting consumer-spending behavior. These and other economic factors could have a material adverse effect on demand for our products and services and on our financial condition and operating results. Uncertainty about current global economic conditions could also continue to increase the volatility of our stock price.

Changes to existing accounting pronouncements or taxation rules or practices may affect how we conduct our business and affect our reported results of operations.

New accounting pronouncements or tax rules and varying interpretations of accounting pronouncements or taxation practice have occurred and may occur in the future. A change in accounting pronouncements or interpretations or taxation rules or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. Changes to existing rules and pronouncements, future changes, if any, or the questioning of current practices or interpretations may adversely affect our reported financial results or the way we conduct our business.

We are subject to counterparty risk with respect to a forward stock purchase transaction.

The forward counterparty to the forward stock purchase transaction that we are party to is one of the lenders under the Cinedigm Credit Agreement, and we are subject to the risk that it might default under the forward stock purchase transaction. Our exposure to the credit risk of the forward counterparty will not be secured by any collateral. Global economic conditions have in the recent

past resulted in, and may again result in, the actual or perceived failure or financial difficulties of many financial institutions. If the forward counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings, with a claim equal to our exposure at that time under our transaction with that counterparty. Our exposure will depend on many factors, but, generally, an increase in our exposure will be correlated to an increase in the market price of our Class A common stock. In addition, upon default by the forward counterparty, we may suffer more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of the forward counterparty to the forward stock purchase transaction.

Risks Related to our Class A Common Stock

The liquidity of the Class A common stock is uncertain; the limited trading volume of the Class A common stock may depress the price of such stock or cause it to fluctuate significantly.

Although the Class A common stock is listed on Nasdaq, there has been a limited public market for the Class A common stock and there can be no assurance that a more active trading market for the Common Stock will develop. As a result, you may not be able to sell your shares of Class A common stock in short time periods, or possibly at all. The absence of an active trading market may cause the price per share of the Class A common stock to fluctuate significantly.

Substantial resales or future issuances of our Class A common stock could depress our stock price.

The market price for the Class A common stock could decline, perhaps significantly, as a result of resales or issuances of a large number of shares of the Class A common stock in the public market or even the perception that such resales or issuances could occur, including resales of the shares being registered hereunder pursuant to the registration statement of which this prospectus supplement is a part. In addition, we have outstanding a substantial number of options, warrants and other securities convertible into shares of Class A common stock that may be exercised in the future. Certain holders of our securities, including with respect to shares of Class A common stock issuable in exchange for warrants, have demand and piggy-back registration rights. These factors could also make it more difficult for us to raise funds through future offerings of our equity securities.

You will incur substantial dilution as a result of certain future equity issuances.

We have a substantial number of options, warrants and other securities currently outstanding which may be immediately exercised or converted into shares of Class A common stock. To the extent that these options, warrants or similar securities are exercised or converted, or to the extent we issue additional shares of Class A common stock in the future, as the case may be, there will be further dilution to holders of shares of the Class A common stock.

Our issuance of preferred stock could adversely affect holders of Class A common stock.

Our board of directors is authorized to issue series of preferred stock without any action on the part of our holders of Class A common stock. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our Class A common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our Class A common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our Class A common stock , the rights of holders of our Class A common stock or the price of our Class A common stock could be adversely affected.

The acquisition restrictions contained in our certificate of incorporation, which are intended to help preserve our net operating losses, may not be effective or may have unintended negative effects.

We have experienced, and may continue to experience, substantial operating losses, and under Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"), and rules promulgated by the Internal Revenue Service, we may "carry forward" these net operating losses ("NOLs") in certain circumstances to offset any current and future earnings and thus reduce our federal income tax liability, subject to certain requirements and restrictions. To the extent that the NOLs do not otherwise become limited, we believe that we will be able to carry forward a significant amount of the NOLs, and therefore these NOLs could be a substantial asset to us. If, however, we experience a Section 382 ownership change, our ability to use the NOLs will be substantially limited, and the timing of the usage of the NOLs could be substantially delayed, which could therefore significantly impair the value of that asset.

To reduce the likelihood of an ownership change, we have established acquisition restrictions in our certificate of incorporation. The acquisition restrictions in our certificate of incorporation are intended to restrict certain acquisitions of the Class A common

stock to help preserve our ability to utilize our NOLs by avoiding the limitations imposed by Section 382 and the related Treasury regulations. The acquisition restrictions are generally designed to restrict or deter direct and indirect acquisitions of the Class A common stock if such acquisition would result in a shareholder becoming a "5-percent shareholder" (as defined by Section 382 and the related Treasury regulations) or increase the percentage ownership of Company stock that is treated as owned by an existing 5-percent shareholder.

Although the acquisition restrictions are intended to reduce the likelihood of an ownership change that could adversely affect us, we can give no assurance that such restrictions would prevent all transfers that could result in such an ownership change. In particular, we have been advised by our counsel that, absent a court determination, there can be no assurance that the acquisition restrictions will be enforceable against all of our shareholders, and that they may be subject to challenge on equitable grounds. In particular, it is possible that the acquisition restrictions may not be enforceable against the shareholders who voted against or abstained from voting on the restrictions at our 2009 annual meeting of stockholders.

Under certain circumstances, our Board may determine it is in our best interest to exempt certain 5-percent shareholders from the operation of the acquisition restrictions, if a proposed transaction is determined not to be detrimental to the utilization of our NOLs.

The acquisition restrictions also require any person attempting to become a holder of 5% or more of the Class A common stock, as determined under Section 382, to seek the approval of our Board. This may have an unintended "anti-takeover" effect because our Board may be able to prevent any future takeover. Similarly, any limits on the amount of stock that a stockholder may own could have the effect of making it more difficult for stockholders to replace current management. Additionally, because the acquisition restrictions have the effect of restricting a stockholder's ability to dispose of or acquire the Class A common stock, the liquidity and market value of the Class A common stock might suffer. The acquisition restrictions may be waived by our Board. Stockholders are advised to monitor carefully their ownership of the Class A common stock and consult their own legal advisors and/or Company to determine whether their ownership of the Class A common stock approaches the proscribed level.

The occurrence of various events may adversely affect our ability to fully utilize NOLs.

We have a substantial amount of NOLs for U.S. federal income tax purposes that are available both currently and in the future to offset taxable income and gains. Events outside of our control may cause us to experience a Section 382 ownership change, and limit our ability to fully utilize such NOLs.

In general, an ownership change occurs when, as of any testing date, the percentage of stock of a corporation owned by one or more "5-percent shareholders," as defined in the Section 382 and the related Treasury regulations, has increased by more than 50 percentage points over the lowest percentage of stock of the corporation owned by such shareholders at any time during the three-year period preceding such date. In general, persons who own 5% or more of a corporation's stock are 5-percent shareholders, and all other persons who own less than 5% of a corporation's stock are treated, together, as a single, public group 5-percent shareholder, regardless of whether they own an aggregate of 5% or more of a corporation's stock. If a corporation experiences an ownership change, it is generally subject to an annual limitation, which limits its ability to use its NOLs to an amount equal to the equity value of the corporation multiplied by the federal long-term tax-exempt rate.

If we were to experience an ownership change, we could potentially have, in the future, higher U.S. federal income tax liabilities than we would otherwise have had and it may also result in certain other adverse consequences to us. Therefore, we have adopted the acquisition restrictions set forth in Article Fourth of our certificate of incorporation in order to reduce the likelihood that we will experience an ownership change under Section 382. There can be no assurance, however, that these efforts will deter or prevent the occurrence of an ownership change and the adverse consequences that may arise therefrom, as described above under the risk factor titled "The acquisition restrictions contained in our certificate of incorporation, which are intended to help preserve our net operating losses, may not be effective or may have unintended negative effects."

Our stock price has been volatile and may continue to be volatile in the future; this volatility may affect the price at which you could sell our Class A common stock.

The trading price of the Class A common stock has been volatile and may continue to be volatile in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on an investment in the Class A common stock:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- success of competitors;

- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us, the market for digital and physical content, content distribution and entertainment in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business or our industry;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of the Class A common stock available for public sale;
- any major change in our board of directors or management;
- sales of substantial amounts of Class A common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of the Class A common stock irrespective of our operating performance. The stock market in general, and Nasdaq in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of the Class A common stock, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies that investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of the Class A common stock also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our fourth amended and restated certificate of incorporation, as amended, and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our board of directors. These provisions include:

- a restriction on certain acquisitions of our common stock to help preserve our ability to utilize our significant NOLs by avoiding the limitations imposed by Section 382 of the Code;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the requirement that an annual meeting of stockholders may be called only by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- limiting the liability of, and providing indemnification to, our directors and officers;
- controlling the procedures for the conduct and scheduling of stockholder meetings; and
- providing that directors may be removed prior to the expiration of their terms by the Board of Directors only for cause.

These provisions, alone or together, could delay hostile takeovers and changes in control of the Company or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the DGCL, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for the Class A common stock.

We have no present intention of paying dividends on our Class A common stock.

We have never paid any cash dividends on our Class A common stock and have no present plans to do so. As a result, you may not receive any return on an investment in our Class A common stock unless you sell the shares for a price greater than that which you paid for them

ITEM 2. PROPERTY

We operated from the following leased properties at March 31, 2017.

Location	Square Feet (Approx.)	Lease Expiration Date	Primary Use
Sherman Oaks, California	11,600	March 2022	Primary operations, sales, marketing and administrative offices for our Content & Entertainment Group. In addition, certain operations and administration for our other business segments.
Manhattan Borough of New York City	16,500	July 2017	Corporate executive and administrative headquarters. Shared between all business segments.

We believe that we have sufficient space to conduct our business for the foreseeable future. All of our leased properties are, in the opinion of our management, in satisfactory condition and adequately covered by insurance.

We do not own any real estate or invest in real estate or related investments.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

CLASS A COMMON STOCK

Our Class A Common Stock trades publicly on the Nasdaq Global Market ("Nasdaq"), under the trading symbol "CIDM". The following table shows the high and low sales prices per share of our Class A Common Stock as reported by Nasdaq for the periods indicated:

	For the Fiscal Year Ended March 31,			
	2017		2016	
	HIGH	LOW	HIGH	LOW
April 1 – June 30	$2.70	$1.21	$15.80	$7.10
July 1 – September 30	$2.40	$0.90	$7.40	$5.20
October 1 – December 31	$2.35	$1.27	$6.80	$2.50
January 1 – March 31	$1.69	$1.25	$3.10	$2.10

The last reported closing price per share of our Class A Common Stock as reported by Nasdaq on June 26, 2017 was $2.08 per share. As of June 26, 2017, there were 108 holders of record of our Class A Common Stock, not including beneficial owners of our Class A Common Stock whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

CLASS B COMMON STOCK

No shares of Class B Common Stock are currently outstanding. On September 13, 2012, we amended our Fourth Amended and Restated Certificate of Incorporation to eliminate any authorized but unissued shares of Class B Common Stock. Accordingly, no further Class B Common Stock will be issued.

DIVIDEND POLICY

We have never paid any cash dividends on our Class A Common Stock or Class B Common Stock and do not anticipate paying any on our Class A Common Stock in the foreseeable future. Any future payment of dividends on our Class A Common Stock will be in the sole discretion of our board of directors. The holders of our Series A 10% Non-Voting Cumulative Preferred Stock are entitled to receive dividends. There were $89 thousand of cumulative dividends in arrears on the Preferred Stock at March 31, 2017.

SALES OF UNREGISTERED SECURITIES

None.

PURCHASE OF EQUITY SECURITIES

There were no purchases of shares of our Class A Common Stock made by us or on our behalf during the three months ended March 31, 2017.

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth our historical selected financial and operating data for the periods indicated. The selected financial and operating data should be read together with the other information contained in this document, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," in Item 7 and the audited historical financial statements and the notes thereto included elsewhere in this document. The historical results here are not necessarily indicative of future results.

Statement of Operations Data Related to Continuing Operations:	For the Fiscal Years Ended March 31, (In thousands, except for share and per share data)				
	2017	2016	2015	2014	2013
Revenues	$ 90,394	$ 104,449	$ 105,484	$ 104,328	$ 81,092
Direct operating (exclusive of depreciation and amortization shown below)	25,121	31,341	30,109	28,920	8,515
Selling, general and administrative	23,776	33,367	31,120	26,333	20,805
Provision (benefit) for doubtful accounts	1,213	789	(206)	394	478
Restructuring, transition and acquisitions expenses, net	87	1,130	2,638	1,533	857
Goodwill impairment	—	18,000	6,000	—	—
Litigation and related, net of recovery in 2016	—	(2,228)	1,282	—	—
Depreciation and amortization of property and equipment	27,722	37,344	37,519	37,289	36,359
Amortization of intangible assets	5,718	5,852	5,864	3,473	1,538
Total operating expenses	83,637	125,595	114,326	97,942	68,552
(Loss) income from operations	6,757	(21,146)	(8,842)	6,386	12,540
Interest income	73	82	101	98	48
Interest expense	(19,068)	(20,642)	(19,899)	(19,755)	(28,314)
Debt prepayment fees	—	—	—	—	(3,725)
Loss on extinguishment of notes payable	(1,063)	(931)	—	—	(7,905)
Debt conversion expense	(4,352)	—	—	—	—
Gain on termination of capital lease	2,535	—	—	—	—
(Loss) income on investment in non-consolidated entity	—	—	—	(1,812)	322
Other income, net	31	513	105	444	654
Change in fair value of interest rate derivatives	142	(40)	(441)	679	1,231
Loss from continuing operations before benefit from income taxes	(14,945)	(42,164)	(28,976)	(13,960)	(25,149)
Income tax (expense) benefit	(252)	(345)	—	—	4,944
Loss from continuing operations	(15,197)	(42,509)	(28,976)	(13,960)	(20,205)
Income (loss) from discontinued operations	—	—	100	(11,904)	(861)
Loss on sale of discontinued operations	—	—	(3,293)	—	—
Net loss	(15,197)	(42,509)	(32,169)	(25,864)	(21,066)
Net loss attributable to noncontrolling interest	68	767	861	—	—
Net loss attributable to Cinedigm Corp.	(15,129)	(41,742)	(31,308)	(25,864)	(21,066)
Preferred stock dividends	(356)	(356)	(356)	(356)	(356)
Net loss attributable to common shareholders	$ (15,485)	$ (42,098)	$ (31,664)	$ (26,220)	$ (21,422)
Basic and diluted net loss per share from continuing operations	$ (1.92)	$ (6.51)	$ (3.71)	$ (2.51)	$ (4.33)
Shares used in computing basic and diluted net loss per share [1]	8,049,160	6,467,978	7,678,535	5,708,432	4,751,717

[1] We incurred net losses for all periods presented and, therefore, the impact of potentially dilutive common stock equivalents and convertible notes have been excluded from the computation of net loss per share from continuing operations as their impact would be anti-dilutive.

	For the Fiscal Years Ended March 31, (In thousands)				
Balance Sheet Data (At Period End):	**2017**	**2016**	**2015**	**2014**	**2013**
Cash and cash equivalents and restricted cash	$ 13,566	$ 34,464	$ 25,750	$ 56,966	$ 20,199
Working capital (deficit)	$ (15,411)	$ 1,012	$ (30,871)	$ (5,002)	$ (17,497)
Total assets	$ 151,334	$ 209,398	$ 273,017	$ 336,719	$ 272,825
Notes payable, non-recourse	$ 61,104	$ 112,312	$ 151,360	$ 190,874	$ 230,927
Total stockholders' (deficit) equity of Cinedigm Corp.	$ (69,489)	$ (71,842)	$ (18,959)	$ 10,227	$ (17,314)
Other Financial Data:					
Net cash provided by operating activities	$ 31,699	$ 25,504	$ 9,211	$ 39,594	$ 29,369
Net cash provided by (used in) investing activities	$ (486)	$ (1,389)	$ 1,197	$ (52,009)	$ (4,250)
Net cash (used in) provided by financing activities	$ (44,128)	$ (17,633)	$ (41,624)	$ 49,182	$ (29,514)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our historical consolidated financial statements and the related notes included elsewhere in this document.

This report contains forward-looking statements within the meaning of the federal securities laws. These include statements about our expectations, beliefs, intentions or strategies for the future, which are indicated by words or phrases such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “will,” “estimates,“ and similar words. Forward-looking statements represent, as of the date of this report, our judgment relating to, among other things, future results of operations, growth plans, sales, capital requirements and general industry and business conditions applicable to us. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

OVERVIEW

Since our inception, we have played a significant role in the digital distribution revolution that continues to transform the media landscape. In addition to our pioneering role in transitioning over 12,000 movie screens from traditional analog film prints to digital distribution, we have become a leading distributor of independent content, both through organic growth and acquisitions. We distribute products for major brands such as the Discovery Networks, National Geographic and Scholastic, as well as leading international and domestic content creators, movie producers, television producers and other short form digital content producers. We collaborate with producers, major brands and other content owners to market, source, curate and distribute quality content to targeted audiences through (i) existing and emerging digital home entertainment platforms, including but not limited to, iTunes, Amazon Prime, Netflix, Hulu, Xbox, PlayStation, and cable video-on-demand ("VOD"), and (ii) physical goods, including DVD and Blu-ray Discs.

We report our financial results in four primary segments as follows: (1) the first digital cinema deployment (“Phase I Deployment”), (2) the second digital cinema deployment (“Phase II Deployment”), (3) digital cinema services (“Services”) and (4) media content and entertainment group (“Content & Entertainment” or "CEG"). The Phase I Deployment and Phase II Deployment segments are the non-recourse, financing vehicles and administrators for our digital cinema equipment (the “Systems”) installed in movie theatres throughout the United States, and in Australia and New Zealand. Our Services segment provides fee based support to over 12,000 movie screens in our Phase I Deployment, Phase II Deployment segments as well as directly to exhibitors and other third party customers in the form of monitoring, billing, collection and verification services. Our Content & Entertainment segment is a market leader in: (1) ancillary market aggregation and distribution of entertainment content and; (2) branded and curated over-the-top ("OTT") digital network business providing entertainment channels and applications.

Beginning in December 2015, certain of our Phase I Deployment Systems began to reach the conclusion of their deployment payment period with certain distributors and, therefore, VPF revenues ceased to be recognized on such Systems, related to such distributors. Furthermore, because the Phase I Deployment installation period ended in November 2007, a majority of the VPF revenue associated with the Phase I Deployment Systems has ended. As of March 31, 2017, 2,467 of the systems in our Phase I Deployment segment had ceased to earn a significant portion VPF revenue from certain major studios, representing approximately 66% of the total Systems in our Phase I Deployment. By December 2017, we expect that nearly all of our Phase I Deployment

systems will no longer earn VPF revenue from certain major studios. We expect to continue to earn ancillary revenue from the Phase I Deployment Systems through December of 2020; however, such amounts are expected to be significantly less material to our consolidated financial statements. The expected reduction in VPF revenue on our Phase I Deployment systems is scheduled to approximately coincide with the conclusion of certain of our non-recourse debt obligations and, therefore, we expect that reduced cash outflows related to such non-recourse debt obligations will partially offset reduced VPF revenue after November 2017.

Under the terms of our standard Phase I Deployment licensing agreements, exhibitors will continue to have the right to use our Systems through December 2020, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair-market-value.

We are structured so that our digital cinema business (collectively, the Phase I Deployment, Phase II Deployment and Services segments) operates independently from our Content & Entertainment segment. As of March 31, 2017, we had approximately $63.8 million of outstanding debt principal that relates to, and is serviced by, our digital cinema business and is non-recourse to us. We also had approximately $84.3 million of outstanding debt principal that is a part of our Content & Entertainment and Corporate segments.

Liquidity

We have incurred consolidated net losses of $15.2 million and $42.5 million for the years ended March 31, 2017 and 2016, respectively. We have an accumulated deficit of $360.4 million as of March 31, 2017. In addition, we have significant debt related contractual obligations for the fiscal year ended March 31, 2018 and beyond.

We believe the combination of: (i) our cash and restricted cash balances at March 31, 2017, (ii) implemented and planned cost reduction initiatives, and (iii) the availability of debt financing secured in the current fiscal year, and (iv) expected cash flows from operations will be sufficient to satisfy our liquidity and capital requirements for at least a year after these consolidated financial statements are available to be issued. Our capital requirements will depend on many factors, and we may need to use available capital resources and raise additional capital. We have entered into a transaction with a strategic partner (See *Note 12 - Subsequent Events* to the Consolidated Financial Statements included in Item 8) that will satisfy the Company's future contractual obligations, liquidity and cash flow needs. Failure to generate additional revenues, raise additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations and liquidity.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 2 - *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K. Management believes that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. Management has reviewed these critical accounting estimates and related disclosures with the Audit Committee of our board of directors.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the respective assets as follows:

Computer equipment and software	3-5 years
Digital cinema projection systems	10 years
Machinery and equipment	3-10 years
Furniture and fixtures	3-6 years

Leasehold improvements are being amortized over the shorter of the lease term or the estimated useful life of the improvement. Maintenance and repair costs are charged to expense as incurred. Major renewals, improvements and additions are capitalized.

Useful lives are determined based on an estimate of either physical or economic obsolescence, or both. During the fiscal years ended March 31, 2017 and 2016, we have neither made any revisions to estimated useful lives, nor recorded any impairment charges on our property and equipment.

FAIR VALUE ESTIMATES

Goodwill and Intangible and Long-Lived Assets

We evaluate our goodwill for impairment in the fourth quarter of each fiscal year (as of March 31), or whenever events or changes in circumstances indicate the fair value of a reporting unit is below its carrying amount. The determination of whether or not goodwill has become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the value of our reporting units. Inherent in the fair value determination for each reporting unit are certain judgments and estimates relating to future cash flows, including management's interpretation of current economic indicators and market conditions, and assumptions about our strategic plans with regard to our operations. To the extent additional information arises, market conditions change or our strategies change, it is possible that the conclusion regarding whether goodwill is impaired could change and result in future goodwill impairment charges that could have a material adverse effect on our consolidated financial position or results of operations.

When testing goodwill for impairment we are permitted to make a qualitative assessment of whether goodwill is impaired, or choose to bypass the qualitative assessment, and proceed directly to performing the first step of the two-step impairment test. If we perform a qualitative assessment and conclude it is more likely than not that the fair value of a reporting unit exceeds its carrying value, goodwill is not considered impaired and the two-step impairment test is unnecessary. However, if we conclude otherwise, we are then required to perform the first step of the two-step impairment test.

We did not record goodwill impairment in connection with our annual testing in the fourth quarter ended March 31, 2017. In determining fair value we used various assumptions, including expectations of future cash flows based on projections or forecasts derived from analysis of business prospects, economic or market trends and any regulatory changes that may occur. We estimated the fair value of the reporting unit using a net present value methodology, which is dependent on significant assumptions related to estimated future discounted cash flows, discount rates and tax rates. Certain of the estimates and assumptions that we used in determining the value of our CEG reporting unit are discussed in Note 2 - *Summary of Significant Accounting Policies* of Item 8 - *Financial Statements and Supplementary Data* of this Report on Form 10-K.

During the year ended March 31, 2016, we recorded a goodwill impairment charge of $18.0 million. The goodwill impairment recorded in fiscal year 2016 was primarily a result of reduced expectations of future cash flows to be generated by our CEG reporting unit, reflecting the continuing decline in consumer demand for packaged goods in favor of films in downloadable form and slower than expected growth in our OTT channel business.

We review the recoverability of our long-lived assets and finite-lived intangible assets, when events or conditions occur that indicate a possible impairment exists. Determining whether impairment has occurred typically requires various estimates and
assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset's residual value, if any. The assessment for recoverability is based primarily on our ability to recover the carrying value of its long-lived and finite-lived assets from expected future undiscounted net cash flows. If the total of expected future undiscounted net cash flows is less than the total carrying value of the assets the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value. Fair value is determined by computing the expected future discounted cash flows.

Stock-based Compensation

Stock-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense over the vesting period. Determining the fair value of stock-based awards at the grant date requires judgment in estimating expected stock volatility and the amount of stock-based awards that are expected to be forfeited. If actual results differ significantly from these estimates, stock-based compensation expense and our results of operations could be materially affected.

REVENUE RECOGNITION

Phase I Deployment and Phase II Deployment

Virtual print fees ("VPFs") are earned, net of administrative fees, pursuant to contracts with movie studios and distributors, whereby amounts are payable by a studio to Phase 1 DC, CDF I and to Phase 2 DC when movies distributed by the studio are displayed on screens utilizing our Systems installed in movie theatres. VPFs are earned and payable to Phase 1 DC and CDF I based on a defined fee schedule with a reduced VPF rate year over year until the sixth year (calendar year 2011) at which point the VPF rate remains unchanged through the tenth year until the VPFs phase out. One VPF is payable for every digital title displayed per System. The amount of VPF revenue is dependent on the number of movie titles released and displayed using the Systems in any given accounting period. VPF revenue is recognized in the period in which the digital title first plays on a System for general audience viewing in a digitally equipped movie theatre, as Phase 1 DC's, CDF I's and Phase 2 DC's performance obligations have been substantially met at that time.

Phase 2 DC's agreements with distributors require the payment of VPFs, according to a defined fee schedule, for ten years from the date each system is installed; however, Phase 2 DC may no longer collect VPFs once "cost recoupment," as defined in the contracts with movie studios and distributors, is achieved. Cost recoupment will occur once the cumulative VPFs and other cash receipts collected by Phase 2 DC have equaled the total of all cash outflows, including the purchase price of all Systems, all financing costs, all "overhead and ongoing costs", as defined, and including service fees, subject to maximum agreed upon amounts during the three-year rollout period and thereafter. Further, if cost recoupment occurs before the end of the eighth contract year, the studios will pay us a one-time "cost recoupment bonus." Any other cash flows, net of expenses, received by Phase 2 DC following the achievement of cost recoupment are required to be returned to the distributors on a pro-rata basis. At this time, we cannot estimate the timing or probability of the achievement of cost recoupment. Beginning in December 2018, certain Phase 2 DC Systems will have reached the conclusion of their deployment payment period, subject to earlier achievement of cost recoupment. In accordance with existing agreements with distributors, VPF revenues will cease to be recognized on such Systems. Because the Phase II deployment installation period ended in December 2012, a majority of the VPF revenue associated with the Phase II systems will end by December 2022 or earlier if cost recoupment is achieved.

Alternative content fees ("ACFs") are earned pursuant to contracts with movie exhibitors, whereby amounts are payable to Phase 1 DC, CDF I and to Phase 2 DC, generally either a fixed amount or as a percentage of the applicable box office revenue derived from the exhibitor's showing of content other than feature movies, such as concerts and sporting events (typically referred to as "alternative content"). ACF revenue is recognized in the period in which the alternative content first opens for audience viewing.

Revenues earned in connection with up front exhibitor contributions are deferred and recognized over the expected cost recoupment period.

Services

Exhibitors who purchased and own Systems using their own financing in the Phase II Deployment paid us an upfront activation fee of approximately $2.0 thousand per screen (the "Exhibitor-Buyer Structure"). Upfront activation fees were recognized in the period in which these Systems were delivered and ready for content, as we had no further obligations to the customer after that time and collection was reasonably assured. In addition, we recognize activation fee revenue of between $1.0 thousand and $2.0 thousand on Phase 2 DC Systems and for Systems installed by CDF2 Holdings, a related party, (See Note 4 - *Other Interests*) upon installation and such fees are generally collected upfront upon installation. Our services segment manages and collects VPFs on behalf of exhibitors, for which it earns an administrative fee equal to 10% of the VPFs collected.

Our Services segment earns an administrative fee of approximately 5% of VPFs collected and, in addition, earns an incentive service fee equal to 2.5% of the VPFs earned by Phase 1 DC. This administrative fee is recognized in the period in which the billing of VPFs occurs, as performance obligations have been substantially met at that time.

Content & Entertainment

CEG earns fees for the distribution of content in the home entertainment markets via several distribution channels, including digital, VOD, and physical goods (e.g. DVD and Blu-ray Discs). Fees earned are typically based on the gross amounts billed to our customers less the amounts owed to the media studios or content producers under distribution agreements, and gross media sales of owned or licensed content. Depending upon the nature of the agreements with the platform and content providers, the fee rate that we earn varies. Generally, revenues are recognized when content is available for subscription on the digital platform, at the time of shipment for physical goods, or point-of-sale for transactional and VOD services. Reserves for sales returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required. Sales returns and allowances are reported as a reduction of revenues.

CEG also has contracts for the theatrical distribution of third party feature movies and alternative content. CEG's distribution fee revenue and CEG's participation in box office receipts is recognized at the time a feature movie and alternative content are viewed. CEG has the right to receive or bill a portion of the theatrical distribution fee in advance of the exhibition date, and therefore such amount is recorded as a receivable at the time of execution, and all related distribution revenue is deferred until the third party feature movies' or alternative content's theatrical release date.

Revenue is deferred in cases where a portion or the entire contract amount cannot be recognized as revenue due to non-delivery of services. Such amounts are classified as deferred revenue and are recognized as earned revenue in accordance with our revenue recognition policies described above.

In connection with revenue recognition for CEG, the following are also considered critical accounting policies:

Advances

Advances, which are recorded within prepaid and other current assets within the consolidated balance sheets, represent amounts prepaid to studios or content producers for which we provide content distribution services. We evaluate advances regularly for recoverability and record impairment charges for amounts that we expect may not be recoverable as of the consolidated balance sheet date.

Participations and royalties payable

When we use third parties to distribute company owned content, we record participations payable, which represent amounts owed to the distributor under revenue-sharing arrangements. When we provide content distribution services, we record accounts payable and accrued expenses to studios or content producers for royalties owed under licensing arrangements. We identify and record as a reduction to the liability any expenses that are to be reimbursed to us by such studios or content producers.

Results of Operations for the Fiscal Years Ended March 31, 2017 and 2016

Revenues

	For the Fiscal Year Ended March 31,			
($ in thousands)	**2017**	**2016**	**$ Change**	**% Change**
Phase I Deployment	$ 32,068	$ 36,488	$ (4,420)	(12.1)%
Phase II Deployment	12,538	12,257	281	2.3 %
Services	11,611	11,782	(171)	(1.5)%
Content & Entertainment	34,177	43,922	(9,745)	(22.2)%
	$ 90,394	$ 104,449	$ (14,055)	(13.5)%

Decreased revenues in our combined Phase I and Phase II Deployment businesses reflects a reduced number of Phase I Systems earning revenue compared to the prior year period. Since December of 2015, 2,467 of our Phase I Systems have reached the end of their deployment agreement periods and, therefore, have ceased to earn VPF revenues from certain major studios. The number of theatres as of March 31, 2017 represents 66% of the total Systems in our Phase I Deployment. The remainder of our Phase I Systems will cease to earn VPF revenues from certain major studios in our fiscal year ending Mach 31, 2018. The number of titles released on our Phase I and Phase II Systems in the 2017 fiscal year was slightly higher compared the prior period. While each year-to-date period reflects a similar number of blockbuster titles released on our Systems, the current period reflects 107 total titles released, compared to 101 titles in the prior period.

Revenue generated by our Services segment decreased primarily as a result of the lower VPF revenues earned by our Phase I Deployment business. Our Services segment earns commissions on VPF revenue generated by the Phase I and Phase II Deployment segments and therefore we expect this segment's revenues to continue to decrease in proportion to the revenues generated by our Phase I business as a result of reduced VPF revenues.

Revenues at our Content & Entertainment segment decreased due to lower overall sales and distribution volumes for physical product and a change in the mix of content sold. Our traditional DVD and Blu-ray business continues to be negatively impacted by changing consumer behaviors in favor of content that is digitally downloaded. Our product mix shifted significantly toward licensed content in the current period, which earns lower fees than our owned content.

The decline in physical product sales was partially offset by a $1.5 million increase in sales related to OTT content. However, we continued to see industry leaders focusing much of their capital on their own original productions, rather than acquiring third-party OTT content. We continued to shift our strategy toward developing and marketing a portfolio of narrowcast OTT channels that can be sold digitally. At the end of fiscal year 2015, we launched CONtv in cooperation with Wizard World, Inc., and in the second quarter of fiscal year 2016 we launched the Dove Channel, which targets families and kids seeking high quality and family friendly content approved by the Dove Foundation.

Direct Operating Expenses

	For the Fiscal Year Ended March 31,			
($ in thousands)	**2017**	**2016**	**$ Change**	**% Change**
Phase I Deployment	$ 1,052	$ 1,108	$ (56)	(5.1)%
Phase II Deployment	388	315	73	23.2 %
Services	10	10	—	— %
Content & Entertainment	23,671	29,908	(6,237)	(20.9)%
	$ 25,121	$ 31,341	$ (6,220)	(19.8)%

Direct operating expenses decreased in the year ended March 31, 2017 compared to the prior year, primarily resulted from a corresponding decrease in revenue in our CEG business. In addition, direct operating expenses in the prior period included higher third party distribution costs and higher OTT platform and content distribution costs. The current period also reflects reduced costs related to theatrical releasing, marketing and content acquisitions costs as we intentionally focused more on developing OTT channel entertainment in the 2017 fiscal year and less on theatrical film releases, as we had in the prior year.

Selling, General and Administrative Expenses

($ in thousands)	For the Fiscal Year Ended March 31, 2017	2016	$ Change	% Change
Phase I Deployment	$ 544	$ 661	$ (117)	(17.7)%
Phase II Deployment	228	121	107	88.4 %
Services	798	914	(116)	(12.7)%
Content & Entertainment	15,812	20,659	(4,847)	(23.5)%
Corporate	6,394	11,012	(4,618)	(41.9)%
	$ 23,776	$ 33,367	$ (9,591)	(28.7)%

Since the third quarter of the fiscal year ended March 31, 2016, we have been implementing certain restructuring initiatives to reduce our overall level of selling, general and administrative expenses. As a result, such expenses, particularly those in our Content & Entertainment and Corporate segments, have decreased substantially compared to the prior period. Compared to the prior year-to-date period, we reduced expenses across a substantial portion of the items that we classify as selling, general and administrative expenses, including wages, consulting and other professional fees and marketing. As a result of our workforce reduction, employee and related costs decreased $6.2 million compared to the same period in the prior year. Consulting, professional fees, marketing expenses and other fees decreased $3.0 million compared to the same period in the prior year.

Restructuring Expenses

In the years ended March 31, 2017 and 2016, we recorded restructuring, transition and acquisition expenses, net, of $0.1 million and $1.1 million, respectively, related to a workforce reduction and restructuring initiative within our Content & Entertainment and Corporate reporting segments.

Goodwill Impairment

No goodwill impairment was recorded in the year ended March 31, 2017. In the year ended March 31, 2016, we recorded a goodwill impairment charge of $18.0 million. We reassessed the fair value of our CEG reporting unit in the second fiscal quarter of 2016 because the reporting unit continued to perform below the expectations that we established at the end of the prior fiscal year.

Litigation recovery, net of expenses

No litigation recoveries were recorded in the year ended March 31, 2017. In the year ended March 31, 2016, we recorded litigation recovery, net of expenses, of $2.2 million. The recovery in fiscal 2016 resulted from from a dispute related to a 2013 business acquisition.

Depreciation and Amortization Expense on Property and Equipment

($ in thousands)	For the Fiscal Year Ended March 31, 2017	2016	$ Change	% Change
Phase I Deployment	$ 19,263	$ 28,446	$ (9,183)	(32.3)%
Phase II Deployment	7,523	7,523	—	— %
Content & Entertainment	273	330	(57)	(17.3)%
Corporate	663	1,045	(382)	(36.6)%
	$ 27,722	$ 37,344	$ (9,622)	(25.8)%

Depreciation and amortization expense decreased primarily in our Phase I Deployment segment as several of our digital cinema projection systems reached the conclusion of their useful ten year lives through March 31, 2017. The remainder of the Systems will reach the end of their useful lives in fiscal year 2018, therefore, we expect depreciation and amortization expense to continue to decrease.

Depreciation expense at Corporate decreased primarily because we terminated our capital lease agreement on the Pavilion Theater and wrote off the related asset in the third quarter of fiscal 2017. We recorded a $2.5 million gain in connection with terminating the Pavilion capital lease.

Interest expense, net

($ in thousands)	For the Fiscal Year Ended March 31, 2017	2016	$ Change	% Change
Phase I Deployment	$ 10,154	$ 12,217	$ (2,063)	(16.9)%
Phase II Deployment	1,034	1,251	(217)	(17.3)%
Corporate	7,807	7,092	715	10.1 %
	$ 18,995	$ 20,560	$ (1,565)	(7.6)%

Interest expense reported by our Phase I and Phase II Deployment segments decreased primarily as a result of reduced debt balances, the payoff of the 2013 Term Loans and the payoff of one of our KBC facilities. We expect interest expense related to the KBC Facilities to continue to decrease due to the pay-down of such balances.

In connection with the payment of the 2013 Term Loans, we wrote-off debt issuance costs and debt discounts and as a result, recognized a loss on extinguishment of debt of $0.7 million.

We issued $9.0 million of Second Secured Lien Notes in the year ended March 31, 2017 and as a result, interest expense at Corporate, including amortization of debt issuance costs, increased compared to the prior year. The increase in interest expense related to the Second Secured Lien Notes was partially offset by a $13.4 million reduction in the balance of our Convertible Notes, which resulted from a series of Convertible Notes exchange transactions, whereby we exchanged such balance of Convertible notes for 1,575,000 shares of Class A common stock (including 277,244 shares re-issued from treasury), warrants to purchase 200,000 shares of Class A common stock and $3.5 million of Second Secured Lien Notes.

In connection with the Convertible Notes exchange transactions, we recorded debt conversion expense of $4.4 million for the year ended March 31, 2017.

Income Tax Expense

We recorded income tax expense from operations of $0.3 million for the year ended March 31, 2017 and $0.3 million for the year ended March 31, 2016, primarily related to our Phase I Deployment business. Income tax expense was mainly related to taxable income at the state level and timing differences related to fixed asset depreciation.

Adjusted EBITDA

We define Adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization, other income, net, stock-based compensation and expenses, merger and acquisition costs, restructuring, transition and acquisitions expense, net, goodwill impairment and certain other items.

Adjusted EBITDA (including the results of Phase I and Phase II Deployments segments) was comparable to the prior year. Adjusted EBITDA from our non-deployment businesses was $1.0 million for the year ended March 31, 2017, compared to an Adjusted EBITDA loss of $3.4 million for the year ended March 31, 2016. The increase in Adjusted EBITDA compared to the prior period primarily reflects lower operating expenses in our Content & Entertainment business and Corporate due to the restructuring initiatives that we started in the third quarter of fiscal year 2016 and completed in fiscal 2017.

Adjusted EBITDA is not a measurement of financial performance under GAAP and may not be comparable to other similarly titled measures of other companies. We use Adjusted EBITDA as a financial metric to measure the financial performance of the business because management believes it provides additional information with respect to the performance of its fundamental business activities. For this reason, we believe Adjusted EBITDA will also be useful to others, including its stockholders, as a valuable financial metric.

We present Adjusted EBITDA because we believe that Adjusted EBITDA is a useful supplement to net loss as an indicator of operating performance. We also believe that Adjusted EBITDA is a financial measure that is useful both to management and investors when evaluating our performance and comparing our performance with that of our competitors. We also use Adjusted EBITDA for planning purposes and to evaluate our financial performance because Adjusted EBITDA excludes certain incremental expenses or non-cash items, such as stock-based compensation charges, that we believe are not indicative of our ongoing operating performance.

We believe that Adjusted EBITDA is a performance measure and not a liquidity measure, and therefore a reconciliation between net loss and Adjusted EBITDA has been provided in the financial results. Adjusted EBITDA should not be considered as an

alternative to income from operations or net loss as an indicator of performance or as an alternative to cash flows from operating activities as an indicator of cash flows, in each case as determined in accordance with GAAP, or as a measure of liquidity. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. We do not intend the presentation of these non-GAAP measures to be considered in isolation or as a substitute for results prepared in accordance with GAAP. These non-GAAP measures should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

Following is the reconciliation of our consolidated net loss to Adjusted EBITDA:

	For the Fiscal Year Ended March 31,	
($ in thousands)	**2017**	**2016**
Net loss	$ (15,197)	$ (42,509)
Add Back:		
Income tax expense	252	345
Depreciation and amortization of property and equipment	27,722	37,344
Amortization of intangible assets	5,718	5,852
Gain on termination of capital lease	(2,535)	—
Interest expense, net	18,995	20,560
Loss on extinguishment of debt	1,063	931
Debt conversion expense	4,352	—
Other income, net	40	(513)
Change in fair value of interest rate derivatives	(142)	40
Provision for doubtful accounts	1,213	789
Stock-based compensation and expenses	1,726	1,832
Goodwill impairment	—	18,000
Restructuring, transition and acquisition expenses, net	87	1,130
Professional fees pertaining to activist shareholder proposals and compliance	—	816
Litigation recovery, net of expenses	—	(2,228)
Net loss attributable to noncontrolling interest	68	767
Adjusted EBITDA	$ 43,362	$ 43,156
Adjustments related to the Phase I and Phase II Deployments:		
Depreciation and amortization of property and equipment	$ (26,786)	$ (35,969)
Amortization of intangible assets	(46)	(46)
Provision for doubtful accounts	(946)	(339)
Restructuring, acquisitions and transition expenses	—	—
Income from operations	(14,616)	(10,186)
Adjusted EBITDA from non-deployment businesses	$ 968	$ (3,384)

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued new accounting guidance on revenue recognition. The new standard provides for a single five-step model to be applied to all revenue contracts with customers as well as requires additional financial statement disclosures that will enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows relating to customer contracts. Companies have an option to use either a retrospective approach or cumulative effect adjustment approach to implement the standard. The guidance will be effective during our fiscal year ending March 31, 2019 with early adoption permitted. We are still evaluating the impact of the adoption of this accounting standard update on our consolidated financial statements.

In August 2014, the FASB amended accounting guidance pertaining to going concern considerations by company management. The amendments in this update state that in connection with preparing financial statements for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). This standard was adopted for the year ended March 31, 2017.

In July 2015, the FASB issued an accounting standards update that requires an entity to measure inventory balances at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in this update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. This guidance was effective for the Company for the year ended March 31, 2017 and did not have a significant impact on the consolidated financial statements.

In September 2015, the FASB issued new guidance with respect to Business Combinations. The new guidance requires the acquirer in a Business Combination to recognize provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The new guidance is effective for public entities for which fiscal years begin after December 15, 2016, and interim periods within the fiscal years beginning after December 31, 2017. The accounting standard must be applied prospectively to adjustments to provisional amounts that occur after the effective date, with early adoption permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

In November 2015, the FASB issued new guidance related to the balance sheet classification of income taxes. The standard requires that deferred tax assets and liabilities be classified as noncurrent on the balance sheet rather than being separated into current and noncurrent. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted and the standard may be applied either retrospectively or on a prospective basis to all deferred tax assets and liabilities. We do not believe the adoption of the new financial instruments standard will have a material impact on our consolidated financial statements.

In January 2016, the FASB issued new guidance related to financial instruments, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The standard will be effective beginning in the first quarter of our 2019 fiscal year and early adoption is not permitted. We do not believe the adoption of the new financial instruments standard will have a material impact on our consolidated financial statements.

In February 2016, the FASB issued new guidance related to the accounting for leases. The new standard will replace all current U.S. GAAP guidance on this topic. The new standard, amongst other things, requires a lessee to classify a lease as either a finance or operating lease in which lessees will need to recognize a right-of-use asset and a lease liability for their leases. The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. Classification will be based on criteria that are largely similar to those applied in current lease accounting. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and will require application of the new guidance at the beginning of the earliest comparative period presented. We are evaluating the impact of this new accounting guidance on our consolidated financial statements.

In March 2016, the FASB issued new guidance in an effort to simplify accounting for share-based payments. The new standard, amongst other things:

- will require that all excess tax benefits and tax deficiencies be recorded as income tax expense or benefit in the statement

of operations and that the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur;
- will require excess tax benefits from share-based payments to be reported as operating activities on the statement of cash flows; and
- permits an accounting policy election to either estimate the number of awards that are expected to vest using an estimated forfeiture rate, as currently required, or account for forfeitures when they occur.

The new standard is effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. We do not expect the impact of this new accounting guidance to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This standard amends and adjusts how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years and will require adoption on a retrospective basis unless impracticable. If impracticable, we would be required to apply the amendments prospectively as of the earliest date possible. We are currently evaluating the impact this accounting guidance will have on our consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-17, *Consolidation (Topic 810): Interest Held through Related Parties That Are under Common Control*, which alters how a decision maker needs to consider indirect interest in a VIE held through an entity under common control. ASU 2016-17 is effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. As a result, this accounting guidance will become effective for in our first quarter of fiscal year ending March 31, 2019, with early adoption permitted. We are currently evaluating the impact this accounting guidance will have on our consolidated financial statements.

Liquidity and Capital Resources

We have incurred net losses each year since we commenced our operations. Since our inception, we have financed our operations substantially through the private placement of shares of our common and preferred stock, the issuance of promissory notes, our initial public offering and subsequent private and public offerings, notes payable and common stock used to fund various acquisitions.

We may continue to generate net losses in the future primarily due to depreciation and amortization, interest on notes payable, marketing and promotional activities and content acquisition and marketing costs. Certain of these costs, including costs of content acquisition, marketing and promotional activities, could be reduced if necessary. The restrictions imposed by our debt agreements may limit our ability to obtain financing, make it more difficult to satisfy our debt obligations or require us to dedicate a substantial portion of our cash flow to payments on our existing debt obligations. The Prospect Loan requires certain screen turn performance from certain of our Phase I and Phase II subsidiaries. While such restrictions may reduce the availability of our cash flow to fund working capital, capital expenditures and other corporate requirements, we do not have similar restrictions imposed upon our CEG businesses. We may seek to raise additional capital as necessary. Failure to generate additional revenues, raise additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations or liquidity.

We implemented cost reduction plans during fiscal years 2016 and 2017, which have achieved savings through personnel reductions, changes to occupancy costs and other related expenses.

Our business is primarily driven by the growth in global demand for video entertainment content in all forms and, in particular, the shifting consumer demand for content in digital forms within home and mobile devices as well as the maturing digital cinema marketplace. Our primary revenue drivers are expected to be the increasing number of digitally equipped devices/screens and the demand for entertainment content in theatrical, home and mobile ancillary markets. According to the Motion Picture Association of America, there were approximately 43,500 domestic (United States and Canada) movie theatre screens and approximately 165,000 screens worldwide, of which approximately 42,500 of the domestic screens were equipped with digital cinema technology, and more than 12,000 of those screens contained our Systems. Historically, the number of digitally equipped screens in the marketplace has been a significant determinant of our potential revenue. Going forward, the expansion of our content business into ancillary distribution markets and digital distribution of narrowcast OTT content are expected to be the primary drivers of our revenues.

Non-Recourse Indebtedness

Our Phase I and Phase II Deployment businesses have historically been financed through a series of non-recourse loans. Certain of the subsidiaries that make up our Phase I and Phase II Deployment businesses have pledged their assets as collateral for, and are liable with respect to, certain indebtedness for which the assets of our other subsidiaries generally are not. We have referred to this indebtedness as "non-recourse debt" because the recourse of the lenders is limited to the assets of specific subsidiaries. Such indebtedness includes the Prospect Loan, the KBC Facilities, the 2013 Term Loans, the P2 Vendor Note and the P2 Exhibitor Notes. The balance of our non-recourse debt, net of related debt issuance costs, as of March 31, 2017 was $54.7 million and $6.4 million for our Phase I and Phase II Deployment segments, respectively, which matures as presented in the Contractual Obligations table below. We continue to expect cash flows from our Phase I and II deployment operations will be sufficient to satisfy our liquidity and contractual requirements that are linked to these operations.

Revolving Credit Agreement

The Cinedigm Credit Agreement allows for us to borrow revolving loans of up to $19.8 million, subject to certain liquidity requirements. As of March 31, 2017, $19.6 million of the revolving loans was drawn upon with $0.2 million available for borrowing. We generally use the revolving loans under the Cinedigm Credit Agreement for working capital needs and to invest in entertainment content, and the loans are supported by the cash flows from our media library. The revolving loans under the Cinedigm Credit Agreement bear interest at a Base Rate plus 3.5% or LIBOR plus 4.5%, at our election, and matures on March 31, 2018.

Convertible Notes

In April 2015, we issued $64.0 million aggregate principal amount of 5.5% convertible senior notes (the "Convertible Notes"), due April 15, 2035, unless earlier repurchased, redeemed or converted. The net proceeds from the note offering were approximately $60.9 million, after deducting the initial purchaser's discount and estimated offering expenses payable. In connection with the closing of the offering, we used approximately $18.6 million of the net proceeds to repay borrowings under and terminate the term loan under the Cinedigm Credit Agreement. In addition, we used $11.4 million of the net proceeds to enter into a forward stock purchase transaction to acquire approximately 1.2 million shares of our Class A common stock for settlement on or about the fifth year anniversary of the issuance date of the Convertible Notes and approximately $2.7 million to repurchase approximately $0.3 million shares of our Class A common stock from certain purchasers of the Convertible Notes in privately negotiated transactions.

During the third and fourth quarters of the year ended March 31, 2017, we entered into exchange agreements pursuant to which we agreed to issue 1,575,000 shares of our Class A common stock (of which 277,244 shares were issued from treasury), par value $0.001 per share, warrants to purchase 200,000 shares of Common Stock and $3.5 million of Second Secured Lien Notes in exchange for $13.4 million principal amount of the Convertible Notes. The exchanged notes were immediately canceled. The warrants, which become exercisable six months after issuance, have a five-year term, an exercise price of $1.60 per share, and customary anti-dilution provisions. As a result of the exchange transactions, the outstanding balance of the Convertible Notes as of March 31, 2017 was $50.6 million.

Other Indebtedness

In October 2013, we issued notes to certain investors in the aggregate principal amount of $5.0 million (the "2013 Notes") and warrants to purchase 150,000 shares of Class A Common Stock to such investors. The principal amount outstanding under the 2013 Notes is due on October 21, 2018 and the notes bear interest at 9.0% per annum, payable in quarterly installments.

During the year ended March 31, 2017, we borrowed an aggregate principal amount of $9.0 million under the Second Secured Loans ("Loan Agreements"), including $4.0 million borrowed from Ronald L. Chez, at the time a member of our Board of Directors, and $0.5 million borrowed from Christopher J. McGurk, our Chairman of the Board of Directors and Chief Executive Officer. The Loan Agreements mature in 2019 and bear interest at 12.75%, payable 7.5% in cash and 5.25% in cash or in kind at our option. The Loan Agreements may be prepaid without premium or penalty and contain customary covenants, representations and warranties. The obligations are guaranteed by certain of our existing and future subsidiaries. We have pledged substantially all of our assets, except those assets related to our digital cinema deployment business, to secure payment. We are permitted to issue additional notes in an aggregate amount of $5.9 million above our current level of borrowings.

In addition, as discussed in more detail in Note 5 - *Notes Payable* of Item 8 - *Financial Statements*, our debt obligations have instituted certain financial and liquidity covenants and capital requirements, and from time to time, we may need to use available capital resources and raise additional capital to satisfy these covenants and requirements.

Our changes in cash flows were as follows:

($ in thousands)	For the Fiscal Years Ended March 31, 2017	2016
Net cash provided by operating activities	$ 31,699	$ 25,504
Net cash used in investing activities	(486)	(1,389)
Net cash used in financing activities	(44,128)	(17,633)
Net (decrease) increase in cash and cash equivalents	$ (12,915)	$ 6,482

As of March 31, 2017, we had cash and restricted cash balances of $13.6 million.

Net cash provided by operating activities is primarily driven by income or loss from operations, excluding non-cash expenses such as depreciation, amortization, bad debt provisions and stock-based compensation, offset by changes in working capital. We expect cash received from VPFs to continue to decrease through November 2017 as more Phase I Systems reach the conclusion of their deployment payment period with certain major studios. Changes in accounts receivable from our studio customers largely impact cash flows from operating activities and vary based on the seasonality of movie release schedules by the major studios. Operating cash flows from CEG are typically higher during our third and fourth fiscal quarters, resulting from revenues earned during the holiday season, and lower in the following two quarters as we pay royalties on such revenues. In addition, we make advances on theatrical releases and to certain home entertainment distribution clients, for which initial expenditures are generally recovered within six to twelve months. Timing and volume of our trade accounts payable can also be a significant factor impacting cash flows from operations. Although our revenues decreased for the year ended March 31, 2017 compared to the prior year, the restructuring initiatives that we instituted beginning in the third quarter of fiscal 2016 substantially offset the impact of reduced revenues on our cash flows from operations. We reduced selling, general and administrative expenses by $9.6 million compared to the prior year and have undertaken initiatives to reduce cash operating expenses further in the future, including relocating our office from Century City, California to Sherman Oaks, California, which will reduce operating expenses by $0.7 million annually. We expect operating activities to continue to be a positive source of cash.

Cash flows used in investing activities consisted of purchases of property and equipment.

For the year ended March 31, 2017, cash flows used in financing activities primarily reflects payments of $55.4 million on our long-term debt arrangements, including the payoff of the 2013 Term Loans in the third fiscal quarter of 2017, and payments (net of borrowings) of $2.3 million on our revolving credit facility. The payments on our long-term debt arrangements were offset by borrowings of $9.0 million in connection with our Second Secured Lien Notes.

We have contractual obligations that primarily consist of term notes payable, credit facilities, and non-cancelable operating leases related to office space.

The following table summarizes our significant contractual obligations as of March 31, 2017:

Contractual Obligations (in thousands)	Payments Due				
	Total	2017	2018 & 2019	2020 & 2021	Thereafter
Long-term recourse debt	$ 77,197	$ 19,599	$ 7,027	$ —	$ 50,571
Long-term non-recourse debt (1)	70,943	6,056	10,231	54,656	—
Capital lease obligations (3)	66	66	—	—	—
Debt-related obligations, principal	$ 148,206	$ 25,721	$ 17,258	$ 54,656	$ 50,571
Interest on recourse debt (1)	$ 58,597	$ 4,203	$ 12,673	$ 2,781	$ 38,940
Interest on non-recourse debt (2)	30,327	7,796	15,050	7,481	—
Interest on capital leases (3)	1	1	—	—	—
Total interest	$ 88,925	$ 12,000	$ 27,723	$ 10,262	$ 38,940
Total debt-related obligations	$ 237,131	$ 37,721	$ 44,981	$ 64,918	$ 89,511
Total non-recourse debt including interest	$ 101,270	$ 13,852	$ 25,281	$ 62,137	$ —
Operating lease obligations	$ 4,931	$ 1,048	$ 2,070	$ 1,813	$ —

(1) Non-recourse debt is generally defined as debt whereby the lenders' sole recourse, with respect to defaults, is limited to the value of the asset that is collateral for the debt. The Prospect Loan is not guaranteed by us or our other subsidiaries, other than Phase 1 DC and DC Holdings and the KBC Facilities are not guaranteed by us or our other subsidiaries, other than Phase 2 DC.

We may continue to generate net losses for the foreseeable future primarily due to depreciation and amortization, interest on our debt obligations, marketing and promotional activities and content acquisition and marketing costs. Certain of these costs, including costs of content acquisition, marketing and promotional activities, could be reduced if necessary. The restrictions imposed by the terms of our debt obligations may limit our ability to obtain financing, make it more difficult to satisfy our debt obligations or require us to dedicate a substantial portion of our cash flow to payments on our existing debt obligations. We feel we are adequately financed for at least the next twelve months, however we may need to raise additional capital for working capital as deemed necessary. Failure to generate additional revenues, raise additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations or liquidity.

Subsequent Events

On April 10, 2017, we entered into lease agreements for a new office facility at 45 West 36th Street, New York, New York, which will replace our current facility at 902 Broadway and coincide with the termination of such lease. The new agreements commence on July 1, 2017 and initially require minimum monthly lease payments of $33,250 with customary escalation clauses over the course of the contract, which terminates in April 2021.

On June 29, 2017, the company entered into a Stock Purchase Agreement with a strategic partner to sell 20,000,000 shares of Company's Class A common stock, par value $0.001 per share for an aggregate purchase price of up to $30,000,000, of which up to 400,000 shares may be sold to members of management instead of the strategic partner. The Company is also in advanced discussions with holders, representing approximately 99% by principal amount, of the Company's outstanding 5.5% Convertible Senior Notes due in 2035 to exchange their notes into cash, other securities of the Company or a combination thereof in order to decrease the debt obligations of the Company. Upon the issuance of the Shares, the strategic partner will own a majority of the outstanding Common Stock and will be entitled to designate two (2) members of the Company's Board of Directors, the size of which will be set at seven (7) members. As part of the Stock Purchase Agreement, the Company has entered into an escrow agreement with the strategic partner where $15.0 million in cash will be deposited with an escrow agent until the closing, assuming a condition is met. The final closing of this transaction is subject to customary approvals, including stockholder, lender and regulatory approvals and consummation of the convertible note exchanges.

Seasonality

Revenues from our Phase I Deployment and Phase II Deployment segments derived from the collection of VPFs from motion picture studios are seasonal, coinciding with the timing of releases of movies by the motion picture studios. Generally, motion picture studios release the most marketable movies during the summer and the winter holiday season. The unexpected emergence of a hit movie during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily indicative of results for the next quarter or any other

quarter. While CEG benefits from the winter holiday season, we believe the seasonality of motion picture exhibition, however, is becoming less pronounced as the motion picture studios are releasing movies somewhat more evenly throughout the year.

Off-balance sheet arrangements

We are not a party to any off-balance sheet arrangements, other than operating leases in the ordinary course of business, which are disclosed above in the table of our significant contractual obligations, and CDF2 Holdings. In addition, as discussed further in Note 2 - *Basis of Presentation and Consolidation* and Note 4 - *Other Interests* to the Consolidated Financial Statements included in Item 8 of this Report on Form 10-K, we hold a 100% equity interest in CDF2 Holdings, which is an unconsolidated variable interest entity ("VIE"), which wholly owns Cinedigm Digital Funding 2, LLC; however, we are not the primary beneficiary of the VIE.

Impact of Inflation

The impact of inflation on our operations has not been significant to date. However, there can be no assurance that a high rate of inflation in the future would not have an adverse impact on our operating results.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CINEDIGM CORP.
INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Cinedigm Corp.

We have audited the accompanying consolidated balance sheets of Cinedigm Corp. and subsidiaries (the "Company") as of March 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive loss, deficit, and cash flows for each of the years then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion over the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cinedigm Corp. and subsidiaries as of March 31, 2017 and 2016, and the consolidated results of their operations and their cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ EisnerAmper LLP

New York, New York
June 29, 2017

CINEDIGM CORP.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share and per share data)

	March 31,	
	2017	**2016**
ASSETS		
Current assets		
Cash and cash equivalents	$ 12,566	$ 25,481
Accounts receivable, net	53,608	52,898
Inventory, net	1,137	2,024
Unbilled revenue	5,655	5,570
Prepaid and other current assets	13,484	15,872
Total current assets	86,450	101,845
Restricted cash	1,000	8,983
Property and equipment, net	33,138	61,740
Intangible assets, net	20,227	25,940
Goodwill	8,701	8,701
Debt issuance costs, net	260	894
Other long-term assets	1,558	1,295
Total assets	$ 151,334	$ 209,398
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 73,679	$ 68,517
Current portion of notes payable, non-recourse	6,056	29,074
Current portion of notes payable	19,599	—
Current portion of capital leases	66	341
Current portion of deferred revenue	2,461	2,901
Total current liabilities	101,861	100,833
Notes payable, non-recourse, net of current portion and unamortized debt issuance costs of $2,701 and $4,577, respectively	55,048	83,238
Notes payable, net of current portion and unamortized debt issuance costs of $5,340 and $3,989, respectively	59,396	86,938
Capital leases, net of current portion	—	3,884
Deferred revenue, net of current portion	5,324	7,532
Other long-term liabilities	408	—
Total liabilities	222,037	282,425
Commitments and contingencies (see Note 7)		
Stockholders' Deficit		
Preferred stock, 15,000,000 shares authorized; Series A 10% - $0.001 par value per share; 20 shares authorized; 7 shares issued and outstanding at March 31, 2017 and 2016, respectively. Liquidation preference of $3,648	3,559	3,559
Common stock, $0.001 par value; Class A and Class B stock; Class A stock 25,000,000 and 21,000,000 shares authorized; 11,841,983 and 7,977,861 shares issued and 11,841,983 and 7,977,861 shares outstanding at March 31, 2017 and 2016, respectively; 1,241,000 Class B stock authorized and issued and zero shares outstanding at March 31, 2017 and 2016, respectively	12	9
Additional paid-in capital	287,393	269,941
Treasury stock, at cost; 277,244 Class A common shares at March 31, 2016	—	(2,839)
Accumulated deficit	(360,415)	(342,448)
Accumulated other comprehensive loss	(38)	(64)
Total stockholders' deficit of Cinedigm Corp.	(69,489)	(71,842)
Deficit attributable to noncontrolling interest	(1,214)	(1,185)
Total deficit	(70,703)	(73,027)
Total liabilities and deficit	$ 151,334	$ 209,398

See accompanying notes to Consolidated Financial Statements

CINEDIGM CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for share and per share data)

	For the Fiscal Year Ended March 31,	
	2017	**2016**
Revenues	$ 90,394	$ 104,449
Costs and expenses:		
Direct operating (excludes depreciation and amortization shown below)	25,121	31,341
Selling, general and administrative	23,776	33,367
Provision for doubtful accounts	1,213	789
Restructuring expenses	87	1,130
Goodwill impairment	—	18,000
Litigation recovery, net of expenses	—	(2,228)
Depreciation and amortization of property and equipment	27,722	37,344
Amortization of intangible assets	5,718	5,852
Total operating expenses	83,637	125,595
Income (loss) from operations	6,757	(21,146)
Interest income	73	82
Interest expense	(19,068)	(20,642)
Loss on extinguishment of notes payable	(1,063)	(931)
Debt conversion expense	(4,352)	—
Gain on termination of capital lease	2,535	—
Other income, net	31	513
Change in fair value of interest rate derivatives	142	(40)
Loss before income tax expense	(14,945)	(42,164)
Income tax expense	(252)	(345)
Net loss	(15,197)	(42,509)
Net loss attributable to noncontrolling interest	68	767
Net loss attributable to controlling interests	(15,129)	(41,742)
Preferred stock dividends	(356)	(356)
Net loss attributable to common stockholders	$ (15,485)	$ (42,098)
Net loss per Class A and Class B common stock attributable to common stockholders - basic and diluted:		
Net loss attributable to common stockholders	$ (1.92)	$ (6.51)
Weighted average number of Class A and Class B common stock outstanding: basic and diluted	8,049,160	6,467,978

See accompanying notes to Consolidated Financial Statements

CINEDIGM CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	For the Fiscal Year Ended March 31,	
	2017	**2016**
Net loss	$ (15,197)	$ (42,509)
Other comprehensive income (loss): foreign exchange translation	26	(7)
Comprehensive loss	(15,171)	(42,516)
Less: comprehensive loss attributable to noncontrolling interest	68	767
Comprehensive loss attributable to controlling interests	$ (15,103)	$ (41,749)

See accompanying notes to Consolidated Financial Statements

CINEDIGM CORP.
CONSOLIDATED STATEMENTS OF DEFICIT
(In thousands, except share data)

	Series A Preferred Stock		Class A and Class B Common Stock		Treasury Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total Stockholders' (Deficit)	Non-controlling	Total (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Equity	Interest	Equity
Balances as of March 31, 2015	7	3,559	7,717,850	77	(5,144)	(172)	277,984	(300,350)	(57)	(18,959)	(178)	$ (19,137)
Foreign exchange translation	—	—	—	—	—	—	—	—	(7)	(7)	—	(7)
Cashless exercise of stock options	—	—	65	—	—	—	—	—	—	—	—	—
Issuance of common stock for professional services of third parties	—	—	37,346	1	—	—	186	—	—	187	—	187
Issuance of common stock to Board of Directors	—	—	155,059	1	—	—	499	—	—	500	—	500
Unamortized stock based compensation issued to Board of Directors	—	—	—	—	—	—	(141)	—	—	(141)	—	(141)
Stock-based compensation	—	—	—	—	—	—	1,021	—	—	1,021	—	1,021
Preferred stock dividends	—	—	67,541	—	—	—	356	(356)	—	—	—	—
Contribution by noncontrolling interest	—	—	—	—	—	—	—	—	—	—	1,166	1,166
Capital contributions to Cinedigm Corp. by noncontrolling interest	—	—	—	—	—	—	1,406	—	—	1,406	(1,406)	—
Repurchase of Class A common stock	—	—	—	—	(272,100)	(2,667)	—	—	—	(2,667)	—	(2,667)
Structured stock repurchase transaction	—	—	—	—	—	—	(11,440)	—	—	(11,440)		(11,440)
Net loss	—	—	—	—	—	—	—	(41,742)	—	(41,742)	(767)	(42,509)
Balances as of March 31, 2016	7	$ 3,559	7,977,861	$ 79	(277,244)	$ (2,839)	$ 269,871	$ (342,448)	$ (64)	$ (71,842)	$ (1,185)	$ (73,027)

See accompanying notes to Consolidated Financial Statements

	Series A Preferred Stock		Class A and Class B Common Stock		Treasury Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total Stockholders' (Deficit)	Non-controlling	Total (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Equity	Interest	Equity
Balances as of March 31, 2016	7	$ 3,559	7,977,861	79	(277,244)	(2,839)	269,871	(342,448)	(64)	(71,842)	(1,185)	$ (73,027)
Adjust par value of common stock for 1-for-10 stock split	—	—	—	(70)	—	—	70	—	—	—	—	—
Adjusted balance as of March 31, 2016	7	3,559	7,977,861	9	(277,244)	(2,839)	269,941	(342,448)	(64)	(71,842)	(1,185)	(73,027)
Foreign exchange translation	—	—	—	—	—	—	—	—	26	26	—	26
Issuance of common stock for third-party professional services	—	—	419,838	—	—	—	342	—	—	342	—	342
Issuance of shares for CEO retention bonus	—	—	125,000	—	—	—	250	—	—	250	—	250
Amortization of stock based compensation issued to Board of Directors	—	—	—	—	—	—	272	—	—	272	—	272
Common stock issued in connection with induced conversion of Convertible Notes	—	—	1,297,756	1	—	—	14,279	—	—	14,280	—	14,280
Issuance of restricted stock awards	—	—	1,054,865	1	—	—	(1)	—	—	—	—	—
Issuance of common stock in connection with Second Secured Lien Notes	—	—	751,450	1	—	—	1,055	—	—	1,056	—	1,056
Issuance of warrants in connection with Second Secured Lien Notes	—	—	—	—	—	—	107	—	—	107	—	107
Stock-based compensation	—	—	—	—	—	—	804	—	—	804	—	804
Extension of terms in connection with Sageview Warrants	—	—	—	—	—	—	345	—	—	345	—	345
Preferred stock dividends paid with common stock	—	—	215,213		—	—	356	(356)	—	—	—	—
Re-issuance of treasury stock in connection with convertible notes exchange transaction	—	—	—		277,244	2,839	(357)	(2,482)	—	—	—	—

Contributions by noncontrolling interests	—	—	—	—	—	—	—	—	—	—	39	39
Net loss	—	—	—	—	—	—	—	(15,129)	—	(15,129)	(68)	(15,197)
Balances as of March 31, 2017	$ 7	$ 3,559	11,841,983	$ 12	$ —	$ —	$ 287,393	$ (360,415)	$ (38)	$ (69,489)	$ (1,214)	$ (70,703)

See accompanying notes to Consolidated Financial Statements

CINEDIGM CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Fiscal Year Ended March 31,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	$ (15,197)	$ (42,509)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization of property and equipment and amortization of intangible assets	33,440	43,196
Goodwill impairment	—	18,000
Gain on termination of capital lease	(2,535)	—
Loss on disposal of property and equipment	—	89
Amortization of debt issuance costs included in interest expense	2,688	2,463
Provision for doubtful accounts	1,213	789
Provision for inventory reserve	376	900
Stock-based compensation and expenses	1,726	1,832
Change in fair value of interest rate derivatives	142	40
Accretion and PIK interest expense added to note payable	1,034	1,677
Loss on extinguishment of notes payable and debt conversion expense	5,415	931
Changes in operating assets and liabilities:		
Accounts receivable	(2,186)	5,988
Inventory	511	286
Unbilled revenue	(85)	(505)
Prepaid and other assets	1,873	3,653
Accounts payable, accrued expenses and other	5,932	(8,901)
Deferred revenue	(2,648)	(2,425)
Net cash provided by operating activities	31,699	25,504
Cash flows from investing activities:		
Purchases of property and equipment	(481)	(1,381)
Purchases of intangible assets	(5)	(8)
Net cash used in investing activities	(486)	(1,389)
Cash flows from financing activities:		
Payments of notes payable	(53,088)	(59,934)
Proceeds from notes payable	5,525	64,000
Net repayment of from revolving credit facility	(2,328)	(2,367)
Payment for structured stock repurchase forward contract	—	(11,440)
Repurchase of Class A common stock	—	(2,667)
Principal payments on capital leases	(224)	(501)
Payments for debt issuance costs	(2,035)	(3,658)
Contributions from noncontrolling interest	39	1,166
Change in restricted cash balances	7,983	(2,232)
Net cash used in financing activities	(44,128)	(17,633)
Net change in cash and cash equivalents	(12,915)	6,482
Cash and cash equivalents at beginning of year	25,481	18,999
Cash and cash equivalents at end of year	$ 12,566	$ 25,481

See accompanying notes to Consolidated Financial Statements

1. NATURE OF OPERATIONS

Cinedigm Corp. ("Cinedigm," the "Company," "we," "us," or similar pronouns) was incorporated in Delaware on March 31, 2000. We are (i) a leading distributor and aggregator of independent movie, television and other short form content managing a library of distribution rights to thousands of titles and episodes released across digital, physical, theatrical, home and mobile entertainment platforms and (ii) a leading servicer of digital cinema assets in over 12,000 movie screens in both North America and several international countries.

We report our financial results in four primary segments as follows: (1) the first digital cinema deployment ("Phase I Deployment"), (2) the second digital cinema deployment ("Phase II Deployment"), (3) digital cinema services ("Services") and (4) media content and entertainment group ("Content & Entertainment" or "CEG"). The Phase I Deployment and Phase II Deployment segments are the non-recourse, financing vehicles and administrators for our digital cinema equipment (the "Systems") installed in movie theatres throughout the United States, and in Australia and New Zealand. Our Services segment provides fee based support to over 12,000 movie screens in our Phase I Deployment and Phase II Deployment segments, as well as directly to exhibitors and other third party customers, in the form of monitoring, billing, collection and verification services. Our Content & Entertainment segment is focused on: (1) ancillary market aggregation and distribution of entertainment content and; (2) a branded and curated over-the-top ("OTT") digital network business, providing entertainment channels and applications.

Beginning in December 2015, certain of our Phase I Deployment Systems began to reach the conclusion of their deployment payment period with certain distributors and, therefore, VPF revenues ceased to be recognized on such Systems, related to such distributors. Furthermore, because the Phase I Deployment installation period ended in November 2007, a majority of the VPF revenue associated with the Phase I Deployment Systems has ended. As of March 31, 2017, 2,467 of the systems in our Phase I Deployment segment had ceased to earn a significant portion VPF revenue from these major studios, representing approximately 66% of the total Systems in our Phase I deployment. By December 2017, we expect that nearly all of our Phase I Deployment systems will no longer earn VPF revenue from certain major studios. We expect to continue to earn VPF revenue from other distributors and ancillary revenue from the Phase I Deployment Systems through December of 2020; however, such amounts are expected to be significantly less material to our consolidated financial statements. The expected reduction in VPF revenue on our Phase I Deployment systems is scheduled to approximately coincide with the conclusion of certain of our non-recourse debt obligations and, therefore, we expect that reduced cash outflows related to such non-recourse debt obligations will partially offset reduced VPF revenue after November 2017.

Under the terms of our standard Phase I Deployment licensing agreements, exhibitors will continue to have the right to use our Systems through December 2020, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair-market-value.

We are structured so that our digital cinema business (collectively, the Phase I Deployment, Phase II Deployment and Services segments) operates independently from our Content & Entertainment segment. As of March 31, 2017, we had approximately $63.8 million of outstanding debt principal that relates to, and is serviced by, our digital cinema business and is non-recourse to us. We also had approximately $84.3 million of outstanding debt principal that is a part of our Content & Entertainment and Corporate segments.

Liquidity

We have incurred consolidated net losses of $15.2 million and $42.5 million for the years ended March 31, 2017 and 2016, respectively. We have an accumulated deficit of $360.4 million as of March 31, 2017. In addition, we have significant debt related contractual obligations for the fiscal year ended March 31, 2018 and beyond.

We believe the combination of: (i) our cash and restricted cash balances at March 31, 2017, (ii) implemented and planned cost reduction initiatives, and (iii) the availability of debt financing secured in the current fiscal year, and (iv) expected cash flows from operations will be sufficient to satisfy our liquidity and capital requirements for at least a year after these consolidated financial statements are available to be issued. Our capital requirements will depend on many factors, and we may need to use available capital resources and raise additional capital. We have entered into a transaction with a strategic partner (See Note 12) that will satisfy the Company's future contractual obligations, liquidity and cash flow needs. Failure to generate additional revenues, raise additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations and liquidity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND CONSOLIDATION

Our consolidated financial statements include the accounts of Cinedigm and its wholly owned and majority owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Investments in which we do not have a controlling interest or are not the primary beneficiary, but have the ability to exert significant influence, are accounted for under the equity method of accounting. Noncontrolling interests for which we have been determined to be the primary beneficiary are consolidated and recorded as net loss attributable to noncontrolling interest. See Note 4 - *Other Interests* to the Consolidated Financial Statements for a discussion of our noncontrolling interests.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include the adequacy of accounts receivable reserves, return reserves, inventory reserves, recovery of advances, assessment of goodwill and intangible asset impairment and valuation allowances for income taxes. Actual results could differ from these estimates.

CASH AND CASH EQUIVALENTS

We consider all highly liquid investments with an original maturity of three months or less to be “cash equivalents.” We maintain bank accounts with major banks, which, from time to time, may exceed the Federal Deposit Insurance Corporation’s insured limits. We periodically assess the financial condition of the institutions and believe that the risk of any loss is minimal.

ACCOUNTS RECEIVABLE

We maintain reserves for potential credit losses on accounts receivable. We review the composition of accounts receivable and analyze historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Reserves are recorded primarily on a specific identification basis.

Our Content & Entertainment segment recognizes accounts receivable, net of an estimated allowance for product returns and customer chargebacks, at the time that it recognizes revenue from a sale. We base the amount of the returns allowance and customer chargebacks upon historical experience and future expectations.

We record accounts receivable, long-term in connection with activation fees that we earn from Systems deployments that have extended payment terms. Such accounts receivable are discounted to their present value at prevailing market rates. Accounts receivable, long-term are included in other long-term assets on the Consolidated Balance Sheets.

UNBILLED AND DEFERRED REVENUE

Unbilled revenue represent amounts recognized as revenue for which invoices have not yet been sent to clients. Deferred revenue represents amounts billed or payments received for which revenue has not yet been earned.

ADVANCES

Advances, which are recorded within prepaid and other current assets within the Consolidated Balance Sheets, represent amounts prepaid to studios or content producers for which we provide content distribution services. We evaluate advances regularly for recoverability and record impairment charges for amounts that we expect may not be recoverable as of the consolidated balance sheet date. We recorded impairments and accelerated amortization related to our advances of $3.6 million during fiscal year 2017 and $2.5 million during fiscal year 2016.

INVENTORY, NET

Inventory consists of finished goods of Company owned physical DVD and Blu-ray Disc titles and is stated at the lower of cost (determined based on weighted average cost) or market. We identify inventory items to be written down for obsolescence based

on their sales status and condition. We write down discontinued or slow moving inventories based on an estimate of the markdown to retail price needed to sell through our current stock level of the inventories.

RESTRICTED CASH

Our Prospect Loan requires that we maintain specified cash balances that are restricted to repayment of interest, as defined. See Note 5 - *Notes Payable* for information about our restricted cash balances.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the respective assets as follows:

Computer equipment and software	3 - 5 years
Digital cinema projection systems	10 years
Machinery and equipment	3 - 10 years
Furniture and fixtures	3 - 6 years

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the leasehold improvements. Maintenance and repair costs are charged to expense as incurred. Major renewals, improvements and additions are capitalized. Upon the sale or other disposition of any property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and the gain or loss on disposal is included in the consolidated statements of operations.

ACCOUNTING FOR DERIVATIVE ACTIVITIES

Derivative financial instruments are recorded at fair value. Changes in the fair value of derivative financial instruments are either recognized in accumulated other comprehensive loss (a component of stockholders' deficit) or in the consolidated statements of operations depending on whether the derivative qualifies for hedge accounting. We entered into an interest rate cap transaction during the fiscal year ended March 31, 2013 to limit our exposure to interest rates on the Prospect Loan, which matures March 31, 2018. We have not sought hedge accounting treatment for the interest rate cap and therefore, changes in its value are recorded in the consolidated statements of operations.

FAIR VALUE MEASUREMENTS

The fair value measurement disclosures are grouped into three levels based on valuation factors:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments and market corroborated inputs)
- Level 3 – significant unobservable inputs (including our own assumptions in determining the fair value of investments)

Assets and liabilities measured at fair value on a recurring basis use the market approach, where prices and other relevant information are generated by market transactions involving identical or comparable assets or liabilities.

The following tables summarize the levels of fair value measurements of our financial assets and liabilities:

	As of March 31, 2017			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Restricted cash	$ 1,000	$ —	$ —	$ 1,000

	As of March 31, 2016			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Restricted cash	$ 8,983	$ —	$ —	$ 8,983
Interest rate derivatives	—	12	—	12
	$ 8,983	$ 12	$ —	$ 8,995

Our cash and cash equivalents, accounts receivable, unbilled revenue and accounts payable and accrued expenses are financial instruments that are recorded at cost in the Consolidated Balance Sheets because the estimated fair values of these financial instruments approximate their carrying amounts due to their short-term nature. At March 31, 2017 and 2016, the estimated fair value of our fixed rate debt approximated its carrying amount. We estimated the fair value of debt based upon current interest rates available to us at the respective balance sheet dates for arrangements with similar terms and conditions. Based on borrowing rates currently available to us for loans with similar terms, the carrying value of notes payable and capital lease obligations approximates fair value.

IMPAIRMENT OF LONG-LIVED AND FINITE-LIVED ASSETS

We review the recoverability of our long-lived assets and finite-lived intangible assets, when events or conditions occur that indicate a possible impairment exists. The assessment for recoverability is based primarily on our ability to recover the carrying value of our long-lived and finite-lived assets from expected future undiscounted net cash flows. If the total of expected future undiscounted cash flows is less than the total carrying value of the assets, the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value. Fair value is determined by computing the expected future discounted cash flows. During the fiscal years ended March 31, 2017 and 2016, no impairment charge was recorded for long-lived assets or finite-lived assets.

GOODWILL

Goodwill is the excess of the purchase price paid over the fair value of the net assets of an acquired business. Goodwill is tested for impairment on an annual basis or more often if warranted by events or changes in circumstances indicating that the carrying value may exceed fair value, also known as impairment indicators.

Inherent in the fair value determination for each reporting unit are certain judgments and estimates relating to future cash flows, including management’s interpretation of current economic indicators and market conditions, and assumptions about our strategic plans with regard to its operations. To the extent additional information arises, market conditions change or our strategies change, it is possible that the conclusion regarding whether our remaining goodwill is impaired could change and result in future goodwill impairment charges that will have a material effect on our consolidated financial position or results of operations.

We apply the applicable accounting guidance when testing goodwill for impairment, which permits us to make a qualitative assessment of whether goodwill is impaired, or opt to bypass the qualitative assessment, and proceed directly to performing the first step of the two-step impairment test. If we perform a qualitative assessment and conclude it is more likely than not that the fair value of a reporting unit exceeds its carrying value, goodwill is not considered impaired and the two-step impairment test is unnecessary. However, if we conclude otherwise, we are required to perform the first step of the two-step impairment test.

We have the unconditional option to bypass the qualitative assessment for any reporting unit and proceed directly to performing the first step of the goodwill impairment test. We may resume performing the qualitative assessment in any subsequent period.

For reporting units where we decide to perform a qualitative assessment, we assess and make judgments regarding a variety of factors which potentially impact the fair value of a reporting unit, including general economic conditions, industry and market-specific conditions, customer behavior, cost factors, our financial performance and trends, our strategies and business plans, capital requirements, management and personnel issues, and our stock price, among others. We then consider the totality of these and other factors, placing more weight on the events and circumstances that are judged to most affect a reporting unit's fair value or the carrying amount of its net assets, to reach a qualitative conclusion regarding whether it is more likely than not that the fair value of a reporting unit exceeds its carrying amount.

For reporting units where we decide to perform a quantitative testing approach in order to test goodwill, a determination of the fair value of our reporting units is required and is based, among other things, on estimates of future operating performance of the reporting unit and/or the component of the entity being valued. This impairment test includes the projection and discounting of cash flows, analysis of our market factors impacting the businesses we operate and estimating the fair values of tangible and intangible assets and liabilities. Estimating future cash flows and determining their present values are based upon, among other things, certain assumptions about expected future operating performance and appropriate discount rates determined by us.

The discounted cash flow methodology establishes fair value by estimating the present value of the projected future cash flows to be generated from the reporting unit. The discount rate applied to the projected future cash flows to arrive at the present value is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. The discounted cash flow methodology uses projections of financial performance for a five-year period. The most significant

assumptions used in the discounted cash flow methodology are the discount rate and expected future revenues and gross margins, which vary among reporting units. The market participant based weighted average cost of capital for each unit gives consideration to factors including, but not limited to, capital structure, historic and projected financial performance, industry risk and size.

During the year ended March 31, 2016, we performed goodwill impairment testing as of September 30, 2015. The impairment testing as of September 30, 2015 determined that our CEG reporting unit had a fair value less than the unit's carrying amount, which resulted in an $18.0 million impairment charge to goodwill as of such date.

The goodwill impairment recorded in fiscal 2016 was primarily a result of reduced expectations of future cash flows to be generated by our CEG reporting unit, reflecting the continuing decline in consumer demand for packaged goods in favor of films in downloadable form and slower than expected growth in our OTT channel business. Future decreases in the fair value of our CEG reporting unit may require us to record additional goodwill impairment, particularly if our expectations of future cash flows are not achieved.

In determining fair value of the CEG reporting unit, we used various assumptions, including expectations of future cash flows based on projections or forecasts derived from analysis of business prospects, economic or market trends and any regulatory changes that may occur. We estimated the fair value of the reporting unit using a net present value methodology, which is dependent on significant assumptions related to estimated future discounted cash flows, discount rates and tax rates. The assumptions for the goodwill impairment test should not be construed as earnings guidance or long-term projections. Our cash flow assumptions are based on internal projections of adjusted EBITDA for the Content & Entertainment reporting unit. We assumed a market-based weighted average cost of capital of 17% to discount cash flows for our CEG segment and used a blended federal and state tax rate of 40% during the interim goodwill impairment testing as of September 30, 2015 and in each of the years ended March 31, 2017 and 2016. Based on such assumptions, the estimated fair value of the Content & Entertainment reporting unit as calculated for goodwill testing purposes exceeded its carrying value as of March 31, 2017, and therefore we did not record goodwill impairment in connection with our annual testing of goodwill for the year ended March 31, 2017.

Information related to the goodwill allocated to our Content & Entertainment segment is as follows:

(In thousands)	**Goodwill**
As of April 1, 2015	$ 26,701
Goodwill impairment	(18,000)
As of March 31, 2016 and 2017	8,701

Gross amounts of goodwill and accumulated impairment charges that we have recorded are as follows:

(In thousands)	
Goodwill	$ 32,701
Accumulated impairment losses	(24,000)
Net goodwill at March 31, 2017	$ 8,701

PARTICIPATIONS AND ROYALTIES PAYABLE

When we use third parties to distribute company owned content, we record participations payable, which represent amounts owed to the distributor under revenue-sharing arrangements. When we provide content distribution services, we record accounts payable and accrued expenses to studios or content producers for royalties owed under licensing arrangements. We identify and record as a reduction to the liability any expenses that are to be reimbursed to us by such studios or content producers. See Note 3.

DEBT ISSUANCE COSTS

We incur debt issuance costs in connection with long-term debt financings. Such costs are recorded as a direct deduction to notes payable and amortized over the terms of the respective debt obligations using the effective interest rate method. Debt issuance costs recorded in connection with revolving debt arrangements are presented as assets on the Consolidated Balance Sheets and are amortized over the term of the revolving debt agreements using the effective interest rate method.

REVENUE RECOGNITION

Phase I Deployment and Phase II Deployment

Virtual print fees ("VPFs") are earned, net of administrative fees, pursuant to contracts with movie studios and distributors, whereby amounts are payable by a studio to Phase 1 DC, CDF I and to Phase 2 DC when movies distributed by the studio are displayed on screens utilizing our Systems installed in movie theatres. VPFs are earned and payable to Phase 1 DC and CDF I based on a defined fee schedule with a reduced VPF rate year over year until the sixth year (calendar year 2011) at which point the VPF rate remains unchanged through the tenth year until the VPFs phase out. One VPF is payable for every digital title initially displayed per System. The amount of VPF revenue is dependent on the number of movie titles released and displayed using the Systems in any given accounting period. VPF revenue is recognized in the period in which the digital title first plays on a System for general audience viewing in a digitally equipped movie theatre, as Phase 1 DC's, CDF I's and Phase 2 DC's performance obligations have been substantially met at that time.

Phase 2 DC's agreements with distributors require the payment of VPFs, according to a defined fee schedule, for ten years from the date each system is installed; however, Phase 2 DC may no longer collect VPFs once "cost recoupment," as defined in the contracts with movie studios and distributors, is achieved. Cost recoupment will occur once the cumulative VPFs and other cash receipts collected by Phase 2 DC have equaled the total of all cash outflows, including the purchase price of all Systems, all financing costs, all "overhead and ongoing costs", as defined, and including service fees, subject to maximum agreed upon amounts during the three-year rollout period and thereafter. Further, if cost recoupment occurs before the end of the eighth contract year, the studios will pay us a one-time "cost recoupment bonus." Any other cash flows, net of expenses, received by Phase 2 DC following the achievement of cost recoupment are required to be returned to the distributors on a pro-rata basis. At this time, we cannot estimate the timing or probability of the achievement of cost recoupment. Beginning in December 2018, certain Phase 2 DC Systems will have reached the conclusion of their deployment payment period, subject to earlier achievement of cost recoupment. In accordance with existing agreements with distributors, VPF revenues will cease to be recognized on such Systems. Because the Phase II deployment installation period ended in December 2012, a majority of the VPF revenue associated with the Phase II systems will end by December 2022 or earlier if cost recoupment is achieved.

Alternative content fees ("ACFs") are earned pursuant to contracts with movie exhibitors, whereby amounts are payable to Phase 1 DC, CDF I and to Phase 2 DC, generally either a fixed amount or as a percentage of the applicable box office revenue derived from the exhibitor's showing of content other than feature movies, such as concerts and sporting events (typically referred to as "alternative content"). ACF revenue is recognized in the period in which the alternative content first opens for audience viewing.

Revenues earned in connection with up front exhibitor contributions are deferred and recognized over the expected cost recoupment period.

Services

Exhibitors who purchased and own Systems using their own financing in the Phase II Deployment paid us an upfront activation fee of approximately $2.0 thousand per screen (the "Exhibitor-Buyer Structure"). Upfront activation fees were recognized in the period in which these Systems were delivered and ready for content, as we had no further obligations to the customer after that time and collection was reasonably assured. In addition, we recognize activation fee revenue of between $1.0 thousand and $2.0 thousand on Phase 2 DC Systems and for Systems installed by CDF2 Holdings, a related party, (See Note 4 - *Other Interests*) upon installation and such fees are generally collected upfront upon installation. Our services segment manages and collects VPFs on behalf of exhibitors, for which it earns an administrative fee equal to 10% of the VPFs collected.

Our Services segment earns an administrative fee of approximately 5% of VPFs collected and, in addition, earns an incentive service fee equal to 2.5% of the VPFs earned by Phase 1 DC. This administrative fee is recognized in the period in which the billing of VPFs occurs, as performance obligations have been substantially met at that time.

Content & Entertainment

CEG earns fees for the distribution of content in the home entertainment markets via several distribution channels, including digital, VOD, and physical goods (e.g., DVD and Blu-ray Discs). Fees earned are typically based on the gross amounts billed to our customers less the amounts owed to the media studios or content producers under distribution agreements, and gross media sales of owned or licensed content. Depending upon the nature of the agreements with the platform and content providers, the fee rate that we earn varies. Generally, revenues are recognized when content is available for subscription on the digital platform, at the time of shipment for physical goods, or point-of-sale for transactional and VOD services. Reserves for sales returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required. Sales returns and allowances are reported as a reduction of revenues.

CEG also has contracts for the theatrical distribution of third party feature movies and alternative content. CEG's distribution fee revenue and CEG's participation in box office receipts is recognized at the time a feature movie and alternative content are viewed. CEG has the right to receive or bill a portion of the theatrical distribution fee in advance of the exhibition date, and therefore such amount is recorded as a receivable at the time of execution, and all related distribution revenue is deferred until the third party feature movies' or alternative content's theatrical release date.

Revenue is deferred in cases where a portion or the entire contract amount cannot be recognized as revenue due to non-delivery of services. Such amounts are classified as deferred revenue and are recognized as earned revenue in accordance with our revenue recognition policies described above.

DIRECT OPERATING COSTS

Direct operating costs consist of operating costs such as cost of goods sold, fulfillment expenses, shipping costs, property taxes and insurance on Systems, royalty expenses, impairments of advances, marketing and direct personnel costs.

ADVERTISING

Advertising costs are expensed as incurred and are included in selling, general and administrative expenses. For the fiscal years ended March 31, 2017 and 2016, we recorded advertising costs of $0.1 million and $0.3 million, respectively.

STOCK-BASED COMPENSATION

Employee and director stock-based compensation expense related to our stock-based awards was as follows:

	For the Fiscal Year Ended March 31,	
(In thousands)	**2017**	**2016**
Direct operating	$ 10	$ 16
Selling, general and administrative	1,716	1,816
Total stock-based compensation expense	$ 1,726	$ 1,832

The weighted-average grant-date fair value of options granted during the fiscal year ended and 2016 was $7.94. There were 2,500 stock options exercised during the fiscal year ended March 31, 2016. There were no stock options granted or exercised in the fiscal year ended March 31, 2017.

We estimated the fair value of stock options at the date of each grant using a Black-Scholes option valuation model with the following assumptions:

	For the Fiscal Year Ended March 31,	
Assumptions for Option Grants	**2017**	**2016**
Range of risk-free interest rates	1.1% - 1.3%	1.4% - 1.7%
Dividend yield	—	—
Expected life (years)	5	5
Range of expected volatilities	72.5% - 76.3%	70.6 - 72.5%

The risk-free interest rate used in the Black-Scholes option-pricing model for options granted under our stock option plan awards is the historical yield on U.S. Treasury securities with equivalent remaining lives. We do not currently anticipate paying any cash dividends on Class A common stock in the foreseeable future. As a result, an expected dividend yield of zero is used in the Black-Scholes option-pricing model. We estimate the expected life of options granted under our stock option plans using both exercise behavior and post-vesting termination behavior, as well as consideration of outstanding options. We estimate expected volatility for options granted under our stock option plans based on a measure of our Class A common stock's historical volatility in the trading market.

INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to operating loss and tax credit carryforwards and for differences between the carrying amounts of existing assets and liabilities and their respective tax bases.

Valuation allowances are established when management is unable to conclude that it is more likely than not that some portion, or all, of the deferred tax asset will ultimately be realized. The Company is primarily subject to income taxes in the United States.

NET LOSS PER SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS

Basic and diluted net loss per common share has been calculated as follows:

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

Stock issued and treasury stock repurchased during the period are weighted for the portion of the period that they are outstanding. The shares to be repurchased in connection with the forward stock purchase transaction discussed in Note 6 - *Stockholders' Deficit* are considered repurchased for the purposes of calculating net loss per share and therefore the calculation of weighted average shares outstanding as of March 31, 2017 excludes 1,179,138 shares that will be repurchased as a result of the forward stock purchase transaction.

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

We incurred net losses for the fiscal years ended March 31, 2017 and 2016 and therefore the impact of potentially dilutive common shares from outstanding stock options and warrants totaling 1,416,677 shares and 2,710,866 shares, were excluded from the computation of net loss per share for the fiscal years ended March 31, 2017 and 2016, respectively, as their impact would have been anti-dilutive.

COMPREHENSIVE LOSS

As of March 31, 2017 and 2016, our comprehensive loss consisted of net loss and foreign currency translation adjustments.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance on revenue recognition. The new standard provides for a single five-step model to be applied to all revenue contracts with customers as well as requires additional financial statement disclosures that will enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows relating to customer contracts. Companies have an option to use either a retrospective approach or cumulative effect adjustment approach to implement the standard. The guidance will be effective during our fiscal year ending March 31, 2019 with early adoption permitted. We are still evaluating the impact of the adoption of this accounting standard update on our consolidated financial statements.

In August 2014, the FASB amended accounting guidance pertaining to going concern considerations by company management. The amendments in this update state that in connection with preparing financial statements for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). This standard was adopted for the year ended March 31, 2017.

In July 2015, the FASB issued an accounting standards update that requires an entity to measure inventory balances at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in this update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. This guidance was adopted for the year ended March 31, 2017 and did not have a significant impact on the consolidated financial statements.

In September 2015, the FASB issued new guidance with respect to Business Combinations. The new guidance requires the acquirer in a Business Combination to recognize provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The new guidance is effective for public entities for which fiscal years begin after December 15, 2016, and interim periods within the fiscal years beginning after December 31, 2017. The accounting standard must be applied prospectively to adjustments to provisional amounts that occur after the effective date, with early adoption permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

In November 2015, the FASB issued new guidance related to the balance sheet classification of income taxes. The standard requires that deferred tax assets and liabilities be classified as noncurrent on the balance sheet rather than being separated into current and noncurrent. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted and the standard may be applied either retrospectively or on a prospective basis to all deferred tax assets and liabilities. We do not believe the adoption of the new financial instruments standard will have a material impact on our consolidated financial statements.

In January 2016, the FASB issued new guidance related to financial instruments, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The standard will be effective beginning in the first quarter of our 2019 fiscal year and early adoption is not permitted. We do not believe the adoption of the new financial instruments standard will have a material impact on our consolidated financial statements.

In February 2016, the FASB issued new guidance related to the accounting for leases. The new standard will replace all current U.S. GAAP guidance on this topic. The new standard, amongst other things, requires a lessee to classify a lease as either a finance or operating lease in which lessees will need to recognize a right-of-use asset and a lease liability for their leases. The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. Classification will be based on criteria that are largely similar to those applied in current lease accounting. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and will require application of the new guidance at the beginning of the earliest comparative period presented. We are evaluating the impact of this new accounting guidance on our consolidated financial statements.

In March 2016, the FASB issued new guidance in an effort to simplify accounting for share-based payments. The new standard, amongst other things:

- will require that all excess tax benefits and tax deficiencies be recorded as income tax expense or benefit in the statement of operations and that the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur;
- will require excess tax benefits from share-based payments to be reported as operating activities on the statement of cash flows; and
- permits an accounting policy election to either estimate the number of awards that are expected to vest using an estimated forfeiture rate, as currently required, or account for forfeitures when they occur.

The new standard is effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. We do not expect the impact of this new accounting guidance to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments*. This standard amends and adjusts how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years and will require adoption on a retrospective basis unless impracticable. If impracticable, we would be required to apply the amendments prospectively as of the earliest date possible. We are currently evaluating the impact this accounting guidance will have on our consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-17, *Consolidation (Topic 810): Interest Held through Related Parties That Are under Common Control*, which alters how a decision maker needs to consider indirect interest in a VIE held through an entity under common control. ASU 2016-17 is effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. As a result, this accounting guidance will become effective for in our first quarter of fiscal year ending March 31, 2019, with early adoption permitted. We are currently evaluating the impact this accounting guidance will have on our consolidated financial statements.

3. CONSOLIDATED BALANCE SHEET COMPONENTS

ACCOUNTS RECEIVABLE

Accounts receivable, net consisted of the following:

	As of March 31,	
(In thousands)	**2017**	**2016**
Trade receivables	$ 56,298	$ 54,424
Allowance for doubtful accounts	(2,690)	(1,526)
Total accounts receivable, net	$ 53,608	$ 52,898

PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets consisted of the following:

	As of March 31,	
(In thousands)	**2017**	**2016**
Non-trade accounts receivable, net	$ 3,387	$ 3,805
Advances	8,119	9,775
Due from producers	1,006	1,485
Prepaid insurance	164	60
Other prepaid expenses	808	747
Total prepaid and other current assets	$ 13,484	$ 15,872

PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following:

	As of March 31,	
(In thousands)	**2017**	**2016**
Leasehold improvements	$ 816	$ 824
Computer equipment and software	4,374	9,400
Digital cinema projection systems	360,651	360,651
Machinery and equipment	592	592
Furniture and fixtures	384	382
	366,817	371,849
Less - accumulated depreciation and amortization	(333,679)	(310,109)
Total property and equipment, net	$ 33,138	$ 61,740

Total depreciation and amortization of property and equipment was $27.7 million and $37.3 million for the fiscal years ended March 31, 2017 and 2016, respectively. Amortization of capital leases included in depreciation and amortization of property and equipment was $0.3 million and $0.7 million for the fiscal years ended March 31, 2017 and 2016, respectively.

INTANGIBLE ASSETS

Intangible assets, net consisted of the following:

(In thousands)	As of March 31, 2017 Gross Carrying Amount	Accumulated Amortization	Net Amount	Useful Life (years)
Trademarks	$ 116	$ (107)	$ 9	3
Customer relationships and contracts	21,968	(9,154)	12,814	3-15
Theatre relationships	550	(390)	160	10-12
Content library	19,767	(12,523)	7,244	5-6
Favorable lease agreement	1,193	(1,193)	—	4
	$ 43,594	$ (23,367)	$ 20,227	

(In thousands)	As of March 31, 2016 Gross Carrying Amount	Accumulated Amortization	Net Amount	Useful Life (years)
Trademarks	$ 112	$ (99)	$ 13	3
Customer relationships and contracts	21,968	(7,048)	14,920	3-15
Theatre relationships	550	(344)	206	10-12
Content library	19,767	(9,101)	10,666	5-6
Favorable lease agreement	1,193	(1,058)	135	4
	$ 43,590	$ (17,650)	$ 25,940	

Amortization expense related to intangible assets was $5.7 million and $5.9 million for the fiscal years ended March 31, 2017 and 2016 , respectively. We did not record any impairment of intangible assets during the fiscal years ended March 31, 2017 and 2016.

Based on identified intangible assets that are subject to amortization as of March 31, 2017, we expect future amortization expense for each period to be as follows (dollars in thousands):

Fiscal years ending March 31,	
2018	$ 5,528
2019	$ 5,528
2020	$ 2,505
2021	$ 2,106
2022	$ 1,112

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

(In thousands)	As of March 31, 2017	2016
Accounts payable	$ 33,069	$ 30,866
Participations and royalties payable	32,399	27,463
Accrued compensation and benefits	1,059	2,580
Accrued taxes payable	619	347
Interest payable	1,357	1,737
Accrued restructuring and transition expenses	44	505
Accrued other expenses	5,132	5,019
Total accounts payable and accrued expenses	$ 73,679	$ 68,517

4. OTHER INTERESTS

Investment in CDF2 Holdings

We indirectly own 100% of the common equity of CDF2 Holdings, LLC ("CDF2 Holdings"), which was created for the purpose of capitalizing on the conversion of the exhibition industry from film to digital technology. CDF2 Holdings assists its customers in procuring the equipment necessary to convert their Systems to digital technology by providing financing, equipment, installation and related ongoing services.

CDF2 Holdings is a Variable Interest Entity ("VIE"), as defined in Accounting Standards Codification Topic 810 ("ASC 810"), "Consolidation." ASC 810 requires the consolidation of VIEs by an entity that has a controlling financial interest in the VIE which entity is thereby defined as the primary beneficiary of the VIE. To be a primary beneficiary, an entity must have the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, among other factors. Although we indirectly, wholly own CDF2 Holdings, we, a third party that also has a variable interest in CDF2 Holdings, and an independent third party manager must mutually approve all business activities and transactions that significantly impact CDF2 Holdings' economic performance. We have therefore assessed our variable interests in CDF2 Holdings and determined that we are not the primary beneficiary of CDF2 Holdings. As a result, CDF2 Holdings' financial position and results of operations are not consolidated in our financial position and results of operations. In completing our assessment, we identified the activities that we consider most significant to the economic performance of CDF2 Holdings and determined that we do not have the power to direct those activities, and therefore we account for our investment in CDF2 Holdings under the equity method of accounting.

As of March 31, 2017 and 2016, our maximum exposure to loss, as it relates to the non-consolidated CDF2 Holdings entity, represents accounts receivable for service fees under a master service agreement with CDF2 Holdings. Such accounts receivable were $0.4 million and $0.4 million as of March 31, 2017 and 2016, respectively, which are included within our accounts receivable, net on the accompanying Consolidated Balance Sheets.

During the fiscal years ended March 31, 2017 and 2016, we received $1.2 million and $1.2 million, respectively, in aggregate revenues through digital cinema servicing fees from CDF2 Holdings, which are included in our revenues on the accompanying Consolidated Statements of Operations.

Total Stockholder's Deficit of CDF2 Holdings at March 31, 2017 and 2016 was $18.7 million and $11.9 million, respectively. We have no obligation to fund the operating loss or the stockholder's deficit beyond our initial investment of $2.0 million and accordingly, our investment in CDF2 Holdings is carried at $0 as of March 31, 2017 and 2016.

Majority Interest in CONtv

In June 2014, we and Wizard World, Inc. ("Wizard World") formed CON TV, LLC ("CONtv") to fund, design, create, launch, and operate a worldwide digital network that creates original content, and sells and distributes on-demand digital content via the Internet and other consumer digital distribution platforms, such as gaming consoles, set-top boxes, handsets, and tablets.

In fiscal 2016, we entered into an Amended and Restated Operating Agreement with Wizard World (the noncontrolling interest partner) and other non-voting equity holders. The agreement restructured our business relationship with Wizard World with respect to the ownership and operation of CONtv, and was retroactively effective to July 1, 2015. Pursuant to the terms of the Amended and Restated Operating Agreement, we attained a majority interest in CONtv by increasing our ownership percentage to 85.0% from 85.0%. In connection with increasing our ownership percentage, we reclassified certain capital contributions made by Wizard World to additional paid-in capital, to the extent that such capital contributions were in excess of its amended ownership percentage. In addition, we retroactively reduced the loss attributable to the noncontrolling interest partner to July 1, 2015 in accordance with the Amended and Restated Operating Agreement.

During the years ended March 31, 2017 and 2016, we made capital contributions of $46 thousand and $1.4 million, respectively, to CONtv. Wizard World Inc.'s share of stockholders' deficit in CONtv is reflected as a noncontrolling interest in our Consolidated Balance Sheets and was $1.2 million and $1.2 million as of March 31, 2017 and 2016, respectively. The noncontrolling interest's share of net loss was $0.1 million and $0.8 million for the years ended March 31, 2017 and 2016, respectively.

5. NOTES PAYABLE

Notes payable consisted of the following:

(In thousands)	As of March 31, 2017		As of March 31, 2016	
	Current Portion	Long Term Portion	Current Portion	Long Term Portion
2013 Term Loans	$ —	$ —	$ 21,188	$ 9,857
Prospect Loan	—	54,656	—	66,543
KBC Facilities	5,744	2,890	7,646	10,998
P2 Vendor Note	227	181	161	310
P2 Exhibitor Notes	85	22	79	107
Total non-recourse notes payable	6,056	57,749	29,074	87,815
Less: Unamortized debt issuance costs and debt discounts	—	(2,701)	—	(4,577)
Total non-recourse notes payable, net of unamortized debt issuance costs and debt discounts	$ 6,056	$ 55,048	$ 29,074	$ 83,238
5.5% Convertible Notes Due 2035	$ —	$ 50,571	$ —	$ 64,000
Second Secured Lien Notes	—	9,165	—	—
Cinedigm Revolving Loans	19,599	—	—	21,927
2013 Notes	—	5,000	—	5,000
Total recourse notes payable	$ 19,599	$ 64,736	$ —	$ 90,927
Less: Unamortized debt issuance costs and debt discounts	—	(5,340)	—	(3,989)
Total recourse notes payable, net of unamortized debt issuance costs and debt discounts	$ 19,599	$ 59,396	$ —	$ 86,938
Total notes payable, net of unamortized debt issuance costs	$ 25,655	$ 114,444	$ 29,074	$ 170,176

Non-recourse debt is generally defined as debt whereby the lenders' sole recourse with respect to defaults, is limited to the value of the asset, which is collateral for the debt. Certain of our subsidiaries are liable with respect to, and their assets serve as collateral for, certain indebtedness for which our assets and the assets of our other subsidiaries that are not parties to the transaction are generally not liable. We have referred to this indebtedness as "non-recourse debt" because the recourse of the lenders is limited to the assets of specific subsidiaries. Such indebtedness includes the Prospect Loan, the KBC Facilities, the 2013 Term Loans, the P2 Vendor Note and the P2 Exhibitor Notes.

2013 Term Loans

In February 2013, CDF I, our wholly owned subsidiary, entered into an amended and restated credit agreement (the "2013 Credit Agreement") with Société Générale and other lenders, allowing for borrowings up to an aggregate principal amount of $130.0 million, $5.0 million of which was assigned to an affiliate of CDF I (the "2013 Term Loans").

Interest under the 2013 Credit Agreement was calculated using a base rate (generally, the bank prime rate) or the one-month LIBOR rate set at a minimum of 1.00%, plus a margin of 1.75% (in the case of base rate loans) or 2.75% (in the case of LIBOR rate loans). The 2013 Term Loans were repaid in full in November 2016 using the balance of restricted cash and collections that we had designated for payment of the 2013 Term Loans. In connection with the repayment of the 2013 Term Loans, we wrote-off the remaining unamortized debt issuance costs and debt discount related to such loans. As a result, we recorded $0.7 million as a loss on extinguishment of debt for the year ended March 31, 2017.

The following table presents a summary of the 2013 Term Loans:

(In thousands)	As of March 31, 2017	As of March 31, 2016
2013 Term Loans, at issuance, net	$ 125,087	$ 125,087
Payments to date	(125,087)	(94,043)
Discount on 2013 Term Loans	—	(118)
2013 Term Loans, net	—	30,926
Less current portion	—	(21,188)
Total long term portion	$ —	$ 9,738

Prospect Loan

In February 2013, our DC Holdings, AccessDM and Phase 2 DC subsidiaries entered into a term loan agreement (the "Prospect Loan") with Prospect Capital Corporation ("Prospect"), pursuant to which DC Holdings borrowed $70.0 million. The Prospect Loan bears interest at LIBOR plus 9.0% (with a 2.0% LIBOR floor), which is payable in cash, and at an additional 2.50% to be accrued as an increase to the aggregate principal amount of the Prospect Loan until the 2013 Credit Agreement is paid off, at which time all accrued interest will be payable in cash.

Collections of DC Holdings accounts receivable are deposited into accounts designated to pay certain operating expenses, principal, interest, fees, costs and expenses relating to the Prospect Loan. On a quarterly basis, if funds remain after the payment of all such amounts, they are applied to prepay the Prospect Loan. Amounts designated for these purposes, included in cash and cash equivalents on the Consolidated Balance Sheets, totaled $1.7 million and $8.7 million as of March 31, 2017 and 2016, respectively. We also maintain a debt service fund under the Prospect Loan for future principal and interest payments. As of March 31, 2017 and 2016, the debt service fund had a balance of $1.0 million, which is classified as restricted cash on the Consolidated Balance Sheets.

The Prospect Loan matures on March 31, 2021 and may be accelerated upon a change in control (as defined in the agreement) or other events of default as set forth therein and would be subject to mandatory acceleration upon insolvency of DC Holdings. We are permitted to pay the full outstanding balance of the Prospect Loan at any time after the second anniversary of the initial borrowing, subject to the following prepayment penalties:

- 5.0% of the principal amount prepaid between the second and third anniversaries of issuance;
- 4.0% of the principal amount prepaid between the third and fourth anniversaries of issuance;
- 3.0% of the principal amount prepaid between the fourth and fifth anniversaries of issuance;
- 2.0% of the principal amount prepaid between the fifth and sixth anniversary of issuance;
- 1.0% of the principal amount prepaid between the sixth and seventh anniversaries of issuance; and
- No penalty if the balance of the Prospect Loan, including accrued interest, is prepaid thereafter.

The Prospect Loan is secured by, among other things, a first priority pledge of the stock of CDF2 Holdings, our wholly owned unconsolidated subsidiary, the stock of AccessDM, owned by DC Holdings, and the stock of our Phase 2 DC subsidiary, and is also guaranteed by AccessDM and Phase 2 DC. We provide limited financial support to the Prospect Loan not to exceed $1.5 million per year in the event financial performance does not meet certain defined benchmarks.

The Prospect Loan contains customary representations, warranties, affirmative covenants, negative covenants and events of default. The following table summarizes the activity related to the Prospect Loan:

	As of March 31,	
(In thousands)	**2017**	**2016**
Prospect Loan, at issuance	$ 70,000	$ 70,000
PIK Interest	4,778	4,778
Payments to date	(20,122)	(8,235)
Prospect Loan, net	$ 54,656	$ 66,543
Less current portion	—	—
Total long term portion	$ 54,656	$ 66,543

KBC Facilities

In December 2008, we began entering into multiple credit facilities to fund the purchase of Systems to be installed in movie theatres as part of our Phase II Deployment. There were no draws on the KBC Facilities during the fiscal year ended March 31, 2017. The following table presents a summary of the KBC Facilities (dollar amounts in thousands):

Facility[1]	Credit Facility	Interest Rate[2]	Maturity Date	Outstanding Principal Balance	
				March 31, 2017	March 31, 2016
1	22,336	3.75%	September 2018	3,758	7,180
2	13,312	3.75%	September 2018	—	4,034
3	11,425	3.75%	March 2019	3,264	4,896
4	6,450	3.75%	December 2018	1,612	2,534
	$ 53,523			$ 8,634	$ 18,644

1. For each facility, principal is to be repaid in twenty-eight quarterly installments.
2. Each of the facilities bears interest at the three-month LIBOR rate, which was 0.63% at March 31, 2017, plus the interest rate noted above.

5.5% Convertible Notes Due April 2035

On April 29, 2015, we issued $64.0 million aggregate principal amount of unsecured senior convertible notes payable (the "Convertible Notes") that bear interest at a rate of 5.5% per year, payable semiannually. The Convertible Notes will mature on April 15, 2035, unless earlier repurchased , redeemed or converted and are convertible at the option of the holders at any time until the close of business on the business day immediately preceding the maturity date. Upon conversion, we will deliver to holders in respect of each $1,000 principal amount of Convertible Notes being converted a number of shares of our Class A common stock equal to the conversion rate, together with a cash payment in lieu of delivering any fractional share of Class A common stock. The conversion rate applicable to the Convertible Notes on the offering date was 82.4572 shares of Class A common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $12.13 per share of Class A common stock), which is subject to adjustment if certain events occur. Holders of the Convertible Notes may require us to repurchase all or a portion of the Convertible Notes on April 20, 2020, April 20, 2025 and April 20, 2030 and upon the occurrence of certain fundamental changes at a repurchase price in cash equal to 100% of the principal amount of the Convertible Notes to be repurchased plus accrued and unpaid interest, if any. The Convertible Notes will be redeemable by us at our option on or after April 20, 2018 upon the satisfaction of a sale price condition with respect to our Class A common stock and on or after April 20, 2020 without regard to the sale price condition, in each case, at a redemption price in cash equal to 100% of the principal amount of the notes to be repurchased plus accrued and unpaid interest, if any.

The net proceeds from the Convertible Note offering was $60.9 million, after deducting offering expenses. We used $18.6 million of the net proceeds from the offering to repay borrowings under and terminate one of our term loans under our 2013 Credit Agreement, of which $18.2 million was used to pay the remaining principal balance. Concurrently with the closing of the Convertible Notes transaction, we repurchased approximately 272,100 shares of our Class A common stock from certain purchasers of Convertible Notes in privately negotiated transactions for $2.7 million. In addition, $11.4 million of the net proceeds was used to fund the cost of repurchasing approximately 1,179,138 shares of our Class A common stock pursuant to the forward stock purchase agreement described in Note 6 - *Stockholders' Deficit*. We recorded interest expense of $3.4 million and $3.2 million for the year ended March 31, 2017 and 2016, respectively, related to the Convertible Notes.

During the year ended March 31, 2017, we entered into exchange agreements pursuant to which we issued 1,575,000 shares of our Class A common stock (including 277,244 shares re-issued from treasury stock), par value $0.001 per share, warrants to purchase 200,000 shares of Class A Common Stock and $3.5 million of Second Secured Lien Notes (see separate section below) in exchange for $13.4 million principal amount of the Convertible Notes (the "Exchange Agreements"). The exchanged Convertible Notes were immediately canceled. The warrants, which became exercisable six months after issuance, have a five-year term, an exercise price of $1.60 per share, and customary anti-dilution provisions.

The Convertible Notes exchanges were accounted for as an induced conversion resulting from the issuance of shares of Class A Common Stock and warrants to purchase Class A Common Stock in excess of the shares that would have been issuable under the terms of the original Convertible Notes Indenture and the issuance of Second Secured Lien Loans. In accounting for the induced conversion, we recorded debt conversion expense of $4.4 million, representing the difference between the fair value of the Class A Common Stock, debt and warrants issued in connection with the Exchange Agreements and the fair value of the shares that would have been issuable under the original terms of the Convertible Notes Indenture. As a result of the transactions, we reduced Convertible Notes of $13.4 million, related debt issuance costs of $0.4 million, and recorded $14.3 million to additional paid-in capital.

The debt issuance costs of $0.4 million are shown as a loss on extinguishment of debt in our consolidated statements of operations.

Second Secured Lien Notes

On July 14, 2016, we entered into a Second Lien Loan Agreement (the “Loan Agreement”), under which we may borrow up to $15.0 million, subject to certain limitations imposed on us regarding the number of shares that we may issue in connection with the loans. During the year ended March 31, 2017, we borrowed an aggregate principal amount of $9.0 million under the Loan Agreement (the "Second Secured Lien Notes"), including $4.0 million borrowed from Ronald L. Chez, the lead lender in the transaction and at the time a member of our Board of Directors until April 2017, at which time he resigned and became a strategic advisor to the Board of Directors, and $0.5 million borrowed from our Chairman of the Board of Directors and Chief Executive Officer. In addition, we borrowed $4.5 million from other third-party lenders, of which $3.5 million were issued in connection with the Convertible Notes exchange transaction described above. The Second Secured Lien Notes mature on June 30, 2019 and bear interest at 12.75%, payable 7.5% in cash and 5.25% in cash or in kind at our option. In addition, under the terms of the Loan Agreement, we are required to issue 98,000 shares of our Class A common stock for every $1 million borrowed, subject to pro rata adjustments. The Loans may be prepaid without premium or penalty and contain customary covenants, representations and warranties. The obligations under the Loans are guaranteed by certain of our existing and future subsidiaries. We have pledged substantially all of our assets, except those assets related to our digital cinema deployment business, to secure payment on the Second Secured Lien Notes. The Loan Agreement was amended on August 4, 2016 and on October 7, 2016 to facilitate subsequent borrowing transactions and clarify certain terms of the shares issuable in connection with the loans.

In connection with the Second Secured Lien Notes, we issued 597,100 shares of our Class A common stock and warrants to purchase 200,000 shares of our Class A common stock to Mr. Chez, 49,000 shares of Class A common stock to Mr. McGurk and 4,900 shares of Class A common stock to another member of our Board of Directors during the year ended March 31, 2017. In addition, we issued 100,450 shares of our Class A common stock to third-party lenders in consideration for Second Secured Lien Notes. The warrants granted to Mr. Chez were issued in two equal tranches of 100,000 underlying shares that have underlying exercise prices of$1.34 and $1.68, respectively. The warrants contain a cashless exercise provision, are immediately exercisable and have a term of seven years. The warrants also contain customary anti-dilution rights.

The values of the shares and warrants issued were $1.2 million and $0.1 million, respectively. The Class A common stock and warrants were negotiated with the lender as part of a bundled financing arrangement and, as a result, we have recorded their respective relative fair values as a debt discount. The proceeds of the transactions with Mr. Chez were allocated to the debt and warrants based on their respective relative fair values, with the relative fair value of the warrants recorded as a discount to the proceeds from the loans. The discount attributed to the Second Secured Lien Notes is being amortized over the life of the notes using the effective interest method.

The warrants issued in the transaction were valued using the Black-Scholes Option Pricing Model assuming a 7-year life, a risk free rate interest of 1.2% and an expected volatility of 73.3%.

Cinedigm Credit Agreement

On October 17, 2013, we entered into a credit agreement (the “Cinedigm Credit Agreement”) with Société Générale. Under the Cinedigm Credit Agreement, as amended in February 2015 and April 2015, we were permitted to borrow an aggregate principal amount of up to $55.0 million, including term loans of $25.0 million (the “Cinedigm Term Loans”) and revolving loans of up to $30.0 million (the “Cinedigm Revolving Loans”). Interest under the Cinedigm Term Loans was charged at a base rate plus 5.0%, or the Eurodollar rate plus 6.0% until the Cinedigm Term Loan was repaid on April 29, 2015 in connection with the Convertible Notes offering. The Cinedigm Revolving Loans bear interest at a base rate of 6.25% or the Eurodollar rate of 1.0% plus 4.0%. The Base rate, per annum, is equal to the highest of (a) the rate quoted by the Wall Street Journal as the “base rate on corporate loans by at least 75% of the nation’s largest banks,” (b) 0.50% plus the federal funds rate, and (c) the Eurodollar rate plus 4.0%.

We repaid the entire outstanding balance of the Cinedigm Term Loans and amended the terms of the Cinedigm Revolving Loans in connection with our issuance of the Convertible Notes. In connection with the repayment of the Cinedigm Term Loans, we wrote-off certain unamortized debt issuance costs and the discount that remained on the balance of the note payable. As a result, we recorded $0.9 million as a loss on extinguishment of debt for the year ended March 31, 2016.

The April 2015 amendment to the Cinedigm Revolving Loans extended the term of the agreement to March 31, 2018, provided for the release of the equity interests in the subsidiaries that we had previously pledged as collateral, changed the interest rate and replaced all financial covenants with a single debt service coverage ratio test commencing at June 30, 2016 and a $5.0 million minimum liquidity covenant. The Cinedigm Revolving Loans, as amended, bear interest at Base Rate (as defined in the amendment) plus 3% or LIBOR plus 4%, at our election, but in no event may the elected Base Rate or LIBOR rate be less than 1%. We are permitted to repay the Cinedigm Revolving Loans, at our option, in whole or in part.

In May 2016, we entered into an agreement with Société Générale (as Administrative Agent), which amended certain terms of the Cinedigm Credit Agreement (the "May 2016 Amendment") primarily to increase the Company's cash available for operations . The May 2016 Amendment also reduced the maximum principal amount available under the Cinedigm Credit Agreement from $30.0 million to $22.0 million.

In July 2016, we entered into an amendment to the Credit Agreement, which, among other things, lowered the minimum liquidity requirement to $0.8 million up to June 30, 2017 and all times after June 30, 2017, at least $5.0 million in minimum liquidity. In addition, certain of our subsidiaries that are guarantors to the Credit Agreement entered into a Guaranty Supplement, pursuant to which certain of the subsidiaries guaranteed the Company's obligations under the Credit Agreement and the subsidiaries pledged substantially all of their assets to secure such obligations. In addition, pursuant to the July 2016 amendment, (i) the Eurodollar rate loans were changed to Base plus 4.5% and base plus 3.5% for Base rate loans, (ii) the requirement for the debt service reserve account was eliminated, and (iii) the maximum principal amount available to borrow was reduced from $22.0 million to $19.8 million. As of March 31, 2017, $0.2 million in additional borrowings were available under the Cinedigm Revolving Loans.

In connection with the Cinedigm Revolving Loans, we maintained a debt service reserve account in restricted cash for certain scheduled interest and principal payments due on the Cinedigm Revolving Loans and Convertible Notes as of March 31, 2016 of $2.2 million. As a result of the July 2016 amendment to the Credit Agreement, no such reserve amount was required to be maintained as of March 31, 2017.

On May 31, 2017, we obtained a waiver on a covenant under the Cinedigm Credit Agreement and Second Secured Lien Notes for the quarter ended March 31, 2017.

2013 Notes

In October 2013, we entered into securities purchase agreements with certain investors, pursuant to which we sold notes in the aggregate principal amount of $5.0 million (the "2013 Notes") and warrants to purchase an aggregate of 150,000 shares of Class A Common Stock (the "2013 Warrants") to such investors. We allocated a fair value of $1.6 million to the 2013 Warrants, which was recorded as a discount to the 2013 Notes and is being amortized through the maturity of the 2013 Notes as interest expense.

The principal amount outstanding under the 2013 Notes is due on October 21, 2018. The 2013 Notes bear interest at 9.0% per annum, payable in quarterly installments over the term of the 2013 Notes. The 2013 Notes may be redeemed at any time, subject to certain premiums.

Zvi Rhine, a member of our Board of Directors, is a holder of $0.5 million of the 2013 Notes as of March 31, 2017.

The aggregate principal repayments on our notes payable, including anticipated PIK interest, are scheduled to be as follows (dollars in thousands):

Fiscal years ending March 31,		
2018	$	25,655
2019		8,093
2020		9,165
2021		54,656
2022		—
Thereafter		50,571
	$	148,140

6. STOCKHOLDERS' DEFICIT

COMMON STOCK

On September 27, 2016, at its Annual Meeting, the stockholders of the Company approved an amendment to the Company's Fourth Amended and Restated Certificate of Incorporation, which increased the number of authorized shares of Class A Common Stock to 25,000,000 shares.

During the year ended March 31, 2017, we issued shares of Class A common stock in connection with debt financing, the exchange of Convertible Notes, payment for a CEO retention bonus, third-party advisory services, restricted stock awards to employees and payment of preferred stock dividends.

On July 14, 2016, the Company entered into an amendment (the "Settlement Agreement Amendment") to the Settlement Agreement (the "Settlement Agreement") dated as of July 30, 2015 among the Company and Ronald L. Chez, the Chez Family Foundation, Sabra Investments, LP, Sabra Capital Partners, LLC, and Zvi Rhine (the "Group") pursuant to which (i) the Company issued 155,000 shares of Common Stock to Mr. Chez as a fee for his service as Strategic Advisor in excess of what was contemplated by the Settlement Agreement, (ii) Mr. Chez's role as Strategic Advisor to the Company was terminated, (iii) Mr. Chez was appointed to the Board of Directors (iv) the rights of the Group to nominate designees for election to the Board of Directors were terminated. The value of these shares was $0.1 million, which has been recorded as stock-based compensation expense in our Consolidated Statement of Operations for the year ended March 31, 2017. We issued 597,100 shares of Class A common stock to Mr. Chez in connection with the Second Secured Lien Notes for the year ended March 31, 2017. See Note 5 - *Notes Payable.* In April 2017, Mr. Chez resigned from the Board of Directors and resumed his role as a strategic advisor to the Company.

Reverse Stock Split

In May 2016, we effected a 1-for-10 reverse stock split of our Class A common stock, whereby each 10 shares of our Class A common stock and common stock equivalents were converted into 1 share of Class A common stock.

The reverse stock split affected all issued and outstanding shares of our Class A common stock, as well as common stock underlying stock options and warrants outstanding immediately prior to its effectiveness. The reverse stock split proportionally reduced the total number of shares of Class A common stock outstanding and the number of shares of Class A common stock authorized. No fractional shares were issued in connection with the reverse stock split. Fractional shares resulting from the reverse stock split were settled in cash.

PREFERRED STOCK

Cumulative dividends in arrears on the preferred stock at March 31, 2017 and 2016 were $0.1 million. In April 2017, we paid preferred stock dividends accrued at March 31, 2017 in the form of 58,370 shares of our Class A Common Stock.

TREASURY STOCK

In connection with the offering of Convertible Notes, on April 29, 2015, we repurchased 272,100 shares of our Class A common stock from certain purchasers of Convertible Notes in privately negotiated transactions for $2.7 million, which is reflected as treasury stock in our Consolidated Balance Sheet as of March 31, 2016. In addition, we entered into a privately negotiated forward stock purchase transaction with a financial institution, which is one of the lenders under our credit agreement (the "Forward Counterparty"), pursuant to which we paid $11.4 million to purchase 1,179,138 shares of our Class A common stock for settlement that may be settled at any time prior to the fifth year anniversary of the issuance date of the notes. The payment for the forward contract has been reflected as a reduction of Additional Paid-in Capital on our Consolidated Balance Sheet until such time that the forward contract is settled and the shares are legally delivered to and owned by us. Upon settlement of the forward contract and delivery of the stock, we will reclassify such amount to treasury stock.

In February 2017, we re-issued 277,244 shares of treasury stock in connection with an exchange of Convertible Notes. As a result, we no longer held shares of our Class A common stock in treasury as of March 31, 2017.

CINEDIGM'S EQUITY INCENTIVE PLAN

Stock Options

Awards issued under our equity incentive plan (the "Plan") may be in any of the following forms (or a combination thereof) (i) stock option awards; (ii) stock appreciation rights; (iii) stock or restricted stock or restricted stock units; or (iv) performance awards. The Plan provides for the granting of incentive stock options ("ISOs") with exercise prices not less than the fair market value of our Class A Common Stock on the date of grant. ISOs granted to shareholders having more than 10% of the total combined voting power of the Company must have exercise prices of at least 110% of the fair market value of our Class A Common Stock on the date of grant. ISOs and non-statutory stock options granted under the Plan are subject to vesting provisions, and exercise is subject to the continuous service of the participant. The exercise prices and vesting periods (if any) for non-statutory options are set at the discretion of our compensation committee. Upon a change of control of the Company, all stock options (incentive and non-statutory) that have not previously vested will vest immediately and become fully exercisable. In connection with the

grants of stock options under the Plan, we and the participants have executed stock option agreements setting forth the terms of the grants. The Plan, which was amended at the Company's Annual Meeting on September 27, 2016, provides for the issuance of up to 2,380,000 shares of Class A Common Stock to employees, outside directors and consultants. For fiscal year 2016, the Plan allowed for the issuance of 1,430,000 shares.

We account for share-based employee compensation plans under the fair value recognition and measurement provisions of GAAP. Those provisions require all share-based payments to employees, including grants of stock-based compensation to be measured based on the grant date fair value of the awards, with the resulting expense generally recognized on a straight-line basis in our Consolidated Statements of Operations over the period during which the employee is required to perform service in exchange for the award. The majority of our awards are earned over a service period of four years.

Share-based compensation expense is recorded net of estimated forfeitures in our consolidated statements of operations and as such, only those share-based awards that we expect to vest are recorded. We estimate the forfeiture rate based on historical forfeitures of equity awards and adjust the rate to reflect changes in facts and circumstances, if any.

The following table summarizes the activity of the Plan related to shares issuable pursuant to outstanding options:

	Shares Under Option	Weighted Average Exercise Price Per Share
Balance at March 31, 2015	590,868	$ 17.40
Granted	18,500	7.94
Exercised	(2,500)	15.10
Canceled	(244,596)	17.59
Balance at March 31, 2016	362,272	16.50
Granted	—	—
Exercised	—	—
Canceled	(16,657)	22.08
Balance at March 31, 2017	345,615	16.50

An analysis of all options outstanding under the Plan as of March 31, 2017 is as follows:

Range of Prices	Options Outstanding	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
$5.40 - $8.90	11,000	8.4	$ 6.66	$ —
$9.00 - $13.70	25,999	4.8	11.89	—
$14.00 - $24.40	272,466	6.1	14.79	—
$24.60 - $50.00	32,500	6.6	27.38	—
$51.60 - $80.60	3,650	0.4	65.36	—
	345,615			$ —

An analysis of all options exercisable under the Plan as of March 31, 2017 is presented below:

Options Exercisable	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
292,896	5.80	$ 15.95	$ —

Restricted Stock Awards

During the year ended March 31, 2017, we granted 1.1 million shares of restricted Class A Common Stock to employees at a weighted average market price per share of $1.81, all of which were unvested and outstanding as of March 31, 2017. The restricted stock awards vest in 33.3% increments over three years from their grant dates.

STOCK OPTIONS ISSUED OUTSIDE CINEDIGM'S EQUITY INCENTIVE PLAN

In October 2013, we issued options outside of the Plan to 10 individuals that became employees in connection with an acquisition. The employees received options to purchase an aggregate of 62,000 shares of our Class A Common Stock at an exercise price of $17.50 per share. The options vest and become exercisable in 25% increments on the first four anniversaries of the date of grant, until fully vested after four years, and expire ten years from the date of grant, if unexercised. As of March 31, 2017, there were 42,500 of such options outstanding, of which 31,875 had vested and were exercisable. Each of the options has a remaining contractual life of 6.6 years at March 31, 2017.

In December 2010, we issued options to purchase 450,000 shares of Class A Common Stock outside of the Plan as part of our Chief Executive Officer's initial employment agreement with the Company. Such options have exercise prices per share between $15.00 and $50.00, all of which were vested as of December 2013 and will expire in December 2020. As of March 31, 2017, all such options remained outstanding.

WARRANTS

The following table presents information about outstanding warrants to purchase shares of our Class A common stock as of March 31, 2017. All of the outstanding warrants are fully vested and exercisable.

Recipient	Amount outstanding	Expiration	Exercise price per share
Strategic management service provider	52,500	July 2021	$17.20 - $30.00
Warrants issued to creditors in connection with the 2013 Notes (the "2013 Warrants")	125,063	October 2018	$18.50
Warrants issued to Ronald L. Chez in connection with the Second Secured Lien Notes	200,000	July 2023	$1.34 - $1.68
Warrants issued in connection with Convertible Notes exchange transaction	200,000	December 2021	$1.60

Outstanding warrants held by the strategic management service provider were issued in connection with a consulting management services agreement ("MSA"). The warrants may be terminated with 90 days' notice in the event of termination of the MSA.

The 2013 Warrants and related 2013 Notes are subject to certain transfer restrictions.

The warrants issued in connection with the Second Secured Lien Notes (See Note 5) to Ronald L. Chez, at the time a member of our Board of Directors, contain a cashless exercise provision and customary anti-dilution rights.

Warrants to purchase Class A Common Stock issued in connection with the Convertible Notes exchange transaction were issued on December 23, 2016, became exercisable six months after issuance and contain customary anti-dilution provisions. The value of the warrants issued in connection with the Exchange Agreement was $0.2 million, determined by using the Black-Scholes Option Pricing Model, assuming a 5-year life, a risk free rate interest of 2.0% and an expected volatility of 76.4%.

In July 2016, we granted a three-year extension on the expiration date of warrants to purchase Class A Common Stock held by Sageview Capital, L.P. ("Sageview"), with all other terms of the warrant agreement unaffected. As a result of modifying the original terms of the warrants, we assigned a value to their extended terms using the Black-Scholes option pricing model and as a result, recorded selling, general and administrative expenses of $0.3 million in our Consolidated Statements of Operations for the year ended March 31, 2017.

On December 23, 2016, the Company entered into an exchange agreement with Sageview, pursuant to which Sageview agreed to terminate all of its outstanding warrants to purchase 1,773,462 shares of Common Stock at an exercise price of $12.36 per share in exchange for a payment of five thousand dollars. The exchange was consummated on December 23, 2016 and as a result, such warrants are no longer outstanding as of the balance sheet date.

7. COMMITMENTS AND CONTINGENCIES

LEASES

Our capital lease obligations are primarily related to computer equipment.

On October 28, 2016, we entered into an agreement to fully terminate our lease obligation on the Pavilion Theater, a facility that was accounted for as a capital lease and for which we were considered the primary obligor. Contemporaneously, we also terminated a sublease agreement that we had with the tenant of the Pavilion Theater. As a result of the lease termination, we wrote off the property and equipment and capital lease obligation related to the facility and recognized a gain on the transaction of $2.5 million for the year ended March 31, 2017.

We also operate from leased properties under non-cancelable operating lease agreements, certain of which contain escalating lease clauses. As of March 31, 2017, obligations under non-cancelable operating leases are due as follows (dollars in thousands):

Fiscal years ending March 31,	
2018	$ 1,048
2019	996
2020	1,074
2021	1,115
2022	698
Thereafter	—
	$ 4,931

Rent expense, included in selling, general and administrative expenses in our Consolidated Statements of Operations, was $1.7 million and $1.8 million for the fiscal years ended March 31, 2017 and 2016, respectively.

During the year ended March 31, 2017, the Company terminated an operating lease on its corporate office space in Century City, California and relocated its offices to Sherman Oaks, California. The Company recorded an obligation in connection with the termination of the operating lease, which is reported as other long-term liabilities on the Consolidated Balance Sheets. The obligation is payable over 5 years.

LEGAL PROCEEDINGS

We are subject to certain legal proceedings in the ordinary course of business. We do not expect any such items to have a significant impact on our financial position and results of operations and liquidity.

8. SUPPLEMENTAL CASH FLOW INFORMATION

	For the Fiscal Year Ended March 31,	
(In thousands)	**2017**	**2016**
Cash interest paid	$ 16,464	$ 15,045
Income taxes paid	$ 322	$ —
Accrued dividends on preferred stock	$ 89	$ 89
Issuance of Class A Common Stock for payment of preferred stock dividends	$ 356	$ 356
Issuance of Class A common stock and warrants to purchase Class A common stock in connection with Second Secured Lien Notes	$ 1,163	$ —
Issuance of Class A common stock and warrants to purchase Class A common stock in exchange for Convertible Notes	$ 14,279	$ —
Issuance of Second Lien Loans in connection with Convertible Notes exchange transaction	$ 3,500	$ —

9. SEGMENT INFORMATION

We operate in four reportable segments: Phase I Deployment, Phase II Deployment, Services and Content & Entertainment, or CEG. Our segments were determined based on the economic characteristics of our products and services, our internal organizational structure, the manner in which our operations are managed and the criteria used by our Chief Operating Decision Maker to evaluate performance, which is generally the segment's operating income (loss) before depreciation and amortization.

Operations of:	Products and services provided:
Phase I Deployment	Financing vehicles and administrators for 3,724 Systems installed nationwide in Phase 1 DC's deployment to theatrical exhibitors. We retain ownership of the Systems and the residual cash flows related to the Systems after the repayment of all non-recourse debt at the expiration of exhibitor, master license agreements. As of March 31, 2017, we are no longer earning VPF revenues from certain major studios on 2,467 of such systems.
Phase II Deployment	Financing vehicles and administrators for our 8,904 Systems installed domestically and internationally, for which we retain no ownership of the residual cash flows and digital cinema equipment after the completion of cost recoupment and at the expiration of the exhibitor master license agreements.
Services	Provides monitoring, collection, verification and other management services to our Phase I Deployment, Phase II Deployment, CDF2 Holdings, as well as to exhibitors who purchase their own equipment. Services also collects and disburses VPFs from motion picture studios, distributors and ACFs from alternative content providers, movie exhibitors and theatrical exhibitors.
Content & Entertainment	Leading distributor of independent content, and collaborates with producers and other content owners to market, source, curate and distribute independent content to targeted and profitable audiences in theatres and homes, and via mobile and emerging platforms.

No customer represented more than 10% of our consolidated revenues for the fiscal years ended March 31, 2017 and 2016.

The following tables present certain financial information related to our reportable segments:

	As of March 31, 2017					
(In thousands)	Intangible Assets, net	Goodwill	Total Assets	Notes Payable, Non-Recourse	Notes Payable	Capital Leases
Phase I Deployment	$ 160	$ —	$ 15,118	$ 51,955	$ —	$ —
Phase II Deployment	—	—	48,461	9,149	—	—
Services	—	—	1,052	—	—	—
Content & Entertainment	20,057	8,701	79,911	—	—	8
Corporate	10	—	6,792	—	78,995	58
Total	$ 20,227	$ 8,701	$ 151,334	$ 61,104	$ 78,995	$ 66

	As of March 31, 2016					
(In thousands)	Intangible Assets, net	Goodwill	Total Assets	Notes Payable, Non-Recourse	Notes Payable	Capital Leases
Phase I Deployment	$ 206	$ —	$ 48,292	$ 93,372	$ —	$ —
Phase II Deployment	—	—	53,727	18,940	—	—
Services	—	—	1,064	—	—	—
Content & Entertainment	25,721	8,701	87,344	—	—	30
Corporate	13	—	18,971	—	86,938	4,195
Total	$ 25,940	$ 8,701	$ 209,398	$ 112,312	$ 86,938	$ 4,225

	Statements of Operations For the Fiscal Year Ended March 31, 2017					
	Phase I	Phase II	Services	Content & Entertainment	Corporate	Consolidated
Revenues	$ 32,068	$ 12,538	$ 11,611	$ 34,177	$ —	$ 90,394
Direct operating (exclusive of depreciation and amortization shown below)	1,052	388	10	23,671	—	25,121
Selling, general and administrative	544	228	798	15,812	6,394	23,776
Allocation of corporate overhead	—	—	1,581	3,583	(5,164)	—
Provision for doubtful accounts	737	209	—	267	—	1,213
Restructuring expenses	—	—	—	509	(422)	87
Depreciation and amortization of property and equipment	19,263	7,523	—	273	663	27,722
Amortization of intangible assets	46	—	—	5,663	9	5,718
Total operating expenses	21,642	8,348	2,389	49,778	1,480	83,637
Income (loss) from operations	$ 10,426	$ 4,190	$ 9,222	$ (15,601)	$ (1,480)	$ 6,757

The following employee and director stock-based compensation expense related to our stock-based awards is included in the above amounts as follows:

	Phase I	Phase II	Services	Content & Entertainment	Corporate	Consolidated
Direct operating	$ —	$ —	$ 10	$ —	$ —	$ 10
Selling, general and administrative	—	—	4	289	1,423	1,716
Total stock-based compensation	$ —	$ —	$ 14	$ 289	$ 1,423	$ 1,726

Statements of Operations For the Fiscal Year Ended March 31, 2016						
	Phase I	Phase II	Services	Content & Entertainment	Corporate	Consolidated
Revenues	$ 36,488	$ 12,257	$ 11,782	$ 43,922	$ —	$ 104,449
Direct operating (exclusive of depreciation and amortization shown below)	1,108	315	10	29,908	—	31,341
Selling, general and administrative	661	121	914	20,659	11,012	33,367
Allocation of corporate overhead	—	—	1,616	5,410	(7,026)	—
(Benefit) provision for doubtful accounts	241	98	—	450	—	789
Restructuring expenses	—	—	—	216	914	1,130
Goodwill impairment	—	—	—	18,000	—	18,000
Litigation settlement recovery, net of expenses	—	—	—	(2,228)	—	(2,228)
Depreciation and amortization of property and equipment	28,446	7,523	—	330	1,045	37,344
Amortization of intangible assets	46	—	—	5,799	7	5,852
Total operating expenses	30,502	8,057	2,540	78,544	5,952	125,595
Income (loss) from operations	$ 5,986	$ 4,200	$ 9,242	$ (34,622)	$ (5,952)	$ (21,146)

The following employee and director stock-based compensation expense related to our stock-based awards is included in the above amounts as follows:

	Phase I	Phase II	Services	Content & Entertainment	Corporate	Consolidated
Direct operating	$ —	$ —	$ 10	$ 6	$ —	$ 16
Selling, general and administrative	—	—	1	258	1,557	1,816
Total stock-based compensation	$ —	$ —	$ 11	$ 264	$ 1,557	$ 1,832

The following table presents the results of our operating segments for the three months ended March 31, 2017:

Statements of Operations
For the Three Months Ended March 31, 2017
(Unaudited)

	Phase I	Phase II	Services	Content & Entertainment	Corporate	Consolidated
Revenues	$ 6,046	$ 3,090	$ 2,569	$ 7,889	$ —	$ 19,594
Direct operating (exclusive of depreciation and amortization shown below)	282	118	4	6,837	—	7,241
Selling, general and administrative	137	84	269	4,326	1,194	6,010
Allocation of corporate overhead	—	—	387	877	(1,264)	—
Provision for doubtful accounts	419	111	—	267	—	797
Restructuring expenses	—	—	—	422	(467)	(45)
Goodwill impairment	—	—	—	—	—	—
Depreciation and amortization of property and equipment	3,107	1,881	—	69	107	5,164
Amortization of intangible assets	12	—	—	1,381	3	1,396
Total operating expenses	3,957	2,194	660	14,179	(427)	20,563
Income (loss) from operations	$ 2,089	$ 896	$ 1,909	$ (6,290)	$ 427	$ (969)

The following employee and director stock-based compensation expense related to our stock-based awards is included in the above amounts as follows:

	Phase I	Phase II	Services	Content & Entertainment	Corporate	Consolidated
Direct operating	$ —	$ —	$ 4	$ (2)	$ —	$ 2
Selling, general and administrative	—	—	1	108	251	360
Total stock-based compensation	$ —	$ —	$ 5	$ 106	$ 251	$ 362

10. RESTRUCTURING EXPENSES

2016 Workforce Reduction

During the year ended March 31, 2017, we completed a strategic assessment of resource requirements within our Content & Entertainment and Corporate reporting segments to better align our cost structure with anticipated revenues.

The following table presents a roll forward of restructuring, transition and acquisition expenses and related liability balances:

(In thousands)	
Amount accrued as of March 31, 2015	$ —
Costs incurred	1,130
Amounts paid/adjustments	(625)
Amount accrued as of March 31, 2016	505
Costs incurred	87
Amounts paid/adjustments	(548)
Amount accrued as of March 31, 2017	$ 44

11. INCOME TAXES

The following table presents the components of income tax expense:

	For the Fiscal Year Ended March 31,	
(In thousands)	**2017**	**2016**
Federal:		
Current	$ (140)	$ 140
Deferred	—	—
Total federal	(140)	140
State:		
Current	392	205
Deferred	—	—
Total state	392	205
Income tax expense	$ 252	$ 345

Net deferred taxes consisted of the following:

(In thousands)	As of March 31, 2017	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 98,232	$ 99,524
Stock based compensation	2,742	4,432
Intangibles	8,100	8,005
Revenue deferral	47	46
Interest rate derivatives	253	199
Capital loss carryforwards	4,454	7,951
Other	2,997	2,224
Total deferred tax assets before valuation allowance	116,825	122,381
Less: Valuation allowance	(106,718)	(104,285)
Total deferred tax assets after valuation allowance	$ 10,107	$ 18,096
Deferred tax liabilities:		
Depreciation and amortization	$ (10,107)	$ (17,414)
Intangibles	—	(682)
Total deferred tax liabilities	(10,107)	(18,096)
Net deferred tax	$ —	$ —

We have provided a valuation allowance equal to our net deferred tax assets for the fiscal years ended March 31, 2017 and 2016. We are required to recognize all or a portion of our deferred tax assets if we believe that it is more likely than not that such assets will be realized, given the weight of all available evidence. We assess the realizability of the deferred tax assets at each interim and annual balance sheet date. In assessing the need for a valuation allowance, we considered both positive and negative evidence, including recent financial performance, projections of future taxable income and scheduled reversals of deferred tax liabilities. We increased the valuation allowance by $2.4 million and $16.0 million during the fiscal years ended March 31, 2017 and 2016, respectively. We will continue to assess the realizability of the deferred tax assets at each interim and annual balance sheet date based upon actual and forecasted operating results.

At March 31, 2017, we had Federal and state net operating loss carryforwards of approximately $250.3 million available in the United States of America ("US") and approximately $0.6 million in Australia to reduce future taxable income. The US federal and state net operating loss carryforwards will begin to expire in 2020. The Australian net operating loss carryforward does not expire.

At March 31, 2017, we had Federal and state capital loss carryforwards of approximately $11.4 million available to reduce future capital gains. The capital loss carryforwards were generated during the year ended March 31, 2014 and expires after the year ending March 31, 2019. During the year ended March 31, 2017, approximately $9.0 million of capital loss carryforwards that were generated during the year ended March 31, 2011, expired.

Under the provisions of the Internal Revenue Code, certain substantial changes in our ownership may result in a limitation on the amount of net operating losses that may be utilized in future years. As of March 31, 2017, approximately $12.6 million of net operating losses from periods prior to March 2006 are subject to an annual Section 382 limitation of approximately $12.6 million. Net operating losses of approximately $237.7 million, which were generated since March 2006 are currently not subject to an annual limitation under Section 382. Future significant ownership changes could cause a portion or all of these net operating losses to expire before utilization.

The differences between the United States statutory federal tax rate and our effective tax rate are as follows:

	For the fiscal years ended March 31,	
	2017	2016
Provision at the U.S. statutory federal tax rate	34.0 %	34.0 %
State income taxes, net of federal benefit	6.6 %	5.6 %
Change in valuation allowance	(19.2)%	(40.3)%
Non-deductible equity compensation	(1.8)%	(0.7)%
Expired capital loss carry forward	(20.8)%	— %
Other	(0.5)%	0.5 %
Income tax expense	(1.7)%	(0.9)%

Since April 1, 2007, we have applied accounting principles that clarify the accounting and disclosure for uncertainty in income taxes. As of March 31, 2017 and 2016, we did not have any uncertainties in income taxes.

We file income tax returns in the U.S. federal jurisdiction, various states and Australia. For federal income tax purposes, our fiscal 2014 through 2017 tax years remain open for examination by the tax authorities under the normal three-year statute of limitations. For state tax purposes, our fiscal 2013 through 2017 tax years generally remain open for examination by most of the tax authorities under a four-year statute of limitations. For Australian tax purposes, fiscal tax years ended March 31, 2016 and 2017 are open for examination.

12. SUBSEQUENT EVENTS

On April 10, 2017, we entered into lease agreements for a new office facility at 45 West 36th Street, New York, New York, which will replace our current facility at 902 Broadway and coincide with the termination of such lease. The new agreements commence on July 1, 2017 and initially require minimum monthly lease payments of $33,250 with customary escalation clauses over the course of the contract, which terminates in April 2021.

On June 29, 2017, the company entered into a Stock Purchase Agreement with a strategic partner to sell 20,000,000 shares of Company's Class A common stock, par value $0.001 per share for an aggregate purchase price of up to $30,000,000, of which up to 400,000 shares may be sold to members of management instead of the strategic partner. The Company is also in advanced discussions with holders, representing approximately 99% by principal amount, of the Company's outstanding 5.5% Convertible Senior Notes due in 2035 to exchange their notes into cash, other securities of the Company or a combination thereof in order to decrease the debt obligations of the Company. Upon the issuance of the Shares, the strategic partner will own a majority of the outstanding Common Stock and will be entitled to designate two (2) members of the Company's Board of Directors, the size of which will be set at seven (7) members. As part of the Stock Purchase Agreement, the Company has entered into an escrow agreement with the strategic partner where $15.0 million in cash will be deposited with an escrow agent until the closing, assuming a condition is met. The final closing of this transaction is subject to customary approvals, including stockholder, lender and regulatory approvals and consummation of the convertible note exchanges.

PART II. OTHER INFORMATION

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Definition and Limitations of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to reasonably ensure that information required to be disclosed in our reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures at March 31, 2017, the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, at March 31, 2017, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized, and reported on a timely basis, and (ii) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of March 31, 2017.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of March 31, 2017.

Remediation of Material Weakness

The material weakness that was previously disclosed as of March 31, 2016 was remediated as of March 31, 2017. See “Item 9A. Controls and Procedures — Management’s Report on Internal Control over Financial Reporting” and “Item 9A. Controls and Procedures — The Remediation Plan” contained in the Company’s report on Form 10-K for the fiscal year ended March 31, 2016 and “Item 4. Controls and Procedures” contained in the Company’s subsequent quarterly reports on Form 10-Q during fiscal 2017, for disclosure of information about the material weakness that was reported as a result of the Company’s annual assessment as of March 31, 2016 and remediation of that material weakness.

The Company had the following material weakness in internal control over financial reporting for the year ended March 31, 2016:

- Inadequate internal control over financial reporting due to lack of sufficient accounting personnel and resources to adequately and timely prepare and complete the year-end financial reporting processes and disclosure.

The Company has remediated the material weakness during the year ended March 31, 2017 by implementing the following:

- Hired a controller in one of the Company's segments, experienced in the related industry, to oversee the accounting operations and review of account reconciliations in a timely manner;
- Use consultants experienced in SEC financial reporting and accounting technical matters to assist on documentation of accounting issues, preparation and review of SEC filings and review of appropriateness of financial statement disclosures;
- We have hired additional accounting staff with the appropriate skill, knowledge and experience in the financial reporting function; and
- We have implemented additional review and approvals on journal entries and posting of transactions in a timely manner and have ensured account reconciliations are performed and reviewed for each reporting period in a timely manner

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, other than the remedial efforts described above, during the fiscal quarter ended March 31, 2017, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

Christopher J. McGurk, 60, has been the Company's Chief Executive Officer and Chairman of the Board since January 2011. Mr. McGurk was the founder and Chief Executive Officer of Overture Films from 2006 until 2010 and also the Chief Executive Officer of Anchor Bay Entertainment, which distributed Overture Films' products to the home entertainment industry. From 1999 to 2005, Mr. McGurk was Vice Chairman of the Board and Chief Operating Officer of Metro-Goldwyn-Mayer Inc. ("MGM"), acting as the company's lead operating executive until MGM was sold for approximately $5 billion to a consortium of investors. Mr. McGurk joined MGM from Universal Pictures, where he served in various executive capacities, including President and Chief Operating Officer, from 1996 to 1999. From 1988 to 1996, Mr. McGurk served in several senior executive roles at The Walt Disney Studios, including Studios Chief Financial Officer and President of The Walt Disney Motion Picture Group. Mr. McGurk has previously served on the boards of BRE Properties, Inc., DivX Inc., DIC Entertainment, Pricegrabber.com, LLC and MGM Studios, Inc. Mr. McGurk's extensive career in various sectors of the theatrical production and exhibition industry will provide the Company with the benefits of his knowledge of and experience in this field, as well as his wide-spread contacts within the industry.

Peter C. Brown, 58, has been a member of the Board since September 2010. He is Chairman of Grassmere Partners, LLC, a private investment firm, which he founded in 2009. Prior to founding Grassmere Partners, Mr. Brown served as Chairman of the Board, Chief Executive Officer and President of AMC Entertainment Inc. ("AMC"), one of the world's leading theatrical exhibition companies, from July 1999 until his retirement in February 2009. He joined AMC in 1990 and served as AMC's President from January 1997 to July 1999 and Senior Vice President and Chief Financial Officer from 1991 to 1997. Mr. Brown currently serves on the board of EPR Properties (NYSE: EPR), a specialty real estate investment trust (REIT). Mr. Brown also serves as a director of CenturyLink (NYSE: CTL), a global leader in communications, hosting, cloud and IT services. Past additional public company boards include: National CineMedia, Inc., Midway Games, Inc., LabOne, Inc., and Protection One, Inc. Mr. Brown's extensive experience in the theatrical exhibition and entertainment industry and other public company boards provides the Board with valuable knowledge and insight relevant to the Company's business.

Patrick W. O'Brien, 70, has been a member of the Board since July 2015. He currently serves as the Managing Director & Principal of Granville Wolcott Advisors, a company he formed in 2009 which provides business consulting, due diligence and asset management services for public and private clients. From 2005 to 2009, Mr. O'Brien was a Vice President - Asset Management for Bental-Kennedy Associates Real Estate Counsel where he represented pension fund ownership interests in hotel real estate investments nationwide. Mr. O'Brien also serves on the board of directors of LVI Liquidation Corp., Creative Realities, Inc., and Fit Boom Bah. During the past five years, Mr. O'Brien served on the boards of Ironclad Performance Wear, Inc and Merriman Holdings, Inc.. Mr. O'Brien joined the Board as a designee of Ronald L. Chez pursuant to the Settlement Agreement dated as of July 30, 2015 among the Company and certain stockholders party thereto. He brings to the Board his seasoned executive and business expertise in private and public companies with an emphasis on financial analysis and business development.
16(a) reporting requirements in the Company's

Zvi M. Rhine, 37, has been a member of the Board since July 2015. He is the principal and managing member of Sabra Capital Partners which he founded in 2012, a multi-strategy hedge fund that focuses on event-driven, value and special situations investments primarily in North America. He was previously Vice President at The Hilco Organization from 2009 to 2012 and has also served in various roles at Boone Capital, Banc of America Securities and Piper Jaffray. Mr. Rhine also serves as the CFO and a director of Global Healthcare Real Estate Investment Trust. Mr. Rhine brings to the Board extensive experience in the securities industry.

Executive Officers

The Company's executive officers are Christopher J. McGurk, Chief Executive Officer and Chairman of the Board, Jeffrey S. Edell, Chief Financial Officer, Gary S. Loffredo, President of Digital Cinema, General Counsel, Secretary, and William S. Sondheim, President of Cinedigm Entertainment Corp. Biographical information for Mr. McGurk is included above.

Jeffrey S. Edell, **59**, joined the Company in June 2014 as Chief Financial Officer. Prior to this appointment, Mr. Edell was Principal Owner of the family office for Edell Ventures, a company he founded in 2009 to invest in and provide strategic support to innovators in the social media and entertainment arenas. Previously, Edell was President of DIC Entertainment, a publicly-listed entertainment company and the largest independent producer of kid-centric content in the world. Before that, Mr. Edell was

Chairman of Intermix Media, the parent company of the social networking company MySpace, and CEO and President of Soundelux. Edell also obtained extensive financial, audit and reporting experience while working at KPMG, The Transamerica Group and DF & Co. Mr. Edell was also an Independent Producer of feature films and other content.

Gary S. Loffredo, 52, has been the Company's President of Digital Cinema, General Counsel and Secretary since October 2011. He had previously served as Senior Vice President -- Business Affairs, General Counsel and Secretary since 2000 and as Interim Co-Chief Executive Officer from June 2010 through December 2010, and was a member of the Board from September 2000 - October 2015. From March 1999 to August 2000, he had been Vice President, General Counsel and Secretary of Cablevision Cinemas d/b/a Clearview Cinemas. At Cablevision Cinemas, Mr. Loffredo was responsible for all aspects of the legal function, including negotiating and drafting commercial agreements, with emphases on real estate, construction and lease contracts. He was also significantly involved in the business evaluation of Cablevision Cinemas' transactional work, including site selection and analysis, negotiation and new theater construction oversight. Mr. Loffredo was an attorney at the law firm of Kelley Drye & Warren LLP from September 1992 to February 1999. Having been with the Company since its inception and with Clearview Cinemas prior thereto, Mr. Loffredo has over a decade of experience in the cinema exhibition industry, both on the movie theatre and studio sides, as well as legal training and general business experience, which skills and understanding are beneficial to the Company.

William S. Sondheim, 56, joined the Company in October 2013 and is President of Cinedigm Entertainment Corp., our Content and Entertainment division. From 2010 to October 2013, Mr. Sondheim was the President of Gaiam Inc. ("Gaiam"), a provider of information, goods and services to customers who value the environment, a sustainable economy, healthy lifestyles, alternative healthcare and personal development. He previously served as Gaiam's President of Entertainment and Worldwide Distribution since April 2007. From 2005 until 2007, Mr. Sondheim was in charge of Global Dual Disc music format for Sony BMG, a recorded music company. Prior to 2005, Mr. Sondheim served as President of Retail at GoodTimes Entertainment, a home video company, and President of PolyGram Video at PolyGram Filmed Entertainment, a video distributor.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who beneficially own more than 10% of its Class A common stock to file reports of ownership and changes in ownership with the Commission and to furnish the Company with copies of all such reports they file. Based on the Company's review of the copies of such forms received by it, or written representations from certain reporting persons, the Company believes that none of its directors, executive officers or persons who beneficially own more than 10% of the Company's Class A common stock failed to comply with Section 16(a) reporting requirements in the Company's Last Fiscal Year Year, except for Mr. O'Brien, who filed two Forms 4 late, and Messrs, Brown and Rhine, each of whom filed one Form 4 late, in all cases to disclose one transaction.

Code of Business Conduct and Ethics

We have adopted a code of ethics applicable to all members of the Board, executive officers and employees. Such code of ethics is available on our Internet website, www.cinedigm.com. We intend to disclose any amendment to, or waiver of, a provision of our code of ethics by filing a Form 8-K with the SEC.

Shareholder Communications

The Board currently does not provide a formal process for stockholders to send communications to the Board. In the opinion of the Board, it is appropriate for the Company not to have such a process in place because the Board believes there is currently not a need for a formal policy due to, among other things, the limited number of stockholders of the Company. While the Board will, from time to time, review the need for a formal policy, at the present time, stockholders who wish to contact the Board may do so by submitting any communications to the Company's Secretary, Mr. Loffredo, 902 Broadway, 9 th Floor, New York, New York 10010, with an instruction to forward the communication to a particular director or the Board as a whole. Mr. Loffredo will receive the correspondence and forward it to any individual director or directors to whom the communication is directed.

MATTERS RELATING TO OUR GOVERNANCE

Board of Directors

The Board oversees the Company's risk management including understanding the risks the Company faces and what steps management is taking to manage those risks, as well as understanding what level of risk is appropriate for the Company. The Board's role in the Company's risk oversight process includes receiving regular updates from members of senior management on

areas of material risk to the Company, including operational, financial, legal and regulatory, human resources, employment, and strategic risks.

The Company's leadership structure currently consists of the combined role of Chairman of the Board and Chief Executive Officer and a separate Lead Independent Director. Mr. O'Brien serves as our Lead Independent Director. The Lead Independent Director's responsibilities include presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, serving as a liaison between the Chairman and the independent directors, reviewing information sent to the Board, consulting with the Nominating Committee with regard to the membership and performance evaluations of the Board and Board committee members, calling meetings of and setting agendas for the independent directors, and serving as liaison for communications with stockholders.

The Board intends to meet at least quarterly and the independent directors serving on the Board intend to meet in executive session (i.e., without the presence of any non-independent directors and management) immediately following regularly scheduled Board meetings. During the fiscal year ended March 31, 2017 (the "Last Fiscal Year"), the Board held four (4) meetings and thirteen (13) telephonic meetings, and the Board members acted three (3) times by unanimous written consent in lieu of holding a meeting. Each current member of the Board, who was then serving, attended at least 75% of the total number of meetings of the Board and of the committees of the Board on which they served in the Last Fiscal Year. No individual may be nominated for election to the Board after his or her 73rd birthday. Messrs. Brown, O'Brien and Rhine are considered "independent" under the rules of the SEC and Nasdaq.

The Company does not currently have a policy in place regarding attendance by Board members at the Company's annual meetings. However, each of the current directors**,** who was then serving, attended the 2016 Annual Meeting of Stockholders.

The Board has three standing committees, consisting of an Audit Committee, a Compensation Committee and a Nominating Committee.

Audit Committee

The Audit Committee consists of Messrs. Brown, O'Brien and Rhine. Mr. Rhine is the Chairman of the Audit Committee. The Audit Committee held four (4) meetings in the Last Fiscal Year. The Audit Committee has met with the Company's management and the Company's independent registered public accounting firm to review and help ensure the adequacy of its internal controls and to review the results and scope of the auditors' engagement and other financial reporting and control matters. Mr. Rhine is financially literate, and Mr. Rhine is financially sophisticated, as those terms are defined under the rules of Nasdaq. Mr. Rhine is also a financial expert, as such term is defined under the Sarbanes-Oxley Act of 2002. Messrs. Brown, Rhine, O'Connor and Rhine are considered "independent" under the rules of the SEC and Nasdaq.

The Audit Committee has adopted a formal written charter (the "Audit Charter"). The Audit Committee is responsible for ensuring that the Company has adequate internal controls and is required to meet with the Company's auditors to review these internal controls and to discuss other financial reporting matters. The Audit Committee is also responsible for the appointment, compensation and oversight of the auditors. Additionally, the Audit Committee is responsible for the review and oversight of all related party transactions and other potential conflict of interest situations between the Company and its officers, directors, employees and principal stockholders. The Audit Charter is available on the Company's Internet website at www.cinedigm.com.

Compensation Committee

The Compensation Committee consists of Messrs. Brown, O'Brien and Rhine. Mr. O'Brien is the Chairman of the Compensation Committee. The Compensation Committee met one (1) time during the Last Fiscal Year. The Compensation Committee approves the compensation package of the Company's Chief Executive Officer and, based on recommendations by the Company's Chief Executive Officer, approves the levels of compensation and benefits payable to the Company's other executive officers, reviews general policy matters relating to employee compensation and benefits and recommends to the entire Board, for its approval, stock option and other equity-based award grants to its executive officers, employees and consultants and discretionary bonuses to its executive officers and employees. The Compensation Committee has the authority to appoint and delegate to a sub-committee the authority to make grants and administer bonus and compensation plans and programs. Messrs. Brown, O'Brien and Rhine are considered "independent" under the rules of the SEC and the Nasdaq.

The Compensation Committee has adopted a formal written charter (the "Compensation Charter"). The Compensation Charter sets forth the duties, authorities and responsibilities of the Compensation Committee. The Compensation Charter is available on the Company's Internet website at www.cinedigm.com.

The Compensation Committee, when determining executive compensation (including under the executive compensation program, as discussed below under the heading Compensation Discussion and Analysis), evaluates the potential risks associated with the compensation policies and practices. The Compensation Committee believes that the Company's compensation programs are designed with an appropriate balance of risk and reward in relation to the Company's overall compensation philosophy and do not encourage excessive or unnecessary risk-taking behavior. In general, the Company compensates its executives in a combination of cash and stock options. The stock options contain vesting provisions, typically of proportional annual vesting over a three- or four-year period which encourages the executives, on a long-term basis, to strive to enhance the value of such compensation as measured by the trading price of the Class A Common Stock. The Compensation Committee does not believe that this type of compensation encourages excessive or unnecessary risk-taking behavior. As a result, we do not believe that risks relating to our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on the Company. The Company intends to recapture compensation as required under the Sarbanes-Oxley Act. However, there have been no instances where it needed to recapture any compensation.

During the Last Fiscal Year, the Compensation Committee engaged Aon Hewitt, a compensation consulting firm. The consultant met with the Compensation Committee multiple times during the Last Fiscal Year and provided guidance for cash and equity bonus compensation to executive officers and directors, which the Compensation Committee considered in reaching its determinations of such compensation. In addition, the consultant was available to respond to specific inquiries throughout the year.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee currently consists of Messrs. Brown, O'Brien and Westlake. Mr. O'Brien is the Chairman of the Compensation Committee. None of such members was, at any time during the Last Fiscal Year or at any previous time, an officer or employee of the Company.

None of the Company's directors or executive officers serves as a member of the board of directors or compensation committee of any other entity that has one or more of its executive officers serving as a member of the Company's board of directors. No member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Securities and Exchange Commission Regulation S-K.

Nominating Committee

The Nominating Committee consists of Messrs. Brown, O'Brien and Rhine. Mr. Brown is the Chairman of the Nominating Committee. The Nominating Committee held one (1) meeting during the Last Fiscal Year. The Nominating Committee evaluates and approves nominations for annual election to, and to fill any vacancies in, the Board and recommends to the Board the directors to serve on committees of the Board. The Nominating Committee also approves the compensation package of the Company's directors. Messrs. Brown, O'Brien and Rhine are considered "independent" under the rules of the SEC and the Nasdaq.

The Nominating Committee has adopted a formal written charter (the "Nominating Charter"). The Nominating Charter sets forth the duties and responsibilities of the Nominating Committee and the general skills and characteristics that the Nominating Committee employs to determine the individuals to nominate for election to the Board. The Nominating Charter is available on the Company's Internet website at www.cinedigm.com.

The Nominating Committee will consider any candidates recommended by stockholders. In considering a candidate submitted by stockholders, the Nominating Committee will take into consideration the needs of the Board and the qualifications of the candidate. Nevertheless, the Board may choose not to consider an unsolicited recommendation if no vacancy exists on the Board and/or the Board does not perceive a need to increase the size of the Board.

There are no specific minimum qualifications that the Nominating Committee believes must be met by a Nominating Committee-recommended director nominee. However, the Nominating Committee believes that director candidates should, among other things, possess high degrees of integrity and honesty; have literacy in financial and business matters; have no material affiliations with direct competitors, suppliers or vendors of the Company; and preferably have experience in the Company's business and other relevant business fields (for example, finance, accounting, law and banking). The Nominating Committee considers diversity together with the other factors considered when evaluating candidates but does not have a specific policy in place with respect to diversity.

Members of the Nominating Committee meet in advance of each of the Company's annual meetings of stockholders to identify and evaluate the skills and characteristics of each director candidate for nomination for election as a director of the Company. The Nominating Committee reviews the candidates in accordance with the skills and qualifications set forth in the Nominating Charter

and the rules of the Nasdaq. There are no differences in the manner in which the Nominating Committee evaluates director nominees based on whether or not the nominee is recommended by a stockholder.

Stock Ownership Guidelines

The Board has adopted stock ownership guidelines for its non-employee directors, pursuant to which the non-employee directors are required to acquire, within three (3) years, and maintain until separation from the Company, shares equal in value to a minimum of three (3) times the aggregate value of the annual cash and stock retainer (not including committee or per-meeting fees) payable to such director. Shares acquired as Board retainer fees and shares owned by an investment entity with which a non-employee director is affiliated may be counted toward the stock ownership requirement.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives and Compensation Program Overview

The following Compensation Discussion & Analysis ("CD&A") describes the philosophy, objectives and structure of our 2017 executive compensation program. This CD&A is intended to be read in conjunction with the tables beginning on page 51, which provide further historical compensation information for our following named executive officers ("NEOs"):

Name	Title
Christopher J. McGurk	Chairman and Chief Executive Officer
Jeffrey S. Edell	Chief Financial Officer
William Sondheim	President, Cinedigm Entertainment Corp.

Quick CD&A Reference Guide

I. Compensation Program Overview

As the Company has evolved, so too has the compensation program. Going forward, the Company is focused on improving both shareholder returns and its cash position. To help achieve this goal, the compensation program is intended to reward the Chief Executive Officer ("CEO") and other employees for achieving strategic goals and increasing shareholder value and includes a formal performance-based Management Annual Incentive Plan ("MAIP") based on predetermined, specific target award levels and performance metrics and goals. The MAIP is predicated on attaining goals that are critical to Cinedigm's future success and is designed to reward the level of collaboration across divisions and segments required to achieve corporate financial goals. No MAIP bonuses were paid to the NEOs for fiscal 2017.

The compensation program consists of base salary, annual incentives, and long-term equity compensation. In addition, all of our NEOs receive some modest personal benefits and perquisites. Retirement benefits are accumulated through the Company's 401(k) plan which is open to all employees. The Company does not provide supplemental retirement benefits for NEOs. One of our named executive officers currently has an employment agreement.

The Compensation Committee annually reviews the executive compensation elements and assesses the integrity of the compensation program as a whole to ensure that it continues to be aligned with the Company's compensation objectives and

supports the attainment of Company goals. Periodically, the Company reviews competitive compensation levels, mix of pay, and practices to ensure all compensation program features continue to be in line with the market, while still reflecting the unique needs of our business model. Additionally, in response to business and talent needs, executive management brings compensation proposals to the Compensation Committee, which then reviews the proposal and either approves or denies them.

II. Compensation Philosophy and Objectives

Cinedigm's executive compensation philosophy is focused on enabling the Company to hire and retain qualified and motivated executives, while meeting its business needs and objectives. To be consistent with this philosophy, the executive compensation program has been designed around the following objectives:

- Provide competitive compensation levels to enable the recruitment and retention of highly qualified executives.
- Design incentive programs that strengthen the link between pay and corporate and business unit performance encouraging and rewarding excellence and contributions to support Cinedigm's success.
- Align the interests of executives with those of shareholders through grants of equity-based compensation that also provide opportunities for ongoing executive share ownership.

An overarching principle in delivering on these objectives is to ensure that compensation decisions are made in the Company's best financial interests such that incentive awards are both affordable and reasonable, taking into account Company performance and considering the interests of all stakeholders.

III. Pay Mix

The Company's pay philosophy has been evolving from an emphasis on fixed pay to one that believes a substantial portion of each executive's compensation should be at risk and dependent upon performance. While the Compensation Committee has not adopted a targeted mix of either long-term to short-term, fixed to variable, or equity and non-equity compensation, it has taken steps to increase the portion of variable compensation. Steps in this direction include the introduction of the Management Annual Incentive Plan and more regular equity grants.

IV. Competitive Positioning

Role of Consultant

The Compensation Committee has engaged Aon Hewitt to provide guidance with respect to executive compensation, including bonuses, incentives and compensation for new hires.

Competitive Assessment

The Compensation Committee has not defined a target pay positioning for the CEO or other Named Executive Officers, nor does it commit to providing a specific percentile or pay range. In the most recent competitive assessment analysis conducted in connection with establishing or renewing our NEO's employment arrangements, the CEO's total direct compensation (total cash compensation plus long-term incentives and equity awards) was below the peer group median. The Compensation Committee viewed such positioning as reasonably appropriate because of Cinedigm's size relative to the peer group and its performance during the fiscal year.

The compensation for Mr. Edell was initially assessed in 2014 at the time of his initial employment agreement, and for Mr. Sondheim in 2013 (also at the time of his initial employment agreement); pay positioning for those roles is also conservative relative to the peer group median for the same reasons as noted in the CEO discussion above. It is the belief of the Compensation Committee that the available talent pool to fill these positions is broader than the pool for the CEO and therefore, that their pay levels, and potential opportunity for wealth creation through stock grants, are robust enough to retain and motivate them.

As the Company's performance improves and the business stabilizes, the competitiveness of Cinedigm's executive compensation for NEOs should also improve.

The Cinedigm executive compensation peer group includes 16 companies with median revenues of $332 million including similar, but smaller, media/entertainment businesses, some technology/software companies, and some similar, but larger, media/

entertainment businesses. The companies in the Cinedigm peer group were used in the most recent competitive compensation assessment conducted.

Current Peer Group

Avid Technology	Harmonic Inc.	RealD
Demand Media Inc.	IMAX Corp.	Rentrack Corp.
Dial Global	Limelight Networks Inc.	Rovi Corp.
Digimarc Corp.	Lions Gate Entertainment	Seachange International
Digital River	National CineMedia	
Dts Inc.	Netflix Inc.	

V. Elements of Compensation

Compensation for executive officers is comprised primarily of three main components:

- base salary;
- annual incentive awards; and
- long-term incentive equity grants.

We believe that our compensation program encourages our employees to remain focused on both our short-term and long-term goal: our MAIP measures and rewards business and individual performance on an annual basis, while our equity awards typically vest in installments of three to four years and reward strong share price appreciation, encouraging our executives to focus on the long-term performance of our company.

Base Salary

Base salaries are fixed compensation with the primary function of aiding in attraction and retention. These salaries are reviewed periodically, as well as at the time of a promotion, change in responsibilities, or when employment arrangements and/or agreements are renewed. Any increases are based on an evaluation of the previous year's performance of the Company and the executive, the relative strategic importance of the position, market conditions, and competitive pay levels (though, as noted earlier, the Compensation Committee does not target a specific percentile or range). No Named Executive Officers received a salary increase during fiscal 2017.

Our NEO's salaries will remain at current levels throughout the new fiscal year, with no salary increases planned, unless an increase is determined as a result of the negotiated renewal of a Named Executive's employment arrangements.

Annual Incentive Awards

Commencing with the 2010 fiscal year, the Compensation Committee implemented a formal annual incentive plan. This plan was used for the 2016 fiscal year and covered 33 Cinedigm employees including the NEOs. The plan established threshold and maximum levels of incentive awards defined as a percentage of a participant's salary.

MAIP Potential Awards

Executive Officer	Threshold	Target *(as a % of base salary)*	Maximum
Chris McGurk	37.5%	75%	150%
Jeffrey Edell	25%	50%	100%
William S. Sondheim	17.5%	35%	70%

Payouts for the NEOs were determined based on achievement of consolidated adjusted EBITDA and other performance targets related to individual performance. Participants who were part of a specific business segment or division have a portion of their award determined by business segment or division's EBITDA performance as compared to EBITDA goals established at the beginning of the fiscal year. We do not disclose segment and division targets, or individual goals, as we believe that such disclosure

would result in competitive harm. Based on our experience in the segments and divisions, we believe these targets were set sufficiently high to provide incentive to achieve a high level of performance. We believe it is difficult, although not unattainable, for the targets to be reached and, therefore, no more likely than unlikely that the targets will be reached. For Mr. McGurk and Mr. Edell 80% of their fiscal 2016 MAIP award is determined based on achievement of consolidated adjusted EBITDA and 20% based on individual performance. For Mr. Sondheim, 60% of his fiscal 2016 MAIP award is determined based on the achievement of consolidated adjusted EBITDA, 20% is based on achievement of division EBITDA, and 20% is based on individual performance.

Based on 2017 performance, each NEO earned none of their target MAIP award.

Long-Term Incentive Awards

The Compensation Committee annually considers long-term incentive awards, for which it has the authority to grant a variety of equity-based awards. The primary objective of such awards is to align the interests of executives with those of shareholders by increasing executive share ownership and fostering a long-term focus. In recent years, such awards have been made after fiscal year end in order to permit consideration of year-end performance.

Long-term incentive awards for the NEOs have historically consisted of stock options and, on occasion, RSUs. These grants were designed to aid in retention, provide a discretionary reward for performance, increase executive ownership, and focus NEOs on improving share price. Mr. Edell received an award of options to purchase 10,000 shares having an exercise price of $9.00 per share in June, 2015 pursuant to the terms of his existing employment agreement dated June 2014. With the elimination of the COO role in connection with Mr. Mizel's departure, Mr. Edell took on additional responsibilities. No other Named Executives received any long-term incentive awards during fiscal 2016.

In November, 2016, the compensation committee recommended and the board approved long-term incentive awards, in the form of restricted stock grants, for NEOs and other top management. Messrs. McGurk, Edell and Sondheim received 300,000, 100,000 and 100,000 restricted shares, respectively. One-third of these restricted stock awards will vest annually, beginning on the first anniversary of the date of grant.

VI. Additional Compensation Policies and Practices

Mr. McGurk's Compensation Arrangements

Mr. McGurk joined Cinedigm in January 2011 as CEO and Chairman of the Board. Accordingly, Mr. McGurk's compensation package was created in line with the Company's current compensation philosophy of a base salary coupled with variable compensation including a large portion of equity-based compensation, through stock options, linked to stock price performance. When negotiating Mr. McGurk's employment agreement, the Company sought for salary and bonus amounts that were in line with peer group amounts and that would provide incentive for Mr. McGurk with a view toward increasing stockholder value. The Company determined that stock options to purchase 450,000 shares of Class A Common Stock would align Mr. McGurk's interests with stockholders and, further, that the escalating exercise price structure of the options (the options are grouped in three tranches which have exercise prices of $15.00, $30.00 and $50.00 per share, respectively) would provide a strong incentive for Mr. McGurk to improve stock performance. Mr. McGurk and the Company entered into a new employment agreement in August 2013, pursuant to which, among other things, Mr. McGurk received a bonus of $250,000 and a grant of stock options to purchase 150,000 shares of Class A Common Stock with a price of $14.00 per share and vesting in three equal annual installments.

In addition, Mr. McGurk was entitled to receive a retention bonus of $750,000, payable in three equal installments on March 31 of each of 2015, 2016 and 2017 in cash or shares of Class A Common Stock, or a combination thereof, at the Compensation Committee's discretion.

A summary of Mr. McGurk's compensation package is located under the heading "Employment agreements and arrangements between the Company and Named Executives" of this Item.

Employment Agreement for Mr. McGurk and Employment Arrangements for other NEOs

The Company currently provides an employment agreement to Mr. McGurk and employment arrangements to Messrs. Edell and Sondheim, for retention during periods of uncertainty and operational challenge. Additionally, the employment agreement and employment arrangements include non-compete and non-solicitation provisions. The provisions for severance benefits are at typical competitive levels. See "Employment agreements and arrangements between the Company and Named Executives" of

this Item for a description of the material terms of Mr. McGurk's employment agreement and Messrs. Edell's and Sondheim's employment arrangements.

Personal Benefits and Perquisites

In addition to the benefits provided to all employees and grandfathered benefits (provided to all employees hired before January 1, 2005), named executives are eligible for an annual physical and supplemental life insurance coverage of $200,000.

It is the Company's policy to provide minimal and modest perquisites to the named executives. With the new employment arrangements, most perquisites previously provided, including automobile allowances, have been eliminated.

Policy on Deductibility of Compensation

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation in excess of $1 million paid to certain executive officers named in this proxy statement, unless certain requirements are met. No element of the Company's compensation, including the annual incentive awards and restricted stock, meets these requirements. Given the Company's net operating losses, Section 162(m) is not currently a material factor in designing compensation.

Recoupment ("Clawback") Policy

The Company intends to recapture compensation as currently required under the Sarbanes-Oxley Act and as may be required by the rules promulgated in response to Dodd-Frank. However, there have been no instances to date where it needed to recapture any compensation.

Additionally, we recognize that our compensation program will be subject to the forthcoming amendments to stock exchange listing standards required by Section 954 of the Dodd-Frank Act, which requires that stock exchange listing standards be amended to require issuers to adopt a policy providing for the recovery from any current or former executive officer of any incentive-based compensation (including stock options) awarded during the three-year period prior to an accounting restatement resulting from material noncompliance of the issuer with financial reporting requirements. We intend to adopt such a clawback policy which complies with all applicable standards when such rules become available.

Restriction on Speculative Transactions

The Company's Insider Trading and Disclosure Policy restricts employees and directors of the Company from engaging in speculative transactions in Company securities, including short sales, and discourages employees and directors of the Company from engaging in hedging transactions, including "cashless" collars, forward sales, and equity swaps, that may indirectly involve short sales. Pre-clearance by the Company is required for any such transaction.

COMPENSATION COMMITTEE REPORT

The following report does not constitute soliciting material and is not considered filed or incorporated by reference into any other filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis that precedes this Report as required by Item 402(b) of the SEC's Regulation S-K. Based on its review and discussions with management, the Compensation Committee recommended to the Board the inclusion of the Compensation Discussion and Analysis in this Proxy Statement.

The Compensation Discussion and Analysis discusses the philosophy, principles, and policies underlying the Company's compensation programs that were in effect during the Last Fiscal Year and which will be applicable going forward until amended.

Respectfully submitted,
The Compensation Committee of the Board of Directors
Patrick W. O'Brien, Chairman
Peter C. Brown
Zvi M. Rhine

Named Executives

The following table sets forth certain information concerning compensation received by the Company's Named Executives, consisting of the Company's Chief Executive Officer and its two other most highly compensated individuals who were serving as executive officers at the end of the Last Fiscal Year, for services rendered in all capacities during the Last Fiscal Year.

SUMMARY COMPENSATION TABLE

Name and Principal Position(s)	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(1)	Nonequity Incentive Plan Compensation ($) (2)	All Other Compensation ($)(3)	Total ($)
Christopher J. McGurk	2017	600,000	—	543,000	—	—	39,061	1,182,061
Chief Executive Officer and Chairman	2016	600,000	250,000	—	—	—	27,288	877,288
	2015	600,000	250,000	—	1,253,322	—	31,009	2,134,331
Jeffrey S. Edell	2017	344,445	—	181,000	—	—	28,279	553,724
Chief Financial Officer	2016	307,917	63,769	—	49,725	—	2,001	423,412
	2015	231,106	—	—	380,878	—	575	612,559
William Sondheim	2017	418,013	—	181,000	—	—	34,531	633,544
President, Cinedigm Entertainment Corp.	2016	413,569	—	—	—	—	13,677	427,246
	2015	412,380	—	—	—	—	26,442	438,822

(1) The amounts in this column reflect the grant date fair value for all fiscal years presented in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in footnote 2 to the Company's audited financial statements for the fiscal year ended March 31, 2017 and 2016, included in this Annual Report on Form 10-K (the "Form 10-K").

(2) The amounts in this column reflect amounts earned under annual incentive awards. See below for a description of the material terms of the annual incentive plan for each Named Executive.

(3) Includes life and disability insurance premiums paid by the Company and certain medical expenses paid by the Company for each Named Executive, for the fiscal year ended March 31, 2017: for Mr. McGurk $1,618 and $31,536, for Mr. Edell $1,619 and $20,131, and for Mr. Sondheim $1,446 and $26,026; for the fiscal year ended March 31, 2016: for Mr. McGurk $827 and $26,461, for Mr. Edell $791 and $1,210 and for Mr. Sondheim $827 and $12,850; for the fiscal year ended March 31, 2015: for Mr. McGurk, $718, $30,291, for Mr. Edell $575 and $0; for Mr. Sondheim $718 and $25,724.

Employment agreements and arrangements between the Company and Named Executives

Christopher J. McGurk. On December 23, 2010, the Company entered into an employment agreement with Mr. McGurk (the "2010 McGurk Employment Agreement"), pursuant to which Mr. McGurk served as the Chief Executive Officer of the Company. The term of the 2010 McGurk Employment Agreement commenced on January 3, 2011 and was scheduled to terminate on March 31, 2014. Pursuant to the 2010 McGurk Employment Agreement, Mr. McGurk received an annual base salary of $600,000. In addition, Mr. McGurk received a bonus of $112,500, payable in shares of Class A Common Stock, on March 31, 2011, and was eligible for bonuses for each of the fiscal years ending March 31, 2012 through March 31, 2014, with the target bonus for such years of $450,000, which bonuses shall be based on Company performance with goals to be established annually by the Compensation Committee. If the Company terminates Mr. McGurk's employment without cause or he resigns with good reason (as these terms are defined in the 2010 McGurk Employment Agreement), the 2010 McGurk Employment Agreement provided that he was entitled to continued payment of his base salary (and earned bonus) through March 31, 2014, as well as the accelerated vesting of any unvested options granted to him under the 2010 McGurk Employment Agreement. However, if the Company terminated Mr. McGurk's employment without cause or he resigned with good reason following a change in control of the Company, the 2010 McGurk Employment Agreement provided that he was entitled to a lump sum payment equal to his base salary (and earned bonus) times the greater of (i) two or (ii) the number of months remaining under his employment term divided by 12, as well as the accelerated vesting of any unvested options granted to him under the 2010 McGurk Employment Agreement. Also pursuant to the 2010 McGurk Employment Agreement, Mr. McGurk received an inducement grant of non-statutory options to purchase 4,500,000 shares of Class A Common Stock, which options are grouped in three tranches, consisting of options for 1,500,000 shares having an exercise price of $1.50 per share, options for 2,500,000 shares having an exercise price of $3.00 per share and options for 500,000 shares having an exercise price of $5.00 per share. One-third of the options in each tranche vested on December 23 of each of 2011, 2012 and 2013 and all of the options have a term of ten (10) years.

On August 22, 2013, the Company entered into a new employment agreement with Mr. McGurk (the "2013 McGurk Employment Agreement"), pursuant to which McGurk will continue to serve as the Chief Executive Officer and Chairman of the Board of the Company. The term of the 2013 McGurk Employment Agreement continues from January 3, 2011 and will end on March 31, 2017. The 2013 McGurk Employment Agreement supersedes the 2010 McGurk Employment Agreement. Pursuant to the 2013 McGurk Employment Agreement, Mr. McGurk will receive an annual base salary of $600,000 subject to annual reviews and increases in the sole discretion of the Compensation Committee. Mr. McGurk was entitled to receive a bonus of $250,000. In

addition, Mr. McGurk is entitled to receive a retention bonus of $750,000, payable in three equal installments on March 31 of each of 2015, 2016 and 2017 in cash or shares of Class A Common Stock, or a combination thereof, at the Compensation Committee's discretion. In addition, Mr. McGurk will be eligible for bonuses for each fiscal year, with target bonus for fiscal years 2012, 2013 and 2014 of $450,000 and target bonus for fiscal years 2015, 2016 and 2017 of $600,000, which bonuses shall be based on Company performance with goals to be established annually by the Compensation Committee.

Also pursuant to the 2013 McGurk Employment Agreement, Mr. McGurk received a grant of non-statutory options to purchase 1,500,000 shares of Common Stock, which options have an exercise price of $1.40 and a term of ten (10) years, and one-third (1/3) of which vest on March 31 of each of 2015, 2016 and 2017.

The 2013 McGurk Employment Agreement further provides that Mr. McGurk is entitled to participate in all benefit plans provided to senior executives of the Company. If the Company terminates Mr. McGurk's employment without cause or he resigns with good reason, the 2013 McGurk Employment Agreement provides that he is entitled to receive his base salary through the later of March 31, 2017 or twelve (12) months following such termination as well as bonus earned and approved by the Compensation Committee, reimbursement of expenses incurred and benefits accrued prior to the termination date. If such termination or resignation occurs within two years after a change in control, then in lieu of receiving his base salary as described above, Mr. McGurk would be entitled to receive a lump sum payment equal to the sum of his then base salary and target bonus amount, multiplied by the greater of (i) two, or (ii) a fraction, the numerator of which is the number of months remaining in the term (but no less than twelve (12), and the denominator of which is twelve. Upon a change in control, any unvested options shall immediately vest provided that Mr. McGurk is an employee of the Company on such date**.**

On January 4, 2017, Mr. McGurk and the Company amended his employment agreement to extend the term to March 31, 2018.

Jeffrey S. Edell. On June 9, 2014, the Company entered into an employment agreement with Jeffrey Edell (the "Edell 2014 Employment Agreement"), was amended and restated as of November 1, 2015 (the "Edell 2015 Employment Agreement", and together with the Edell 2014 Employment Agreement, the "Edell Employment Agreement") pursuant to which Edell serves as Chief Financial Officer of the Company. Mr. Edell also serves as Principal Accounting Officer. The term of the Edell Employment Agreement commenced on June 9, 2014 and ended on June 8, 2016, and upon such expiration, Mr. Edell became an at-will employee. Pursuant to the Edell 2014 Employment Agreement, Edell received an annual base salary of $285,000, which was increased to $340,000 pursuant to the Edell 2015 Employment Agreement. In addition, pursuant to the Edell Employment Agreement, Edell is eligible for bonuses for each of the fiscal years ending March 31, 2015 and March 31, 2016, with the target bonus for such years of 50% of his salary, which bonuses shall be based on Company performance with goals to be established annually by the Compensation Committee. Pursuant to the Edell 2015 Employment Agreement, Mr. Edell received an inducement bonus of $35,000.

Also pursuant to the Edell 2014 Employment Agreement, Edell received (i) a grant on June 9, 2014 of non-statutory options to purchase 25,000 shares of Common Stock, which options have an exercise price of $26.60 per share, vest in equal annual installments on June 9 of each of 2015, 2016, 2017 and 2018 and have a term of ten (10) years, and (ii) a grant on June 4, 2015 of non-statutory options to purchase 10,000 shares of Common Stock, which options have an exercise price of $9.00 per share, vest in equal annual installments on June 4 of each of 2016, 2017, 2018 and 2019 and have a term of ten (10) years.

The Edell Employment Agreement further provides that Edell is entitled to participate in all benefit plans provided to senior executives of the Company. The Employment Agreement provides that he is entitled to receive his base salary for the longer of the remainder of the term or the (twelve) 12 months following the termination as well as earned salary and bonus(es), reimbursement of expenses incurred and benefits accrued prior to the termination date. If such termination or resignation occurs within two years after a change in control, then in lieu of receiving his base salary as described above, Edell would be entitled to receive a lump sum payment equal to two times the sum of his then base salary and target bonus amount.

William S. Sondheim. On December 4, 2014, Cinedigm Entertainment Corp., a wholly-owned subsidiary of Cinedigm, entered into an employment agreement with William Sondheim (the "Sondheim Employment Agreement"), pursuant to which Mr. Sondheim will serve as President of Cinedigm Entertainment Corp. and President of Cinedigm Home Entertainment, LLC, a wholly-owned indirect subsidiary of Cinedigm. The term of the Sondheim Employment Agreement is from October 1, 2014 through September 30, 2016, and upon such expiration Mr. Sondheim became an at-will employee. Pursuant to the Sondheim Employment Agreement, Mr. Sondheim will receive an annual base salary of $412,000 subject to increase at the discretion of the Compensation Committee. In addition, Mr. Sondheim will be eligible for bonuses for each fiscal year, with target bonus for fiscal years 2015 and 2016 of $144,200, which bonuses shall be based on Company performance with goals to be established annually by the Compensation Committee.

The Sondheim Employment Agreement further provides that Mr. Sondheim is entitled to participate in all benefit plans provided to senior executives of the Company. If the Company terminates Mr. Sondheim's employment without cause or he resigns with good reason, the Sondheim Employment Agreement provides that he is entitled to receive his base salary for the longer of the remainder of the term or the (twelve) 12 months following the termination as well as earned salary and bonus(es), reimbursement of expenses incurred and benefits accrued prior to the termination date. If such termination or resignation occurs within two years after a change in control, then in lieu of receiving his base salary as described above, Mr. Sondheim would be entitled to receive a lump sum payment equal to two times the sum of his then base salary and target bonus amount.

Equity Compensation Plans

The following table sets forth certain information, as of March 31, 2017, regarding the shares of Cinedigm's Class A Common Stock authorized for issuance under Cinedigm's equity compensation plan.

Plan	Number of shares of common stock issuable upon exercise of outstanding options (1)	Weighted average of exercise price of outstanding options	Number of shares of common stock remaining available for future issuance
Cinedigm Second Amended and Restated 2000 Equity Incentive Plan ("the Plan") approved by shareholders	345,615	16.50	128,270
Cinedigm compensation plans not approved by shareholders (2)	492,500	$ 26.38	—

(1) Shares of Cinedigm Class A Common Stock.

(2) Reflects stock options which were not granted under the Plan.

Our Board originally adopted the Plan on June 1, 2000 and our shareholders approved the Plan by written consent in July 2000. Certain terms of the Plan were last amended and approved by our shareholders in September 2014. Under the Plan, we may grant incentive and non-statutory stock options, stock, restricted stock, restricted stock units (RSUs), stock appreciation rights, performance awards and other equity-based awards to our employees, non-employee directors and consultants. The primary purpose of the Plan is to enable us to attract, retain and motivate our employees, non-employee directors and consultants. The term of the Plan expires on June 1, 2020.

During the Last Fiscal Year, 2,500 stock options were exercised.

Options granted under the Plan expire ten years following the date of grant (or such shorter period of time as may be provided in a stock option agreement or five years in the case of incentive stock options granted to stockholders who own greater than 10% of the total combined voting power of the Company) and are subject to restrictions on transfer. Options granted under the Plan generally vest over periods of up to three or four years. The Plan is administered by the Compensation Committee, and may be amended or terminated by the Board, although no amendment or termination may adversely affect the right of any individual with respect to any outstanding option without the consent of such individual. The Plan provides for the granting of incentive stock options with exercise prices of not less than 100% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive stock options granted to stockholders of more than 10% of the total combined voting power of the Company must have exercise prices of not less than 110% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive and non-statutory stock options granted under the Plan are subject to vesting provisions, and exercise is generally subject to the continuous service of the optionee, except for consultants. The exercise prices and vesting periods (if any) for non-statutory options may be set at the discretion of the Board or the Compensation Committee. Upon a change of control of the Company, all options (incentive and non-statutory) that have not previously vested will vest immediately and become fully exercisable. Options covering no more than 50,000 shares may be granted to one participant during any calendar year unless pursuant to a multi-year award, in which case no more than options covering 50,000 shares per year of the award may be granted, and during which period no additional options may be granted to such participant.

Grants of restricted stock and restricted stock units are subject to vesting requirements, generally vesting over periods up to three years, determined by the Compensation Committee and set forth in notices to the participants. Grants of stock, restricted stock and restricted stock units shall not exceed 40% of the total number of shares available to be issued under the Plan.

Stock appreciation rights ("SARs") consist of the right to the monetary equivalent of the increase in value of a specified number of shares over a specified period of time. Upon exercise, SARs may be paid in cash or shares of Class A Common Stock or a

combination thereof. Grants of SARs are subject to vesting requirements, similar to those of stock options, determined by the Compensation Committee and set forth in agreements between the Company and the participants. RSUs shall be similar to restricted stock except that no Class A Common Stock is actually awarded to the Participant on the grant date of the RSUs and the Compensation Committee shall have the discretion to pay such RSUs upon vesting in cash or shares of Class A Common Stock or a combination thereof.

Performance awards consist of awards of stock and other equity-based awards that are valued in whole or in part by reference to, or are otherwise based on, the market value of the Class A Common Stock, or other securities of the Company, and may be paid in shares of Class A Common Stock, cash or another form of property as the Compensation Committee may determine. Grants of performance awards shall entitle participants to receive an award if the measures of performance established by the Committee are met. Such measures shall be established by the Compensation Committee but the relevant measurement period for any performance award must be at least 12 months. Grants of performance awards shall not cover the issuance of shares that would exceed 20% of the total number of shares available to be issued under the Plan, and no more than 500,000 shares pursuant to any performance awards shall be granted to one participant in a calendar year unless pursuant to a multi-year award. The terms of grants of performance awards would be set forth in agreements between the Company and the participants. Our Class A Common Stock is listed for trading on the Nasdaq under the symbol "CIDM".

The following table sets forth certain information concerning outstanding equity awards of the Company's Named Executives at the end of the Last Fiscal Year. All outstanding stock awards reported in this table represent restricted stock that vests in equal annual installments over three years. At the end of the Last Fiscal Year, there were no unearned equity awards under performance-based plans.

OUTSTANDING EQUITY AWARDS AT MARCH 31, 2016

	OPTION AWARDS (1)					STOCK AWARDS	
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Christopher J. McGurk	150,000 (2)	—	15.00	12/23/2020	300,000	465,000
	250,000 (2)	—	30.00	12/23/2020	—	—
	50,000 (2)	—	50.00	12/23/2020	—	—
	150,000 (3)	— (3)	14.00	8/22/2023	—	—
Jeffrey S. Edell	18,750 (4)	6,250 (4)	26.60	6/9/2024	100,000	155,000
	5,000 (5)	5,000 (5)	8.75	6/4/2025	—	—
William S. Sondheim	18,750 (6)	6,250 (6)	17.50	10/21/2023	100,000	155,000

(1) Reflects stock options granted under the Company's Second Amended and Restated 2000 Equity Incentive Plan, except certain options granted to Mr. McGurk and Mr. Sondheim.

(2) Reflects stock options not granted under the Plan. Of such options, 1/3 in each tranche vested on December 23 of each of 2011, 2012 and 2013.

(3) Of such total options, 1/3 vest on March 31 of each 2015, 2016 and 2017.

(4) Of such total options, 1/4 vest on June 9 of each 2015, 2016, 2017 and 2018.

(5) Of such total options, 1/4 vest on June 4 of each 2016, 2017, 2018 and 2019.

(6) Reflects stock options not granted under the Plan. Of such total options, 1/4 vest on October 21 of each of 2014, 2015, 2016 and 2017.

Directors

The following table sets forth certain information concerning compensation earned by the Company's Directors for services rendered as a director during the Last Fiscal Year.

Name	Cash Fees Earned ($)	Stock Awards ($)	Total ($)
Peter C. Brown	50,000	50,000	100,000
Ronald L. Chez (1)	10,598	54,076	64,674
Patrick W. O'Brien	55,544	57,957	113,501
Martin B. O'Connor (2)	25,000	12,500	37,500
Zvi M. Rhine	50,000	50,000	100,000
Blair M. Westlake (2)	12,500	12,500	25,000

(1) Resigned from the Board on April 3, 2017
(2) Resigned from the Board on July 14, 2016

Each director who is not an employee of the Company is compensated for services as a director by receiving an annual cash retainer for Board service of $50,000, payable quarterly in arrears, and an annual stock grant of restricted shares of Class A common stock equal in value to $50,000 as of the last day of the fiscal quarter during which the Company's annual meeting occurs, which restricted shares shall vest on a quarterly basis during the year of service. In addition to the cash and stock retainers paid to all non-employee Directors for Board service, the Lead Independent Director receives a fixed amount to be determined by the Nominating and Governance Committee, in lieu of committee fees. Additional compensation as a chairperson is paid if the Lead Independent Director chairs a committee. In addition to the cash and stock retainers paid to all non-employee Directors for Board service, the Lead Independent Director will receive a fixed amount to be determined by the Nominating Committee. The directors may elect to receive any annual cash retainer in shares of vested Class A common stock, in lieu of cash, based on the stock price as of the date of the cash payment. The Company requires that Directors agree to retain 100% of their net after tax shares received for board service until separation from the Company. In addition, the Directors are reimbursed by the Company for expenses of traveling on Company business, which to date has consisted of attending Board and Committee meetings.

The Company has adopted Stock Ownership Guidelines for its non-employee directors as discussed in Part III, Item 10 of this Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

As of June 12, 2017, the Company's directors, executive officers and principal stockholders beneficially own, directly or indirectly, in the aggregate, approximately 48.7% of its outstanding Class A Common. These stockholders have significant influence over the Company's business affairs, with the ability to control matters requiring approval by the Company's stockholders, including the two proposals set forth in this Proxy Statement as well as approvals of mergers or other business combinations.

The following table sets forth as of June 12, 2017, certain information with respect to the beneficial ownership of the Class A Common Stock as to (i) each person known by the Company to beneficially own more than 5% of the outstanding shares of the Company's Class A Common Stock, (ii) each of the Company's directors, (iii) each of the Company's Chief Executive Officer, its two other most highly compensated individuals who were serving as executive officers at the end of the Last Fiscal Year and one former executive officer who would have been one of the two most highly compensated individuals had he been serving as an executive officer at the end of the Last Fiscal Year, for services rendered in all capacities during the Last Fiscal Year (the "Named Executives"), and (iv) all of the Company's directors and executive officers as a group.

CLASS A COMMON STOCK

Name (a)	Shares Beneficially Owned (b)		
	Number		Percent
Christopher J. McGurk	1,110,740	(c)	8.6%
Jeffrey S. Edell	123,750	(d)	1.0%
William S. Sondheim	118,750	(e)	1.0%
Peter C. Brown	118,528	(f)	1.0%
Patrick W. O'Brien	57,749		*
Zvi M. Rhine	258,025	(g)	2.1%
Peak6 Capital Management LLC 141 W. Jackson Blvd, Suite 500 Chicago, IL 60604	1,649,144	(h)(m)	11.7%
Highbridge Capital Management, LLC 40 West 57th Street, 33rd Floor New York, NY 10019	803,254	(i)(m)	8.4%
Zazove Associates, LLC 1001 Tahoe Blvd. Incline Village, NV 89451	1,383,797	(j)(m)	6.2%
Ronald L. Chez 291 E. Lake Shore Drive Chicago, IL 60611	1,480,671	(k)	11.7%
All directors and executive officers as a group (9 persons)	1,980,355	(l)	15.1%

* Less than 1%

(a) Unless otherwise indicated, the business address of each person named in the table is c/o Cinedigm Corp., 902 Broadway, 9th Floor, New York, New York 10010.

(b) Applicable percentage of ownership is based on 12,386,353 shares of Class A Common Stock outstanding as of June 12, 2017 together with all applicable options, warrants and other securities convertible into shares of our Class A Common Stock for such stockholder. Beneficial ownership is determined in accordance with the rules of the SEC, and includes voting and investment power with respect to shares. Shares of Class A Common Stock subject to options, warrants or other convertible securities exercisable within 60 days after June 12, 2017 are deemed outstanding for computing the percentage ownership of the person holding such options, warrants or other convertible securities, but are not deemed outstanding for computing the percentage of any other person. Except as otherwise noted, the named beneficial owner has the sole voting and investment power with respect to the shares of Class A Common Stock shown.

(c) Includes 600,000 shares of Class A Common Stock underlying options that may be acquired upon exercise of such options.

(d) Includes 23,750 shares of Class A Common Stock underlying options that may be acquired upon exercise of such options.

(e) Includes 18,750 shares of Class A Common Stock underlying options that may be acquired upon exercise of such options.

(f) Includes 92,067 shares owned by Grassmere Partners LLC, of which Mr. Brown is Chairman. Mr. Brown disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(g) Mr. Rhine is the Principal of Sabra Investments, LP and Sabra Capital Partners, LLC. Includes (i) 97,750 shares of Class A Common Stock owned directly, 145,000 shares of Class A Common Stock owned by Sabra Investments, LP, and 7,400 shares of Class A Common Stock owned by Sabra Capital Partners, LLC and (ii) 2,625 shares of Class A Common Stock subject to issuance upon exercise of currently exercisable warrants owned directly and 5,250 shares of Class A Common Stock subject to issuance upon exercise of currently exercisable warrants owned by Sabra Investments, LP.

(h) Includes 1,649,144 shares underlying 5.5% Convertible Senior Notes due 2035. Peak6 Capital Management LLC ("Peak6") is owned by Peak6 Investments, L.P., which is primarily owned by Aleph6 LLC. Matthew Hulsizer and Jennifer Just own and control Aleph6 LLC. Each of these entities and individuals has shared power to vote or direct the vote of, and to dispose or direct the disposition of such shares.

(i) Includes 803,254 shares underlying 5.5% Convertible Senior Notes due 2035. Highbridge Capital Management, LLC ("Highbridge") is the trading manager of Highbridge International LLC and Highbridge Tactical Credit & Convertibles Master Fund, L.P. (collectively, the "Highbridge Funds"), which hold the 5.5% Convertible Senior Notes due 2035. Highbridge may be deemed to be the beneficial owner of such shares.

(j) Includes 1,383,797 shares underlying 5.5% Convertible Senior Notes due 2035. Zazove Associates, Inc. is the general partner of Zazove Associates, LLC, and Gene T. Pretti is the principal of Zazove Associates, Inc. Zazove Associates, LLC is registered as an investment advisor and has discretionary authority with regard to certain accounts that hold the Convertible Securities. No single account has a more than 5% interest of any class of the Class A Common Stock.

(k) Includes 297,500 shares of Class A Common Stock subject to issuance upon exercise of currently exercisable warrants. Mr. Chez is a Strategic Advisor to the Company.

(l) Includes 719,299 shares of Class A common stock underlying options and 7.875 shares of Class A common stock underlying warrants that may be acquired upon exercise thereof.

(m) Based on the numbers of shares reported in the most recent Schedule 13D or Schedule 13G, as amended, as applicable, and filed by such stockholder with the SEC through June 12, 2017 and information provided by the holder or otherwise known to the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

The Audit Committee, pursuant to its charter, it is responsible for the review and oversight of all related party transactions and other potential conflict of interest situations, by review in advance or ratification afterward. The Audit Committee charter does not set forth specific standards to be applied; rather, the Audit Committee reviews each transaction individually on a case-by-case, facts and circumstances basis.

On July 30, 2015, the Company entered into a Settlement Agreement with Ronald L. Chez and certain other parties (the "Settlement Agreement"), pursuant to which Mr. Chez agreed to serve as Strategic Advisor to the Company, for which services Mr. Chez was compensated with 79,052 shares, valued at $50,000, of Class A common stock. Prior to the Settlement Agreement, Mr. Chez was the beneficial owner of over 5% of the Class A common stock. In accordance with the Settlement Agreement and as compensation for additional services rendered as Strategic Advisor, the Company agreed to pay Mr. Chez an additional 155,000 shares of Class A common stock on July 14, 2016, valued at $134,782 or $1.15 per share.

On July 14, 2016, Mr. Chez (i) invested $2,000,000 in Loans and (ii) received 196,000 shares of Class A common stock plus 210,000 shares of Class A common stock and warrants to purchase 200,000 shares of Class A common stock (the "Warrants") as a fee for being lead Lender. The 406,000 shares of Class A common stock were valued at $466,900 or $1.15 per share. At such time, Mr. Chez ceased to serve as a strategic advisor and joined the Board of Directors.

On September 15, 2016, Mr. Chez invested $2,000,000 in Loans received 191,100 shares of Class A common stock on October 25, 2016 in connection with such Loans. The shares Class A common stock were valued at $258,267 or 1.97 per share.

On September 15, 2016, Christopher J. McGurk, our Chief Executive Officer (i) invested $500,000 in Loans and (ii)

received 49,000 shares of Class A common stock. The shares Class A common stock were valued at $85,260 or 1.74 per share.

On October 25, 2016, Patrick O'Brien, a member of our Board of Directors, received 4,900 shares of Class A common stock after purchasing $50,000 of Loans from Mr. Chez. The shares of Class A common stock were valued at $9,653 or $1.97 per share.

For each of such persons, the largest aggregate amount of such Loans outstanding since the beginning of the Last Fiscal Year was the amount set forth for each person above, and no amount of principal or interest was paid on any such Loans since the Last Fiscal Year.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements in the Form 10-K, including a discussion of the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee reviewed and discussed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited financial statements with the standards of the Public Company Accounting Oversight Board, the matters required to be discussed by Statements on Auditing Standards (SAS 61), as may be modified or supplemented, and their judgments as to the acceptability of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under the standards of the Public Company Accounting Oversight Board.

In addition, the Audit Committee has discussed with the independent registered public accounting firm their independence from management and the Company, including receiving the written disclosures and letter from the independent registered public accounting firm as required by the Independence Standards Board Standard No. 1, as may be modified or supplemented, and has considered the compatibility of any non-audit services with the auditors' independence.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examinations and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board approved, that the audited financial statements be included in the Form 10-K for the year ended March 31, 2017 for filing with the SEC.

Respectfully submitted,
The Audit Committee of the Board of Directors
Zvi M. Rhine, Chairman
Peter C. Brown
Patrick W. O'Brien

THE FOREGOING AUDIT COMMITTEE REPORT SHALL NOT BE "SOLICITING MATERIAL" OR BE DEEMED "FILED" WITH THE SEC, NOR SHALL SUCH INFORMATION BE INCORPORATED BY REFERENCE INTO ANY FILING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE EXCHANGE ACT, EXCEPT TO THE EXTENT THE COMPANY SPECIFICALLY INCORPORATES IT BY REFERENCE INTO SUCH FILING.

EisnerAmper LLP served as the independent registered public accounting firm to audit the Company's consolidated financial statements since the fiscal year ended March 31, 2005 and the Board has appointed EisnerAmper LLP to do so again for the fiscal year ending March 31, 2018.

The Company's Audit Committee has adopted policies and procedures for pre-approving all non-audit work performed by EisnerAmper LLP for the fiscal years ended March 31, 2017 and 2016. In determining whether to approve a particular audit or permitted non-audit service, the Audit Committee will consider, among other things, whether the service is consistent with maintaining the independence of the independent registered public accounting firm. The Audit Committee will also consider whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service to our Company and whether the service might be expected to enhance our ability to manage or control risk or improve audit quality. Specifically, the Audit Committee has pre-approved the use of EisnerAmper LLP for detailed, specific types of services within the following categories of non-audit services: acquisition due diligence and audit services; tax services; and reviews and procedures that the Company requests EisnerAmper LLP to undertake on matters not required by laws or regulations. In each case, the Audit Committee has required management to obtain specific pre-approval from the Audit Committee for any engagements.

The aggregate fees billed for professional services by EisnerAmper LLP for these various services were:

	For the fiscal years ended March 31,	
Type of Fees	**2017**	**2016**
(1) Audit Fees	$ 351,000	$ 372,902
(2) Audit-Related Fees	—	—
(3) Tax Fees	—	—
(4) All Other Fees	—	—
	$ 351,000	$ 372,902

In the above table, in accordance with the SEC's definitions and rules, "audit fees" are fees the Company paid EisnerAmper LLP for professional services for the audit of the Company's consolidated financial statements for the fiscal years ended March 31, 2017 and 2016 included in Form 10-K and review of consolidated financial statements incorporated by reference into Form S-3 and Form S-8 and included in Form 10-Qs and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements; "audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements; "tax fees" are fees for tax compliance, tax advice and tax planning; and "all other fees" are fees for any services not included in the first three categories. All of the services set forth in sections (1) through (4) above were approved by the Audit Committee in accordance with the Audit Committee Charter.

For the fiscal years ended March 31, 2017 and 2016, the Company retained a firm other than EisnerAmper LLP for tax compliance, tax advice and tax planning.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements
See Index to Financial Statements on page 37 herein.

(a)(2) Financial Statement Schedules
None.

(a)(3) Exhibits
The exhibits are listed in the Exhibit Index beginning on page 43 herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CINEDIGM CORP.

Date:	June 29, 2017	By:	/s/ Christopher J. McGurk
			Christopher J. McGurk Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
Date:	June 29, 2017	By:	/s/ Jeffrey S. Edell
			Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints Christopher J. McGurk and Gary S. Loffredo, and each of them individually, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments to this Report together with all schedules and exhibits thereto, (ii) act on, sign and file with the Securities and Exchange Commission any and all exhibits to this Report and any and all exhibits and schedules thereto, (iii) act on, sign and file any and all such certificates, notices, communications, reports, instruments, agreements and other documents as may be necessary or appropriate in connection therewith and (iv) take any and all such actions which may be necessary or appropriate in connection therewith, granting unto such agents, proxies and attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, and hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact, any of them or any of his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE(S)	TITLE(S)	DATE
/s/ Christopher J. McGurk Christopher J. McGurk	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	June 29, 2017
/s/ Jeffrey S. Edell Jeffrey S. Edell	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	June 29, 2017
/s/ Peter C. Brown Peter C. Brown	Director	June 29, 2017
/s/ Patrick O'Brien Patrick O'Brien	Director	June 29, 2017
/s/ Zvi Rhine Zvi Rhine	Director	June 29, 2017

EXHIBIT INDEX

Exhibit Number		Description of Document
3.1	-	Fourth Amended and Restated Certificate of Incorporation of the Company, as amended.(29)
3.2	-	Amended and Restated Bylaws of the Company, as amended. (25)
4.1	-	Specimen certificate representing Class A common stock. (1)
4.2	-	Specimen certificate representing Series A Preferred Stock. (9)
4.3	-	Limited Recourse Pledge Agreement, dated as of February 28, 2013, made by Cinedigm Digital Cinema Corp. in favor of Prospect Capital Corporation, as Collateral Agent. (19)
4.4	-	Guaranty, Pledge and Security Agreement, dated as of February 28, 2013, made by Cinedigm DC Holdings, LLC, Access Digital Media, Inc. and Access Digital Cinema Phase 2, Corp., in favor of Prospect Capital Corporation, as Collateral Agent. (19)
4.5	-	Limited Recourse Guaranty Agreement, dated as of February 28, 2013, made by Cinedigm Digital Cinema Corp. in favor of Prospect Capital Corporation, as Collateral Agent and as Administrative Agent. (19)
4.6	-	Guaranty Agreement, dated as of October 17, 2013, by each of the signatories thereto and each of the other entities which becomes a party thereto, in favor of Société Générale, as Administrative Agent for the lenders. (21)
4.6.1		Supplement No. 1 to Guaranty Agreement, dated as of July 14, 2016, among Docurama, LLC, Dove Family Channel, LLC, Cinedigm OTT Holdings, LLC, Cinedigm Productions, LLC in favor of Société Générale, as Administrative Agent.(34)
4.7	-	Amended and Restated Security Agreement, dated as of April 29, 2015 to Security Agreement, dated as of October 17, 2013, by and among the Company, the Loan Parties party thereto and the Company's subsidiaries party thereto, and OneWest Bank, FSB as Collateral Agent for the Secured Parties. (24)
4.7.1		Second Amended and Restated Security Agreement, dated as of July 14, 2016 among the Company, the other Loan Parties signatory thereto, certain Subsidiaries of the Company, and CIT Bank, N.A., as Collateral Agent. (34)
4.8	-	Indenture (including Form of Note), dated as of April 29, 2015, with respect to the Company's 5.5% Convertible Senior Notes due 2035, by and between the Company and U.S. Bank National Association, as Trustee. (24)
4.9	-	Form of Note issued on October 21, 2013. (21)
4.10	-	Form of Warrant issued on October 21, 2013. (21)
4.11	-	Form of Warrant issued to the Purchaser pursuant to the Securities Purchase Agreement, dated August 11, 2009, by and among the Company and Sageview Capital Master L.P.. (10)
4.12	-	Registration Rights Agreement, dated as of August 11, 2009, by and among the Company and Sageview Capital Master L.P.. (10)
4.13	-	Guaranty Agreement, dated as of July 14, 2016, among the Guarantors and in favor of Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (34)
4.14	-	Second Lien Security Agreement, dated as of July 14, 2016, among the Company, Loan Parties signatory thereto, certain Subsidiaries of the Company and Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (34)
4.15	-	Pledge Agreement, dated as of July 14, 2016 among the Company, the Guarantors and CIT Bank, N.A., as Collateral Agent. (34)
4.16	-	Amended and Restated Guaranty and Security Agreement, dated as of February 28, 2013, among Cinedigm Digital Funding I, LLC and each Grantor from time to time party thereto and Société Générale, New York Branch, as Collateral Agent. (19)
4.17	-	Amended and Restated Pledge Agreement, dated as of February 28, 2013, between Access Digital Media, Inc. and Société Générale, New York Branch, as Collateral Agent. (19)
4.18	-	Amended and Restated Pledge Agreement, dated as of February 28, 2013, between Christie/AIX, Inc. and Société Générale, New York Branch, as Collateral Agent. (19)
4.19	-	Warrant issued on July 14, 2016. (34)
4.20	-	Guaranty and Security Agreement, dated as of October 18, 2011, among Cinedigm Digital Funding 2, LLC, each Grantor from time to time party thereto, in favor of Société Générale, New York Branch, as Collateral Agent. (17)
4.21	-	Security Agreement, dated as of October 18, 2011, between CHG-MERIDIAN U.S. Finance, Ltd. And Société Générale, New York Branch, as Collateral Agent. *
4.22	-	Security Agreement, dated as of October 18, 2011, among CDF2 Holdings, LLC and each Grantor from time to time party thereto and Société Générale, New York Branch, as Collateral Agent for the Lenders and each other Secured Party. (17)

4.23	-	Security Agreement, dated as of October 18, 2011, among CDF2 Holdings, LLC and each Grantor from time to time party thereto and Société Générale, New York Branch, as Collateral Agent for CHG-Meridian U.S. Finance, Ltd. And any other CHG Lease Participants. (17)
4.24	-	Pledge Agreement, dated as of October 18, 2011, between Access Digital Cinema Phase 2 Corp. and Société Générale, New York Branch, as Collateral Agent. (17)
4.25	-	Pledge Agreement, dated as of October 18, 2011, between CDF2 Holdings, LLC and Société Générale, New York Branch, as Collateral Agent. (17)
4.26	0	Form of Warrant issued on December 23, 2016. (36)
10.1	-	Second Lien Loan Agreement, dated as of July 14, 2016, among the Company, the lenders party thereto and Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (34)
10.1.1	-	First Amendment to Second Lien Loan Agreement, dated as of August 4, 2016, among the Company, the lender party thereto and Cortland Capital Market Services Inc. as Administrative and Collateral Agent. (33)
10.1.2	0	Second Amendment to Second Lien Loan Agreement, dated as of October 7, 2016, among the Company, the lenders party thereto and Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (29)
10.1.3	0	Third Amendment to Second Lien Loan Agreement, dated as of March 31, 2017, among the Company, the lenders party thereto and Cortland Capital Market Services Inc. as Administrative and Collateral Agent.*
10.2	-	Severance Agreement, dated as of October 16, 2015, between the Company and Adam M. Mizel. (28)
10.3	-	Second Amended and Restated 2000 Equity Incentive Plan of the Company. (5)
10.3.1	-	Amendment dated May 9, 2008 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (7)
10.3.2	-	Form of Notice of Restricted Stock Award. (5)
10.3.3	-	Form of Non-Statutory Stock Option Agreement. (6)
10.3.4	-	Form of Restricted Stock Unit Agreement (employees). (7)
10.3.5	-	Form of Stock Option Agreement. (2)
10.3.6	-	Form of Restricted Stock Unit Agreement (directors). (7)
10.3.7	-	Amendment No. 2 dated September 4, 2008 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (8)
10.3.8	-	Amendment No. 3 dated September 30, 2009 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (11)
10.3.9	-	Amendment No. 4 dated September 14, 2010 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (15)
10.3.10	-	Amendment No. 5 dated April 20, 2012 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (16)
10.3.11	-	Amendment No. 6 dated September 12, 2012 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (18)
10.3.12	-	Amendment No. 7 dated September 16, 2014 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (22)
10.3.13		Amendment No. 8 dated September 8, 2016 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (30)
10.3.14		Amendment No. 9 dated September 27, 2016 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (31)
10.4	-	Cinedigm Corp. Management Incentive Award Plan. (12)
10.5	-	Form of Indemnification Agreement for non-employee directors. (13)
10.6	-	Amended and Restated Employment Agreement between Cinedigm Corp. and Jeffrey S. Edell dated as of November 1, 2015. (26)
10.7	-	[intentionally omitted]
10.8	-	Employment Agreement between Cinedigm Corp. and William Sondheim dated as of December 4, 2014. (23)
10.9	-	Registration Rights Agreement, dated as of August 4, 2016, among the Company and the holders party thereto. (33)
10.10	-	Lease Agreement, dated as of August 9, 2002, by and between OLP Brooklyn Pavilion LLC and Pritchard Square Cinema LLC. (4)
10.10.1	-	First Amendment to Contract of Sale and Lease Agreement, dated as of August 9, 2002, by and among Pritchard Square LLC, OLP Brooklyn Pavilion LLC and Pritchard Square Cinema LLC. (4)
10.10.2	-	Second Amendment to Contract of Sale and Lease Agreement, dated as of April 2, 2003, by and among Pritchard Square LLC, OLP Brooklyn Pavilion LLC and Pritchard Square Cinema, LLC. (4)

10.10.3	-	Third Amendment to Contract of Sale and Lease Agreement, dated as of November 1, 2003, by and among Pritchard Square LLC, OLP Brooklyn Pavilion LLC and Pritchard Square Cinema, LLC. (4)
10.10.4	-	Fourth Amendment to Lease Agreement, dated as of February 11, 2005, between ADM Cinema Corporation and OLP Brooklyn Pavilion LLC. (3)
10.11	-	Amendment No. 1 to Settlement Agreement, dated as of July 14, 2016, among the Company, Ronald L. Chez, the Chez Family Foundation, Sabra Investments, LP, Sabra Capital Partners, LLC, and Zvi Rhine. (34) Amendment No. 1 to Settlement Agreement, dated as of July 14, 2016, among the Company, Ronald L. Chez, the Chez Family Foundation, Sabra Investments, LP, Sabra Capital Partners, LLC, and Zvi Rhine. Amendment No. 1 to Settlement Agreement, dated as of July 14, 2016, among the Company, Ronald L. Chez, the Chez Family Foundation, Sabra Investments, LP, Sabra Capital Partners, LLC, and Zvi Rhine. Amendment No. 1 to Settlement Agreement, dated as of July 14, 2016, among the Company, Ronald L. Chez, the Chez Family Foundation, Sabra Investments, LP, Sabra Capital Partners, LLC, and Zvi Rhine.
10.12	-	Term Loan Agreement, dated as of February 28, 2013, by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., the Guarantors party thereto, the Lenders party thereto and Prospect Capital Corporation as Administrative Agent and Collateral Agent. (19) (Confidential treatment granted under Rule 24b-2 as to certain portions which are omitted and filed separately with the SEC.)
10.13	-	Commitment Letter, dated July 14, 2016, between Christopher McGurk and the Company. (34)
10.14	-	Forward Stock Purchase Confirmation, dated April 24, 2015, by and between the Company and Société Générale, relating to the Company's private offering of 5.5% Convertible Senior Notes due 2035. (24)
10.15	-	Exchange Agreement dated as of December 22, 2016 between Cinedigm Corp. and Cap 1 LLC. (36)
10.16	-	Exchange Agreement, dated as of December 23, 2016 between Cinedigm Corp. and Sageview Capital Master L.P. (36)
10.17	-	Exchange Agreement, dated as of February 8, 2017, between the Company, BlueMountain Equity Alternatives Master Fund L.P., BlueMountain Logan Opportunities Master Fund L.P., BlueMountain Credit Alternatives Master Fund L.P., BlueMountain Montenvers Master Fund SCA SICAV-SIF, and BlueMountain Foinaven Master Fund L.P. (37)
10.18	-	Exchange Agreement, dated as of February 17, 2017, between the Company and Wolverine Flagship Fund Trading Limited. (38)
10.19	-	Second Amended and Restated Credit Agreement, dated as of April 29, 2015, among the Company, the Lenders party thereto, Société Générale, as Administrative Agent, and OneWest Bank, FSB, as Collateral Agent. (24)
10.19.1	-	Amendment No. 1 to the Second Amended and Restated Credit Agreement, dated as of June 16, 2015, among Cinedigm Corp, the Lenders party thereto, and Société Générale as Administrative Agent.(27)
10.19.2	-	Amendment No. 2 and Waiver No. 1 to the Second Amended and Restated Credit Agreement, dated as of December 21, 2015, among Cinedigm Corp., the Lenders party thereto, and Société Générale as Administrative Agent.(32)
10.19.3	-	Amendment No. 3 and Waiver No. 2 to the Second Amended and Restated Credit Agreement, dated as of May 15, 2016, among Cinedigm Corp, the Lenders party hereto, and Société Générale, as Administrative Agent.(33)
10.19.4		Amendment No. 4 and Consent to the Second Amended and Restated Credit Agreement, dated as of July 14, 2016, among Cinedigm Corp, the Lenders party thereto and Société Générale as Administrative Agent.(34)
10.20	-	Amended and Restated Credit Agreement, dated as of February 28, 2013, among Cinedigm Digital Funding I, LLC, the Lenders party thereto and Société Générale, New York Branch, as administrative agent and collateral agent for the lenders and secured parties thereto. (19)
10.21	-	Strategic Advisor Agreement between Cinedigm Corp. and Ronald L. Chez dated as of April 3, 2017. (39)
10.22	-	Lease for 45 W. 36th Street, New York, NY, dated as of April 10, 2017 between 45 West 36th Street LLC and Cinedigm Corp., together with Sublease for 45 W. 36th Street, New York, NY, dated as of April 10, 2017 between NTT Data, Inc. and Cinedigm Corp.*
10.23	-	Lease for 15301 Ventura Boulevard, Sherman Oaks, CA, dated as of January 4, 2017 between Douglas Emmett 2016 and Cinedigm Corp.*
10.24	-	Securities Purchase Agreement, dated October 17, 2013, among Cinedigm Corp. and the Purchasers party thereto. (21)
10.25	-	Common Stock Purchase Agreement, dated October 17, 2013, among Cinedigm Corp. and the Purchasers party thereto. (21)
10.26	-	Amended and Restated Employment Agreement between Cinedigm Digital Cinema Corp. and Christopher J. McGurk dated as of August 22, 2013. (20)
10.26.1		Amendment to Amended and Restated Employment Agreement between Cinedigm Corp. and Christopher J. McGurk dated as of January 4, 2017.(35)

10.27	-	Stock Option Agreement between Cinedigm Digital Cinema Corp. and Christopher J. McGurk dated as of December 23, 2010. (14)
10.28	-	Credit Agreement, dated as of October 18, 2011, among Cinedigm Digital Funding 2, LLC, as the Borrower, Société Générale, New York Branch, as Administrative Agent and Collateral Agent, Natixis New York Branch, as Syndication Agent, ING Capital LLC, as Documentation Agent, and the Lenders party thereto. (17)
10.29	-	Multiparty Agreement, dated as of October 18, 2011, among Cinedigm Digital Funding 2, LLC, as Borrower, Access Digital Cinema Phase 2, Corp., CDF2 Holdings, LLC, Cinedigm Digital Cinema Corp., CHG-MERIDIAN U.S. Finance, Ltd., Société Générale, New York Branch, as Senior Administrative Agent and Ballantyne Strong, Inc., as Approved Vendor. (17)
10.30	-	Master Equipment Lease No. 8463, effective as of October 18, 2011, by and between CHG- MERIDIAN U.S. Finance, Ltd. and CDF2 Holdings, LLC. (17)
10.31	-	Master Equipment Lease No. 8465, effective as of October 18, 2011, by and between CHG-MERIDIAN U.S. Finance, Ltd. and CDF2 Holdings, LLC. (17)
10.32	-	Sale and Leaseback Agreement, dated as of October 18, 2011, by and between CDF2 Holdings, LLC and CHG-MERIDIAN U.S. Finance, Ltd. (17)
10.33	-	Sale and Contribution Agreement, dated as of October 18, 2011, among Cinedigm Digital Cinema Corp., Access Digital Cinema Phase 2, Corp., CDF2 Holdings, LLC and Cinedigm Digital Funding 2, LLC. (17)
21.1	-	List of Subsidiaries. (32)
23.1	-	Consent of EisnerAmper LLP.*
24.1	-	Powers of Attorney.* (Contained on signature page)
31.1	-	Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	-	Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	-	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	-	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	-	XBRL Instance Document.*
101.SCH	-	XBRL Taxonomy Extension Schema.*
101.CAL	-	XBRL Taxonomy Extension Calculation.*
101.DEF	-	XBRL Taxonomy Extension Definition.*
101.LAB	-	XBRL Taxonomy Extension Label.*
101.PRE	-	XBRL Taxonomy Extension Presentation.*

* Filed herewith.

Documents Incorporated Herein by Reference:

(1) Previously filed with the Securities and Exchange Commission on November 4, 2003 as an exhibit to the Company's Amendment No. 3 to Registration Statement on Form SB-2 (File No. 333-107711).

(2) Previously filed with the Securities and Exchange Commission on April 25, 2005 as an exhibit to the Company's Registration Statement on Form S-8 (File No. 333-124290).

(3) Previously filed with the Securities and Exchange Commission on April 29, 2005 as an exhibit to the Company's Form 8- K (File No. 001-31810).

(4) Previously filed with the Securities and Exchange Commission on June 29, 2006 as an exhibit to the Company's Form 10- KSB for the fiscal year ended March 31, 2006 (File No. 001-31810).

(5) Previously filed with the Securities and Exchange Commission on September 24, 2007 as an exhibit to the Company's Form 8-K (File No. 000-51910).

(6) Previously filed with the Securities and Exchange Commission on April 3, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).

(7) Previously filed with the Securities and Exchange Commission on May 14, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).

(8) Previously filed with the Securities and Exchange Commission on September 10, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).

(9) Previously filed with the Securities and Exchange Commission on February 9, 2009 as an exhibit to the Company's Form 8-K (File No. 000-51910).

(10) Previously filed with the Securities and Exchange Commission on August 13, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(11) Previously filed with the Securities and Exchange Commission on October 6, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(12) Previously filed with the Securities and Exchange Commission on October 27, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(13) Previously filed with the Securities and Exchange Commission on September 21, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(14) Previously filed with the Securities and Exchange Commission on January 3, 2011 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(15) Previously filed with the Securities and Exchange Commission on September 16, 2010 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(16) Previously filed with the Securities and Exchange Commission on April 24, 2012 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(17) Previously filed with the Securities and Exchange Commission on October 24, 2011 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(18) Previously filed with the Securities and Exchange Commission on September 14, 2012 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(19) Previously filed with the Securities and Exchange Commission on March 4, 2013 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(20) Previously filed with the Securities and Exchange Commission on August 28, 2013 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(21) Previously filed with the Securities and Exchange Commission on October 23, 2013 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(22) Previously filed with the Securities and Exchange Commission on September 17, 2014 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(23) Previously filed with the Securities and Exchange Commission on February 12, 2015 as an exhibit to the Company's Form 10-Q for the quarter ended December 31, 2014 (File No. 001-31810).

(24) Previously filed with the Securities and Exchange Commission on April 29, 2015 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(25) Previously filed with the Securities and Exchange Commission on August 12, 2015 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2015 (File No. 001-31810).

(26) Previously filed with the Securities and Exchange Commission on November 5, 2015 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(27) Previously filed with the Securities and Exchange Commission on June 30, 2015 as an exhibit to the Company's Form 10-K for the fiscal year ended March 31, 2015 (File No. 001-31810).

(28) Previously filed with the Securities and Exchange Commission on October 16, 2015 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(29) Previously filed with the Securities and Exchange Commission on November 7, 2016 as an exhibit to the Company's Registration Statement on Form S-1 (File No. 333-214486).

(30) Previously filed with the Securities and Exchange Commission on September 8, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(31) Previously filed with the Securities and Exchange Commission on September 28, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(32) Previously filed with the Securities and Exchange Commission on July 14, 2016 as an exhibit to the Company's Form 10-K (File No. 001-31810).

(33) Previously filed with the Securities and Exchange Commission on August 15, 2016 as an exhibit to the Company’s Form 10-Q (File No. 001-31810).

(34) Previously filed with the Securities and Exchange Commission on July 19, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(35) Previously filed with the Securities and Exchange Commission on January 10, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(36) Previously filed with the Securities and Exchange Commission on December 23, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(37) Previously filed with the Securities and Exchange Commission on February 10, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(38) Previously filed with the Securities and Exchange Commission on February 21, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(39) Previously filed with the Securities and Exchange Commission on April 7, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).

Exhibit 4.21

THE OBLIGATIONS OF BORROWER UNDER THIS AGREEMENT ARE NON-RECOURSE IN NATURE AS PROVIDED IN SECTION 8.14

EXECUTION VERSION

—

SECURITY AGREEMENT

DATED AS OF OCTOBER 18, 2011

BETWEEN

CHG-MERIDIAN U.S. FINANCE, LTD.,

AND

SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH,
AS COLLATERAL AGENT

—

ANNEXES AND SCHEDULES

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of October 18, 2011, by CHG-MERIDIAN U.S. FINANCE, LTD., a California corporation (the "Grantor") in favor of SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH, as collateral agent (in such capacity, together with its successors and permitted assigns, the "Collateral Agent") for CINEDIGM DIGITAL FUNDING 2, LLC, a Delaware limited liability company, as lender under the Credit Agreement referred to below (in such capacity, together with its successors and permitted assigns, the "Lender").

W I T N E S S E T H:

WHEREAS, pursuant to the Non-Recourse Loan Agreement dated as of October 18, 2011 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement") between the Grantor and the Lender, the Lender has agreed to make extensions of credit to the Grantor upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantor will derive substantial direct and indirect benefits from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lender to make extensions of credit to the Grantor under the Credit Agreement that the Grantor shall have executed and delivered this Agreement to the Lender;

NOW, THEREFORE, in consideration of the premises and to induce the Lender to enter into the Credit Agreement and to induce the Lender to make extensions of credit to the Grantor thereunder, the Grantor hereby agrees with the Collateral Agent as follows:

ARTICLE 1
DEFINED TERMS

Section 1.1 Definitions.

(a) Capital terms used herein without definition are used as defined in the Credit Agreement.

(b) The following terms have the meanings given to them in the UCC and terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC (such meanings to be equally applicable to both the singular and plural forms of the terms defined): "account", "account debtor", "as-extracted collateral", "chattel paper", "commodity contract", "deposit account", "equipment", "farm products", "general intangible", "goods", "health-care-insurance receivable", "instruments", "inventory", "proceeds", "record", "securities account", and "security".

(c) The following terms shall have the following meanings:

"Agreement" means this Security Agreement.

"Applicable IP Office" means the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States.

"Cash Collateral Account" means a deposit account or securities account in the name of the Grantor and under the exclusive "control" (as defined in the applicable UCC) of the Collateral Agent and (a) in the case of a deposit account, from which the Grantor may not make withdrawals except as permitted by the Collateral Agent and (b) in the case of a securities account, with respect to which the Collateral Agent shall be the entitlement holder and the only Person authorized to give (or to authorize another Person to give) entitlement orders with respect thereto.

"Collateral" has the meaning specified in Section 3.1.

"Contracts" means all contracts, undertakings, or agreements (other than rights evidenced by chattel paper, documents or instruments) included in or relating to the Collateral, including each Digital Cinema Deployment Agreement, each Exhibitor Agreement, each Supply Agreement, the Management Services Agreement, and each CHG Lease Facility Document, and any agreement relating to the terms of payment or the terms of performance of any account.

"Control Agreement" means, with respect to any lockbox or deposit account, an agreement, in form and substance reasonably satisfactory to the Collateral Agent, among the Collateral Agent, the applicable deposit bank or other Person at which such account or contract is maintained or with which such entitlement or contract is carried and the Person maintaining such account or contract, effective to grant "control" (as defined under the applicable UCC) or, if required hereunder, exclusive "control" over such account to the Collateral Agent as designee of the Collateral Agent.

"Electronic Transmission" means each document, instruction, authorization, file, information and any other communication transmitted, or otherwise made or communicated by e-mail or any system used to receive or transmit faxes electronically.

"Intellectual Property" means intellectual property included in or relating to the Collateral.

"Internet Domain Names" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to Internet domain names.

"IP Ancillary Rights" means, with respect to any other Intellectual Property, as applicable, all foreign counterparts to, and all divisionals, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions of, such Intellectual Property and all income, royalties, proceeds and Liabilities at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect to such Intellectual Property, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other IP Ancillary Right.

"IP License" means all Contractual Obligations (and all related IP Ancillary Rights), whether written or oral, granting any right, title and interest in or relating to any Intellectual Property.

"Secured Obligations" has the meaning specified in Section 3.2.

"Software" means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing, in each case included in or relating to the Collateral.

"UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of any applicable Requirement of Law, any of the attachment, perfection or priority of the Collateral Agent's or the Lender's security interest in any Collateral is governed by the Uniform Commercial Code of a jurisdiction other than the State of New York, " UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of the definitions related to or otherwise used in such provisions.

Section 1.2 Certain Other Terms.

(a) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. References herein to an Annex, Schedule, Article, Section or clause refer to the appropriate Annex or Schedule to, or Article, Section or clause in this Agreement.

(b) Section 1.3 of the Credit Agreement is applicable to this Agreement as and to the extent set forth therein.

ARTICLE 2
[RESERVED]

ARTICLE 3
GRANT OF SECURITY INTEREST

Section 3.1 Collateral. For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the "Collateral":

(a) all equipment and inventory consisting of Digital Systems acquired by the Grantor from Holdings pursuant to the CHG Sale Leaseback and any general intangibles related thereto;

(b) the Grantor's rights in and to (i) each CHG Lease Facility Document (as lessor/Holdings' counterparty), including all payments due and owing from time to time thereunder, and its interests in the Holdings Operating Account and Equipment Purchase Account thereunder and (ii) the Use Tax Account;

(c) the Grantor's rights in and to each Digital Cinema Deployment Agreement, each Exhibitor Agreement, all IP Licenses, each Supply Agreement and the Management Services Agreement (in each case to the extent assigned to the Grantor by Holdings pursuant to the CHG Lease Security Documents);

(d) all books and records pertaining to the other property described in this Section 3.1;

(e) any and all additions, accessions and improvements to, all substitutions and replacements for and all products of or derived from the foregoing; and

(f) to the extent not otherwise included, all proceeds of the foregoing.

Section 3.2 Grant of Security Interest in Collateral. The Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all Obligations of the Grantor (the "Secured Obligations"), hereby mortgages, pledges and hypothecates to the Collateral Agent for the benefit of the Lender, and grants to the Collateral Agent for the benefit of the Lender, a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral. Without limitation of the foregoing, the Grantor collaterally assigns all of its right, title and interest in and to the Collateral to the Collateral Agent for the benefit of the Lender to secure the payment and performance of the Secured Obligations to the full extent that such a collateral assignment is possible under the relevant law.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

To induce the Lender and the Collateral Agent to enter into the Loan Documents, the Grantor hereby represents and warrants each of the following to the Lender and the Collateral Agent:

Section 4.1 Title; No Other Liens. Except for the Lien granted to the Collateral Agent for the benefit of the Lender pursuant to this Agreement (including Section 4.2) and other Permitted Liens under the Credit Agreement, the Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. The Grantor (a) is the record and beneficial owner of the Collateral pledged by it hereunder constituting instruments or certificates and (b) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien.

Section 4.2 Perfection and Priority. The security interest granted pursuant to this Agreement constitutes a valid and continuing perfected security interest in favor of the Collateral Agent for the benefit of the Lender in all Collateral subject, for the following Collateral, to the occurrence of the following: (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the completion of the filings and other actions specified on Schedule 1 (which, in the case of all filings and other documents referred to on such schedule with respect to Collateral existing as of the Effective Date, have been delivered to the Collateral Agent in completed and duly authorized form), (ii) in the case of any deposit account, the execution of a Control Agreement, and (iii) in the case of all Copyrights, Trademarks and Patents for which UCC filings are insufficient, all appropriate filings having been made with the United States Copyright Office or the United States Patent and Trademark Office, as applicable. As of the Effective Date all actions by the Grantor necessary or desirable to protect and perfect the Lien granted hereunder on the Collateral have been duly taken. Upon the taking of the action described in this Section 4.2, such security interest shall be prior to all other Liens on the Collateral except for Permitted Liens having priority over the Collateral Agent's Liens on the Collateral to the extent provided in the Multiparty Agreement.

Section 4.3 Jurisdiction of Organization; Chief Executive Office. The Grantor's jurisdiction of organization, legal name and organizational identification number, if any, and the location of the Grantor's chief executive office or sole place of business, in each case as of the date hereof, is specified on Schedule 2 and such Schedule 2 also lists all jurisdictions of incorporation, legal names and locations of the Grantor's chief executive office or sole place of business for the five years preceding the date hereof.

Section 4.4 Locations of Books and Records. On the date hereof, the books and records of the Grantor concerning the Collateral are kept at the locations listed on Schedule 3 and such Schedule 3 also lists the locations of such books and records for the five years preceding the date hereof.

Section 4.5 [Reserved]

Section 4.6 [Reserved]

Section 4.7 [Reserved]

Section 4.8 [Reserved]

Section 4.9 Specific Collateral. None of the Collateral is or is proceeds or products of farm products, as-extracted collateral, health-care-insurance receivables or timber to be cut.

Section 4.10 [Reserved]

Section 4.11 Solvency. Grantor is Solvent on the date hereof and Grantor does not intend to incur or believe that it will incur,

debts that will be beyond its ability to pay as such debts mature.

Section 4.12 Representations and Warranties of the Credit Agreement. The representations and warranties made by the Grantor in Article IV of the Credit Agreement as of a certain date are true and correct as of such date.

ARTICLE 5
COVENANTS

The Grantor agrees with the Lender and the Collateral Agent to the following, as long as any Secured Obligation or Commitment remains outstanding:

Section 5.1 Maintenance of Perfected Security Interest; Further Documentation and Consents.

(a) The Grantor shall (i) not use or permit any Collateral to be used in violation of any provision of any Loan Document, any Requirement of Law in any material respect or any policy of insurance covering the Collateral and (ii) not enter into any Contractual Obligation or undertaking restricting the right or ability of the Grantor or the Collateral Agent to Sell any Collateral if such restriction would have a Material Adverse Effect.

(b) The Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest and such priority against the claims and demands of all Persons.

(c) Pursuant to Section 6.19(b) of the Credit Agreement, the Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other documents in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail and in form and substance satisfactory to the Collateral Agent.

(d) At any time and from time to time, upon the written request of the Collateral Agent, the Grantor shall, for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, (i) promptly and duly execute and deliver, and have recorded, such further documents, including an authorization to file (or, as applicable, the filing) of any financing statement or amendment under the UCC (or other filings under similar Requirements of Law) in effect in any jurisdiction with respect to the security interest created hereby and (ii) take such further action as the Collateral Agent may reasonably request, including (A) securing all approvals necessary or appropriate for the assignment to or for the benefit of the Collateral Agent of any Contractual Obligation, including any IP License, held by the Grantor and to enforce the security interests granted hereunder and (B) executing and delivering any Control Agreements with respect to deposit accounts and securities accounts.

Section 5.2 Changes in Locations, Name, Etc. Except upon 30 days' prior written notice to the Collateral Agent and delivery to the Collateral Agent of all documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein, the Grantor shall not do any of the following:

(i) change its jurisdiction of organization or its location, in each case from that referred to in Section 4.3; or

(ii) change its legal name or organizational identification number, if any, or corporation, limited liability company, partnership or other organizational structure to such an extent that any financing statement filed in connection with this Agreement would become misleading.

Section 5.3 [Reserved]

Section 5.4 [Reserved]

Section 5.5 [Reserved]

Section 5.6 [Reserved]

Section 5.7 [Reserved]

Section 5.8 Notices. The Grantor shall promptly notify the Collateral Agent in writing of its acquisition of any interest hereafter in property that is of a type where a security interest or lien must be or may be registered, recorded or filed under, or notice thereof given under, any federal statute or regulation.

Section 5.9 [Reserved]

Section 5.10 Compliance with Credit Agreement. The Grantor agrees to comply with all covenants and other provisions

applicable to it under the Credit Agreement, and agrees to the same submission to jurisdiction as it agreed to in the Credit Agreement.

ARTICLE 6
REMEDIAL PROVISIONS

Section 6.1 Code and Other Remedies.

(a) UCC Remedies. During the continuance of an Event of Default, the Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to any Secured Obligation, all rights and remedies of a secured party under the UCC or any other applicable law.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, the Collateral Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving the Grantor or any other Person notice or opportunity for a hearing on the Collateral Agent's claim or action, (ii) collect, receive, appropriate and realize upon any Collateral and (iii) Sell, grant an option or options to purchase and deliver any Collateral (or enter into Contractual Obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the UCC and other applicable Requirements of Law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of the Grantor, which right or equity is hereby waived and released.

(c) Management of the Collateral. The Grantor further agrees, that, during the continuance of any Event of Default, (i) at the Collateral Agent's request, it shall assemble the Collateral and make it available to the Collateral Agent at places that the Collateral Agent shall reasonably select, whether at the Grantor's premises or elsewhere, (ii) without limiting the foregoing, the Collateral Agent also has the right to require that the Grantor store and keep any Collateral pending further action by the Collateral Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until the Lender is able to Sell any Collateral, the Lender shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by the Collateral Agent and (iv) the Collateral Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of any Collateral and to enforce any of the Collateral Agent's remedies (for the benefit of the Lender) with respect to such appointment without prior notice or hearing as to such appointment. The Collateral Agent shall not have any obligation to the Grantor to maintain or preserve the rights of the Grantor as against third parties with respect to any Collateral while such Collateral is in the possession of the Collateral Agent.

(d) Application of Proceeds. The Collateral Agent shall apply the cash proceeds of any action taken by it pursuant to this Section 6.1, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Lender hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, as set forth in the Credit Agreement, and only after such application and after the payment by the Collateral Agent of any other amount required by any Requirement of Law, need the Collateral Agent account for the surplus, if any, to the Grantor.

(e) Direct Obligation. Neither the Collateral Agent nor the Lender shall be required to make any demand upon, or pursue or exhaust any right or remedy against, the Grantor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of the Collateral Agent and the Lender under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, the Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Collateral Agent or the Lender, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(f) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on the Collateral Agent to exercise remedies in a commercially reasonable manner, the Grantor acknowledges and agrees that it is not commercially unreasonable for the Collateral Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by the Collateral Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to Sell or for the collection or Sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature or to contact other Persons, whether or not in the same business as the Grantor, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature or, to the extent deemed appropriate by the Collateral Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Collateral Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure the Collateral Agent against risks of loss, collection or disposition of any Collateral or to provide the Collateral Agent a guaranteed return from the collection or disposition of any Collateral.

The Grantor acknowledges that the purpose of this Section 6.1 is to provide a non-exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Collateral Agent or the Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.1. Without limitation upon the foregoing, nothing contained in this Section 6.1 shall be construed to grant any rights to the Grantor or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 6.1.

(g) IP Licenses. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 6.1 (including in order to take possession of, collect, receive, assemble, process, appropriate, remove, realize upon, Sell or grant options to purchase any Collateral) at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, the Grantor hereby grants to the Collateral Agent, for the benefit of the Lender, (i) an irrevocable, nonexclusive, worldwide license (exercisable without payment of royalty or other compensation to the Grantor), including in such license the right to sublicense, use and practice any Intellectual Property now owned or hereafter acquired by the Grantor and access to all media in which any of the licensed items may be recorded or stored and to all Software and programs used for the compilation or printout thereof and (ii) an irrevocable license (without payment of rent or other compensation to the Grantor) to use, operate and occupy all real property owned, operated, leased, subleased or otherwise occupied by the Grantor.

Section 6.2 Accounts and Payments in Respect of General Intangibles; Contracts.

(a) In addition to, and not in substitution for or limitation of, any similar requirement in the Credit Agreement, if required by the Collateral Agent at any time during the continuance of an Event of Default, any payment of accounts or payment under any Contract or otherwise in respect of general intangibles, when collected by the Grantor, shall be promptly (and, in any event, within 2 Business Days) deposited by the Grantor in the exact form received, duly indorsed by the Grantor to the Collateral Agent, in a Cash Collateral Account, subject to withdrawal by the Collateral Agent as provided in Section 6.4. Until so turned over, such payment shall be held by the Grantor in trust for the Collateral Agent, and segregated from other funds of the Grantor. Each such deposit of proceeds of accounts and payments under any Contract or otherwise in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) the Grantor shall, upon the Collateral Agent's request, deliver to the Collateral Agent all original and other documents evidencing, and relating to, the Contracts and transactions that gave rise to any account or any payment in respect of general intangibles, including all original orders, invoices and shipping receipts and notify account debtors that the accounts or general intangibles have been collaterally assigned to the Collateral Agent and that payments in respect thereof shall be made directly to the Collateral Agent;

(ii) the Collateral Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of the Grantor to collect its accounts or amounts due under Contracts, other general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any account or amounts due under any Contract or other general intangible. In addition, the Collateral Agent may at any time enforce the Grantor's rights, under Contracts, under applicable law, or otherwise, against such account debtors and obligors of general intangibles; and

(iii) the Grantor shall take all actions, deliver all documents and provide all information necessary or reasonably requested by the Collateral Agent to ensure any Internet Domain Name is registered.

(c) Anything herein to the contrary notwithstanding, the Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each Contract, each account and each payment in respect of general intangibles, all in accordance with the terms of any Contract or other agreement giving rise thereto. Neither the Collateral Agent nor the Lender shall have any obligation or liability under any Contract or other agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by the Collateral Agent or the Lender of any payment relating thereto, nor shall the Collateral Agent or the Lender be obligated in any manner to perform any obligation of the Grantor under or pursuant to any Contract or other agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 6.3 [Reserved]

Section 6.4 Contracts. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may, at its option, exercise one or more of the following remedies with respect to the Contracts that constitute Collateral:

(a) (i) take any action permitted under Section 6.1, Section 6.2, or otherwise under this Agreement and (ii) in the place and stead of the Grantor, exercise any other rights of the Grantor under the Contracts in accordance with the terms thereof. Without limitation of the foregoing, the Grantor agrees that upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may, but is not obligated to, give notices, consents and demands and make elections under the Contracts, modify or waive the terms of the Contracts and enforce the Contracts, in each case, to the same extent and on the same terms as the Grantor might have done. It is understood and agreed that notwithstanding the exercise of such rights and/or the taking of such actions by the Collateral Agent, the Grantor shall remain liable for performance of its obligations under the Contracts;

(b) upon receipt by the Collateral Agent of notice from any counterparty to any Contract (the "Counterparties") of such Counterparty's intent to terminate such Contract, the Collateral Agent shall be entitled, but shall not be obligated, to (i) cure or cause to be cured the condition giving rise to such Counterparty's right of termination of such Contract, or (ii) acquire and assume (or assign and cause the assumption by a third party of) the rights and obligations of the Grantor under such Contract; and

(c) upon termination of any Contract by operation of law or otherwise, the Collateral Agent shall be entitled, but shall not be obligated, to enter into a new agreement ("Successor Agreement") with the Counterparty to such terminated Contract, on the same terms and with the same provisions as such terminated Contract. The Grantor shall have no rights or obligations whatsoever with respect to any Successor Agreement (it being understood that nothing herein shall release the Grantor of any obligations it may have under such terminated Contract).

The Grantor acknowledges that the rights of the Collateral Agent described in this Section 6.4 are necessary to protect the interests of the Collateral Agent and the Lender and agrees to accept any actions taken by the Collateral Agent in accordance with this Section 6.4. It is also understood and agreed that notwithstanding the taking of any such actions by the Collateral Agent pursuant to this Section 6.4, the Collateral Agent shall not incur any liability to the Grantor or any other Person as a result of any such actions, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of the Collateral Agent (each as determined in a final, non-appealable judgment by a court of competent jurisdiction). The Grantor (i) authorizes the actions of the Counterparties under this Section 6.4 and (ii) agrees that following the receipt by the Collateral Agent of such notice described under subsection (b) above, or upon termination of any Contract as described in subsection (c), the Counterparties are authorized to, without further inquiry, rely on and act in accordance with any instructions such Counterparty receives which purport to be originated from the Collateral Agent

without further consent from the Grantor notwithstanding any conflicting or contrary instructions such Counterparty receives from the Grantor, and such Counterparty shall have no liability to the Collateral Agent, the Grantor or any other Person in relying on and acting in accordance with any such instructions.

Section 6.5 Proceeds to be Turned over to and Held by Collateral Agent. Unless otherwise expressly provided in the Credit Agreement or this Agreement, all proceeds of any Collateral received by the Grantor hereunder in cash or Cash Equivalents shall be held by the Grantor in trust for the Collateral Agent and the Lender, segregated from other funds of the Grantor, and shall, promptly upon receipt by the Grantor, be turned over to the Collateral Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by the Collateral Agent in cash or Cash Equivalents shall be held by the Collateral Agent in a Cash Collateral Account. All proceeds being held by the Collateral Agent in a Cash Collateral Account (or by the Grantor in trust for the Collateral Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Credit Agreement.

Section 6.6 [Reserved]

Section 6.7 Deficiency. The Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorney employed by the Collateral Agent or the Lender to collect such deficiency.

ARTICLE 7
THE COLLATERAL AGENT

Section 7.1 Collateral Agent's Appointment as Attorney-in-Fact.

(a) The Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any Related Person thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, for the purpose of carrying out the terms of the Loan Documents, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of the Loan Documents, and, without limiting the generality of the foregoing, the Grantor hereby gives the Collateral Agent and its Related Persons the power and right, on behalf of the Grantor, without notice to or assent by the Grantor, to do any of the following when an Event of Default shall be continuing:

(i) in the name of the Grantor, in its own name or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any account or general intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any such moneys due under any Contract, account or general intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property owned by or licensed to the Grantor, execute, deliver and have recorded any document that the Collateral Agent may request to evidence, effect, publicize or record the Collateral Agent's security interest in such Intellectual Property and the goodwill and general intangibles of the Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against any Collateral, effect any repair or pay any insurance called for by the terms of the Credit Agreement (including all or any part of the premiums therefor and the costs thereof);

(iv) execute, in connection with any sale provided for in Section 6.1, any document to effect or otherwise necessary or appropriate in relation to evidence the Sale of any Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct, (B) ask or demand for, and collect and receive payment of and receipt for, any moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (C) sign and indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any actions, suits, proceedings, audits, claims, demands, orders or disputes brought against the Grantor with respect to any Collateral, (F) settle, compromise or adjust any such actions, suits, proceedings, audits, claims, demands, orders or disputes and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate, (G) assign any Intellectual Property owned by the Grantor or any IP Licenses of the Grantor throughout the world on such terms and conditions and in such manner as the Collateral Agent shall in its sole discretion determine, including the execution and filing of any

document necessary to effectuate or record such assignment, (H) take any of the actions described in Sections 6.2 and 6.4, and (I) generally, Sell, grant a Lien on, make any Contractual Obligation with respect to and otherwise deal with, any Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes and do, at the Collateral Agent's option, at any time or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon any Collateral and the Collateral Agent's security interests therein and to effect the intent of the Loan Documents, all as fully and effectively as the Grantor might do.

(b) If the Grantor fails to perform or comply with any Contractual Obligation contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such Contractual Obligation.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate set forth in Section 2.5 (Interest) of the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the Grantor, shall be payable to the Collateral Agent in accordance with Section 4 of the Multiparty Agreement.

(d) The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this Section 7.1. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the Secured Obligations are indefeasibly paid in full.

Section 7.2 Authorization to File Financing Statements. The Grantor authorizes the Collateral Agent and its Related Persons, at any time and from time to time, to file or record financing statements, amendments thereto, and other filing or recording documents or instruments with respect to any Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the security interests of the Collateral Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction. The Grantor also hereby ratifies its authorization for the Collateral Agent to have filed any initial financing statement or amendment thereto under the UCC (or other similar laws) in effect in any jurisdiction if filed prior to the date hereof.

Section 7.3 Authority of Collateral Agent. The Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Lender, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Lender with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation or entitlement to make any inquiry respecting such authority.

Section 7.4 Duty: Obligations and Liabilities.

(a) Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's interest in the Collateral and shall not impose any duty upon the Collateral Agent to exercise any such powers. The Collateral Agent shall be accountable only for amounts that it receives as a result of the exercise of such powers, and neither it nor any of its Related Persons shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. In addition, the Collateral Agent shall not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehousemen, carrier, forwarding agency, consignee or other bailee if such Person has been selected by the Collateral Agent in good faith.

(b) Obligations and Liabilities with respect to Collateral. Neither the Collateral Agent, the Lender nor any Related Person thereof shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on the Collateral Agent hereunder shall not impose any duty upon the Lender to exercise any such powers. The Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Reinstatement. The Grantor agrees that, if any payment made by Grantor or other Person and applied to the Secured Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any Collateral are required to be returned by the Collateral Agent or the Lender to such Person, its estate, trustee, receiver or any other party, including the Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect as fully as if such payment had never been made. If, prior to any of the foregoing, any Lien or other Collateral securing the Grantor's liability hereunder shall have been released or terminated by virtue of the foregoing, such Lien or other Collateral shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of the Grantor in respect of any Lien or other Collateral securing such obligation or the amount of such payment.

Section 8.2 Release of Collateral. At the time provided in Section 9.3 of the Credit Agreement, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and the Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantor. The Grantor is hereby authorized to file at such time UCC amendments and any other necessary documents evidencing the termination of the Liens so released. At the request of the Grantor following any such termination, the Collateral Agent shall deliver to the Grantor any Collateral held by the Collateral Agent hereunder and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

Section 8.3 [Reserved]

Section 8.4 No Waiver by Course of Conduct. Neither the Collateral Agent nor the Lender shall by any act (except by a written instrument pursuant to Section 8.5), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or the Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or the Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or the Lender would otherwise have on any future occasion.

Section 8.5 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 9.1 of the Credit Agreement.

Section 8.6 [Reserved]

Section 8.7 Notices. All notices, requests and demands to or upon the Collateral Agent or the Grantor hereunder shall be effected in the manner provided for in Section 9.7 of the Credit Agreement.

Section 8.8 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Collateral Agent and the Lender and their respective successors and assigns; provided, however, that the Grantor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

Section 8.9 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or by Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

Section 8.10 Severability. Any provision of this Agreement being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Agreement or any part of such provision in any other jurisdiction.

Section 8.11 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 8.12 WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREIN OR RELATED THERETO (WHETHER FOUNDED IN CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO OTHER PARTY AND NO RELATED PERSON OF ANY OTHER PARTY

HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

Section 8.13 Multiparty Agreement. Notwithstanding anything to the contrary in this Agreement, the rights and remedies of the Collateral Agent (including the rights and remedies provided in Article 6 hereof) (a) are in addition to, and not in lieu of, its rights and remedies under the Multiparty Agreement and (b) are subject to the terms of the Multiparty Agreement. In the event of any conflict between the terms of the Multiparty Agreement and this Agreement, the terms of the Multiparty Agreement shall govern and control.

Section 8.14 **Non-Recourse. Notwithstanding anything in this Agreement or any applicable Requirements of Law to the contrary, the liability of the Grantor hereunder and any recourse by the Collateral Agent or the Lender against the Grantor shall be limited solely to the interest of the Grantor in the Collateral and no judgment or action may be taken against the Grantor to collect any amounts owed hereunder, provided that the foregoing shall not limit, impair or affect the rights and remedies of the Collateral Agent and the Lender against the Collateral pursuant to this Agreement. For avoidance of doubt, the Grantor may be joined as a defendant in a suit if necessary to foreclose upon or otherwise exercise remedies against any Collateral securing the Secured Obligations but solely to facilitate such foreclosure and remedies and not to collect any amounts from the Grantor.**

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

CHG-MERIDIAN U.S. FINANCE, LTD., as Grantor

By: /s/ John P. Sandoval
Name: John P. Sandoval
Title: Executive Vice President

ACCEPTED AND AGREED
as of the date first above written:

SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH,
as Collateral Agent

By: /s/ Richard O. Knowlton
Richard O. Knowlton
Managing Director

SCHEDULE 1 – FILINGS

UCC Financing Statement covering the Collateral and naming CHG-Meridian U.S. Finance, Ltd. (as debtor) and Société Générale, New York Branch, as Collateral Agent (as secured party), to be filed with the California Secretary of State.

SCHEDULE 2 – JURISDICTION OF ORGANIZATION; CHIEF EXECUTIVE OFFICE

Legal Name: CHG-Meridian U.S. Finance, Ltd.

Jurisdiction of Organization: California

Organizational Identification Number: C0889139

Chief Executive Office: 21800 Oxnard Street, Suite 410, Woodland Hills, CA 91367

Any other Jurisdiction of Organization, Legal Name or Chief Executive Office in the past five years: None

SCHEDULE 3 – LOCATION OF BOOKS AND RECORDS

21800 Oxnard Street, Suite 410, Woodland Hills, CA 91367

#3860641
CT01/CLARWE/283145.3

Exhibit 10.1.3

THIRD AMENDMENT OF LOAN AGREEMENT AND CONSENT

THIS THIRD AMENDMENT OF LOAN AGREEMENT AND CONSENT (this "Amendment") is made as of March 31, 2017 ("Effective Date") by and among **CINEDIGM CORP.**, a Delaware corporation ("Borrower"), the lenders signing this Amendment below (the "Required Lenders"), and **CORTLAND CAPITAL MARKET SERVICES LLC** , solely in its capacity as administrative agent for the Lenders and collateral agent for the Secured Parties (collectively, in such capacities, together with its successors and assigns in such capacities, the "Agent").

RECITALS

WHEREAS, the Borrower, the lenders party thereto together with any lender party thereto via a joinder (collectively, the "Lenders") and Agent are parties to that certain Second Lien Loan Agreement dated as of July 14, 2016, by and among the Borrower, the Agent and the Lender party thereto (the "Initial Loan Agreement"), as amended by that certain First Amendment of Loan Agreement dated as of August 4, 2016 by and among the Required Lender party thereto, the Borrower and the Agent (the "First Amendment"), and that certain Second Amendment of Loan Agreement dated as of October 7, 2016 by and among the Required Lender party thereto, the Borrower and the Agent (the "Second Amendment"; and collectively with the Initial Loan Agreement and the First Amendment, the "Original Loan Agreement"; and together with this Amendment, the "Loan Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Original Loan Agreement) pursuant to which Lenders have made certain loans available to the Borrower; and

WHEREAS, Borrower has requested that certain provisions of the Original Loan Agreement be amended, in each case as more particularly set forth below, and Required Lenders and Agent are willing to effect such amendments as provided in, and on the terms and conditions contained in, this Amendment;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1 . Amendments to Loan Agreement. Subject to the terms and conditions hereof and in accordance with Section 10.1 of the Loan Agreement, the parties hereto hereby acknowledge and agree that the Loan Agreement is hereby amended as follows:

(a) Section 6.1(a)(vii) is hereby deleted in its entirety and replaced with the following:

"(vii) amounts outstanding under the First Lien Credit Agreement not to exceed $25,000,000 plus the amount of any payment-in-kind interest added to such outstanding principal amounts; provided, however, that in the event of a consummation of a Permitted Refinancing of the First Lien Credit Agreement, the amounts outstanding under the First Lien Credit Agreement shall be increased to not exceed $35,000,000 plus the amount of any payment-in-kind interest added to such outstanding principal amounts;"

2. Intercreditor Agreement. Pursuant to Section 10.1 of the Loan Agreement, and notwithstanding anything in to the contrary, the Required Lenders and the Agent agree, that in the event of the consummation of a Permitted Refinancing of the First Credit Agreement, Required Lenders and Agent waive the provisions of Section 3.2(a) of the Intercreditor Agreement to the extent that such Section prohibits or restricts an amendment, deferral, extension, modification, increase (including, without limitation, to the rate of interest or, principal, costs or fees payable under the First Lien Loan Documents), renewal, replacement, consolidation, supplement or waiver of the First Lien Loan Documents that (a) increases the aggregate principal amount of the obligations outstanding under First Lien Loan Documents or First Lien Commitments in an amount in excess of $22,000,000, (b) increases in the rate of interest (including any component thereof, floor or margin added thereto) under the First Lien Loan Documents by more than 2.00% per annum or (c) increases such rate of interest as a result of the imposition of a default rate in excess of 2.00% per annum. The Required Lenders hereby direct the Agent to execute and deliver a written consent under Section 3.2(a) of the Intercreditor Agreement, and do such other acts and things, as shall be necessary or appropriate to effect the purposes of this Section 2.

3. Fee to Lenders.

(a) As consideration for the Required Lenders agreeing to enter into this Amendment and the terms, conditions and consideration set forth herein, Borrower shall pay to each Lender a fee (i) if in cash, an amount equal to one-half of one percent (0.5%) of the outstanding principal balance of such Lender's loan to Borrower or (ii) if in shares of the Company's Class A common stock, par value $0.001 per share (the "Common Stock") calculated using a price of $1.40 per share, the number of shares of Common Stock as have an aggregate value equal to one percent (1%) of the outstanding principal balance of such Lender's loan to Borrower; provided, however, that such fee shall be payable on the date of, and is contingent upon, consummating a Permitted Refinancing of the First Lien Credit Agreement. For the avoidance of doubt, the outstanding principal balance of each Lender's loan to Borrower is set forth on Schedule A hereto. The Lead Lender shall receive payment of such fee in cash; other Lenders may elect to receive such fee in cash or shares.

(b) In order to facilitate the other Lenders' election to receive the fee in cash or in stock, the Borrower shall notify the Agent about the Permitted Refinancing in writing no later than 1:00 p.m. ET at least three (3) Business Days prior to the closing of Permitted Refinancing. The Agent shall request direction from such Lenders, including, if stock payment is elected, the name, address and tax ID number of the entity receiving the shares, to be provided to the Agent no later than 1:00 p.m. ET one (1) Business Day prior to the closing of the Permitted Refinancing. Upon receipt of any timely response electing to receive stock, the Agent will promptly forward such election and information to the Borrower. Any Lender that does not respond timely to the Agent or does not provide all requested information necessary for stock issuance will be deemed to have elected to take cash. Payment in shares to Lenders who so request will be made by delivery by the Company of irrevocable instructions to the transfer agent for the Common Stock for the issuance of such shares directly to the relevant Lenders.

4 . Representations and Warranties. By its execution hereof, Borrower hereby represents and warrants to the Required Lenders and the Agent as follows:

(a) no Default or Event of Default exists under the Loan Agreement or any of the other Loan Documents as of the date hereof or would result from the amendments contemplated hereby;

(b) the representations and warranties contained in Article III of the Loan Agreement or in any other Loan Document, or which are contained in any of the financial statements from time to time certified by the Borrower and furnished pursuant thereto, are true and correct on and as of the date hereof (except that to the extent that such representations and warranties specifically refer to an earlier date, they are true and correct in all material respects as of such earlier date);

(c) it has the requisite corporate or organizational power and authority and has taken all necessary corporate and other organizational action to authorize the execution, delivery and performance of this Amendment and the transactions contemplated hereby; and

(d) this Amendment has been duly executed and delivered by a Responsible Officer of Borrower and constitutes a legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms.

5. Conditions to Effectiveness. This Amendment shall become effective upon the date on which all of the following conditions precedent have been satisfied (or otherwise waived in accordance with Section 10.1 of the Loan Agreement, as in effect prior to giving effect to this Amendment) (the "Effective Date"):

(a) Counterparts of Document. Receipt by Agent of executed original counterparts (or electronic copies followed promptly by originals) of this Amendment in form and substance satisfactory to Agent.

(b) Fees and Expenses. Borrower shall have paid to to (i) Agent all out-of-pocket expenses accrued or incurred by Agent on or before the Effective Date (including all reasonable fees, charges and disbursements of counsel to Agent (directly to such counsel if requested by Agent)) plus such additional amounts of such fees, charges and disbursements as shall constitute its estimate of such reasonable fees, charges and disbursements incurred or to be incurred through the closing proceedings; provided that such estimate shall not thereafter preclude a final settling of accounts between Borrower and Agent, and (ii) to Holland & Knight LLP as counsel for Lead Lender, all fees, charges and disbursements relating to this Amendment accrued or incurred on or before the Effective Date.

6 . Effect of this Amendment. Borrower agrees that, except as expressly provided herein or in the other documents to be executed and delivered to Agent and Required Lenders in connection herewith, (a) the Loan Agreement and the other Loan Documents shall remain unmodified and in full force and effect, and (b) this Amendment shall not be deemed to (i) be a waiver of, consent to, a modification of or amendment to any other term or condition of the Loan Agreement, any other Loan Document or any other agreement by and among Borrower, on the one hand, and Required Lenders and Agent, on the other hand, (ii) prejudice any other right or rights which Lender may now have or may have in the future under or in connection with the Loan Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time, or (iii) be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with Borrower, or any other Person with respect to any waiver, amendment, modification or any other change to the Loan Agreement or any other Loan Document or any rights or remedies arising in favor of Lenders under or with respect to any such documents. References in the Loan Agreement to "this Agreement" (and indirect references such as "hereunder", "hereby", "herein" and "hereof") and in any other Loan Document to the "Loan Agreement" shall be deemed to be references to the Loan Agreement as modified hereby. This Amendment shall be deemed incorporated into, and a part of, the Loan Agreement and shall constitute a "Loan Document" under and as defined in the Loan Agreement.

7. Reaffirmations. Borrower hereby (a) agrees that this Amendment shall not limit or diminish the obligations of Borrower or any other Loan Party under, or release any such Person from any obligations under, the Loan Agreement and each other Loan Document to which any such Person is a party, (b) confirms and reaffirms each such Person's obligations under the Loan Agreement and each other Loan Document to which such Person is a party, and (c) agrees that the Loan Agreement (as modified hereby) and each other Loan Document remain in full force and effect and are hereby ratified and confirmed.

8. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its conflicts of law principles.

9. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), and by facsimile transmission or other electronic means, which signatures shall be considered original executed counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute

one and the same instrument. Each party to this Amendment agrees that it will be bound by its own facsimile or other electronically transmitted signature and that it accepts the facsimile or other electronically transmitted signature of each other party.

IN WITNESS WHEREOF, this Amendment has been executed on the date first written above, to be effective upon satisfaction of the conditions set forth herein.

BORROWER:

CINEDIGM CORP.

By: /s/ Gary S. Loffredo
Name: Gary S. Loffredo
Title: Senior VP

AGENT: **CORTLAND CAPITAL MARKET SERVICES LLC**

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

REQUIRED LENDER:**FIRST BANK & TRUST AS CUSTODIAN OF THE RONALD L. CHEZ IRA #1073**

By: /s/ Karen L. Rose
Name: Karen L. Rose
Title: V. President & Trust Officer

REQUIRED LENDER:**WOLVERINE FLAGSHIP FUND TRADING LIMITED**

By Wolverine Asset Management, LLC, its investment manager

By: /s/ Kenneth L. Nadel
Name: Kenneth L. Nadel
Title: Chief Operating Officer

SCHEDULE A

First Bank & Trust as Custodian of the Ronald L. Chez IRA #1073	$3,950,000
McGurk Living Trust	$500,000
Millenium Trust Co., LLC Custodian FBO Patrick W. O'Brien IRA a/c #xxxx55HX3	$50,000
Hackett Family Trust***	$400,000
UVE Partners	$250,000
Lotus Investors	$75,000
Hudson Asset Partners	$150,000
Hedy Klineman Trust	$150,000
BlueMountain Equity Alternatives Master Fund L.P.	$110,000
BlueMountain Logan Opportunities Master Fund L.P.	$53,000
Blue Mountain Credit Alternatives Master Fund L.P.	$1,053,000
BlueMountain Montenvers Master Fund SCA SICAV-SIF	$105,000
BlueMountain Foinaven Master Fund L.P.	$79,000
Wolverine Flagship Fund Trading Limited	$2,100,000
TOTAL OUTSTANDING	**$9,025,000**

Exhibit 10.22

STANDARD FORM OF LOFT LEASE
The Real Estate Board of New York, Inc.

Agreement of Lease, made as of this 10 day of April in the year 2017, between 45 West 36th Street LLC party of the first part, hereinafter referred to as OWNER, and Cinedigm Corp. party of the second part, hereinafter referred to as TENANT,

Witnesseth: Owner hereby leases to Tenant and Tenant hereby hires from Owner Entire 7th Floor in the building known as 45 West 36th Street in the Borough of Manhattan, City of New York, for the terms of Two (2) Years (or until such term shall sooner cease and expire as hereinafter provided) to commence on the 1st day of May in the year 2019, and to end on the 30th day of April in the year 2021, and both dates inclusive, at the annual rental rate of As per paragraph 42.01 of the Rider which Tenant agrees to pay in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments in advance on the first day of each month during said term, at the office of Owner or such other place as Owner may designate, without any setoff or deduction whatsoever, except that Tenant shall pay the first monthly installment(s) on the execution hereof (unless this lease be a renewal).

In the event that, at the commencement of the term of this lease, or thereafter, Tenant shall be in default in the payment of rent to Owner pursuant to the terms of another lease with Owner or with Owner's predecessor in interest, Owner may at Owner's option and without notice to Tenant add the amount of such arrears to any monthly installment of rent payable hereunder and the same shall be payable to Owner as additional rent.

The parties hereto, for themselves, their heirs, distributes, executors, administrators, legal representative, successors and assigns, hereby covenant as follows:

Rent:

1. Tenant shall pay the rent as above and as hereinafter provided.

Occupancy:

2. Tenant shall use and occupy the demised premises for General and Executive Offices provided such use Is in accordance with the certificate of occupancy lot the building, if any, and for no other purpose.

Alterations:

3. Tenant shall make no changes in or to the demised premises of any nature without Owner's prior written consent. Subject to the prior written consent of Owner, and to the provisions of this article, Tenant, at Tenant's expense, may make alterations, installations,

additions or improvements which are nonstructural and which do not affect utility services or plumbing and electrical lines, in or to the interior or the demised premises, using contractors or mechanics first approved In each instance by Owner, Tenant shall, at its expense, before making any alterations, additions, installations or improvements obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof, and shall deliver promptly duplicates of all such permits, approvals and certificates to Owner. Tenant agrees to carry, and will cause Tenant's contractors and sub-contractors to carry, such worker's compensation, commercial general liability, personal and property damage insurance as Owner may require. If any mechanic's lien is riled against the demised premises, or the building of which the same forms a part, for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within thirty (30) days thereafter, at Tenant's expense, by payment or filing a bond as permitted by law All fixtures and all paneling, partitions, railings and like installations, installed in the demised premises at any rime, either by Tenant or by Owner on Tenant's behalf, shall, upon installation, become the property of Owner and shall restrain upon and be surrendered with the demised premises unless Owner, by notice to Tenant no later than twenty (20) days prior to the date fixed as the termination of this lease, elects to relinquish Owner's right thereto and to have them removed by Tenant, In which event the same shall be removed from the demised premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this article shall be construed to give Owner title to, or to prevent Tenant's removal of, trade fixtures, moveable office furniture and equipment, but upon removal °Name from the demised premises, or upon removal of other installations as may be required by Owner, Tenant shall immediately, and at its expense, repair and restore the demised premises to the condition existing prior to any such installations, and repair any damage to the demised premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the demised premises after Tenant's removal shall be deemed abandoned and may, at the election of Owner, either be retained as Owner's property or removed from the demised premises by Owner, at Tenant's expense.

Repairs:

4. Owner shall maintain and repair the exterior of and the public portions of the building. Tenant shall, throughout the term of this lease, take good care of the demised premises including the bathrooms and lavatory facilities (if the demised premises encompass the entire flour of the building), the windows and window frames, and the fixtures and appurtenances therein, and at Tenant's sole cost and expense promptly make all repairs thereto and to the building, whether structural or non-structural in nature, caused by, or resulting from, the carelessness, omission, neglect or improper conduct of Tenant, Tenant's servants, employees, invitees, or licensees, and whether or runt arising from Tenant's conduct or omission, when required by other provisions of this lease, including article 6. Tenant shall also repair all damage to the building and the demised premises caused by the moving of Tenant's fixtures, furniture or equipment. All the aforesaid repairs shall be of quality or class equal to the original work or construction. If Tenant fails, after ten (10) days notice, to proceed with due diligence to make repairs required to be made by Tenant, the same may be made by Owner at the expense of Imam., and the expenses thereof incurred by Owner shall be collectible, as additional rent, after

rendition of a bill or statement therefore, If the demised premises be or become infested with vermin, Tenant shall, at its expense, cause the same to be exterminated. Tenant shall give Owner prompt notice of any defective condition in any plumbing, heating system or electrical lines located in the demised premises and following such notice, Owner shall remedy the condition with due diligence, but at the expense of Tenant, if repairs are necessitated by damage or injury attributable to Tenant, Tenant's servants, agents, employees, Invitees or licensees as aforesaid. Except as specifically provided in Article 9 or elsewhere in this lease, there shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner, Tenant or others making or failing to make any repairs, alterations, additions or improvements in or to any portion of the building or the demised premises, or in and to the fixtures, appurtenances or equipment thereof. It is specifically agreed that Tenant shall not be entitled to any setoff or reduction of rent by reason of any failure of Owner to comply with the covenants of this or any other article of this lease. Tenant agrees that Tenant's sole remedy at law in such instance will be by way of an action for damages for breach of contract. The provisions of this Article 4 with respect to the making of repairs shall not apply in the ease of fire or other casualty with regard to which Article 9 hereof shall apply.

Window Cleaning:

5. Tenant will not clean nor require, permit, suffer or allow any window in the demised premises to be cleaned from the outside in violation of Section 202 of the New York State Labor Law or any other applicable law, or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

Requirements of Laws, Fires Insurance, Floor Louds:

6. Prior to the commencement of the lease term, if Tenant is then in possession , and as all times thereafter, Tenant shall at Tenant's sole cost end expense. promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders, rules and regulations of the New York Board of Fire Underwriters, Insurance Services Office, or any similar body which shall impose any visitation, order Of duty upon Owner or Tenant with respect to the demised premises, whether or not arising out of Tenant's use or manner of use thereof, or, with respect to the building, if arising out of Tenant's use or manner of use of the demised premises of the building (including the use permitted under the lease). Except as provided in Article 30 hereof, nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has, by its manner of use of the demised premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Tenant shall not do or permit any act or thing to be done in or to the demised premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Owner, or which shall or might subject Owner to any liability or responsibility to any person, or for property damage, Tenant shall not keep anything in the demised premises except as now or hereafter permitted by the Fire Department, Board of Fire Underwriters, Fire

Insurance Rating Organization and other authority having jurisdiction, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the building, nor use the demised premises in a manner which will increase the insurance rate for the building or any property located therein over that in effect prior to the commencement of Tenant's occupancy. If by reason of failure to comply with the foregoing the fire insurance rate shall, al the beginning of this lease or to any time thereafter, be higher than it otherwise would be, then Tenant shall reimburse Owner, as additional rent hereunder, for that portion of all fire insurance premiums thereafter paid by Owner which shall have been charged because of such failure by Tenant. In any action or proceeding wherein Owner and Tenant are parties, a schedule or "make-up" or rate fur the building or demised premises issued by a body making the insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to said premises. Tenant shall not place a load upon any floor of the demised premises exceeding the liner load per equate root area which it was designed to carry and which is allowed by law. Owner reserves the right to prescribe the weight and position o f all safes, business machines and mechanical equipment. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Owner's judgment, to absorb and prevent vibration, noise and annoyance.

Subordination:

7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which the demised premises are a part. and to all renewals, modifications, consolidations, replacements and extensions of any such underlying testes and mortgages. This clause shall be self-operative and no further instrument or subordination shall be required by any ground or underlying lessor or by any mortgagee. affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, Tenant shall from to time to time execute promptly any certificate that Owner may request

Tenant's Liability Insurance Property Loss, Damage, Indemnity:

8. Owner or its agents shall not be liable for any damage to property of Tenant or of others entrusted to employees of the building, nor for loss of, or damage to, any property of Tenant by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause or whatsoever nature, unless caused by, or due to. the negligence of Owner, its agents, servants or employees; Owner or its agents shall not be liable for any damage caused by other tenants or persons in, upon or about said building or caused by operations in connection orally private, public or quasi public work. If at any time any windows of the demised premises are temporarily closed, darkened or bricked up (or permanently closed, darkened or bricked up, if required by law) for nay reason whatsoever including, but not limited to, Owner's own acts, Owner shall not be liable for any damage Tenant may sustain thereby, and Tenant shall not be entitled to any compensation therefore nor abatement or diminution of rent, nor shall the same release Tenant from its obligations hereunder nor constitute an eviction. Tenant shall indemnify and save harmless Owner against and from all liabilities, obligations, damages, penalties, claims, costs and expenses for which Owner shall not be reimbursed by insurance, including reasonable

attorney's fees, paid, suffered or incurred as a result of any breach by Tenant, Tenant's agents, contractors. employees, invitees, or licensees, of any covenant or condition of this lease, or the carelessness, negligence or improper conduct of Tenant. Tenant's agents, contractors, employees, invitees or licensees. Tenant's liability under this lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee or licensee of any subtenant. In case any action or proceeding is brought against Owner by retrain of any such claim, Tenant, upon written notice from Owner, will, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Owner in writing. such approval not to be unreasonably withheld.

Destruction, Fire, and Other Casualty:

9. (a) If the demised premises or any part thereof shall be damaged by fire or other casualty, Tenure shall give immediate notice thereof to Owner and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the demised premises arc partially damaged or rendered partially unusable by fire or other casualty, the shortages thereto shall be repaired by, and at the expense of, Owner, and the rent and other items of additional rent, until such repair shall be substantially completed, shall be apportioned from the day following the casualty according to the part of the demised premises which is usable. (c) If the demised premises are totally damaged or rendered wholly unusable by fire or other casualty, then the rent and other items of additional rent as hereinafter expressly provided shall be proportionately paid up to the time of the casualty and thenceforth shall cease until the date when the demised premises shall have been repaired and restored by Owner (or sooner reoccupied in part by Tenant then rent shall be apportioned as provided in subsection (b) above), subject to Owner's right to elect not to restore the same as hereinafter provided. (d) If the demised premises are rendered wholly unusable or (whether or not the demised premises are damaged in whole or in part) if the building shall be an damaged that Owner shall decide to demolish it or to rebuild it, then, in any of such events, Owner may elect to terminate this lease by written notice to Tenant, given within ninety (90) days after such fire or casualty, or thirty (30) days after adjustment of the insurance claim for such fire or casualty, whichever is sooner, specifying a date for the expiration of the lease, which date shall not be more than sixty (60) day, after the giving of such notice, and upon the date specified in such notice the term of this lease shall expire as fully and completely as if such date were the Jute set forth above for the termination of this lease, and Tenant shall forthwith quit, surrender and vacate the demised premises without prejudice however, to Owner's rights and remedies against Tenant under the lease provisions in effect prior to such termination,, and any rent owing shall be paid up to such date, and any payments of rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. Unless Owner shall serve a termination notice as provided for herein, Owner shall make the repairs and restorations under the conditions of (b) and (c) hereof, with all reasonable expedition, subject to delays due to adjustment of insurance claims, labor troubles and causes beyond Owner's control. After any such casualty, Tenant shall cooperate with Owner's restoration by removing from the demised premises as promptly as reasonably possible, all of Tenant's salvageable Inventory and movable equipment, furniture, and other property. Tenant liability for rent shall resume five (5) days after written notice from Owner that the demised premises are substantially ready for Tenant's occupancy. (e) Nothing contained hereinabove shall relieve Tenant from liability that may exist as a result of damage from fire or other casualty.

Notwithstanding anything contained to the contrary in subdivisions (a) through (e) hereof, including Owner's obligation to restore under subparagraph (b) above, each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible, and to the extent permitted by law, Owner and Tenant each hereby releases and waives all right of recovery with respect to subparagraphs (b), (d) and (e) above, against the other or any one claiming through or under each of them by way of subrogation or otherwise. The release and waiver herein referred to shall be deemed to include any loss or damage to the demised premises and/or to any personal property, equipment, trade fixtures, goods and merchandise located therein. The foregoing release and waiver shall be in force only if both releasors' insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance. If. and to the extent, that such waiver can be obtained only by the payment of additional premiums, then the party benefiting from the waiver shall pay such premium within ten (10) days after written demand or shall be deemed to have agreed that the party obtaining insurance coverage shall be free of any further obligation under the provisions hereof with respect to waiver of subrogation. Tenant acknowledges that Owner will not carry Insurance on Tenant's furniture and/or furnishings or any fixtures or equipment, improvements, or appurtenances removable oy Tenant, and agrees that Owner will not be obligated to repair any damage thereto or replace the same. (f) Tenant hereby waives ere provisions of Section 227 of the Real Property Law and agrees that the provisions of this article shrill govern and control in lieu thereof.

Eminent Domain:

10. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall have no claim for the value of any unexpired term of said lease. Tenant shall have the right to make an independent claim to the condemning authority for the value or Tenant's moving expenses and personal property, trade fixtures and equipment, provided Tenant is entitled pursuant to the terms of the lease to remove such property, trade limiters and equipment at the end of the term, and provided further such claim does not reduce Owner's award.

Assignment, Mortgage, Etc.:

11. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Owner in each instance. Transfer of the majority of the stock of a corporate Tenant or the majority interest in any partnership or other legal entity which is Tenant shall be deemed an assignment. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than Tenant, Owner may, after default by Tenant, collect rent from the assignee, undertenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this

covenant, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of immerge on the part of Tenant herein contained. The consent by Owner to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Owner to any further assignment or underletting.

Electric Current:

12. Rates and conditions in respect to submetering or rent inclusion, as the ease may be, to be added in RIDER attached hereto. Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the building or the risers or wiring installation, end Tenant may not use any electrical equipment which, in Owner's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the building. The change at any time of the character of electric service shall in no way make Owner liable or responsible to Tenant, for any loss, damages or expenses which Tenant may sustain.

Access to Premises:

13. Owner or Owner's agents shall have the right (but shall not be obligated) to enter the demised premises in any emergency at any time, and, at other reasonable limes, to examine the same and to make such repairs, replacements and improvements as Owner may deem necessary and reasonably desirable to any portion of the building, or which Owner many elect to perform in the demised premises after Tenant's failure to make repairs, or perform any work which Tenant is obligated to perform under this lease, or for the purpose of complying with laws, regulations and other directions of governmental authorities, Tenant shall permit Owner to use, maintain and replace pipes, ducts, and conduits in and through the demised premises, and to erect new pipes, ducts, and conduits therein provided, wherever possible, that they are within walls or otherwise concealed. Owner may, during the progress of any work in the detained premises, take all necessary materials and equipment into said premises without the same constituting an eviction, nor shall Tenant be entitled to any abatement of rent while such work is in progress, nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof Owner shall have the right in enter the demised premises at reasonable hours for the purpose of showing the same to prospective purchasers or mortgagees of the building, and during the last six (6) months of the term for the purpose of showing the same to prospective tenants, and may, during said six (6) months period, place upon the demised premises the usual notices "To Let" and "For Sale" which notices Tenant shall permit to remain thereon without molestation. If Tenant is not present to open and permit an entry into the demised premises, Owner or Owner's agents may enter the same whenever such entry may be necessary or permissible by master key or forcibly, and provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render Owner or its agents liable therefore, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property therefrom, Owner may immediately enter, alter, renovate or redecorate the demised premises without limitation or

abatement of rent, or incurring liability to Tenant for any compensation, and such act shall have no effect on this lease or Tenant's obligation hereunder.

Vault, Vault Space, Area:

14. No vaults, vault space or area, whether or not enclosed or covered, not within the property line of the building is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this lease to the contrary notwithstanding, Owner makes no representation as to the location of the property line of the building. All vaults and vault space and all such areas not within the property line of the building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or lithe amount of such space or area be diminished or required by any federal, state or municipal authority or public utility, Owner shall not be subject to any liability, nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Tenant, if used by Tenant, whether or not specifically leased hereunder.

Occupancy:

15. Tenant will not at any time use or occupy the demised premises in violation of the certificate of occupancy issued for the building of which the demised premises urea part. Tenant has inspected the demised premises and accepts them as is, subject to the riders annexed hereto with respect to Owner's work, if any. In any event, Owner makes no representation as at the condition of the demised premises and Tenant agrees to accept the same subject to violations, whether or not of record. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business, Tenant shall be responsible for, and shall procure and maintain, such license or permit,

Bankruptcy:

16 (a) Anything elsewhere in this lease to the contrary notwithstanding, this lease may be cancelled by Owner by sending of a written notice to Tenant within a reasonable time after the happening of any one or more of the following events: (1) the commencement of a case in bankruptcy or under the laws of arty state naming Tenant (or a guarantor of any of Tenant's obligations under this lease) as the debtor; or (2) the making by Tenant (or a guarantor of any of Tenant's obligations under this lease) of an assignment or any other arrangement for the benefit of creditors under any state statute. Neither Tenant nor any person claiming through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the premises demised, but shall forthwith quit and surrender the demised premises, If this lease shall be assigned in accordance with its terms, the provisions of this Article 16 shall be applicable only to the party then owning Tenant's interest in this lease.

(b) It is stipulated and agreed that in the event of the termination of this lease pursuant to (a) hereof, Owner shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant, as and for liquidated damages, an amount equal to

the difference between the rental reserved hereunder for the unexpired portion of the term demised and the fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reassemble rental value of the demised premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four percent (4%) per annum If the demised premises or any part thereof be relet by Owner for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such retelling shall be deemed to be the fair and reasonable rental value far the part or the whole of the demised premises so react during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Owner to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by arty statute or rule of law in effect at the time when, and governing the proceedings in which, such damages arc to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

Default:

17. (1) If Tenant defaults in fulfilling any of the covenants of this lease other than the covenants for the payment of rent or additional rent; or if the demised premises becomes vacant or deserted, or if this lease be rejected under §365 of Title 11 of the U.S. Code (Bankruptcy Code); or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the demised premises shalt be taken or occupied by someone other than Tenant; or if Tenant shall be in default with respect to any other lease between Owner and Tenant; or if Tenant shall have failed, after five (5) days written notice, to redeposit with Owner any portion of the security deposited hereunder which Owner has applied to the payment of any rent and additional rent due and payable hereunder; or if Tenant fails to move into or take possession of the demised premises within thirty (30) days after the commencement of the term of this lease, or which fact Owner shall be the sole judge; then in any one or more of such events, upon Owner serving a written fifteen (15) days notice upon Tenant specifying the nature of said default, and upon the expiration of said fifteen (15) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained or shall be of a nature that the same cannot be completely cued or remedied within said fifteen (15) day period, and if Tenant shall not have diligently commenced during such default within such fifteen (15) day period, and shall not thereafter with reasonable diligence and in good faith, proceed to remedy or cure such default, then Owner may serve a written five (5) days notice of cancellation of this lease upon Tenant, and upon the expiration of said five (5) days this lease and the term thereunder shall end and expire as fully and completely as if the expiration of such five (5) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof, and Tenant shall then quit and surrender the demised premises to Owner, but Tenant shall remain liable as hereinafter provided.

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; or if Tenant shall be in default in the payment of the rent reserved herein or any item of additional rent herein mentioned, or any part or either, or in making any other payment

herein required; then, and in any of such events, Owner may without notice, re-enter the demised premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of the demised premises, and remove their effects and hold the demised premises as if this lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall make default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, Owner may cancel and terminate such renewal or extension agreement by written notice.

Remedies or Owner and Waiver of Redemption:

18. In case of any such, default, re-entry, expiration and/or dispossess by summary proceedings or otherwise, (a) the rent, and additional rent, shall become due thereupon and be paid up to the time of such re-entry, dispossess and/or expiration, (b) Owner may re-let the demised premises or any part or parts thereof, either in the name of Owner or otherwise, fora term or terms, which may at Owner's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions ur free rent or charge a higher rental than that in this lease, (c) Tenant or the legal representatives of Tenant shall also pay to Owner as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and or covenanted to be paid and the net amount, if any, of the rents collected on account of the subsequent lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term or this lease. The failure of Owner to re-let the demised premises or any part or parts thereof shall not release or affect Tenant's liability for damages, in computing such liquidated damages there shall be added to the said deficiency such expenses as Owner may incur in connection with re-letting, such as legal expenses, reasonable attorneys' fees, brokerage, advertising, and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this lease, and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Owner to collect the deficiency for any subsequent month by a similar proceeding. Owner, in putting the demised premises in good order or preparing the same for re-rental may, at Owner's option, make such alterations, repairs, replacements, anti/or decorations in the demised premises as Owner, in Owner's sole judgment, considers advisable and necessary for the purpose of re-letting the demised premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid, Owner shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rents collected over the sums payable by Tenant to Owner hereunder. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Owner shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Owner from any other remedy,

in law or in equity, Tenant hereby expressly waives any and all rights or redemption granted by or under any present or future laws,

Fees and Expenses:

19. If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under, or by virtue of, any of the terms or provisions in any article of this lease, after notice if required, and upon expiration of the applicable grace period, if any, (except in an emergency), then, unless otherwise provided elsewhere in this lease, Owner may immediately, or at any time thereafter, anti without notice, perform the obligation of Tenant thereunder. If Owner, in connection with the foregoing, or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment or money, including but not limited to reasonable attorneys' fees, in prosecuting or distending any action or proceeding, and prevails in any such action to proceeding, then Tenant will reimburse Owner for such sums so paid or obligations incurred with interest and costs. The foregoing expenses incurred by reason of Tenant's default shall be deemed to be additional rent hereunder and shall be paid by Tenant to Owner within ten (10) days of rendition of any bill or statement to Tenant therefore. If Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Owner as damages.

Building Alterations and Managements:

20. Owner shall have the right, at any time, without the same constituting an eviction and without incurring liability to Tenant therefore, to change the arrangement and or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public pants of the building, and to change the name, number or designation by which the building may be known. There shall be no allowance to Tenant for diminution of rental value mil no liability on the part of Owner by reason or inconvenience, annoyance or injury to business arising front Owner or other Tenant making any repairs in the building or any such alterations, additions and improvements. Furthermore, Tenant shall not have any claim against Owner by reason of Owner's imposition of any controls of the manner of access to the building by Tenant's social or business visitors, as Owner may deem necessary, for the security of the building and its occupants.

No Representations by Owner:

21. Neither Owner one Owner's agents have made any representations or promises with respect to the physical condition of the building, the land upon which it is erected, the demised premises, the rents, leases, expenses of operation, or any other matter or thing affecting or related to the demised premises or the building, except as herein expressly net forth, and no rights, easements or licenses arc acquires! by Tenant by implication or otherwise except as expressly set forth in the provisions of this lease, Tenant has inspected the building and the demised premises and is thoroughly acquainted with their condition and agrees to take the same "as-is" on the date possession is tendered, and acknowledges that the taking of possession of the demised premises by Tenant shall be conclusive evidence that the said premises, and the building

of which the same form a part, were in good and satisfactory condition at the time such possession was so taken, except as to latent defects. All understandings and agreements heretofore made between the parties hereto are merged in this contract, which alone fully and completely expresses the agreement between Owner and Tenant, and any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part, unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

End of Term:

22. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Owner the demised premises, "broom-clean", in good order and condition, ordinary wear and damages which Tenant is not required to repair as provided elsewhere in this lease excepted, and Tenant shall remove all its property from the demised premises. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this lease. If the last day of the term of this lease, or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday, unless it be a legal holiday, in which case it shall expire at noon on the preceding business day.

Quiet Enjoyment:

23. Owner covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the premises hereby demised, subject, nevertheless, to the terms and conditions of this lease including, but not limited to, Article 34 hereof, and to the ground leases, underlying leases and mortgages hereinbefore mentioned.

Failure to Give Possession:

24. If Owner is unable to give possession of the demised premises on the date of the commencement of the term hereof because of the holding over or retention of possession of any tenant, undertenant or occupants, or if the demised premises arc located in a building being constructed, because such building has not been sufficiently completed to make the premises ready for occupancy or because of the fact that a certificate of occupancy has not been procured, or if Owner has not completed any work required to be performed by Owner, or for any other reason, Owner shall not be subject to any liability for failure to give possession on said date and the validity of the lease shall not be impaired under such circumstances, nor shall the same be construed in any way to extend the term of this lease, but the rent payable hereunder shall be abated (provided Tenant is not responsible for Owner's inability to obtain possession or complete any work required) until after Owner shall have given Tenant notice that Owner is able to deliver possessions in the condition required by this lease. If permission is given to Tenant to enter into possession of the demised premises, or to occupy premises other than the demised premises. prior to the date specified as the commencement of the term of this lease. Tenant covenants and agrees that such possession and/or occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this lease, except the obligation to pay the fixed annual

rent set forth in page one of this lease, The provisions of this article are intended to constitute “an express provision to the contrary” within the meaning of Section 223-a of the Now York Real Property Law.

No Waiver:

25. The failure of Owner to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this lease, or of any of the Rules or Regulations, set forth or hereafter adopted by Owner, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Owner of rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach, and no provision adds lease shall be deemed to have been waived by Owner unless such waiver be in writing signed by Owner. No payment by Tenant, or receipt by Owner, of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner’s right to recover the balance of such rent or pursue any other remedy in this lease provided. All checks tendered to Owner as and for the rent of the demised premises shall be deemed payments for the account of Tenant. Acceptance by Owner of rent from anyone other than Tenant shall not be deemed to operate as an attornment to Owner by the payer of such rent, or as a consent by Owner to an assignment or subletting by Tenant of the demised premises to such payer, or as a modification of the provisions of this lease. No act or thing done by Owner or Owner’s agents during the term hereby demised shall be deemed an acceptance of a surrender of said premises, and no agreement to accept such surrender shall be valid unless in writing signed by Owner. No employee of Owner or Owner’s agent shall have any power to accept the keys of said premises prior to the termination of the lease, and the delivery of keys to any such agent or employee shall not operate as a termination of the lease or a surrender of the demised premises.

Waiver of Trial by Jury:

26. It is mutually agreed by and between Owner and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this lease, the relationship of Owner and Tenant, Tenant’s use of or occupancy of demised premises, and any emergency statutory or any other statutory remedy. It is further mutually agreed that in the event Owner commences any proceeding or action for possession, including a summary proceeding for possession of the demised premises, Tenant will not interpose any counterclaim, of whatever nature or description, in any such proceeding, including a counterclaim under Article 4, except for statutory mandatory counterclaims.

Inability to Perform:

27. This lease and the obligation of Tenant to pay rent hereunder and perform all of the ether covenants and agreements hereunder on part of Tenant to be performed shall in no way be

affected, impaired or excused because Owner is unable to fulfill any of its obligations under this louse, or to supply, or is delayed in supplying, any service expressly or impliedly to be supplied, or is unable to make, or is delayed in making, any repairs, additions. alterations or decorations, or is unable to supply, or is delayed in supplying, any equipment, fixtures or other materials, if Owner is prevented or delayed from doing an by reason of strike or labor troubles, or any cause whatsoever beyond Owner's sole control including, but not limited to, government preemption or restrictions, or by reason or any rule, order or regulation of any department or subdivision thereof of any government agency, or by reason of the conditions which have been or are affected, either directly or indirectly, by war or other emergency.

Bills and Notices:

28. Except as otherwise in this lease provided, any notice, statement, demand or other communication required or permitted to be given, rendered on made by either party to the other, pursuant to this lease or pursuant to any applicable law or requirement of public authority, shall be in writing (whether or not so slated elsewhere in this lease) and shall be deemed to have been properly given, rendered or made, if sent by registered or certified mail (express mail, if available), return receipt requested, or by courier guaranteeing overnight delivery and furnishing a receipt in evidence thereof, addressed to the other party at the address hereinabove set forth (except that after the date specified as the commencement of the term of this lease, Tenant's address, unless Tenant shall give notice to the contrary, shall be the building), and shall be deemed to have been given, rendered or made (a) on the date delivered, if delivered to Tenant personally, (b) on the date delivered, if delivered by overnight courier or (e) on the date which is two (2) days after being mailed. Either party may, by notice as aforesaid, designate a different address or addresses for notices, statements, demand or other communications intended for it. Notices given by Owner's managing agent shall be deemed a valid notice if addressed and set in accordance with the provisions of this Article. At Owner's option, notices and hills to Tenant may be sent by hand delivery.

Water Charges:

29. if Tenant requires, uses or consumes water for any purpose in addition to ordinary lavatory purposes (of which fact Owner shall be the sole judge) Owner may install a water meter and thereby measure Tenant's water consumption for all purposes, Tenant shall pay Owner for the cost of the meter and the cost of the installation. Throughout the duration of Tenant's occupancy, Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense. In the event Tenant fails to maintain the meter and installation equipment in good working order and repair (of which fact Owner shall be the sole judge) Owner may cause such meter and equipment to be replaced or repaired, and collect the cost thereof from Tenant as additional rent. Tenant agrees to pay for water consumed, as shown on said meter as and when bills are rendered, and in the event Tenant defaults in the making such payment, Owner may pay such charges and collect the same from Tenant as additional rent. Tenant covenants and agrees to pay, as additional rent, the sewer rent, charge or any other tax, rent or levy which now or hereafter is assessed, imposed or a lien upon the demised premises, or the realty of which they are a part, pursuant to any law, order or regulation made or issued in

connection with the use, consumption, maintenance or supply of water, the water system or sewage or sewage connection or system. If the building, the demised premises, or any part thereof, is supplied with water through a meter through which water is also supplied to other premises, Tenant shall pay to Owner, as additional rent, on the first day of each month ____% ($200.00) of the total meter charges as Tenant's portion. Independently of, and in addition to, any of the remedies reserved to Owner hereinabove or elsewhere in this lease, Owner may sue for and collect any monies to be paid by Tenant. or paid by Owner, for any of the reasons or purposes hereinabove set forth.

Sprinklers:

30. Anything elsewhere in this lease to the contrary notwithstanding, if the New York Board of Fire Underwriters or the New York Fire Insurance Exchange or any bureau, department or official of the federal, state or city government recommend or require the installation of a sprinkler system, or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system by reason of Tenant's business, the location of partitions, trade fixtures, or other contents of demised premises, or for any other reason, or if any such sprinkler system installations, modifications, alterations, additional sprinkler heads or other such equipment, become necessary to prevent the imposition Ma penalty or charge against the full allowance for a sprinkler system in the fire insurance rate set by said Exchange or any other body making the insurance rates, or by any fire insurance company, Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations, and supply additional sprinkler heads or other equipment as required, whether the work -involved shall be structural or non-structural in nature, Tenant shall pay to Owner as additional rent the sum of $200.00, on the first day of each month during the term of this lease, as Tenant's portion of the contract price for sprinkler supervisory services.

Elevators, Heat, Cleaning:

31. As long as Tenant is not in default under any the covenants of this lease, beyond the applicable grace period provided in this lease for the curing of such defaults, Owner shall: (a) provide necessary passenger elevator facilities on business days from 8 a.m. to 6 p.m. and on Saturdays from 8 a.m. to 1 p.m.; (b) if freight elevator service is provided, same shall be provided only on regular business days, Monday through Friday inclusive, and on those days only between the hours of 9 a.m. and 12 noon and between 1 p.m. and 5 p.m.; (c) furnish heat, water and other services supplied by Owner to the demised premises, when and as required by law, on business days from 8 a.m. to 6 p.m. and on Saturdays from 8 a.m. to 1 p.m.; (d) clean the public halls and public portions of the building which are used in common by all tenants. Tenant shall, at Tenant's expense, keep the demised premises, including the windows, clean and in order, to the reasonable satisfaction of Owner, and for that purpose shall employ person or persons, or corporations approved by Owner. Tenant shall pay to Owner the cost of removal of any of Tenure's refuse and rubbish from the building. Bills for the same shall be rendered by Owner to Tenant at such time as Owner may elect, and shall be due and payable hereunder, and the a moot of such bills shun be deemed to be, and be paid as additional rent. Tenant shall, however, have the option of independently contracting for the removal or such rubbish and refuse in the event

that Tenant does not wish to have same done by employees of Owner, Under such circumstances, however, the removal of such refuse and rubbish by others shall be subject to such rules and regulations as, in the judgment of Owner, are necessary for the proper operation oldie building. Owner reserves the right to stop service of the heating, elevator, plumbing and electric systems, when accessary, by reason or accident or emergency, or for repairs, alterations, replacements or improvements, which in the judgment of Owner are desirable or necessary to be made, until said repairs, alterations, replacements or improvements shall have been completed. If the building of which the demised premises are a part supplies manually operated elevator service, Owner may proceed diligently with alterations necessary to substitute automatic control elevator service without in any way affecting the obligations of Tenant hereunder.

Security:

32. Tenant has deposited with Owner the sum of $ SEE RIDER 42.03 as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this lease. It is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, Owner may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent, or any other tarn as to which Tenant in in default, or for any sum which Owner may expend, or may be required to expend, by reason of Tenant's default in respect of any of the terms, covenants and conditions (this lease, including but not limited to, any damages or deficiency in the re-letting of the demised premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Owner. In the case of every such use, application or retention, Tenant shall, within five (5) days after demand, pay to Owner the sum so used, applied or retained which shall be added to the security deposit so that the same shall be replenished to its former mount. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the lease, and after delivery of entire possession of the demised premises to Owner, In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, Owner shall have the right to transfer the security to the vendee or lessee, and Owner shall thereupon be released by Tenant from all Liability fur the return of such security; and Tenant agrees to look to the new Owner solely for the return of said security, and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Owner. Tenant further covenants that it will not assign or encumber, or attempt to assign or encumber, the monies deposited herein as security, and that neither Owner nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Captions:

33. The Captions are inserted only as a matter of convenience and for reference, and in no way define. limit or describe the scope of this lease nor the intent of any provision thereof.

Definitions:

34. The term "Owner" as used in this lease means only the owner of the fee or of the leasehold of the building, or the mortgagee in possession for the time being, of the land and building (or the owner of a lease of the building or of the land and building) of which the demised premises form a pan, so that in the event of any sale or sales or conveyance, assignment or transfer of said land and building or of said lease, or in the event of a lease of said building, or of the land and building, the said Owner shall be and hereby is entirely freed and relieved of all covenants and obligations of Owner hereunder, and it shall be deemed and construed without further agreement between the pardon or their successors in interest, or between the parties and the purchaser, grantee, assignee or transferee at any such sale, or the said lessee of the building, or of the land and building, that the purchaser or the lessee of the building has assumed end agreed to carry out any and all covenants and obligations of Owner hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "rent" includes the annual rental rate whether so expressed or expressed in monthly installments, and "additional rent." "Additional rent" means all sums which shall be due to Owner from Tenant under this lease, in addition to the annual rental rate. The term "business days" as used in this lease, shall exclude Saturdays, Sundays and all days observed by the State or Federal Government as legal holidays. and those designated as holidays by the applicable building service union employees service contract, or by the applicable Operating Engineers contract with respect to HVAC service. Wherever it is expressly provided in this lease that consent shall not be unreasonably withheld, such consent shalt not be unreasonably delayed.

Adjacent Excavation-Shoring:

35. If un excavation shall be made upon land adjacent to the demised premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, a license to enter upon the demised premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building, of which demised premises form a part, from injury or damage, and to support the same by proper foundations, without any claim for damages or indemnity against Owner, or diminution or abatement of rent.

Rules and Regulations:

36. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully, and comply strictly with, the Rules and Regulations annexed hereto and such other and further reasonable Rules and Regulations as Owner or Owner's agents may from time to time adopt. Notice of any additional Rules or Regulations shall be given in such manner as Owner may elect. In case Tenant disputes the reasonableness of any additional Rotes or Regulations hereafter made or adopted by Owner or Owner's agents, the parties hereto agree to submit the question of the reasonableness of such Rules or Regulations for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties hereto. The right to dispute the reasonableness of any additional Rules or Regulations upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice, in writing, upon Owner, within fifteen (15) days after the giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Owner any

duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as against any other tenant, and Owner shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

Glass:

37. Owner shall replace, at the expense of Tenant, any and all plate and other glass damaged or broken from any cause whatsoever In and about the demised premises. Owner may insure, and keep insured, at Tenant's expense, all plate and other glass in the demised premises fur and in the name of Owner. Bills for the premiums therefore shall be rendered by Owner to Tenant at such times as Owner may elect, and shall be due front, and payable by Tenant when rendered, and the amount thereof shall be deemed to he, and be paid an, additional rent.

Estoppel Certificate:

38, Tenant, at any time, and from time to time, upon at least ten (10) days prior notice by Owner, shall execute, acknowledge and deliver to Owner, and/or to any other person, firm or corporation specified by Owner, a statement certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates to which the rent and additional rent have Won paid, stating whether or not there exists any default by Owner under this lease, and, if so, specifying each such default and such other information as shalt be required of Tenant.

Directory Board Listing:

39. If, at the request of, and as accommodation to, Tenant, Owner shall place upon the directory board in the lobby of the building, one or more names of persons or entities other than Tenant, such directory board listing shall not be construed as the consent by Owner to an assignment or subletting by Tenant to such parsons or entities.

Successors and Assigns:

40. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Owner and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns. Tenant shall took only to Owner's estate and interest inn the land and building for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) against Owner in the event of any default by Owner hereunder, and no other property or onsets of such Owner (or any partner, member, officer or director thereof, disclosed in undisclosed), shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under, or with respect to, this lease, the relationship of Owner and Tenant hereunder, or Tenant's use and occupancy of the demised premises.

SEE RIDER ANNEXED HERETO AND MADE PART HEREOF

In Witness Whereof, Owner and Tenant have respectively signed and sealed this lease as of the and year first above written.

/s/ Adam D. Smith
45 WEST 36TH STREET LLC, Landlord

Witness for Owner:

By: Adam D. Smith, Managing Agent [L.S.]
Cinedigm Corp., Tenant

Witness for Tenant:

/s/ Jonathan P. Donahue /s/ William S. Sondheim, President

By:

ACKNOWLEDGEMENT

STATE OF NEW YORK,

ss.:

COUNTY OF

On the _____ day of _____ in the year ____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/ their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individuals) acted, executed the instrument.

NOTARY PUBLIC

RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE IN ACCORDANCE WITH ARTICLE 36.

1. The sidewalks, entrances, driveways, passages, courts. elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by Tenant or used for any purpose other than for ingress or egress from the demised premises and for delivery of merchandise end equipment in a prompt and efficient manner, using elevators and passageways designated for such delivery by Owner. There shall not be used in any space, or in the public hall attic building, either by Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand tracks, excerpt those equipped with rubber tires and sideguards. If said premises are situated on the ground floor of the building, Tenant shall further, at Tenant's expense, keep the sidewalk and curb in front of said premises clean and free from ice, snow, dirt and rubbish.

2. The water and wash closest and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed, and no sweepings, rubbish, rags, acids or other substance shall be deposited therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by Tenant, whether or not caused by Tenant, its clerks, agents, employees or visitors.

3. No carpet, rug or other article shall be hung or shaken out of any window of the building; and Tenant shall not sweep or throw. or permit to be swept or thrown substances from the demised premises, any dirt or other substance into any of the corridors of halls, elevators, or out of the doors or windows or stairways of the building, and Tenant shall not use, keep, or permit to be used or kept, any foul or noxious gas or substance in the demised premises, or permit or suffer the demised premises to be occupied or used in a manner offensive or objectionable to Owner or other occupants of the buildings by reason of noise, odors, and or vibrations, or interfere in any way, with other tenants or those having business therein, nor shall any bicycles, vehicles, animals, fish or birds be kept in or about the building. Smoking or carrying lighted cigars or cigarettes in the elevators of the building is prohibited.

4. No awnings or other projections shall be attached to the outside walls of the building without the prior written consent of Owner.

5. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside of the demised premises or the building, or on the inside of the demised premises if the same is visible from the outside of the demised premises, without the prior written consent of Owner, except that the name of Tenant may appear on the entrance door of the demised premises. In the event of the violation of the foregoing by Tenant, Owner may remove same without any liability, and may charge the expense incurred by such removal to Tenant. Interior signs on doors and directory tablet shall be inscribed, painted, or affixed for Tenant by Owner at the expense of Tenant, and shall be of a size, color and style acceptable to Owner.

6. Tenant shall not mark, paint, drill into, or in any way deface any part of the demised premises or the building of which they form a part. No boring, cutting, or stringing of wires shall be permitted, except with the prior written consent of Owner, and as Owner may direct. Tenant shall not lay linoleum, or other similar floor covering, in that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

7. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof. Tenant must, upon the termination of his tenancy, restore to Owner all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys, so furnished, Tenant shall pay to Owner the cost thereof.

8. Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the demised premises only on the freight elevators and through the service entrances and corridors, and only during hours, and in a manner approved by Owner. Owner reserves the right to inspect all freight to be brought into the building, and to exclude from the building all freight which violates any of these Rules and Regulations of the lease, of which these Rules and Regulations are a part.

9. Tenant shall not obtain for use upon the demised premises ice, drinking water, towel and other similar services, or accept barbering or boothlacking services in the demised premises, except from persons authorized by Owner, and at hours and under regulations fixed by Owner. Canvassing, soliciting and peddling in the building is prohibited and Tenant shall cooperate to prevent the same.

10. Owner reserves the right to exclude from the building all persons who do not present a pass to the building signed by Owner. Owner will furnish passes to persons for whom any Tenant requests same in writing. Tenant shall be responsible for all persons for whom it requests such pass, and shall be liable to Owner for all acts of such persons. Notwithstanding the foregoing, Owner shall not be required to allow Tenant or any person to enter or remain in the building, except on business days from 8;00 a.m. to 6:00 p.m. and on Saturdays from 8:00 a.m. to 1:00 p.m. Tenant shall not have a claim against Owner by reason of Owner excluding from the building any person who does not present such pass.

11. Owner shall have the right to prohibit any advertising by Tenant which in Owner's opinion, tends to impair the reputation of the building or its desirability as a loft building, and upon written notice from Owner, Tenant shall refrain from or discontinue such advertising.

12. Tenant shall not bring, or permit to be brought or kept, in or on the demised premises, any inflammable, combustible, explosive, or hazardous fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors, to permeate in, or emanate from, the demised premises.

13. Tenant shall not use the demised premises in a manner which disturbs or interferes with other tenants in the beneficial use of their premises.

14. Refuse and Trash. (1) Compliance by Tenant. Tenant covenants and agrees, at its sole cost and expense, to comply with all present and future laws, orders, and regulations, of all state, federal, municipal, and local governments, departments, commissions and boards regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash. Tenant shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law. Each separately sorted category of waste products, garbage, refuse and trash shall be placed in separate receptacles reasonably approved by Owner. Tenant shall remove, or cause to be removed by a contractor acceptable to Owner, at Owner's sole discretion, such items as Owner may expressly designate, (2) Owner's Rights in Event of Noncompliance. Owner has the option to refuse to collect or accept from Tenant waste products, garbage, refuse or trash (a) that is nor separated and sorted us required by law or (b) which consists of such items as Owner may expressly designate for Tenant's removal, and to require Tenant to arrange for such collection at Tenant's sole cost and expense, utilizing a contractor satisfactory to Owner. Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Owner or Tenant by reason of Tenant's failure to comply with the provisions of this Building Rule 14, and, at Tenant's sole cost and expense, shall indemnity, defend and hold Owner harmless (including reasonable legal fees and expenses) from and against any actions, claims and suits arising from such noncompliance, utilizing counsel reasonably satisfactory to Owner.

Address 45 West 36th Street
New York, New York
7th Floor
Premises

_____
Dated March **in the year** 2017

TO

Rent Per Year

45 West 36th Realty LLC
to
Cinedigm Corp.

Rent Per Month

STANDARD FORM OF
Loft
Lease

Term
From
To

Drawn by
Checked by
Entered by
Approved by

Company:	Smith & Shapiro		S/N: PCF5-10919
Provided by:	Joshua Smith	Prepared using Software from Professional Computer Forms Co. 12/04	

RIDER TO LEASE BETWEEN
45 West 36th Street LLC.,
AS LANDLORD AND
Cinedigm Inc., AS TENANT

The following provisions were agreed to prior to the execution and delivery of this Lease and are a part thereof. In case of any contradiction or inconsistency between any of the following provisions and the foregoing provisions of this Lease, the following provisions shall prevail. Any references to "Demised Premises", "demised premises", "premises", or "Premises" in this Rider shall refer to the demised premises described in the foregoing Lease, and any references to the "Building" or "building" shall refer to that certain building located at 45 West 36'1' Street, New York, New York, in which the Demised Premises are located.

ARTICLE 41
PREMISES; TERM: USE;

41.01 CROSS DEFAULT

Definitions:

"Sublease" — the sublease (this "Sublease") is made as of the 10th day of April, 2017, between NTT Data, Inc, (f/k/a/ Misi Company Inc.) ("Sublessor" and/or "Prime Tenant") and Cinedign Corp ("Sublessee" and/or "Tenant"), The term of the Sublease is anticipated to commence on or about July 1, 2017 and is set to terminate on April 29, 2019.

The lease, dated July 2008 (the "Misi Lease") between 45 West 36th Street LLC ("Landlord"), as landlord, and Misi Company Inc, as tenant, effecting the Demised Premises. The term of the Lease is set to terminate on April 30, 2019.

In the event that there shall be any default in the Sublease and/or the Misi Lease then this Lease shall also be in default (cross default); provided, however, that in the event of a default of the Misi Lease by the tenant thereunder, Landlord shall provide notice of such default to Sublessee and Sublessee shall have the right, but not the obligation, to completely cure such default within five (5) business days thereafter, in which event, the Misi Lease shall remain in full force and effect. In the event that that either Sublease and/or Misi Lease is terminated for any reason or no reason whatsoever, then this Lease shall also be terminated upon notice to Tenant within five (5) business days thereafter,

PLEASE FILL OUT NOTICE PROVISOIN

ARTICLE 42
RENT; ADDITIONAL RENT;

41.02 COMMENCEMENT DATE; RENT COMMENCEMENT DATE

The term of the lease commences as of June 1, 2019 ("Rent Commencement Date") and Tenant accepts the Demised Premises as is and where is in which Tenant shall be occupying same under the Sublease

ARTICLE 42
RENT; ADDITIONAL RENT;

42.01 RENT

Tenant shall pay monthly in accordance with the Lease annual rental rate ("**Basic Annual Rent**") as follows:

From May 1, 2019 to April 30, 2020 $472,500.00 per annum
($39,375.00 per month)

From May 1, 2020 to April 30, 2021 $484,312.50 per annum
($40,359.37 per month)

42.02 ADDITIONAL CHARGES.

Any charges payable in addition to the Basic Annual Rent and/or additional rent specified in this lease shall be deemed additional rent hereunder.

42.03 TAXES.

(A) Tenant agrees to pay as additional rent 8.33 percent ("**Tenant's Pro Rata Share**") of any and all increases in Real Estate Taxes (as hereinafter defined) above the Real Estate Taxes for the 2018/2019 Tax Year (hereinafter referred to as the " **Base Tax Year**") imposed on the Property with respect to every Tax Year (as hereinafter defined) or part thereof during the term of this Lease, whether any such increase results from a higher tax rate or an increase in the assessed valuation of the Property, or both, or an increase in the Business Improvement District (BID) assessment.

(B) Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the assessed valuation. Should Landlord be successful in any such reduction proceedings and obtain a rebate for periods during which Tenant has paid Tenant's share of increases, Landlord shall, after deducting Landlord's actual out-of-pocket expenses in connection therewith including without limitation attorney's fees and disbursements, return to Tenant Tenant's Pro Rata Share of such rebate except that Tenant may not obtain any portion of the benefits which may accrue to Landlord from any reduction in Real Estate Taxes for any Tax Year below those imposed in the Base Tax Year. Landlord's liability for the amounts due under this paragraph shall survive the expiration of the term.

(C) The amount due under this provision shall be collected as additional rent without set-off or deduction and shall be paid in the following manner: for each Tax Year during the Term after the Base Tax Year, Tenant shall pay to Landlord on the first day of the month an amount equal to 1/12th of Tenant's Tax Payment for such Tax Year. For the avoidance of doubt, in no event shall Tenant have any liability for Real Estate Taxes for periods prior to the first (1st) anniversary of the Commencement Date.

(D) Provided that Landlord demands the Tax Payment within 12 months from time it is due, Landlord's failure during the Term to prepare and deliver any of the tax bills or Landlord's failure to make a demand, shall not in any way cause Landlord to forfeit or surrender its right to collect any of the additional rent which may have become due during the Term. Tenant's liability for the amounts due under this paragraph shall survive the expiration of the term not to exceed 12 months from date of expiration.

(E) In no event shall any rent adjustment hereunder result in a decrease in the Basic Annual Rent.

(F) **Definitions**:

(i) "**Property**" shall mean the land and building of which the Demised Premises are a part.

(ii) "**Real Estate Taxes**" shall mean taxes and assessment imposed thereon for any purpose whatsoever and also including taxes payable by Landlord to a ground lessor with respect thereto. If due to change in the method of taxation any franchise, income, profit, other tax, however, designated, shall be levied against Landlord's interest in the property in whole or in part for or in lieu of any tax which would otherwise constitute Real Estate Taxes, such change in method of taxation shall be included in the term "Real Estate Taxes" for purposes hereof. Real Estate Taxes shall be calculated without taking into account (a) any discount that Landlord receives by virtue of any early payment of Real Estate Taxes, (b) any penalties or interest that the applicable Governmental Authority imposes for the late payment of Real Estate Taxes, or (c) any Excluded Amounts,

(iii) "**Excluded Amounts**" shall mean (w) any taxes imposed on Landlord's income, (x) franchise, estate, inheritance, capital stock, excise, excess profits, gift, payroll or stamp taxes imposed on Landlord, (y) any transfer taxes or mortgage taxes that are imposed on Landlord in connection with the conveyance of the Building and land or granting or recording a mortgage lien thereon, and (z) any other similar taxes imposed on Landlord.

(iv) "**Tax Year**" shall mean each period of twelve (12) months commencing on the first day of July subsequent to the Base Tax Year, in which occurs any part of the Term or such other period of twelve (12) months occurring during the Term as hereinafter may be duly adopted as the fiscal year for real estate tax purposes of the City of New York, All such payments shall be appropriately pro-rated for any partial Tax Years occurring during the first and last years of the Term. A copy of the Tax Bill of the City of New York shall be sufficient evidence of the amount of Real Estate Taxes and calculation of the amount to be paid by Tenant.

(v) "**Tenant's Tax Payment**" shall mean, with respect to any Tax Year, the product obtained by multiplying (i) the excess of (A) Taxes for such Tax Year, over (B) the Real Estate Taxes for the Base Tax Year, by (ii) Tenant's Pro Rata Share.

42.04 METHOD OF PAYMENT.

(A) LATE FEES. If the Tenant shall fail to pay after the fifteenth (15th) day or the month any installment or payment of Basic Annual Rent or additional rent, Tenant shall be required to pay a late charge of two cents ($00.02) for each one dollar which remains so unpaid;. Such late charge is intended to compensate Landlord for additional expenses incurred by the Landlord in processing such late payments. Nothing herein shall be intended to violate any applicable law, code or regulation, and in all instances all such charges shall be automatically reduced to any maximum applicable legal rate or charge. Such charge shall he imposed monthly for each late payment.

(B) APPLICATION OF MONEY PAID. If and whenever, Tenant is in arrears in payment of Basic Annual Rent or additional rent hereunder, or if Landlord receives any payment from Tenant, the Tenant waives its right, to designate the items under which any payments made by Tenant are to be credited, and the Tenant agrees that Landlord in its sole discretion may apply such of Tenant's payments to any items or for any period(s) that Landlord chooses, notwithstanding any designation or request by Tenant as to the items or period(s) against which any such payments shall be credited.

42.05 LETTER OF CREDIT.

In lieu of a cash security deposit, on or before April 1, 2019 TIME BEING OF THE ESSENCE, Tenant shall deliver the security to Landlord in the form of a clean, irrevocable letter of credit ("Letter of Credit") in the amount of $1 18,125.00 provided in form and substance reasonably satisfactory to Landlord and the Issuing Bank (as hereinafter defined), issued by and drawable upon any reputable commercial bank, trust company, national banking association or savings and loan association with offices for banking and drawing purposes in the State of New York (the " **Issuing Bank**"). The Letter of Credit shall (a) name Landlord as beneficiary, (b) be in the amount of $118,125,00 (c) have a term of not less than one (1) year, (d) permit multiple drawings, (e) be fully transferable by Landlord to any purchaser of the Real Property, (f) be payable to Landlord upon presentation of the Letter of Credit and a sight draft, and (g) contain as a condition to a draw the requirement of Landlord's statement as to the existence of Tenant default under this Lease beyond any applicable notice and/or cure periods, if any. The Letter of Credit shall provide that it shall be deemed automatically renewed, without amendment, for consecutive periods of one (I) year each thereafter during the Term through the date that is at least thirty days after the second anniversary of the RCD, unless the Issuing Bank sends a notice (the "**Non-Renewal Notice**") to Landlord by certified mail, return receipt requested at do Samco Properties 116 East 27th Street, 3 floor, New York, NY 10016, not less than sixty (60) days prior to the then-current expiration date of the Letter of Credit, stating that the Issuing Bank has elected not to renew the Letter of Credit. Landlord shall have the right to draw upon the Letter of Credit (in whole or in part) at any time or times that Landlord shall, under this Lease, be entitled to retain or apply all or any portion of the security. Landlord also shall have the right, upon receipt of a Non-Renewal Notice (and provided a substitute Letter of Credit is not delivered at least 20 days prior to the expiration of the letter of credit for which a Non-Renewal Notice was issued), to draw the full amount of the Letter of Credit, by sight

draft on the Issuing Bank, and shall thereafter hold or apply the cash proceeds of the Letter of Credit pursuant to the terms of this Article 42.05 and Article 32 of this Lease. The Letter of Credit shall state that drafts drawn under and in compliance with the terms of the Letter of Credit will be duly honored upon presentation to the Issuing Bank at an office location in the State of New York.

(ii) Provided that Tenant has not been if default with respect to payment of monthly installments of Annual Base Rent during the initial 12 months following the Rent Commencement Date and further provided that Tenant is not then in material default which is continuing beyond any applicable notice and/or cure period at the expiration of such 12 month period, then in that event, the security deposit shall be reduced by an amount equal to $39,375.00, in which event Landlord shall refund to Tenant, within 15 business days of the expiration of such 12 -month period, the sum of $39,375.00, or shall return the original Letter of Credit in exchange for a substitute Letter of Credit for such lesser amount and/or sign an instrument acceptable to the issuing bank reducing the Letter of Credit to $118,125.00. If the foregoing conditions to a reduction of the security deposit are not met, then Landlord shall not be obligated to return (or reduce, as applicable) the security deposit pursuant to this Article 42.06, however, in no event shall this Article 42,06 affect in any way Tenant's right to the return of the security deposit as provided for in Article 31 of this Lease.

Tenant shall deposit as of the date hereof the sum of $39,375.00 representing rent security, which amount shall be applied to the first month's rent unless Tenant shall be in default hereunder.

Transfer or Security. Upon a sale of the Building and an assignment of this Lease to the new landlord, Landlord shall transfer the cash security or the Letter of Credit, as applicable, to the assignee. Provided the new landlord assumes all obligations as landlord under this Lease in writing, Tenant shall look solely to the new landlord for the return of such cash security or Letter of Credit, and the provisions of this subsection shall apply to every transfer or assignment made of the security to a new landlord. Any cash proceeds of the Letter of Credit which are not otherwise applied or retained by Landlord as provided in this Article 42.05 shall be invested in an interest bearing account. If the new landlord requires that a new Letter of Credit be issued, the new landlord shall pay Tenant for the cost of said replacement or revised Letter of Credit.

Failure to post the rent security/letter of credit as provided in this paragraph after receipt of a reminder notice from Landlord with at least five (5) business days to cure such failure, shall make this lease void ab inicio.

ARTICLE 43
UTILITIES; BUILDING SERVICES

43.01 GENERALLY.

Tenant shall make all arrangements for and pay for all utilities and services furnished to or used by Tenant except as otherwise provided herein.

43.02 ELECTRIC.

(A) The Demised Premises are directly metered for electricity. Tenant shall pay directly to the utility company for all electric current used in the Demised Premises for light or power or any other purpose for the exclusive use of the Demised Premises and the operation of fans and other devices in the heating, air conditioning and ventilating system to be installed by Landlord as part of Landlord's Initial Improvements, serving only the Demised Premises (the "**HVAC Unit**").

(B) Landlord shall not be responsible for the maintenance or repair of Tenant's electrical system within the Demised Premises from the point beyond and including the panel box serving Tenant. Said repairs and maintenance shall be at Tenant's sole cost and expense.

43.03 NO ABATEMENT. Tenant shall not be released or excused from the performance of any of its obligations under this Lease for any failure or for interruption or curtailment of any electric energy, elevator service, heat, or for any reason whatsoever, and no such failure, interruption or curtailment shall constitute a constructive or partial eviction.

43.04 OVERTIME SERVICES; ELEVATORS; WATER

Heat shall not be provided on holidays deemed to be commercial building contract holidays of Local 3213-32J of Service Employees Union; all days, excluding Saturdays, Sundays and such holidays, are hereinafter referred to as "**Business Days**". There shall be not less than one (1) elevator serving the Premises at all times. Tenant shall have access to Demised Premises on a 24/7/365 basis, Tenant during move-in shall be permitted to use the freight elevator free of charge.

ARTICLE 44
LANDLORD'S INITIAL IMPROVEMENTS; TENANT'S ALTERATIONS; TENANT OBLIGATIONS

44.01 INTENTIONALLY DELETED

44.02 INTENTIONALLY DELETED

44.03 INTENTIONALLY DELETED

44.04 TENANT'S ALTERATIONS.

(A) Except as set forth herein, Tenant shall not make any alterations or improvements to the demised premises ("**Alterations**") without first obtaining Landlord's prior written consent, such consent not to be unreasonably withheld, delayed, or conditioned. Tenant may, without Landlord's consent, make merely decorative changes to the demised premises (such as, for example, the installation of carpeting or other customary floor coverings or painting or the installation of customary wall coverings) that in each case do not involve electrical, plumbing, or mechanical connections provided that Tenant or its contractor provided to

Landlord certificates of insurance as set forth in subdivision of this paragraph. Any permitted Alterations shall be made in accordance with the requirements of local ordinances and public

authorities having jurisdiction thereover and further provided that the value of the property shall not be diminished thereby and further provided that:

(i) For any work performed directly by Tenant or any contractor hired by Tenant or Tenant's contractor, Tenant or Tenant's contractor shall carry worker's compensation insurance in accordance with the statutory limits, "all risk" Builders Risk coverage and general liability insurance, with completed operation endorsement, for any occurrence in or about the Building, under which Landlord and Same Properties whose name and address have been furnished to Tenant shall be named as additional parties insured, but not less than two million dollars ($2,000,000.00), with insurers reasonably satisfactory to Landlord. Tenant shall furnish Landlord with evidence that such insurance is in effect at or before the commencement of Alterations and, on request, at reasonable intervals thereafter during the continuance of Alterations and a five million dollar ($5,000,000.00) umbrella;

(ii) Tenant shall furnish to Landlord a copy of all architectural drawing, plans or specifications for Landlord's approval, which approval shall not be unreasonably withheld, delayed, or conditioned; and

(iii) For any work performed directly by Tenant or any contractor hired by Tenant or Tenant's contractor, Tenant will hold Landlord harmless for any and all violations concerning work, permits, and filings required, all of which will be done at Tenant's sole cost and expense.

(iv) Each contractor performing A Iterations on behalf of Tenant shall indemnify Landlord with an indemnity agreement substantially in the form attached hereto and made a part hereof as Exhibit A.

44.05 USE OF PUBLIC CORRIDORS FOR SHIPPING.

Tenant shall not ship or receive goods, merchandise or inventory or use the public corridors of the building to ship or receive same and Tenant shall not at any time use any hand trucks or other wheeled vehicles in the public corridors of the building. The aforesaid shall be restricted to the freight passageways and freight elevator.

44.06 MAINTAIN LICENSES AND PERMITS.

Tenant covenants and agrees to obtain and maintain, at its sole cost and expense, all licenses and permits from the governmental authorities having jurisdiction thereof, necessary for the conduct of Tenant's business in the Demised Premises, and Tenant will comply with all Laws applicable to the operation, occupancy, maintenance or use of the Demised Premises, provided that Tenant's obligations under this Section 44.06 shall not in any way limit or abrogate Landlord's obligations under Section 44.03 above. Tenant will indemnify and save owner harmless from and against any claims, penalty, loss, damage or expense, including reasonable attorneys fees of Landlord, imposed by reason of violation of any such Laws pertaining to the use by Tenant of the Demised Premises. Notwithstanding the foregoing, Tenant shall not be required to make any Alteration or other changes

to the structural components of the Building or to the building systems to comply with any Laws unless (a) such Alteration or other change is required by reason of Alterations having been performed by Tenant, or (b) such Alteration or other change is required by reason of the specific nature of the use of the Premises by Tenant (as opposed to the use of the Premises for the general purposes otherwise permitted under this Lease).

44.07 COMPLIANCE WITH RECYCLING LAWS.

Tenant covenants and agrees, at its sole cost and expense, to comply with all present and future Laws regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash. Tenant shall pay all costs, expenses, fines, penalties or damages which may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Article, and, at Tenant's sole cost and expense, shall indemnify, defend and hold Landlord harmless (including reasonable legal fees and expenses) from and against any actions, claims and suits arising from such non-compliance, utilizing counsel reasonably satisfactory to Landlord, provided that counsel chosen by Tenant's insurer shall be deemed satisfactory. However, the foregoing shall not exculpate Landlord from loss or damage caused by Landlord's negligence or willful misconduct.

44.08 COMPLIANCE WITH PRIVATE LAW.

Tenant shall not suffer or permit the Demised Premises or any part thereof to be used in any manner, or anything to be done therein, or suffer or permit anything to be brought into or kept therein, which would in any way (i) violate any of the provisions of any grant, lease or mortgage to which this Lease is subordinate, of which the Tenant has received actual written notice, (ii) make unobtainable from reputable insurance companies authorized to do business in New York State any fire insurance with extended coverage or liability, elevator, boiler or other insurance required to be furnished by Landlord under the terms of any lease or mortgage to which this Lease is subordinate at standard rates, (iii) cause or in Landlord's reasonable opinion be likely to cause physical damage to the building or any part thereof, (v) constitute a public or private nuisance, (vi) impair the appearance character or reputation of the building, (vii) discharge objectionable fumes, vapors or odors into the building air-conditioning system or into the building flues or vents not designed to receive them or otherwise in such manner as may unreasonably offend other occupants, (viii) impair or interfere with any of the building services or the proper and economic heating cleaning, air-conditioning or other servicing of the building (other than the Demised Premises) or impair or interfere with or tend to impair or interfere with the use of any of the other areas of the building by, or occasion discomfort, annoyance or inconvenience to, Landlord or any of the other tenants or occupants of the building, any such impairment or interference to be in the reasonable judgment of Landlord. However, the foregoing shall not exculpate Landlord from loss or damage caused by Landlord's negligence or willful misconduct. Landlord acknowledges and agrees that Tenant's intended use of the Demised Premises for general office use shall not constitute a violation of this Section 44.08.

44.09 HOLDOVER

If the Tenant holds over in possession of the Demised Premises after the expiration or sooner termination of the original Term or of any extended term of this Lease, such holding over shall not be deemed to extend the Term or renew the lease, but such holding over thereafter shall continue

upon the covenants and conditions herein set forth except that the charge for use and occupancy of such holding over shall be, on a per diem basis, one hundred filly percent (150%) of the per diem Basic Annual Rent at the highest annual rent rate set forth in this Lease plus all of the additional rent required to be paid by the Tenant under this Lease, which total sum Tenant agrees to pay to the Landlord promptly upon demand, in full, without set-off or deduction; provided, however, that if such holding over shall continue for more than 60 days, then commencing on the 61st day of such holding over, such holdover percentage shall be increased to two hundred percent (200%). Neither the billing nor the collection of use and occupancy in the above shall be deemed a waiver of any right of Landlord to collect damages for Tenant's failure to vacate the Demised Premises after the expiration or sooner termination of this Lease (provided in no event shall Tenant be liable for indirect or consequential damages).

44.10 INTENTIONALLY DELETED.

44.11 EXTERMINATION SERVICES.

Tenant at its sole cost and expense shall maintain such extermination services as are necessary to keep the Demised Premises free of pests and vermin at all times. Landlord shall enforce this provision on the other tenants in the buildings. In the event that Tenant determines in its reasonable judgment that the Demised Premises is subject to the infestation of pests and/or vermin, which infestation is the result of any other tenant's occupancy of spaced located in the Building, Landlord shall be responsible at its sole cost and expense to remediate such infestation.

44.12 AIR CONDITIONING CONTRACT.

Tenant covenants and agrees to obtain and maintain at Tenant's sole cost and expense an air-conditioning maintenance contract for the maintenance of the HVAC Unit with a reputable air-conditioning contractor reasonably acceptable to Landlord, at all times during the term of this Lease, and to promptly deliver a copy of such contract to the Landlord. The Tenant acknowledges and agrees that the HVAC Unit is Landlord's property.

44.13 SECURITY SYSTEM.

Tenant may install, maintain and repair its own security system and security devices at the Demised Premises inasmuch as Tenant is solely responsible for the installation of the security system and security devices at the Demised Premises.

44.14 GARBAGE.

Tenant hereby agrees not to allow garbage or refuse of any description to accumulate in or about the Demised Premises. If Tenant shall fail to do so, or shall fail to adopt and employ reasonably proper methods therefor, in either case within fifteen (15) days after notice from Landlord, Landlord shall have the right to incur any disbursements necessary or advisable to effect such purpose and any sums so disbursed by Landlord shall be repayable to it by Tenant, and upon failure to pay the same within fifteen (15) days after presentation of bill therefor, same shall be added to and form a part of the next or any subsequently accruing installment of rent and be collectible therewith as

such. Tenant shall be free to hire its own cleaning company and shall not be required to use Landlord's contractor.

ARTICLE 45
ASSIGNMENT/ SUBLETTING

45.01 DESK SPACE USE.

Tenant shall have the right, without Landlord's prior approval, to license portions of the Demised Premises to Persons who are not members, officers or employees of Tenant, provided in each case that (i) any "desk space" so licensed by Tenant is not separately demised from the rest of the Premises and does not have separate means of ingress to or egress from the public corridors of the Building, (ii) Tenant delivers to Landlord (A) notice not less than ten (10) days prior to the commencement date of each "desk space" license agreement to be entered into by Tenant, and (B) a copy of the fully executed "desk space" license agreement no later than the commencement date thereof, and (iii) each such Person shall use the Premises in conformity with all applicable provisions of this Lease, Tenant may not license more than 5 desk spaces.

ARTICLE 46
LANDLORD'S DEFAULT

46.01 LIMITATION ON LIABILITY

(A) Notwithstanding anything contained in this Lease or at law or in equity to the contrary, it is expressly understood, acknowledged and agreed by Tenant that there shall at no time be or be construed as being any personal liability by or on the part of Landlord under or in respect of this Lease or in any wise related hereto or the Demised Premises; it being further understood, acknowledged and agreed that Tenant is accepting this Lease and the estate created hereby upon and subject to the understanding that it shall not enforce or seek to enforce any claim or judgment or any other matter, for money or otherwise, personally against any officer, director, stockholder, partner, principal (disclosed or undisclosed), representative or agent of Landlord, or any person acting in connection herewith or executing this Lease in a trustee or fiduciary capacity on behalf of Landlord, but shall look solely to the equity of Landlord in the Property, and not to any other assets of Landlord, for the satisfaction of any and all remedies or claims of Tenant in the event of any breach by Landlord of any of the terms, covenants or agreements to be performed by Landlord under this Lease or otherwise, such exculpation of any officer, director, stockholder, partner, principal (disclosed or undisclosed), representative or agent of Landlord or trustee or fiduciary from personal liability as set forth in this Article to be absolute, unconditional and without exception of any kind.

(B) If Tenant is a corporation, limited partnership, limited liability partnership or limited liability company, then (i) the members, managers, limited partners, shareholders, directors, officers and principals, direct and indirect, comprising Tenant shall not be liable for the performance of Tenant's obligations under this Lease, and (ii) Landlord shall look solely to Tenant to enforce Tenant's obligations hereunder.

(B) Notwithstanding anything to the contrary contained in the Lease, in no event shall Landlord or Tenant be liable for any lost profit of the other party or any form of special, indirect, consequential or punitive damages.

46.02 NOTICE OF DEFAULT

The Landlord shall not be in default under this Lease in any respect unless the Tenant shall have given the Landlord written notice of the breach in accordance with the terms of this Lease, and within thirty (30) days after notice, the Landlord has not cured the breach or if the breach is such that it cannot reasonably be cured under the circumstances within thirty (30) days, has not commenced diligently to prosecute the cure to completion.

ARTICLE 47
INDEMNITY; INSURANCE; CASUALTY

47.01 INTENTIONALLY DELETED

47.02 TENANT'S INSURANCE.

Supplementing Article 6 of this Lease:

Tenant shall not conduct or permit to be conducted any activity, or place or permit to be placed any equipment or other item in or about the demised premises or the Building, which will in any way increase the rate of property insurance or other insurance on the Building. If any increase in the rate of property or other insurance is due to any activity, equipment or other item of Tenant, then (whether or not Landlord has consented to such activity, equipment or other item) Tenant shall pay as additional rent due hereunder the amount of such increase, The statement of any applicable insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions) that an increase is due to any such activity, equipment or other item shall be conclusive evidence thereof.

a) Throughout the Lease Term, Tenant shall obtain and maintain the following insurance coverages written with companies with an A.M. Best A-X or better rating and S&P rating of at least A-; at tenant's expense

Commercial General Liability ("CGL") insurance (written on an occurrence basis) with limits not less than One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollar ($2,000,000) annual general aggregate (on a per location basis), Two Million Dollars ($2,000,000) products/completed operations aggregate, One Million Dollars ($1,000,000) personal and advertising injury liability, One Million Dollars ($1,000,000) fire damage legal liability, and Five Thousand Dollars ($5,000) medical payments, CGL insurance shall be written on ISO occurrence form CG 00 01 96 (or a substitute form providing equivalent or broader coverage) and shall cover liability arising from demised premises, operations, independent contractors, products-completed operations, personal injury, advertising injury and liability assumed under an insured contract.

Workers Compensation insurance as required by the applicable state law, and Employers Liability insurance with limits not less than One Million Dollars ($1,000,000) for each accident, One Million Dollars ($1,000,000) disease-policy limit, and One Million Dollars ($1,000,000) disease-each employee.

Umbrella/Excess Insurance coverage on a follow form basis in excess of the CGL, Employers Liability and Commercial Auto Policy with limits not less than Five Million Dollars ($5,000,000) per occurrence and Five Million Dollars ($5,000,000) annual aggregate.

Special Form Property Insurance covering 100% of Tenant's property, improvements and equipment, furniture/fixtures and equipment

Business Interruption and Extra Expenses insurance in amounts typically carried by prudent tenants engaged in similar operations, but in no event in an amount less than double the annual Base Rent then in effect, Such insurance shall reimburse Tenant for direct and indirect loss of earnings and extra expense attributable to all perils insured against.

Builder's Risk (or Building Constructions) insurance during the course of construction of any alteration in which Tenant hires and pays for contractors, including during the performance of Alterations and until completion thereof. Such insurance shall be on a form covering Landlord its agents, Tenant and Tenant's contractors, as their interest may appear, against loss or damage by fire, vandalism, and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all Alterations in place and all materials stored at the demised premises, and all materials, equipment, supplies and temporary structures of all kinds incident to Alterations and builder's machinery, tools and equipment, all while forming a part of, or on the demised premises, or when adjacent thereto, while on drives, sidewalks, streets or alleys, all on a completed value basis for the full insurable value at all times. Said Builder's Risk Insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord, its agents, employees and contractors.

Landlord and the Landlord Insured Parties (as may be set forth in Landlord's sample insurance policy) shall be endorsed on each policy as additional insureds as it pertains to the CGL, Umbrella, and coverage shall be primary and noncontributory. Landlord shall be a loss payee on the Property policy in respect of landlord's improvements & rental income. All insurance shall (1) contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured may have waived its right of action against any party prior to the occurrence of a loss (Tenant hereby waiving its right of action and recovery against and releasing Landlord and Landlord's Representatives (as defined under Landlord's sample cert policy) from any and all liabilities, claims and losses for which they may otherwise be liable to the extent Tenant is covered by insurance carried or required to be carried under this Lease); (2) provide that the insurer thereunder waives all right of recovery by way of subrogation against Landlord and Landlord's Representatives in connection with any loss or damage covered by such policy; (3) be acceptable in form and content to Landlord; and (4) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurer first giving Landlord thirty (30) days' prior written notice of such proposed action. No such policy shall contain any deductible provision except as otherwise approved in writing by Landlord, which approval shall not be

unreasonably withheld. Landlord reserves the right from time to time to reasonably require higher minimum amounts or different types of insurance. Tenant shall deliver an Acord 25 certificate with respect to all liability and personal property insurance and an Acord 28 certificate with respect to all commercial property insurance and receipts evidencing payment therefor (and, upon request, copies of all required insurance policies, including endorsements and declarations) to Landlord on or before the Commencement Date and at least annually thereafter. If Tenant fails to provide evidence of insurance required to he provided by Tenant hereunder, prior to Commencement Date and thereafter within 15 days following Landlord's request during the Lease Term (and in any event within 5 business days prior to the expiration date of any such coverage, any other cure or grace period provided in this Lease not being applicable hereto), Landlord shall be authorized (but not required) after 7 days' prior notice to procure such coverage in the amount stated with all costs thereof to be chargeable to Tenant and payable as additional rent upon written invoice therefor,

Supplementing Paragraph 8 of the Lease,

Tenant shall also indemnify to the extent permitted by law, managing agent and mortgagee, and contractors and agent (collectively, "Indemnitees") for any indemnity obligations of Tenant to Landlord under the Lease.

The parties expressly agree that this indemnification Agreement contemplates, among other obligations, full indemnity in the event liability is imposed against any of the Indemnitees without negligence and solely by reason of statute, operation of law or otherwise.

In addition, in the event that there is any summons, notices, letters or other that may subject Indemnitees to any liability then Landlord shall receive prompt notice.

In the event that Tenant sublease any portion of the Demised Premises as a condition to such consent that Subtenant shall agree to the indemnity provision as set forth in paragraph 8 and as modified herein.

47.03 DAMAGES OR LOSS.

Neither Landlord nor any agents or employee of Landlord shall be liable to Tenant or any other occupant of the Demised Premises, and Tenant hereby waives any right of recovery, claims, actions or causes of action against Landlord and its agents and employees for any damage to, or loss (by theft or otherwise) of, any property of Tenant irrespective of the cause of such injury, damage or loss (including the acts or negligence of any tenant or of any owners or occupants or adjacent or neighboring property or caused by operations in construction of any private, public or quasi-public work), including the negligence of Landlord or its agents or employees. Neither Tenant nor any agents or employee of Tenant shall be liable to Landlord, and Landlord hereby waives any right of recovery, claims, actions or causes of action against Tenant and its agents and employees, for any damage to, or loss of; any property of Landlord irrespective of the cause of such injury, damage or loss, including the negligence of Tenant or its agents or employees.

ARTICLE 48
MISCELLANEOUS PROVISIONS

48.01 ACCEPTANCE OF RENT.

Unless Landlord shall otherwise expressly agree in writing, acceptance of Basic Annual Rent or additional rent from anyone other than Tenant shall not relieve the 'reliant of any of its obligations under this Lease, including the obligation to pay Basic Annual Rent and additional rent, and Landlord shall have the right at any time, upon notice to Tenant, to require Tenant to pay the Basic Annual Rent and additional rent payable hereunder directly to Landlord. Furthermore, such acceptance of Basic Annual Rent or additional rent shall not be deemed to constitute landlord's consent to an assignment of this Lease or subletting or other occupancy of the Demised Premises by anyone other than Tenant, nor a waiver of any of Landlord's rights or Tenant's obligations under this Lease,

48.02 INTENTIONALLY DELETED.

48.03 AIR RIGHTS.

Tenant acknowledges that it has no rights to any development rights, "air rights" or comparable rights appurtenant to the land or building, and consents, without further consideration, to any utilization of such rights by Landlord and agrees to promptly execute and deliver any instruments which may be requested by Landlord, including instruments merging zoning lots, evidencing such acknowledgment and consent.

48.04 INTENTIONALLY DELETED

48.05 COMES DEEMED CERTIFIED.

True copies of all bills from the City of New York shall be admissible in evidence in any trial between Landlord and Tenant without requiring said copies of bails to be certified by any governmental agency or authority.

48.06 BROKEN GLASS.

Tenant, at its own cost and expense, shall replace all damaged or broken glass in or about the Demised Premises if such damage was caused by Tenant's negligent acts or omissions. Notwithstanding to the contrary contained in this Lease, Tenant shall not otherwise be responsible for the repair or replacement of damaged or broken glass in or about the Demised Premises.

48.07 BROKER.

Landlord and Tenant represent and warrant that they have dealt with no other broker except JBA Inc. in connection with the Demised Premises and this Lease. Tenant hereby agrees to indemnify, defend and hold harmless Landlord against and from any and all loss, costs, liability, damage or expense (including, without limitation, attorney's fees and disbursements) incurred by Landlord by reason of any claim of or liability to any other broker who shall claim to be entitled to a commission as a result of representing Tenant in connection with the Demised Premises or this Lease. Landlord

hereby agrees to indemnify, defend and hold harmless Tenant against and from any and all loss, costs, liability, damage or expense (including, without limitation, attorney's fees and disbursements) incurred by Tenant by reason of any claim of or liability to any broker, including JBA, who shall claim to be entitled to a commission in connection with the Demised Premises or this Lease. Landlord or Tenant shall not be required to pay JBA.

48.08 INTENTIONALLY DELETED.

48.09 EMERGENCY REPAIRS.

Tenant shall permit Landlord and/or its designees to erect, use, maintain and repair pipes, cables, conduits, plumbing, vents and wires ("**Pipe/Cables**"), in, to and through the Demised Premises, as and to the extent that Landlord may now or hereafter deem to be necessary or appropriate for the proper operation and maintenance of the building in which the Demised Premises are located provided that Landlord shall use commercially reasonable efforts to install Pipe/Cables in a manner that is as *aesthetically* pleasing as possible and such installations shall not reduce the usable square footage of the Demised Premises by more than a de minimis amount, except as may be required by law or a necessary building improvement. All such work shall be done, so far as practicable, in such manner as to avoid unreasonable interference with Tenant's use of the Demised Premises. If the Landlord is unable to arrange for admittance to the Demised Premises during any emergency, Landlord shall have the right to gain admittance to the Demised Premises by forcibly or otherwise breaking into the Demised Premises. The sole liability of Landlord to Tenant in such event shall be that Landlord shall be obligated to repair all damage caused by such breaking in within a reasonable time after the occurrence thereof.

48.10 INTENTIONALLY DELETED.

48.11 INTENTIONALLY DELETED.

48.12 INJUNCTION.

In the event of any breach beyond applicable notice arid cure periods or threatened breach by Landlord or Tenant of any of the agreements, terms, covenants, or conditions contained in this Lease, the other party to this Lease shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease.

48.13 INTENTIONALLY DELETED.

48.14 INTENTIONALLY DELETED.

48.15 INTENTIONALLY DELETED.

48.16 NO GRANTING OF LICENSES.

Tenant covenants that except as expressly set forth herein, Tenant will not without the written consent of the Landlord first obtained in each case, which consent shall not be unreasonably withheld, delayed or conditioned, make or grant any license in respect of the Demised Premises or any part thereof, or in respect of the use thereof, and will not permit any such license to be made or granted.

48.17 NO AUCTIONS OR GOING OUT OF BUSINESS SALES.

No public or private auction or "going out of business", bankruptcy or similar sales or auctions shall be conducted in or from the Demised Premises. The Demised Premises shall not be used except in a dignified and ethical manner consistent with the general high standards of business and not in a disreputable or immoral manner or in violation of national, state or local laws.

48.18 NO OFFER.

The submission of this Lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord shall, or its managing agent shall, execute a copy of this Lease and deliver the same to Tenant.

48.19 NO REPRESENTATIONS BY LANDLORD.

Neither the Landlord nor its agents have made any representations with respect to the Demised Premises or the Property except as is expressly set forth in the provisions of this Lease. Tenant accepts the same "as is" as of the date hereof except as provided in this Lease. Tenant does hereby acknowledge that no representations have been made by Landlord or anyone acting on behalf of Landlord as to the square footage of the Demised Premises. Tenant has inspected the Demised Premises and relies upon its own judgment in computing the square footage.

48.20 NO WAIVER.

The following specific provisions of this article shall not be deemed to limit the generality of the provisions of this Lease:

a) No agreement to accept the surrender of all or any part of the Demised Premises shall he valid unless in writing and signed by the Landlord, The delivery of keys to an employee of Landlord or its agent shall not operate as the termination of this Lease or a surrender of the Demised Premises. lf Tenant shall at any time request Landlord to sublet the Demised Premises for Tenant's account, Landlord or its agent is authorized to receive said keys for such purposes without releasing Tenant from any of its obligations under this Lease, and Tenant hereby releases Landlord of any liability for loss or damage to any of Tenant's property in connection with such subletting, except to the extent arising due to the gross negligence or willful misconduct of Landlord,

b) The receipt or acceptance by Landlord of rents with knowledge of breach by Tenant of any term, agreement, covenant, condition or obligation of this Lease shall not be deemed a waiver of such breach.

c) No payment by Tenant or receipt by Landlord of a lesser amount than the correct Basic Annual Rent or additional rent due hereunder shall be deemed to be other than the payment

on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law provided.

d) Tenant agrees not to record this Lease. At the request of either party, Landlord and Tenant shall promptly execute, acknowledge and deliver a memorandum with respect to this Lease sufficient for recording, which Tenant may record. Such memorandum shall not in any circumstances be deemed to change or otherwise affect any of the obligations or provisions of this Lease.

48.21 NO WAIVER OF CONDITIONS.

One or more waivers of any covenant or condition by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by Landlord or Tenant to or of any act by Tenant or Landlord requiring the other party's consent or approval shall not be construed to waive or render unnecessary such consent or approval to or of any subsequent similar act. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any term, covenant or condition in this Lease shall not prevent a similar subsequent act from constituting a default under this Lease,

48.22 NO WAIVER OF PAYMENT.

No receipt of moneys by Landlord from Tenant, after the cancellation or termination hereof in any lawful manner, shall reinstate, continue or extend the term, or affect any notice theretofore given to Tenant or operate as a waiver of the right of Landlord to enforce the payment of rent and additional rent then due or thereafter falling due or operate as a waiver or the right of Landlord to recover possession of the Demised Premises by proper suit, action, proceedings or other remedy; it being agreed that, after the service of notice to cancel or terminate as herein provided and the expiration of the time therein specified, after the commencement of any suit, action, proceedings or other remedy, or after a final order or judgment for possession of the Demised Premises, Landlord may demand, receive and collect any moneys due, or thereafter falling due, without in any manner affecting such notice, suit, action, proceedings, order or judgment; and any and all such moneys so collected shall be deemed to be payments on account of the use and occupation of the Demised Premises, or at the election of Landlord, on account of Tenant's liability hereunder.

48.23 NOTICES.

Any notice, demand, request for consent or other communication given under this Lease must be in writing and shall be deemed sufficiently given if served personally or by an nationally recognized overnight courier, if to Tenant, to the notice set forth below, and if to Landlord, to the address first set forth in the Lease, or to such other address or addresses as Landlord or Tenant may designate from time to time on at least ten (10) Business Days of advance notice given to the other in accordance with the provisions of this Section 48.23. Any such notice, demand, request for consent or other communication shall be deemed to have been given (x) on the date that it is hand delivered, as aforesaid, or (y) on the first (1st) Business Day after the date that it is sent by a nationally-recognized courier, as aforesaid.

Tenant hereby designates its address for the period **prior to the Commencement Date as**

Gary S. Loffredo

President Digital Cinema & General Counsel,

902 Broadway, 9th Floor

New York, NY 10010

after the **Commencement Date as**

45 West 36th Street 7th floor,

New York, NY 10018,

Attention; Bill Bondheim

with a copy to:

Gary S. Loffredo

President Digital Cinema & General Counsel

45 West 36th St. 7th floor

New York, NY 10018

Landlord designates its email addresses as samco440@aol.com, zsmith@sameoproperties.net, and jsmith@milsmith.com

Tenant designates its email address as

gloffredo@cinedigm.com

BSondheim@Cinedigm.com

Whenever one party is required or permitted to send any notice to the other party under or pursuant to this Lease, including, but not limited to any demand for rent or notice of default, it may be given by such party's agent, attorney, executor, trustee or personal representative, provided that such party has been given prior notice to the other party that such agent, attorney, etc. is authorized by such party to deliver notices, with the same force and effect as if given by such party. Landlord hereby advises Tenant that Landlord's current agent is Samco Properties, having an address at 116 East 27th Street, 3rd Floor, New York, New York 10016, and that Landlord's attorneys are authorized to send notices on behalf of Landlord.

Notice by email is permissible provided that the other party replies.

48.24 PROCEEDING BETWEEN LANDLORD AND TENANT.

It is hereby understood by and between Landlord and Tenant that Tenant herein shall not be entitled to any abatement of rent or rental value or diminution of rent in any dispossess proceedings for a nonpayment of rent, by reason of any breach by Landlord of any covenant contained in this Lease on its part to be performed, and in any dispossess for nonpayment of rent, Tenant shall not have the right of set-off by way of damage, recoupment or counterclaim any damages which Tenant may have sustained by reason of Landlord's failure to perform any of the terms, covenants or conditions contained in this Lease, on its part to be performed, other than statutory mandatory counterclaims, but Tenant shall be relegated to an independent action for damages and such independent action shall not be at any time joined or consolidated with any action or proceeding to dispossess for nonpayment.

48.25 REMEDIES.

The rights and remedies given to Landlord in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any of the others herein or by law or equity provided.

48.26 STATUS OF PARTIES.

Nothing in this Lease shall be deemed to constitute the Landlord and the Tenant as partners, or business associates, or in any way responsible for the other.

48.27 SURVIVAL.

The expiration of the Term, whether by lapse of time, termination or otherwise, shall not relieve either party of any financial obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

48.28 VENUE AND GOVERNING LAW.

This Lease shall be deemed to have been made in New York County, and shall be construed in accordance with the laws of the State of New York. All actions or proceedings relating, directly or indirectly to this Lease shall be litigated only in Courts located within the County of New York.

48.29 WAIVER OF TRIAL BY JURY AND NO SET-OFF.

Supplementing Article 26 of the Lease, Tenant shall and hereby does waive its right and agrees not to interpose any counterclaim or set off, of whatever nature or description, in any summary proceeding or action which may be instituted by Landlord against Tenant to recover rent, additional rent other charges, or for damages, or in connection with any matters or claims whatsoever arising out of or in any way connected with this Lease, or any renewal, extension, holdover, or modification, thereof, relationship of Landlord and Tenant, or Tenant's use or occupancy of said Demised Premises, except for statutory mandatory counterclaims. This clause, as well as the "waiver of jury trial" provision contained in the printed portion of this Lease, shall survive the expiration, early termination, or cancellation of this Lease or the term thereof. Nothing herein or therein contained,

however, shall be construed as a waiver of Tenant's right to commence a separate plenary action on a bona fide claim against Landlord.

48.30 WAIVER OF MONEY DAMAGES IN CERTAIN CIRCUMSTANCES.

Whenever in this Lease Landlord's consent or approval is required in any provision of this Lease, Landlord's failure to grant such consent or approval shall never be the basis for any award of damages or give rise to a right of set off to the Tenant, but shall be the basis for a declaratory judgment or specific injunction with respect to the matter in question. If Landlord delays or refuses such consent or approval, Tenant's sole remedy shall be an action for specific performance to direct the Landlord to give the required consent; and Tennant shall not be entitled to make (and shall not make) any claim, and Tenant hereby waives any claim for money damages (nor shall Tenant claim any money damages by way of set off, counterclaim or defense) based upon any claim or assertion by Tenant that Landlord unreasonably withheld or delayed Landlord's consent or approval. However, to the extent that there is a dispute which cannot be resolved between the parties involving Landlord's reasonableness, the question of same shall be immediately submitted for resolution to arbitration by Tenant under the Expedited Procedures Provisions of the Commercial Arbitration Rules of the American Arbitration Association, wherein each party must designate its arbitrator within fifteen (15) Business Days, and the arbitrators shall be instructed to reach a determination as to the reasonableness of Landlord's actions within fifteen (15) Business Days thereafter. In the event of a determination favorable to Tenant, the requested consented shall be deemed to have been granted by Landlord, and Landlord shall pay Tenant's attorney's fees (not to exceed $5,000.00) and other costs incurred in connection with such proceeding or action (not to exceed $5,000.00).

48.40 RENEWAL OPTION.

Notwithstanding anything to the contrary in the Lease, provided Tenant shall not be in default hereunder, beyond any applicable notice and cure period, Tenant shall have the right to renew this Lease for an additional period of five (5) years by providing Landlord of written notice of such election on or before June 1, 2020. During the option period all terms and conditions of the shall continue to be in full force and effect except that the basic annual rent sail be as follows: In the event of such exercise, the Basic Annual Rent shall be three percent (3%) greater than the Basic Annual Rent during the second year of the current Lease term.

Time Period	Per Year	Per Month
5/1/2021-4/30/2022	$498,841.88	$41,570.16
5/1/2022-4/30/2023	$513,807.13	$42,817.26
5/1/2023-4/30/2024	$529,221.35	$44,101.78
5/1/2024-4/30/2025	$545,097.99	$45,424.83
5/1/2025-4/30/2026	$561,450.93	$46,787.58

48.4 ASSIGNMENT/SUBLET.

Notwithstanding anything to the contrary in Article 11 of the Lease, Landlord shall not unreasonably withhold, delay or condition its consent to any requested assignment of the Lease or sublet of all or any portion of the premises by Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Rider to Lease as of the date first above written in the printed form of the Lease.

45 West 36th Street LLC, LANDLORD

/s/ Adam Smith
BY: ADAM SMITH
ITS:

Cinedign Corp

/s/ William S. Sondheim
BY:
NAME: William T. Sondheim
ITS: President

EXHIBIT A
Form of Contractor Indemnity Agreement
[under review]

To be retyped on Letterhead of Tenant's General Contractor, addressed to:

45 West 36th Street
116 East 27th Street, 3rd Floor
New York, New York 10016

RE: Tenant: __
Premises: 45 West 36th Street, NYC

EXHIBIT A
Form of Contractor Indemnity Agreement

The undersigned contractor or subcontractor (hereinafter called "Contractor") has been hired by the Landlord or occupant (hereinafter called "Tenant') of the Building named above or by Tenant's and/or Landlord's contractor to perform certain work (hereinafter called "Work") for Tenant and/or Landlord in the in the Building. Landlord shall grant Contractor access to the Building and its facilities in connection with the performance of the Work and Landlord agrees to grant such access to Contractor upon and subject to the following terms and conditions:

1) Contractor agrees to indemnify and save harmless the Landlord, any Superior Lessor and any Superior Mortgagee and their respective officers, employees, agents, affiliates, subsidiaries, and partners, and each of them, from and with respect to any claims, demands, suits, liabilities, losses and expenses, including reasonable attorneys' fees, arising out of or in connection with the Work (and/or imposed by law upon any or all of them) because of personal injuries, including death at any time resulting therefrom, and loss of or damage to property, including consequential damages, whether such injuries to persons or property are claimed to be due to negligence of the Contractor, Tenant, Landlord or any other party entitled to be indemnified as aforesaid except to the extent specifically prohibited by law (and any such prohibition shall not void this Agreement but shall be applied only to the minimum extent required by law),

2) Contractor shall provide and maintain at its own expense, until completion of Work, the following insurance:

   a) Workers' Compensation and Employers' Liability Insurance covering each and every workman employed in, about or upon the Work, as provided for in each and every statute applicable to Workers' Compensation and Employers' Liability Insurance.

   b) Commercial General Liability Insurance Including Coverage for Completed Operations, Broad Form Property Damage "XCU" exclusion if any deleted, and

Contractual Liability (to specifically include coverage for the indemnification clause of this Agreement) for not less than the following limits:

Combined Single Limit
Bodily Injury and
Property Damage Liability: 2,000,000 (written on a per occurrence basis)

c) Commercial Automobile Liability Insurance (covering all owned, non-owned and/or hired motor vehicles to be used in connection with the Work) for not less than the following limits:

Bodily Injury: $2,000,000 per person
$2,000,000 per occurrence
Property Damage: $2,000,000 per occurrence
$5,000, 000 umbrella

Contractor shall furnish a certificate from its insurance carrier or carriers to the Building office before commencing the Work, showing that it has complied with the above requirements regarding insurance and providing that the insurer will give Landlord 10-days prior written notice of the cancellation of any of the foregoing policies.

3) Contractor shall require all of its subcontractors engaged in the Work to provide the following insurance:

a) Commercial General Liability Insurance Including Protective and Contractual Liability Coverage with limits of liability at least equal to the above stated limits.

b) Commercial Automobile Liability Insurance (covering all owners, non-owned and/or hired motor vehicles to be used in connection with the Work) for not less than the following limits:

Bodily Injury: $2,000,000 per person
$2,000,000 per occurrence
Property Damage: $2,000,000 per occurrence
$5,000, 000 umbrella

Upon the request of Landlord, Contractor shall require all of its subcontractors engaged in the Work to execute an Insurance Requirements agreement in the same form as this Agreement.

Agreed to and executed this day of ____, 20_.

(Contractor's Name and Signature)

(Name)

By:

This agreement shall be being binding again Contractor its successors and/or assigns at all times (Evergreen) that Contractor performs Work in the Building

CONSENT TO SUBLET AGREEMENT

Dated: April 10, 2017

NTT DATA, Inc., (f/k/a M.I.S.I. Company, Ltd.)
100 City Square,
Boston Massachusetts 02129

Re: Lease, dated March 1, 2006, between 45 West 46th Street LLC, as landlord (referred to herein as "Owner") and NTT DATA, Inc., (f/k/a M.I.S.I. Company, Ltd.) (referred to herein as "Tenant") now affecting the entire 7th floor in the building (referred to herein as the "Building") known as 45 West 36th Street, Borough of Manhattan, City of New York, for a term which shall expire on April 30, 2019, unless sooner terminated pursuant to any of the terms, covenants and conditions of said lease or pursuant to law (said lease, shall be referred to as the "Lease"), and the premises demised in the Lease are referred to herein as the "Demised Premises")

Gentlemen:

In accordance with your request, Owner hereby grants to Tenant permission to sublet to Cinedigm Corp. having an address at 1901 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067 (referred to herein as "Subtenant") that space constituting the entire 7th Floor at the Building (said space is referred to herein as the "Sublet Space") for a term commencing pursuant to the terms of the sublease evidencing such subletting (referred to herein as the "Sublease") and expiring on April 29, 2019, which subletting, however, shall be subject to the following terms and conditions of this Consent to Sublet Agreement (this "Agreement") which shall be deemed controlling over any contrary terms and conditions contained in the Lease or in the Sublease, a copy of which Sublease is attached hereto as Exhibit "A" and which the Tenant and Subtenant represent and warrant to Owner constitutes a true copy thereof and, together with this Agreement, the entire agreement with respect to the subletting transaction referred to herein. The attachment of the Sublease to this Agreement shall not constitute Owner's agreement to be bound by any provisions of the Sublease or in any way modify the Lease or this Agreement.

Subtenant will use and occupy the Sublet Space for general business offices and storage and for no other use or purpose whatsoever. Subtenant shall not use or occupy, or permit the use or occupancy of, the Sublet Space or any part thereof, for any purpose other than the purpose specifically set forth above, or in any manner which, in Owner's reasonable judgment, shall adversely affect or interfere with any services required to be furnished by Owner to Tenant or to any other tenant or occupant of the Building, or with the proper and economical rendition of any such service, or with the use or enjoyment of any part of the Building by any other tenant or occupant. Except as stated elsewhere in this Agreement, no Alterations (as defined in the Lease) shall be made by Tenant or Subtenant in the Sublet Space without the prior written consent of Owner in accordance with the Lease, except as for that Owner consents having a wall built between the conference room as set forth in Exhibit F of the sublease(to the extent necessary, Subtenant, at its cost, shall obtain

any necessary building permits and sign-offs applicable to such Alterations as set forth in the Sublease).

If, at any time prior to the expiration of the term of the Sublease, the term of the Lease shall terminate or be terminated for any reason including, but not limited to, termination by of the Lease or by operation of law, the Sublease and the term thereby granted shall terminate, and, on or prior to the date of such termination of the Sublease, Subtenant, at Subtenant's sole cost and expense, (i) shall quit and surrender the Sublet Space to Owner, broom clean and in good order and condition, ordinary wear excepted, and (ii) shall remove all of Subtenant's personal property and all other property and effects of Subtenant and all persons claiming through or under Subtenant from the Sublet Space and the Building.

Subtenant shall furnish to Landlord within 10 days from the date hereof, certificate of insurance pursuant the terms and conditions of the lease dated as of the dated hereof between Owner and Subtenant.

(a) Tenant indemnifies, defends and holds harmless the Owner for (i) any commission due to Savills Studley, Inc and Jonathan Barry and Associates, LLC in connection with the subletting contemplated hereby (which Tenant shall pay) and (ii) any loss, costs, liability, damage or expense (including, without limitation, reasonable attorney's fees and disbursements) incurred by reason of any claim or liability to any broker who shall claim to be entitled to a commission in connection with the Sublease as a result of its dealings with Tenant and (b) Subtenant indemnifies, defends and holds harmless the Owner for any loss, costs, liability, damage or expense (including, without limitation, reasonable attorney's fees and disbursements) incurred by reason of any claim or liability to any broker who shall claim to be entitled to a commission in connection with the Sublease as a result of its dealings with Subtenant.

The Sublease is subject and subordinate in all respects to the Lease and to all of the terms, covenants and conditions thereof. Subtenant shall not violate or permit the violation of any of the terms, covenants and conditions of the Lease including, but not limited to, the Building Rules. Subtenant shall not pay to Tenant more than one (1) month's rent in advance. The principal terms and conditions of the Sublease shall not be modified without the prior written consent of Owner, which consent shall not be unreasonably withheld or delayed. No party hereto shall be bound by any modifications to this Agreement to which such party has not agreed in writing.

If Tenant shall terminate or shall give any notice to Subtenant terminating the Sublease, Tenant shall notify Owner thereof promptly thereafter.

The Tenant and Subtenant agree any notices sent to pursuant to the paragraph 19 of the Sublease shall be sent to Owner c/o Samco Properties, 116 East 27th Street, New York, New York 10016.

Upon Tenant being in monetary default of the Lease beyond all applicable notice, grace and/or cure periods, Owner shall notify Subtenant and Tenant absolutely and irrevocably hererby assigns to Owner any and all rents with respect to the Sublease ("Rent") and grants to Owner the right to enter upon the Sublet Space for the sole purpose of collecting the same as a licensee of

Tenant. By accepting any Rent from the Subtenant herein or any subtenant or licensee, such acceptance shall in no circumstances for any reason whatsoever create a landlord and tenant relationship or a contractual relationship between Owner and Subtenant or any other subtenant or licensee in the Sublet Space. In exercising the foregoing rights in this paragraph, Owner shall be entitled to collect and receive such Rent apply such Rent to the rent and additional rent arrears under the Sublease. Owner at any time, with notice may in its sole discretion cancel its right to receive Rent and commence a summary proceeding, or an action, as permitted by law, to recover exclusive possession of the Demised Premises.

The Subtenant agrees, at any time and from time to time, as requested by Owner, upon not less than 10 days prior written notice, to execute and deliver a statement certifying that the Sublease is unmodified and in full force and effect (or if there had been modifications that the same is in full force as modified and stating the modifications), certifying the dates and amount to which the rent and additional rent had been paid, and stating whether or not, to the best knowledge of Subtenant, and, if so, specifying each such default of which Subtenant may have knowledge, and stating whether or not to the best of knowledge of the Subtenant, any event has occurred which with the giving of notice or passage of time, or both, would constitute such a default, and if so, specifying each such event, it being intended that any such statement delivered pursuant thereto shall be deemed a representation and warranty to be relied upon by Owner and by others with whom Landlord may be dealing, regardless of independent investigation.

Provided that Tenant in not in default of the Lease in any manner, Landlord agree not to accept a *voluntary* lease surrender from Tenant.

Tenant or Subtenant shall cause to be paid the sum of $750.00 to Smith & Shapiro for the preparation and review of the sublease agreement

Your signature and that of the Subtenant at the foot of this letter will constitute a record of the foregoing understanding and that this agreement may be signed in counterparts. Facsimile/PDF signatures shall be deemed as originals for all purposes.

45 West 36th Street LLC., Owner

By: /s/ Adam Smith
Name: Adam Smith
Title: Partner

APPROVED AND AGREED:

NTT DATA, Inc., (f/k/a M.I.S.I. Company, Ltd.), Tenant

By: /s/ Patrick McInroe
Name: Patrick McInroe
Title: VP of R.E.

Cinedigm Corp., Subtenant

By: /s/ William S. Sondheim
Name: William S. Sondheim
Title: President

OFFICE SPACE SUBLEASE

THIS AGREEMENT OF SUBLEASE (the "Sublease") dated as of **APRIL 10, 2017** between NTT DATA, Inc., (f/k/a M.I.S.I. Company, Ltd.) a Delaware corporation, with offices at with offices Delaware corporation, with offices at 1901 Avenue of the Stars, 12th Floor, Los Angeles, CA at 100 City Square, Boston Massachusetts 02129, ("Sublandlord") and Cinedigm Corp., a 90067 ("Subtenant").

WITNESSETH

WHEREAS, by *Standard Form of Loft Lease* dated **July 1, 2008**, Sublandlord leased from 45 West 36th St., LLC (hereafter "Overlandlord") certain premises containing 10,500 square feet, of space in the building comprising of the entire seventh (7th) floor of 45 W 36th Street, New York, NY 10018 (the "Building") which lease, together with any modifications, amendments, assignments and assumptions thereof, addenda, and/or supplements thereto is hereafter referred to as the "Principal Lease," a copy which is attached hereto as **Exhibit B**; and

WHEREAS, Sublandlord desires to sublease such premises as is shown as sublease area on **Exhibit A** attached hereto (the "Subleased Premises") to Subtenant.

NOW, THEREFORE, in consideration of the payable rent and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant agree as follows:

1. **Demise**. Sublandlord hereby subleases to Subtenant and Subtenant hereby subleases from Sublandlord the Subleased Premises, including a right of passage from the building corridor to the Subleased Premises, upon and subject to the terms, covenants, and conditions hereinafter set forth. This Sublease is specifically subject and subordinate to the Principal Lease, any ground or underlying leases (the "Ground Leases"), any mortgages and/or deeds of trust, modifications, consolidations, and replacements of the Ground Leases and said mortgages and deeds of trust (collectively, "Superior Interests").

2. **Term**. The term of this Sublease (the "Term") shall commence upon the later of the (i) full execution of this Sublease by Sublandlord and Subtenant, receipt of consent by Overlandlord to this Sublease, and delivery of possession of the Subleased Premises to Subtenant in the condition required under this Sublease; (ii) or July 1, 2017 (the "Commencement Date") and shall terminate no later than at 11:59 P.M. on April 30, 2019. The anticipated Commencement Date (the "Anticipated Commencement Date") is July 1, 2017. Sublandlord shall not be liable to Subtenant for any loss or damage caused by any failure to deliver possession of the Subleased Premises to Subtenant on the Anticipated Commencement Date.; provided, however, that if the Commencement Date has not occurred by August 15, 2017, Subtenant may terminate this Lease and neither party shall have any further rights, obligations or liabilities under this Sublease.

3. Rent.

a) Subtenant agrees to pay Sublandlord as rent for the Subleased Premises three hundred ninety-nine thousand and 00/100 dollars ($399,000.00 / $38 p.s.f.) for the first twelve (12) months of the Term (the "Fixed Annual Rent") in equal monthly installments on the first day of each month in the amount of $33,250.00 ("Monthly Base Rent"). On the first anniversary of this Sublease (namely, July 1, 2018) and thereafter, Subtenant agrees to pay Sublandlord as rent for the Subleased Premises an annual rate of four hundred ten thousand nine hundred seventy and 00/100 dollars ($410,970.00) which shall be prorated for the remainder of the Term in equal monthly installments of thirty-four thousand two hundred forty-seven and 50/100 dollars ($34,247.50).

Subtenant shall pay the first full month's Monthly Base Rent due hereunder upon the execution of this Sublease, Monthly Base Rent for any partial calendar month during the Term shall be prorated on a per diem basis. Notwithstanding the foregoing, Fixed Annual Rent for the second and third months of the Term shall be abated.

b) Commencing on the Commencement Date Subtenant shall pay to Sublandlord Subtenant's Proportionate Share (hereafter defined) of Operating Expense Escalations as defined in Article 42 of the Principal Lease of, but Subtenant shall not be liable for any portion of the Tax Escalation as defined in Article 42.03 of the Principal Lease or any other real estate taxes or assessments imposed upon Sublandlord or the Subleased Premises.

c) All payments due under this Section shall be payable without demand (except as expressly provided), and without abatement, offset, deduction, or counterclaim to the order of **NTT DATA, Inc., 5601 Granite Parkway, Suite 1000, Plano, Texas 75024 Attention: VP-Facilities**, or elsewhere as designated from time to time in writing or by Sublandlord. If Subtenant shall fail to pay (i) any installment of Monthly Base Rent within five (5) days after its due date or (ii) any additional rent (as provided in subparagraph (a) above) within ten (10) days after its due date, Subtenant shall also pay to Sublandlord interest on the amount overdue from its original due date at a rate of the lesser of 1.5% per month and the maximum rate allowed by law, such interest to be payable as additional rent hereunder. The payment of such late charge shall be in addition to all other rights and remedies available to Sublandlord in the case of non-timely payment of Monthly Base Rent and/or additional rent. Subtenant's obligations under this Section shall survive the expiration of earlier termination of the Term.

4. **Use**. Subtenant shall use the Subleased Premises for the purposes set forth in the Principal Lease and for no other purpose whatsoever. Subtenant shall use and occupy the Subleased Premises in full compliance with the terms of the Principal Lease.

5. Incorporation of Principal Lease, Inapplicability of Certain Provisions, Attornment

a) The terms and provisions of the Principal Lease are incorporated herein by reference, except for such provisions as are inapplicable to the Subleased Premises or are inconsistent with or modified by the terms of this Sublease, and further except that all references to the premises shall refer, instead, to the Subleased Premises and all references to landlord and tenant shall refer instead to Sublandlord and Subtenant respectively.

b) Subtenant covenants and agrees that if, for any reason whatsoever, the Principal Lease or leasehold estate of the tenant thereunder is terminated, this Sublease shall also terminate as of the date of the termination of the Principal Lease unless Overlandlord elects to have this Sublease continue in full force, in which case this Sublease will continue as a direct lease between Overlandlord and Subtenant, and Subtenant will attorn to Overlandlord and will recognize Overlandlord as Subtenant's landlord under this Sublease. Subtenant covenants and agrees to execute and deliver, at any time, within ten (10) days following a request therefor by Sublandlord or Overlandlord, any instrument which may be reasonably necessary or appropriate to evidence such attornment.

c) Subtenant shall perform all the obligations of the tenant under the Principal Lease except as otherwise provided by this Sublease, and Subtenant's obligations shall be performed for the benefit of Sublandlord or Overlandlord as Sublandlord may determine to be appropriate under the circumstances. Subtenant shall indemnify Sublandlord against and hold Sublandlord harmless from all claims, damages, costs, liabilities and expenses including, but not limited to, reasonable attorneys' fees and disbursements, arising from or in connection with any failure to perform or observe the obligations of the tenant under the Principal Lease as incorporated in this Sublease by reference, except to the extent Subtenant is not obligated to perform such obligations in accordance with the terms of this Sublease. Subtenant shall not do, omit or permit to be done any act or thing, which is, or with notice or the passage of time would be a default under the Principal Lease or this Sublease.

6. Condition of Subleased Premises.

a) Subtenant agrees that it has inspected the Subleased Premises, agrees to take the same in their present "as is" condition, and acknowledges that no representation with respect to their condition have been made and that Sublandlord will not perform any work to prepare the Subleased Premises for Subtenant's occupancy. Any work required by the Subtenant to prepare the Subleased Premises for its occupancy and any other changes, alterations, or improvements desired to be made to the Subleased Premises by Subtenant (collectively, "Alterations") shall be at the sole cost and expense of Subtenant and shall be subject to the prior written approval of Sublandlord, which approval-shall not be unreasonably withheld, conditioned or delayed, and of Overlandlord and any Alterations so approved shall be performed in full compliance with the applicable provisions of the Principal Lease. Subtenant

shall not be entitled to any Alteration allowances from the Overlandlord that are provided to Sublandlord under the Principal Lease.

b) Sublandlord and Subtenant hereby agree that:

(i) Sublandlord's furniture, workstations shall remain in the Premises and shall become the property of the Subtenant upon the expiration of the Sublease.

(ii) HVAC systems shall be delivered in good working order.

7. **Repair and Maintenance**. Subtenant shall at its own expense maintain and keep the Subleased Premises in good order, condition, and repair. Subtenant shall be responsible for all damage and/or injury done to the Subleased Premises or to the Building during the Term by Subtenant or by its employees, agents, independent contractors, invitees, or customer. Subtenant is responsible for its janitorial service in the Subleased Premises. Subtenant assumes responsibility and shall pay for all utilities exclusively serving the Subleased Premises and agrees to be directly billed by the applicable utility companies, when possible, pursuant to the terms of the Principal Lease.

8. **Subletting/Assignment**. Subtenant shall not, by operation of law or otherwise, assign this Sublease to, or further sublet to or permit the use or occupancy of all or any part of the Subleased Premises by any other party without the prior written consent of Sublandlord, which consent shall not be unreasonably withheld, conditioned or delayed. In addition, Subtenant's assignment of the Sublease is subject to overlandlord's written consent pursuant to the terms of the Principal Lease. Subtenant agrees to pay any and all of Overlandlord' s expenses and costs charged to the Sublandlord for the review of all related documents and/or the provision of the aforementioned consent except in connection with Overlandlord's review of this Sublease and all related documentation.

9. **Sublandlord's Obligations**. Sublandlord agrees that Subtenant shall be entitled to receive all services and repairs provided by Overlandlord under the Principal Lease, and that Sublandlord will cooperate with Subtenant, at Subtenant's sole cost and expense, to cause Overlandlord to perform Overlandlord's obligations under the Principal Lease with respect to the Subleased Premises, so long as Subtenant is not in default hereunder beyond any applicable notice and cure period. It is expressly agreed by the parties, however, that Sublandlord does not assume any obligation to perform the terms, covenants, and conditions contained in the Principal Lease on the part of Overlandlord under the Principal Lease to be performed, or any liability for the accuracy of any warranty or representation made by Overlandlord under Principal Lease and that Subtenant shall look solely to Overlandlord for the performance of such obligations and the inaccuracy of any such warranties or representations.

10. **Release from Liability**. Neither Sublandlord nor any of its officers, agents, or employees shall be liable for any injury, loss, or damage to persons or property, sustained by Subtenant or any other person or other entity due to (i) the Subleased Premises, the Building or any

part or appurtenances of either being or becoming out of repair, (ii) the happening of any accident in or about the Subleased Premises or the building unless caused by the negligence or willful misconduct of Sublandlord or any of its officers, agents or employees, or (iii) any act or neglect of any tenant or occupant of the Building or of any other person or other entity, other than Sublandlord, its officers, agents or employees.

11. Right to Cure. If Subtenant fails to fulfill any of its obligations under this Sublease including, but not limited to, its obligations to maintain and repair the Subleased Premises, which failure continues for more than 20 days after written notice to Subtenant (except in case of emergency where no notice and cure period shall be afforded Subtenant) then Sublandlord or Overlandlord may, at its option, fulfill such obligation on Subtenant's behalf and Subtenant shall upon demand reimburse Sublandlord for all reasonable expenditures, fines or damages (other than indirect or consequential damages) sustained by Sublandlord due to Subtenant's noncompliance with or nonperformance or breach of any of the terms, covenants, or conditions of this Sublease or of the Principal Lease as incorporated herein. All reimbursements under this Section 11 shall constitute additional rent payable under this Sublease and shall bear interest in accordance with Section 3 (c) above.

12. Insurance.

a) Subtenant shall throughout the Term and its sole cost and expense maintain in full force and effect such policies of insurance as are required of Sublandlord as Tenant under Article 47 of the Principal Lease and to the extent not provided therein, policies insuring Subtenant from:

i) All claims, demands, and/or actions for injury to or death of any person in any amount of no less than $2,000,000.00 for injury to or death of more than one person in any one occurrence to the limit of $3,000,000.00 made by, or on behalf of, any person or other entity arising from, related to or in connection with the Subleased Premises and $2,000,000.00 for property damage. **Sublandlord and Overlandlord shall be named as additional insureds on such policy of insurance**. The foregoing insurance limits shall be increased to such amounts as the Overlandlord may require upon not less than thirty (30) days' notice to Subtenant; and

ii) All worker's compensation claims as required by applicable law.

All insurance required to be maintained by Subtenant shall be with companies and in form, substance and amount reasonably satisfactory to Overlandlord and Sublandlord and shall name Overlandlord, Sublandlord and any Third Parties as additional insureds. The aforesaid insurance shall not be subject to cancellation, amendment, or modification except after at least thirty (30) days' prior written notice to Overlandlord, Sublandlord and any Third Parties as additional insureds. Certificates of such insurance policies, in form reasonably satisfactory to Sublandlord, shall be deposited with Sublandlord prior to the commencement of the Term, and renewal certificates thereof shall be deposited with Sublandlord no less than ten (10) days before the end of the term of each such coverage

from time to time, and shall contain a waiver of all rights of subrogation as such companies may have against Sublandlord and Overlandlord.

b) Subtenant shall not store upon the Subleased Premises any materials or use the Subleased Premises in any manner that may result in an increase in Sublandlord's and/or Overlandlord's premiums for the fire or casualty insurance insuring the Building or Subleased Premises. Without limiting the foregoing, in the event that Subtenant's storage of materials upon or use of the same at the Subleased Premises results in an increase in said premiums, Subtenant shall pay to Sublandlord or Overlandlord, as the case may be, a sum equal to the amount of such increase following delivery to Subtenant of reasonably detailed information evidencing that Subtenant's actions were the cause of such increase in premiums.

13. **Indemnity**. Subtenant will protect, defend, indemnify, and hold harmless Sublandlord and its agents, directors, officers, and employees from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs, and expenses (including without limitation reasonable attorneys' fees and disbursements) imposed upon or incurred by or asserted against any one or more of the aforesaid by reason of (i) any failure on the part of Subtenant to perform any obligations of Subtenant hereunder, (ii) any damage or injury to persons or property occurring upon or in connection with the use or occupancy of the Subleased Premises, or (iii) the performance of any labor or services or the furnishing of any material or other property in respect of the Subleased Premises or any part thereof except to the extent caused by the negligence or willful misconduct of Overlandlord or Sublandlord, or their respective agents, directors, officers or employees; and if any action, suit or proceeding is brought against any one or more of the aforesaid by reason of any such occurrence, Subtenant will, at Sublandlord's and Overlandlord's respective options, either defend such action, suit or proceeding at Subtenant's cost and expense with counsel approved in writing by Sublandlord or Overlandlord, as the case may be, or reimburse Sublandlord or Overlandlord, as the case may be, upon demand and as additional rent hereunder for such costs and expenses (including reasonable attorneys' fees and disbursements) as Sublandlord or Overlandlord, as the case may be, may incur in connection with such defense. The terms and provisions of this Section 13 shall survive the expiration or earlier termination of the Term.

14. **Consents**. The parties agree that this Sublease shall not become effective for any purpose unless and until it has been consented to in writing by Overlandlord and by any other entitles whose consent is required under the Principal Lease ("Third Parties"). Sublandlord shall reasonably promptly after receipt of fully executed copies of this Sublease submit the same to Overlandlord and any Third Parties for its/their consent; provided, however, that Sublandlord shall not in any event be liable to Subtenant for any failure to obtain same. Subtenant shall fully cooperate with Sublandlord and Overlandlord and any Third Parties in order to obtain the necessary consent(s) including, but not limited to, promptly supplying such information and/or documentation as Overlandlord and/or any Third Parties may request in connection therewith. If the consent of Overlandlord and that of any Third Parties is not obtained within 45 days after full execution and delivery of this Sublease (or if

Sublandlord exercises its option to extend the period within which such consent(s) must be obtained as noted below, within 90 days after full execution and delivery of this Sublease) then either party may, upon notice to the other, cancel this Sublease, provided the party wishing to cancel has fully complied with its agreements and obligations under this Section. Upon such cancellation Sublandlord shall, so long as Subtenant has not occupied the Subleased Premises for any purposes, refund to Subtenant any item of rent or additional rent paid by Subtenant, and Sublandlord and Subtenant shall be entirely relieved of any further obligations under this Sublease other than the terms and provisions of Section 13 of this Sublease which shall survive such cancellation. Notwithstanding anything to the contrary herein contained, (i) Sublandlord shall have the unilateral right at its option, to extend for an additional 45 days the period for obtaining the necessary consent(s); and (ii) Subtenant shall have no responsibility for any costs or expenses of Sublandlord or Overlandlord in connection with request for Overlandlord's consent to this Sublease.

In all provisions of the Principal Lease requiring the approval or consent of Overlandlord or any Third Parties, Subtenant shall only request the approval or consent of Sublandlord and, thereafter, if Sublandlord grants its approval, Subtenant shall apply to Overlandlord and/or any Third Parties for such consent,

15. **Termination**. Upon any termination of this Sublease, expiration or otherwise (unless Subtenant has entered into a direct lease with Overlandlord commencing upon the expiration of this Sublease):

a) Subtenant shall immediately vacate the Subleased Premises and surrender possession thereof to Sublandlord in as good condition and as when Subtenant took possession, ordinary wear and tear and repair acts of God excepted and otherwise in accordance with the applicable provisions of the Principal Lease;

b) Sublandlord shall have full authority and license to enter the Subleased Premises and take possession subject to, and in accordance with applicable law; and

c) Subtenant shall remove from the Subleased Premises all property not owned by Overlandlord or Sublandlord, and shall repair and restore any damage to the Subleased Premises and the Building caused by the removal thereof. If Subtenant leaves any such property in the Subleased Premises, it shall be deemed abandoned and title thereto shall pass to Sublandlord with respect to the removal of any such property and the repair and restoration of any damage thereby caused, which obligation shall survive the expiration or other termination of this Sublease.

d) If the Subleased Premises are not surrendered upon termination of this Sublease, Subtenant shall indemnify Sublandlord against any liability resulting therefrom (including without limitation any liability accruing to Overlandlord under the Principal Lease). Subtenant's obligations under this Section 15 shall survive the expiration or earlier termination of the Term.

16. Waiver of Rights.

a) No receipt of money by Sublandlord from Subtenant after the service of any notice or after the commencement of any suit of after final Judgment for possession of the Subleased Premises shall waive any default by Subtenant under this Sublease or reinstate, continue, or extend the Term or affect any such notice or suit, as the case may be.

b) No waiver of any default hereunder shall be implied from omission by Sublandlord to take any action on any default other than and only for the time and extent as may be specified in an express written waiver.

17. **Broker**. Each of the parties hereto represent and warrant to the other that it has dealt with no broker, finder or agent, in connection with the negotiation for or obtaining of this Sublease other than E.B. Smith and Savills Studley, Inc. as the representative of the Sublandlord and Jonathan Barry and Associates, Inc. as the representative of the Subtenant (the "Brokers"). The Brokers shall be paid in accordance with the terms of separate written agreement. Each party agrees to indemnify and hold harmless from and against all loss, liability, and expenses (including reasonable attorneys' fees and disbursements) incurred by the other as a result of any claim made against the other which is based upon a breach of said representation by the representing party. This Section shall survive the expiration or other termination of this Sublease.

18. **Security Deposit.**

a) As security for the faithful performance and observance by Subtenant of the terms, provisions, covenants, and conditions of this Sublease, Subtenant has delivered to Sublandlord a security deposit, or in the alternative a Letter of Credit, in form reasonably satisfactory to Sublandlord from a financial institution reasonably acceptable to Sublandlord (together, the "Security"), in the amount of ninety-nine thousand seven hundred fifty and 00/100 dollars ($99,750.00). In the event Subtenant defaults in any of the terms, provisions, covenants, and conditions of this Sublease, including, but not limited to, the payment of Monthly Base Rent and/or additional rent, Sublandlord may, at its discretion, use, apply or retain the whole or any part of the Security so deposited to the extent required for the payment of any Monthly Base Rent and additional rent; or any other sum as to which Sublandlord may be entitled or which it may expend by reason of Subtenant's default.

b) If Sublandlord applies or retains all or any portion of the Security delivered hereunder, Subtenant shall forthwith restore the amount so applied or retained so that all times the amount deposited shall be not less than the Security required hereunder.

c) If Subtenant fully faithfully complies with all of the terms, provisions, covenants, and conditions of this Sublease, the Security shall be returned without interest to Subtenant within ten (10) days following the Termination Date and after delivery of entire possession of the Subleased Premises to Sublandlord in accordance with and in the condition required by this Sublease and receipt of acknowledgement from Overlandlord to Sublandlord that the Premises are damage free and that no deductions

have been made against Tenant's Security Deposit for Subtenant's actions during its tenancy (unless Subtenant enters into a lease with Overlandlord as set forth above.

19. Notices.

a) In all provisions of the Principal Lease requiring that Sublandlord, as tenant thereunder, notify Overlandlord, Subtenant shall be required to give notice to both Sublandlord and Overlandlord.

b) All notices, demands, requests, defaults and termination to be given in connection with this Sublease (collectively, "notices") shall be in writing and shall be sent by receipted personal delivery, by registered or certified U.S. mail, return receipt requested, or by Federal Express, Airborne Express, or other national overnight air courier, to Sublandlord at **NTT DATA, Inc., Attention: VP-Facilities, 5601 Granite Parkway, Suite 1000, Plano, Texas 75024 with a copy to "NTT DATA Contract/Legal Services" at 100 City Square, Boston, Massachusetts 02129** , and to Subtenant at the Subleased Premises. Either party may change the address or person to receive notices upon written notice to the other. All notices shall be deemed effective upon receipt or rejection, if sent by personal delivery, three (3) days after prepaid tender, if sent by air courier or U.S. mail.

20. Miscellaneous

a) This Sublease shall be governed by and construed in accordance with the laws of the State of New York.

b) The section headings are inserted only for convenience and reference and in no way, define, limit, or describe the scope of this Sublease nor the intent of any provision hereof.

c) The provisions of this Sublease constitute, and are intended to constitute, the entire agreement of the parties to this Sublease. No terms, conditions, representations, warranties, promises or under takings of any nature whatever, express or implied, exist between the parties except as herein expressly set forth.

d) Any executory agreement hereafter made between Sublandlord and Subtenant shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment or surrender of this Sublease, in whole or in part, unless such agreement is in writing and signed by the parties hereto and consented to by Overlandlord and all Third Parties to the extent, if required by the Principal Lease and/or any such party's consent to this Sublease.

e) If any term, covenant, condition or provision of this Sublease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full three and effect, and shall in no way be impaired or

invalidated and shall be construed (to the extent possible) in such a way as to give effect to the intent of the invalid, void, or unenforceable provision in question.

f) This Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and their respective heirs, distributees, executors, administrators, successors and, except as otherwise provided herein.

g) Sublandlord and Subtenant warrant and represent to each other that their respective undersigned representatives have all due power and authority to execute this Sublease on their respective behalf and that all necessary corporate or similar action has been taken to ensure the binding effect of the terms and provisions of this Sublease.

h) Each right and remedy of Sublandlord or Subtenant provided for in this Sublease shall be cumulative and shall be in addition to every other right and remedy provided in this Sublease or now or hereafter existing at law or in equity or by statute or otherwise.

i) It is understood and agreed that the obligations of Sublandlord under this Sublease shall not be binding upon Sublandlord with respect to any period subsequent to the transfer of its interest in the Principal Lease, and that in the event of such transfer said obligations shall thereafter be binding upon the transferee of the Sublandlord's interest as tenant under the Principal Lease, but only with respect to the period ending with a subsequent transfer thereof.

j) Sublandlord and Subtenant hereby waive, to the extent permitted by law, the right to a jury trial in any action or legal proceeding between the parties or their successors arising out of this Sublease or Subtenant's occupancy of the Sublease Premises.

k) This sublease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Sublease.

l) If required by Sublandlord or Overlandlord, Subtenant, at its sole expense, agrees to restore the Subleased Premises to its present condition at the termination of the Sublease in the event that it elects (with all appropriate consent) to make alterations to the space.

m) Access to after hours HVAC is governed by the Principal Lease at Article **31.2**. Subtenant agrees to pay any and all separately metered utility charges for its space.

n) The parties agree that any rights to expand, contract, terminate, extend or renew the lease as provided under the Principal lease are not applicable to this Sublease.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS, WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first written above,

NTT DATA, Inc., ("Sublandlord") **WITNESS:**

/s/ Patrick McInroe /s/ Shelly K. Christianson
Signature

Patrick McInroe
Name

VP of R.E.
Title

4/18/17
Date

Cinedigm Corp **WITNESS:**
("Subtenant")

/s/ William S. Sondheim /s/ Jonathan P. Donahue
Signature

William S. Sondheim
Name

President
Title

4/18/17
Date

EXHIBIT A
Subleased Premises
Floor Plan

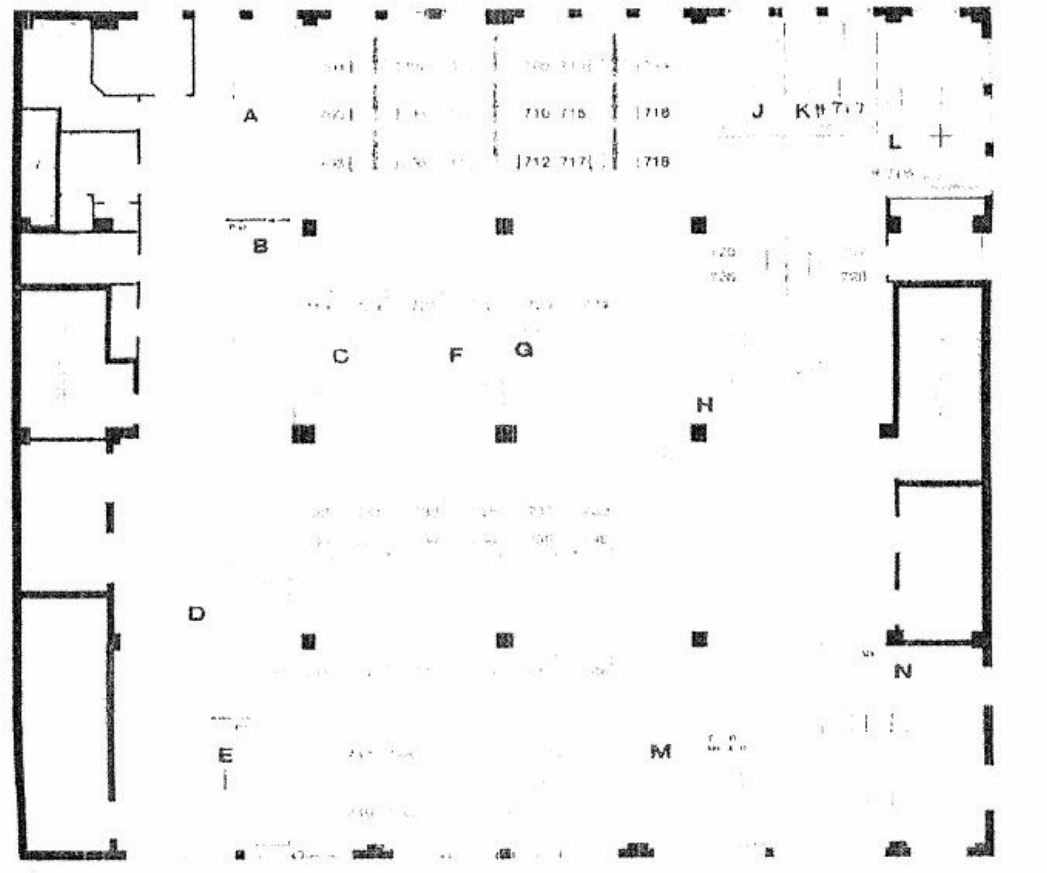

EXHIBIT B

Principal Lease provided under separate cover

Exhibit 10.23

Douglas Emmett Management, LLC
808 Wilshire Boulevard, 2nd Floor, Santa Monica, California 90401
Telephone 310.255,7777 Facsimile 310.255.7778

January 6, 2017

VIA CERTIFIED MAIL

Ms. Jill Calcaterra
Chief Marketing Officer
Cinedigm Corporation
1901 Avenue of the Stars, Suite 1200
Los Angeles, California 90067

Re: Office Lease
15301 Ventura Boulevard, Suite 410 & 420
Sherman Oaks, California 91403

Dear Ms. Calcaterra:

We are delighted that you have chosen to lease office space at Sherman Oaks Galleria. Enclosed for your records is a fully executed original of the Office Lease dated January 4, 2017 by and between Douglas Emmett 2016, Inc., a Delaware limited liability company and Cinedigm Corporation, a Delaware corporation.

If there is anything else we can do to assist you at this time, please do not hesitate to contact your property manager, Belinda Butcher at (818) 382-4100. We look forward to your upcoming occupancy at Sherman Oaks Galleria.

Sincerely,

/s/ Andrew B. Goodman

Andrew B. Goodman
Senior Vice President

ABG:eja

Enclosure

cc: Belinda Butcher
John Sharkey
Stella Cartozian

OFFICE LEASE

Between

DOUGLAS EMMETT 2016, LLC,
a Delaware limited liability company

as Landlord

And

CINEDIGM CORP.,
a Delaware corporation

as Tenant

Dated

January 4, 2017

OFFICE LEASE
BASIC LEASE INFORMATION TABLE

Date:	January 4, 2017
Landlord:	DOUGLAS EMMETT 2016, LLC, a Delaware limited liability company
Tenant:	CINEDIGM CORP., a Delaware corporation

SECTION		
1.1	Premises:	15301 Ventura Boulevard, Suites 410 and 420 Sherman Oaks, California 91403
1.4	Rentable Area of Premises:	Approximately 11,598 square feet consisting of: Suite 410: Approximately 3,037 square feet Suite 420: Approximately 8,561 square feet
1.4	Usable Area of Premises:	Approximately 9,109 square feet consisting of: Suite 410: Approximately 2,385 square feet Suite 420: Approximately 6,724 square feet
2.1	Term:	Five (5) years
	Commencement Date:	March 31, 2017
	Expiration Date:	March 31, 2022
3.1	Fixed Monthly Rent:	$38,853.30
3.7	Security Deposit:	$60,873.33
4.1	Tenant's Share:	13.56%
4.2	Base Year for Operating Expenses:	Calendar year 2017
6.1	Use of Premises:	General office and production use consistent with the operation of a first-class office building in the Sherman Oaks area
16.1	Tenant's Notice and Billing Address:	

	Before the Commencement Date:	1901 Avenue of the Stars, Suite 1200 Los Angeles, California 90067
	After the Commencement Date and Tenant's Billing Address:	15301 Ventura Boulevard, Suites 410 Sherman Oaks, California 91403
	Contact:	Ms. Jill Calcaterra, Chief Marketing Officer
	Landlord's Address for Notices:	Douglas Emmett 2016, LLC c/o Douglas Emmett Management, LLC Director of Property Management 808 Wilshire Boulevard, Suite 200 Santa Monica, California 90401
20.5	Brokers:	Douglas Emmett Management, Inc. 808 Wilshire Boulevard, Suite 200 Santa Monica, California 90401 and LA Realty Partners 2029 Century Park East, Suite 515 Los Angeles, California 90067
21.1	Parking Permits:	Tenant shall purchase thirty-one (31) permits for unreserved parking spaces and two (2) permits for reserved space on a "must take" basis. In addition, Tenant shall have the right, but not the obligation, to purchase twenty-three (23) additional permits for unreserved parking spaces. The monthly parking rates at the Building effective as of February 1, 2017 are as follows: Unreserved Phase I Parking Permit: $210.00 each Unreserved Phase II Parking Permit: $170.00 each Single Reserved Permit: $275.00 each Tandem Reserved: $330.00 each (2 spaces at $165 each)

Except as noted hereinbelow, the foregoing Basic Lease Information Table (the "BLI Table') is hereby incorporated into and made a part of this Lease. The Section reference in the left margin of the Basic Lease Information exists solely to indicate where such reference initially appears in this Lease document. Except as specified hereinbelow, each such reference in this Lease document shall incorporate the applicable Basic Lease Information. However, in the event of any conflict between any reference contained in the Basic Lease Information and the specific wording of this Lease, the wording of this Lease shall control.

OFFICE LEASE

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OFFICE LEASE

This Office Lease (this "Lease"), dated January 4, 2017, is by and between DOUGLAS EMMETT 2016, LLC, a Delaware limited liability company ("Landlord"), with an office at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and CINEDIGM CORP., a Delaware corporation ("Tenant"), with an office at 1901 Avenue of the Stars, Suite 1200, Los Angeles, California 90067.

RECITALS

A. Landlord's affiliate, Douglas Emmett 2011, LLC, a Delaware limited liability company (the "1901 Landlord"), and Tenant are parties to a certain Office Lease dated May 16, 2014 (the "1901 Lease") pursuant to which Tenant leases Suite 1200 consisting of approximately 25,772 rentable square feet in the office building with an address of 1901 Avenue of the Stars, Los Angeles, California 90067 (the "1901 Premises").

B. The term of the 1901 Lease commenced on August 1, 2014 and is scheduled to expire on July 31, 2021, unless sooner terminated in accordance with the 1901 Lease.

C. In connection with the 1901 Lease Tenant deposited with the 1901 Landlord the sum of $110,873.33 as a security deposit (the "1901 Security Deposit"), which the 1901 Landlord retains on deposit in accordance with and subject to Section 3.7 of the 1901 Lease.

D. Tenant has advised Landlord that Tenant now requires premises consisting of substantially less rentable square footage than the 1901 Premises.

E. In order to accommodate Tenant's request, the 1901 Landlord has agreed to (i) terminate the 1901 lease effective as of March 31, 2017 or such later date as set forth pursuant to a certain Termination of Lease Agreement dated the date hereof and to be executed concurrently with this Lease (the "Termination Agreement") and (ii) cause Landlord to enter into this Lease.

F. As consideration for the 1901 Landlord's agreement to terminate the 1901 Lease prior to its scheduled expiration date Tenant has agreed to pay the sum of $500,000 (the "Termination Consideration"), which, after deducting $50,000 from the 1901 Security Deposit and applying it as a credit against the Termination Consideration, shall be paid to Landlord under this Lease as Additional Rent as specified in Section 3.3.1 below (and in the event the 1901 Landlord makes any deductions as permitted under the 1901 Lease Tenant will supplement any offset to the Security Deposit in order to make the initial credit to the Termination Consideration equal $50,000).

G. The 1901 Landlord intends to enter into a new lease for the 1901 Premises ("New 1901 Lease") with another tenant ("New 1901 Tenant") and New 1901 Tenant has executed and delivered to the 1901 Landlord the New 1901 Lease (along with any funds due upon New 1901 Tenant's execution of the New 1901 Lease).

H. Subject to Tenant's satisfaction of the conditions to the effectiveness of the Termination Agreement as more particularly described below, the 1901 Landlord intends to execute

the New 1901 Lease and deliver the same to New 1901 Tenant, and upon such execution and delivery the New 1901 Lease shall be a binding agreement enforceable in accordance with its terms.

I. Tenant's execution and delivery of the Termination Agreement and this Lease are conditions precedent to the 1901 Landlord's execution and delivery of the Termination Agreement and Landlord's execution and delivery of this Lease.

J. In consideration of Landlord's requirement that New 1901 Tenant execute the New 1901 Lease and that Tenant execute this Lease and the Termination Agreement, the parties have agreed to the contingency specified in Article 22 of this Lease.

ARTICLE 1
DEMISE OF PREMISES

Section 1.1 Demise. Subject to the covenants and agreements contained in this Lease (including the contingency specified in Article 22 of this Lease), Landlord leases to Tenant and Tenant hires from Landlord, Suite Numbers 410 and 420 (collectively, the "Premises") on the fourth (0) floor, in the building located at 15301 Ventura Boulevard, Sherman Oaks, California 91403 (the "Building"). The configuration of the Premises is shown on Exhibit A, attached hereto and made a part hereof by reference.

Tenant acknowledges that it has made its own inspection of and inquiries regarding the Premises, which are already improved. Therefore, Tenant accepts the Premises in their "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied, except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Premises or the Building for the purposes intended by Tenant. Notwithstanding the foregoing, Landlord hereby confirms that the Building systems serving the Premises shall be in good working order and condition as of the Commencement Date.

The Premises are a part of the Building described hereinabove. The Building is part of a mixed retail/office use project known as "the Sherman Oaks Galleria." The term "Project," as used in this Lease, shall mean (i) the Building, (ii) the "Common Areas" (as hereinafter defined), (iii) those certain office buildings on the Project Site Plan attached hereto as Exhibit A-1 (the "Other Office Buildings"), (iv) the "Retail Building" (as hereinafter defined), (v) certain retail areas connected and/or adjacent to the Building and the Other Office Buildings, (vi) the land (which is improved with landscaping, subterranean and above ground parking facilities and other improvements) upon which each of the foregoing items (i) through (v) above is located, and (vii) at Landlord's discretion, subject to the conditions set forth in Section 1.8, below, any additional real property, areas, land, buildings or other improvements added thereto on, adjacent to, or outside of the Project.

Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Exhibit C of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, which may include, without limitation, interior and exterior walkways, parking garages and other areas, together with such other portions of the Project

designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to as the "Common Areas"). The Common Areas shall consist of the "Project Common Areas" and the "Building Common Areas." The term "Retail Building", as used in this Lease, shall mean such areas of retail space in the Project designated as such by Landlord. The term "Project Common Areas," as used in this Lease, shall mean the portion of the Project designated as such by Landlord. The term "Building Common Areas", as used in this Lease, shall mean the portions of the Common Areas relating to the Building designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord, and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas.

Section 1.1.1 Tenant Improvements Prior to the Commencement Date, Landlord shall, at Landlord's sole expense, complete the following improvements within the Premises (the "Improvements") using Building standard materials:

a) Demolish one office in Suite 410 to create an opening that connects Suites 410 and 420;

b) Patch carpet and ceilings where necessary due to the above referenced demolition; and

c) Install new carpet in Suite 420 using a single color that is reasonably acceptable to Tenant.

Tenant shall provide Landlord with Tenant's selection of color for carpet on or before the date that is thirty (30) days after this Lease is fully-executed.

If Tenant elects to make any other improvements to the Premises during the Term, the same shall be considered a Tenant Change, to be completed by Tenant, at Tenant's sole expense, pursuant to the provisions of Article 12 of this Lease.

Section 1.2 Tenant's Non-Exclusive Use. Subject to the contingencies contained herein, Tenant is granted the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms, parking facilities, lobbies and other public or Common Areas located on the Project. Landlord shall maintain and operate the Common Areas in a first-class manner consistent with comparable first-class office buildings in the Sherman Oaks area (the "Comparable Buildings"), and Tenant's use thereof shall be subject to such reasonable and non-discriminatory rules, regulations and restrictions as Landlord may make from time to time of which Tenant receives written notice.

Section 1.3 Landlord's Reservation of Rights. Provided Tenant's access to and use of the Premises are not materially impaired hereby, Landlord specifically reserves to itself use, control and repair of the structural portions of all perimeter walls of the Premises, any balconies, terraces or roofs adjacent to the Premises (including any flagpoles or other installations on said walls, balconies, terraces or roofs) and any space in and/or adjacent to the Premises used for shafts,

stairways, pipes, conduits, ducts, mail chutes, conveyors, pneumatic tubes, electric or other utilities, sinks, fan rooms or other Building facilities, and the use thereof, as well as access thereto through the Premises. Provided Tenant's access to and use of the Premises are not materially impaired hereby, Landlord also specifically reserves to itself the following rights:

a) To designate all sources furnishing sign painting or lettering;

b) To constantly have pass keys to the Premises;

c) To grant to anyone the exclusive right to conduct any particular business or undertaking in the Building, so long as Landlord's granting of the same does not prohibit Tenant's use of the Premises for Tenant's Specified Use, as defined in Article 6;

d) To enter the Premises at any reasonable time with reasonable notice (but in no event less than 24 hours advance written notice, except for emergencies) to inspect, repair, alter, improve, update or make additions to the Premises or the Building so long as Tenant's access to and use of the Premises is not materially impaired thereby;

e) During the last six (6) months of the Term, to exhibit the Premises to prospective future tenants upon not less than 24 hours prior notice and accompanied by a representative of Tenant;

f) Subject to the provisions of Article 12, to, at any time, and from time to time, whether at Tenant's request or pursuant to governmental requirement, repair, alter, make additions to, improve, or decorate all or any portion of the Project, Building or Premises at any reasonable time with reasonable notice (but not less than 24 hours advance written notice, except for emergencies), so long as Tenant's access to and use of the Premises is not materially impaired thereby. In connection therewith, and without limiting the generality of the foregoing rights, Landlord shall specifically have the right to remove, alter, improve or rebuild all or any part of the lobby of the Building as the same is presently or shall hereafter be constituted; provided Landlord shall make commercially reasonable efforts to perform such work in the lobby of the Building as expeditiously as possible;

g) Subject to the provisions of Article 12, Landlord reserves the right to make alterations or additions to or change the location of elements of the Project and any Common Areas appurtenant thereto at any reasonable time with reasonable notice (except for emergencies), so long as Tenant's access to and use of the Premises are not materially impaired thereby; and/or

h) To take such other actions as may reasonably be necessary when the same are required to preserve, protect or improve the Premises, the Building, or Landlord's interest therein at any reasonable time with reasonable notice, but in no event less than 24 hours advance written notice (except for emergencies), so long as Tenant's access to and use of the Premises are not materially impaired thereby.

Tenant acknowledges and agrees that: (a) the Premises are part of an office building owned, operated, managed and leased by Landlord and occupied by numerous tenants; (b) Landlord and

such tenants are engaged from time to time in a variety of construction projects inside individual premises as well as in Common Areas as part of the normal course of business in the Building; and (c) such construction activities may cause, among other things, noise, vibration, dust, odors, increased foot traffic in the Building and in elevators and corridors, and increased motor vehicle traffic in parking facilities. In recognition of the foregoing, except for claims resulting from the negligence or willful misconduct of Landlord or the Landlord Parties (as defined below), Tenant hereby releases Landlord and all of its parents, subsidiaries, divisions, employees, affiliates, assigns, officers, directors, shareholders, members, agents, predecessors, successors, trustees, beneficiaries and representatives (collectively, the "Landlord Parties"), from any and all claims (including claims for abatement of Rent or constructive eviction), debts, liabilities, demands, obligations, costs, expenses, actions and causes of action of every nature, character and description, whether known or unknown, asserted or unasserted, fixed or contingent arising out of or in connection with the activities and conditions described in the foregoing clauses (b) and (c). Furthermore, Tenant agrees that none of the activities and conditions described in the foregoing clauses (b) and (c) shall be grounds for any claim by Tenant or any party claiming through Tenant that Landlord has breached the terms of Section 1.5 below or any other provision of this Lease, or violated any statute or other applicable law which purports to govern the rights or obligations of Landlord and Tenant concerning the matters set forth in Section 1.5, provided Landlord shall make commercially reasonable efforts to perform such work as expeditiously as possible.

Section 1.4 Area. Landlord and Tenant agree that the usable area (the "Usable Area") of the Premises has been measured using the 2010 ANSI/BOMA Standard published collectively by the American National Standards Institute and the Building Owners' and Managers' Association ("ANSI/BOMA Standard"), as a guideline, and that Landlord is utilizing a deemed add-on factor of 27.32% to compute the rentable area (the "Rentable Area") of the Premises. Rentable Area herein is calculated as 1.2732 times the estimated Usable Area, regardless of what the actual square footage of the Common Areas of the Building may be, and whether or not they are more or less than 27.32% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that even if the Rentable or Usable Area of the Premises and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of this Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Premises, as the case may be.

Section 1.5 Quiet Enjoyment. Contingent upon Tenant keeping, observing and performing all of the covenants, agreements, terms, provisions and conditions of this Lease on its part to be kept, observed and performed, and subject to the limitations imposed under Article 14 of this Lease, Tenant shall lawfully and quietly hold, occupy and enjoy the Premises during the Term.

Section 1.6 No Light, Air or View Easement. Any diminution or shutting off of light, air or view by any structure which is now or may hereafter be erected on the Building, the Project or on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord. Noise, dust or vibration or other ordinary incidents to new construction of improvements

on the Building, the Project or on lands adjacent to the Building, whether or not by Landlord, shall in no way affect this Lease or impose any liability on Landlord, except as expressly provided otherwise in this Lease.

Section 1.7 Development of the Project.

a) Landlord reserves the right to further subdivide all or a portion of the Project. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord (at no cost to Tenant), any additional documents needed to conform this Lease to the circumstances resulting from such subdivision, provided that no such documentation shall materially adversely affect Tenant's rights or increase Tenant's obligations under this Lease.

b) If portions of the Project or property adjacent to the Project (collectively, the "Other Improvements") are owned by an entity other than Landlord, Landlord, at its option, may enter into an agreement with the owner or owners of any or all of the Other Improvements to provide (i) for reciprocal rights of access and/or use of the Project and the Other Improvements, provided that the same creates no material adverse effect upon Tenant's rights or obligations under this Lease, (ii) for the common management, operation, maintenance, improvement and/or repair of all or any portion of the Project and the Other Improvements, provided that the same creates no material adverse effect upon Tenant's rights or obligations under this Lease, (iii) for the allocation of a portion of the Operating Expenses to the Other Improvements and the operating expenses and taxes for the Other Improvements to the Project, and (iv) for the use or improvement of the Other Improvements and/or the Project in connection with the improvement, construction, and/or excavation of the Other Improvements and/or the Project. Nothing contained herein shall be deemed or construed to limit or otherwise affect Landlord's right to convey all or any portion of the Project or any other of Landlord's rights described in this Lease.

c) Tenant acknowledges that portions of the Project and/or the Other Improvements may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc., which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets (except as specifically set forth otherwise in this Lease) or claims of constructive eviction which may arise in connection with such construction. Notwithstanding the foregoing, at all times following the Commencement Date, subject to Landlord's reasonable rules and regulations, Tenant shall have reasonable access to the Building, the Premises and the parking facilities containing Tenant's parking spaces for the Premises.

ARTICLE 2
COMMENCEMENT DATE AND TERM

Section 2.1 Commencement Date and Term. Subject to the contingency specified in Article 22 of this Lease, the term of this Lease ("Term") shall commence on the Commencement Date, and shall end, unless sooner terminated as otherwise provided herein, at 11:59 p.m. (PT) on the Termination Date (as such terms are defined in Section 2.1 of the BL1 Table). Landlord shall grant Tenant access to the Premises beginning March 1, 2017, provided that prior to such access being granted (a) this Lease and the Termination Agreement are mutually executed and delivered,

(b) Tenant delivers to Landlord the certificate(s) evidencing the insurance required under Section 19.2 of this Lease and (c) Tenant pays to Landlord all funds due upon execution of this Lease by Tenant. Such access shall be permitted solely for the purpose of Tenant (i) constructing improvements in the Premises in accordance with this Lease; (ii) installing Tenant's furniture, fixtures and equipment, computer and telephone cabling in the Premises and (iii) moving into the Premises. Provided Tenant's access to the Premises is for the purposes herein stated and not for the conduct of its business in the Premises, then such access shall not serve to accelerate the Commencement Date nor shall Tenant's failure to exercise its right of access for any reason whatsoever serve to delay the Commencement Date. After Landlord grants Tenant access to the Premises, Tenant shall be subject to Landlord's reasonable administrative control and supervision and Tenant shall comply with all of the provisions and covenants contained in this Lease, except that Tenant shall not be obligated to pay Fixed Monthly Rent or Additional Rent until the Commencement Date (as defined above) unless Tenant begins the conduct of its business in the Premises, in which case Tenant shall pay Landlord all Rent due under this Lease beginning on such date, which shall be deemed the Commencement Date.

Tenant's taking possession of the Premises and/or commencing Tenant's normal business operations in the Premises shall be deemed conclusive evidence that, as of the Commencement Date, the Premises are in good order and repair, subject to any punch list items provided by Tenant within ten (10) days of taking possession of the Premises.

Section 2.2 Holding Over. If Tenant fails to deliver possession of the Premises on the Termination Date, but holds over after the expiration or earlier termination of this Lease without the express prior written consent of Landlord, such tenancy shall be construed as a tenancy at sufferance on the same terms and conditions as are contained herein, except that the Fixed Monthly Rent payable by Tenant during such period of holding over shall automatically increase as of the Termination Date to an amount equal to one hundred twenty-five percent (125%) of the Fixed Monthly Rent payable by Tenant for the calendar month immediately prior to the date when Tenant commences such holding over and, beginning on the sixty-first (61st) day after the Termination Date and continuing thereafter during any period of holding over, the Fixed Monthly Rent payable by Tenant shall increase to an amount equal to one hundred fifty percent (150%) of the Fixed Monthly Rent payable by Tenant for the calendar month immediately prior to the date when Tenant commenced such holding over (with respect to the Fixed Monthly Rent due during either time period the "Holdover Rent"). Such Holdover Rent shall be prorated on a day-for-day basis for any partial months in which Tenant holds over in the Premises. Tenant's payment of such Holdover Rent, and Landlord's acceptance thereof, shall not constitute a waiver by Landlord of any of Landlord's rights or remedies with respect to such holding over, nor shall it be deemed to be a consent by Landlord to Tenant's continued occupancy or possession of the Premises past the time period covered by Tenant's payment of the Holdover Rent.

Furthermore, if Tenant fails to deliver possession of the Premises to Landlord upon the expiration or earlier termination of this Lease, and Landlord has theretofore notified Tenant in writing, at least sixty (60) days prior to the expiration or earlier termination of this Lease, that Landlord requires possession of the Premises for a succeeding tenant, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord

harmless from all loss, costs (including reasonable attorneys' fees and expenses) and liability resulting from such failure, including without limiting the foregoing, any claims made by any succeeding tenant arising out of Tenant's failure to so surrender.

Notwithstanding the provisions contained hereinabove regarding Tenant's liability for a continuing holdover, Landlord agrees to use commercially reasonable efforts to insert into any future lease of another tenant proposing to occupy the Premises provisions similar to those contained in Section 2.1, permitting mitigation of Tenant's damages arising out of Tenant's temporary holdover.

ARTICLE 3
PAYMENT OF RENT, LATE CHARGE

Section 3.1 Payment of Fixed Monthly Rent and Additional Rent. "Rent" shall mean: all payments of monies in any form whatsoever required under the terms and provisions of this Lease, and shall consist of:

a) "Fixed Monthly Rent", which shall be payable in equal monthly installments in the amounts set forth in Section 3.3 below; plus

b) Additional Rent as provided below in Section 3.3.1, in Article 4 and elsewhere in this Lease.

Section 3.2 Manner of Payment. Tenant shall pay Fixed Monthly Rent and Additional Rent immediately upon the same becoming due and payable, without demand therefor, and without any abatement, set off or deduction whatsoever, except as may be expressly provided in this Lease. Landlord's failure to submit statements to Tenant stating the amount of Fixed Monthly Rent or Additional Rent then due, including Landlord's failure to provide to Tenant a calculation of the adjustment as required in Section 3.3 or the Escalation Statement referred to in Article 4, shall not constitute Landlord's waiver of Tenant's requirement to pay the Rent called for herein; provided however, that Tenant shall not be required to make any payment of Additional Rent in which Tenant is not notified of the amount due at least thirty (30) days in advance, unless the amount of such payment is set forth in this Lease, but Tenant shall be required to timely pay an amount equal to the last amount billed to and upon receipt of a new notice the parties shall reconcile any amounts owed by one party to the other. Tenant's failure to pay Additional Rent as provided herein, following notice from Landlord and five (5) business days thereafter to make such payment, shall constitute a material default equal to Tenant's failure to pay Fixed Monthly Rent when due (following notice and five (5) business days thereafter to make such payment).

Rent shall be payable in advance on the first day of each and every calendar month throughout the Term, in immediately available funds, to Landlord at 15301 Ventura Boulevard, Suite 360, Sherman Oaks, California 91403, or at such other place(s) as Landlord designates in writing to Tenant. Tenant's obligation to pay Rent shall begin on March 31, 2017 and continue throughout the Term, without abatement, setoff or deduction, except as otherwise specified hereinbelow.

Concurrent with Tenant's execution and delivery to Landlord of this Lease, Tenant shall pay to Landlord the Fixed Monthly Rent due for the first month of the Term.

Section 3.3 Fixed Monthly Rent. Tenant shall pay Fixed Monthly Rent as follows:

Period	Rent
March 31, 2017 through March 31, 2018	$38,853.30
April 1, 2018 through March 31, 2019	$40,018.90
April 1, 2019 through March 31, 2020	$41,619.65
April 1, 2020 through March 31, 2021	$43,700.64
April 1, 2021 through March 31, 2022	$45,885.67

Section 3.3.1 Termination Consideration Payments. After the credit of $50,000 from the 1901 Security Deposit (and in the event the 1901 Landlord makes any deductions as permitted under the 1901 Lease Tenant will supplement any offset to the Security Deposit in order to make the initial credit to the Termination Consideration equal $50,000), the balance of the Termination Consideration ($450,000) shall be paid to Landlord with interest computed at five percent (5%) per annum, in sixty (60) monthly installments of Eight Thousand Four Hundred Ninety Two and 06/100 dollars ($8,492.06). Commencing on April 1, 2017 Tenant shall pay Landlord each month during the Term the sum of $8,492.06 as Additional Rent under this Lease. The Termination Consideration payments shall be paid as and when Fixed Monthly Rent is paid under this Lease. Tenant acknowledges that Tenant's promise to pay the Termination Consideration as required under this Lease is a material inducement to Landlord entering into this Lease and the 1901 Landlord's agreement to accept the Termination Consideration as consideration for terminating the 1901 Lease. Accordingly, in addition to Landlord's other rights and remedies under this Lease and applicable law, the failure by Tenant to pay the Termination Consideration payments as and when due (whether or not Tenant is current with payments of Fixed Monthly Rent) shall be a material default under the Lease and (a) the balance of the unpaid Termination Consideration owed shall be accelerated and shall be due and payable in full unless Tenant cures such default within ten (10) business days after Tenant's receipt of notice of such material default, which notice shall refer to this Section 3.3.1 and shall advise Tenant that the balance of the unpaid Termination Consideration owed shall be accelerated and shall be due and payable in full unless the failure to pay is cured within ten (10) business days; and (b) Landlord shall have the right in Landlord's sole and absolute discretion to exercise any and all rights and remedies and assert any and all claims and causes of action, and shall be entitled to any and all damages permitted under the Lease and applicable law, including, without limitation, the right to enforce an unlawful detainer action against Tenant. Tenant agrees that Landlord's forbearance in insisting in any instance upon the strict keeping, observance or performance of any covenant or agreement contained in this Lease or by the 1901 Landlord with respect to the 1901 Lease, shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect.

Section 3.4 Tenant's Payment of Certain Taxes. Tenant shall, within thirty (30) days following Tenant's receipt of Landlord's invoices and substantiating documentation from Landlord, reimburse Landlord, as Additional Rent, for any and all taxes, surcharges, levies, assessments, fees and charges payable by Landlord when:

a) assessed on, measured by, or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises;

b) Assessed on or measured by any rent payable hereunder, including, without limitation, any gross income tax, gross receipts tax, or excise tax levied by the City or County of Los Angeles or any other governmental body with respect to the receipt of such rent (computed as if such rent were the only income of Landlord), but solely when levied by the appropriate City or County agency in lieu of, or as an adjunct to, such business license(s), fees or taxes as would otherwise have been payable by Tenant directly to such taxing authority;

c) Assessed upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or

d) Assessed solely because Landlord and Tenant entered into this transaction or executed any document transferring an interest in the Premises to Tenant. If it becomes unlawful for Tenant so to reimburse Landlord, the rent payable to Landlord under this Lease shall be revised to net Landlord the same rent after imposition of any such tax as would have been payable to Landlord prior to the imposition of any such tax.

Said taxes shall be due and payable whether or not now customary or within the contemplation of Landlord and Tenant. Notwithstanding the above, in no event shall the provisions of this Section 3.4 serve to entitle Landlord to reimbursement from Tenant for any federal, state, county or city income tax payable by Landlord or the managing agent of Landlord.

Section 3.5 Certain Adjustments. If:

a) the Commencement Date occurs on other than January 1st of a calendar year, or this Lease expires or terminates on other than December 31st of a calendar year;

b) the size of the Premises changes during a calendar year due to an expansion or contraction of the Premises; or

c) any abatement of Fixed Monthly Rent or Additional Rent occurs during a calendar year,

then the amount payable by Tenant or reimbursable by Landlord during such year shall be adjusted proportionately on a daily basis, and the obligation to pay such amount shall survive the expiration or earlier termination of this Lease.

If the Commencement Date occurs on other than the first day of a calendar month, or this Lease expires on a day other than the last day of a calendar month, then the Fixed Monthly Rent and Additional Rent payable by Tenant shall be appropriately apportioned on a prorata basis for the number of days remaining in the month of the Term for which such proration is calculated.

If the amount of Fixed Monthly Rent or Additional Rent due is modified pursuant to the terms of this Lease, such modification shall take effect the first day of the calendar month immediately following the date such modification would have been scheduled.

Section 3.6 Late Charge and Interest. Tenant acknowledges that late payment by Tenant to Landlord of Fixed Monthly Rent or Additional Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which are extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of Fixed Monthly Rent or Additional Rent and other payment due from Tenant hereunder is not received by Landlord within five (5) business days of the date it becomes due, Tenant shall pay to Landlord on demand an additional sum equal to four percent (4%) of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable settlement against the costs that Landlord will incur by reason of Tenant's late payment. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

Every installment of Fixed Monthly Rent and Additional Rent and any other payment due hereunder from Tenant to Landlord which is not paid within twelve (12) days after the same becomes due and payable shall, in addition to any Late Charge already paid by Tenant, bear interest at the rate of four percent (4%) per annum from the date that the same originally became due and payable until the date it is paid. Landlord shall bill Tenant for said interest, and Tenant shall pay the same within five (5) business days of receipt of Landlord's billing.

Notwithstanding the foregoing, Tenant shall not be assessed any late charge for the first late payment in each twelve (12) month period of the Term so long as Tenant pays such amount within five (5) business days of Tenant's receipt of written notice that such amount has not been paid.

Section 3.7 Security Deposit. On or about the Commencement Date Landlord shall cause the 1901 Landlord to credit $50,000 of the 1901 Security Deposit to the amount of the Termination Consideration, provided Tenant is not in material default under the 1901 Lease and no deductions to the 1901 Security Deposit are required as provided in the 1901 Lease. Landlord shall also cause the 1901 Landlord to transfer the sum of $60,873.33 for Tenant's account under this Lease to be maintained as the security deposit (the "Security Deposit"). The Security Deposit of $60,873.33 shall thereafter at all times maintain on deposit with Landlord as security for Tenant's full and faithful observance and performance of its obligations under this Lease (expressly including, without limitation, the payment as and when due of the Fixed Monthly Rent, Additional Rent and any other sums or damages payable by Tenant hereunder and the payment of any and all other damages for which Tenant shall be liable by reason of any act or omission contrary to any of said covenants or agreements). Landlord shall have the right to commingle the Security Deposit with its general assets and shall not be obligated to pay Tenant interest thereon.

If at any time Tenant defaults in the performance of any of its obligations under this Lease, after the expiration of notice and the opportunity to cure (if a notice and cure period is provided for under this Lease for the particular default), then, Landlord may:

a) apply as much of the Security Deposit as may be necessary to cure Tenant's non-payment of the Fixed Monthly Rent, Additional Rent and/or other sums or damages due from Tenant, including any sums due under Section 20.26 of this Lease; and/or;

b) if Tenant is in default of any of the covenants or agreements of this Lease; apply so much of the Security Deposit as may be necessary to reimburse all expenses incurred by Landlord in curing such default; or

c) if the Security Deposit is insufficient to pay the sums specified in Section 3.7 (a) or (b), elect to apply the entire Security Deposit in partial payment thereof, and proceed against Tenant pursuant to the provisions of Article 17 and Article 18 herein.

Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Article 18 below, and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of this Lease or the acts or omission of Tenant or any Tenant Party. As used in this Lease a "Tenant Party" shall mean Tenant, any employee of Tenant, or any agent, authorized representative, design consultant or construction manager engaged by or under the control of Tenant.

If, as a result of Landlord's application of any portion or all of the Security Deposit, the amount held by Landlord declines to less than the amount set forth in Section 3.7 of the BLI Table, Tenant shall, within ten (10) days after demand therefor, deposit with Landlord additional cash sufficient to bring the then-existing balance held as the Security Deposit to the amount specified hereinabove. Tenant's failure to deposit said amount shall constitute a material breach of this Lease.

At the expiration or earlier termination of this Lease, Landlord shall deduct from the Security Deposit being held on behalf of Tenant any unpaid sums, costs, expenses or damages payable by Tenant pursuant to the provisions of this Lease; and/or any costs required to cure Tenant's default or performance of any other covenant or agreement of this Lease, and shall, within thirty (30) days after the expiration or earlier termination of this Lease, return to Tenant, without interest, all or such part of the Security Deposit as then remains on deposit with Landlord.

ARTICLE 4
ADDITIONAL RENT

Section 4.1 Certain Definitions. As used in this Lease:

a) "Escalation Statement" means a statement by Landlord, setting forth the amount payable by Tenant or by Landlord, as the case may be, for a specified calendar year pursuant to this Article 4.

b) "Operating Expenses" means the following in a referenced calendar year, including the Base Year as hereinafter defined, calculated assuming the Building is at least ninety-five percent (95%) occupied: all reasonable costs of management, operation, maintenance, and repair of the Building.

By way of illustration only, Operating Expenses shall include, but not be limited to: management fees, which shall not exceed those reasonable and customary in the geographic area in which the Building is located; water and sewer charges; any and all insurance premiums not otherwise directly payable by Tenant; license, permit and inspection fees; air conditioning (including repair of same); heat; light; power and other utilities; steam; labor; cleaning and janitorial services; guard services; supplies; materials; equipment and tools.

Operating Expenses shall also include the cost or portion thereof of those capital improvements made to the Building by Landlord during the Term:

i) to the extent that such capital improvements reduce other direct expenses, when the same were made to the Building by Landlord after the Commencement Date, or

ii) that are required under any governmental law or regulation that was not applicable to the Building as of the Commencement Date.

Said capital improvement costs, or the allocable portion thereof (as referred to in clauses (i) and (ii) above), shall be amortized on a straight-line basis over the useful life of any such capital improvement pursuant to generally-accepted accounting principles, together with interest on the unamortized balance at the rate of ten percent (10%) per annum.

Operating Expenses shall also include all general and special real estate taxes, increases in assessments or special assessments and any other ad valorem taxes, rates, levies and assessments paid during a calendar year (or portion thereof) upon or with respect to the Building and the personal property used by Landlord to operate the Building, whether paid to any governmental or quasi-governmental authority, and all taxes specifically imposed in lieu of any such taxes (but excluding taxes referred to in Section 3.4 for which Tenant or other tenants in the Building are liable) including fees of counsel and experts, reasonably incurred by, or reimbursable by Landlord in connection with any application for a reduction in the assessed valuation of the Building and/or the land thereunder or for a judicial review thereof, (collectively "Appeal Fees"), but solely to the extent that the Appeal Fees result directly in a reduction of taxes otherwise payable by Tenant (collectively, "Tax Expenses").

Notwithstanding anything to the contrary in this Lease, the amount of Tax Expenses for the Base Year shall be calculated without taking into account any decreases in real estate taxes for the Property obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the Base Year and/or any subsequent calendar year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses due under the Lease; provided that (i) any costs or expenses incurred by Landlord in securing any Proposition 8 reduction shall not be included in Operating Expenses for the purposes of the Lease, and (ii) real estate tax reductions under Proposition

8 shall not be deducted from Tax Expenses, but rather shall be the sole property of Landlord. Landlord and Tenant acknowledge that the foregoing provision related to a reduction of Tax Expenses under Proposition 8 is not intended to in any way affect (a) the inclusion in Tax Expenses of the statutory two percent (2.0%) annual increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), or (b) the inclusion of Tax Expenses pursuant to the terms of Proposition 13. Operating Expenses shall also include, but not be limited to, the premiums for the following insurance coverage: all-risk, structural, fire, boiler and machinery, liability, earthquake and for replacement of tenant improvements to a maximum of $35.00 per usable square foot, and for such other coverage(s), and at such policy limit(s) as Landlord deems reasonably prudent and/or are required by any lender or ground lessor, which coverage and limits Landlord may, in Landlord's reasonable discretion, change from time to time.

lf, in any calendar year following the Base Year, as defined hereinbelow (a "Subsequent Year"), a new expense item (e.g., earthquake insurance, concierge services; entry card systems), is included in Operating Expenses which was not included in the Base Year Operating Expenses, then the cost of such new item shall be added to the Base Year Operating Expenses for purposes of determining the Additional Rent payable under this Article 4 for such Subsequent Year. During each Subsequent Year, the same amount shall continue to be included in the computation of Operating Expenses for the Base Year, resulting in each such Subsequent Year Operating Expenses only including the increase in the cost of such new item over the Base Year, as so adjusted. However, if in any Subsequent Year thereafter, such new item is not included in Operating Expenses, no such addition shall be made to Base Year Operating Expenses.

Conversely, as reasonably determined by Landlord, when an expense item that was originally included in the Base Year Operating Expenses is, in any Subsequent Year, no longer included in Operating Expenses, then the cost of such item shall be deleted from the Base Year Operating Expenses for purposes of determining the Additional Rent payable under this Article 4 for such Subsequent Year. The same amount shall continue to be deleted from the Base Year Operating Expenses for each Subsequent Year thereafter that the item is not included. However, if such expense item is again included in the Operating Expenses for any Subsequent Year, then the amount of said expense item originally included in the Base Year Operating Expenses shall again be added back to the Base Year Operating Expenses.

c) **Exclusions from Operating Expenses.** Notwithstanding anything contained in the definition of Operating Expenses as set forth in Subsection 4.1(b) of this Lease, Operating Expenses shall not include the following:

i) Any ground lease rental and/or any sums related thereto;

ii) The costs of repairs to the Building, if costs of such repairs is reimbursed by the insurance carried by Landlord or by any tenant or any other party or subject to award under any eminent domain proceeding;

iii) Costs, including permit, license and inspection costs, incurred with respect to the installation of Tenant's or other occupant's improvements or incurred in renovating

or otherwise improving, decorating, painting or redecorating vacant space for Tenant or other occupants of the Building;

iv) Depreciation, amortization and interest payments, except as specifically permitted herein or except on materials, tools supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services. In such a circumstance, the inclusion of all depreciation, amortization and interest payments shall be determined pursuant to generally accepted accounting principles, consistently applied, amortized over the reasonably anticipated useful life of the capital item for which such amortization, depreciation or interest allocation was calculated;

v) Marketing costs, including leasing commissions, attorneys' fees incurred in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;

vi) Expenses for services not offered to Tenant or for which Tenant is charged directly, whether or not such services or other benefits are provided to another tenant or occupant of the Building;

vii) Costs incurred due to Landlord's or any tenant of the Building's violation, other than Tenant, of the terms and conditions of any lease or rental agreement in the Building;

viii) That portion of any billing by Landlord, its subsidiaries or affiliates for goods and/or services in the Building, to the extent that such billing exceeds the costs of such goods and/or services if rendered by an unaffiliated third parties on a competitive basis;

ix) Costs incurred by Landlord for structural earthquake repairs necessitated by the January 17, 1994 earthquake that occurred in the vicinity of the Building;

x) Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Building or the land thereunder;

xi) Costs associated with operating the entity which constitutes Landlord, as the same are distinguished from the costs of operation of the Building, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs (including attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord's ownership of the Building;

xii) Leasing advertising and promotional expenditures, and costs of leasing signs in or on the Building identifying the owner of the Building, or other tenants signs;

xiii) Electric, gas or other power costs for with Landlord has been directly reimbursed by another tenant or occupant of the Building, or for which any tenant directly contracts with the local public service company;

xiv) Costs, including attorneys' fees and settlement judgments and/or payments in lieu thereof, arising from actual or potential claims, disputes, litigation or arbitration pertaining to Landlord and/or the Building;

xv) Costs incurred with respect to the installation of Tenant's or other occupant's improvements or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for Tenant or other occupants of the Building;

xvi) Tax penalties and interest incurred as a result of Landlord's negligent or willful failure to make payments and/or to file any income tax or informational return(s) when due, unless such nonpayment is due to Tenant's nonpayment of rent;

xvii) Costs incurred by Landlord to comply with notices of violation of the Americans With Disabilities Act, as amended, when such notices are for conditions existing prior to the Commencement Date;

xviii) Any charitable or political contributions;

xix) The purchase or rental price of any sculpture, paintings or other object of art (except for utility costs associated with the operation of any common area fountains), whether or not installed in, on or upon the Building;

xx) Any compensation paid or expenses reimbursed to third party clerks, attendants or other persons working in any commercial concession(s) operated by Landlord, and any services provided, taxes attributable to and costs incurred in connection with the operation of any retail or restaurant operations in the Building;

xxi) Any accelerated payment(s) made at Landlord's election on obligations undertaken by Landlord which would not otherwise become due, to the extent that such accelerated payment(s) exceed the amount otherwise payable had Landlord not elected to accelerate payment thereof. Notwithstanding such exclusion, the balance of such accelerated payment shall be included by Landlord in operating expense calculations for succeeding years, as if the payment had been made when originally due prior to such acceleration;

xxii) Costs, including attorneys' fees and settlement judgments and/or payments in lieu thereof, arising from actual or potential claims, disputes, litigation or arbitration pertaining to Landlord and/or the Building;

xxiii) Insurance deductibles in excess of reasonable and customary deductible amounts, and/or whether or not reasonable and/or customary, in excess of $250,000 in any calendar year;

xxiv) Costs of repairs which would have been covered by casualty insurance but for Landlord's failure to maintain casualty insurance to cover the replacement value of the Building as required by this Lease;

xxv) Capital expenditures not otherwise permitted hereunder;

xxvi) The assessment or billing of operating expenses that results in Landlord being reimbursed more than one hundred percent (100%) of the total expenses for the calendar year in question;

xxvii) The cost of any "tap fees", impact fees or any sewer or water connection fees for the benefit of any tenants in the Building;

xxviii) Fees and expenses (including legal and brokerage fees, advertising, marketing and promotional costs) paid by Landlord in connection with the lease of any space within the Building, including subleasing and assignments;

xxix) Any validated parking for any entity;

xxx) The cost of any work or service performed for any tenant in the Building (other than Tenant) to a materially greater extent or in a materially more favorable manner than that furnished generally to tenants (including Tenant) in the Building;

xxxi) Wages, salaries or other compensation paid to any employees at or above the grade of building manager;

xxxii) Landlord's general overhead and administrative expenses which are not chargeable to Operating Expenses of the Building or the equipment, fixtures and facilities used in connection with the Building, in accordance with generally accepted accounting principles, including salaries and expenses of Landlord's executive officers;

xxxiii) The cost of correcting defects (latent, patent or otherwise) in the construction of the Building or in the Building equipment, except that conditions (other than construction defects) resulting from ordinary wear and tear shall not be considered defects for purposes hereof;

xxxiv) The cost of installing, operating and maintaining any specialty service (e.g., observatory, broadcasting facility, luncheon club, retail stores, newsstands or recreational club);

xxxv) Any expenses incurred by Landlord for the use of any portions of the Building to accommodate events, including but not limited to shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising beyond the normal

expenses otherwise attributable solely to Building services, such as lighting and heating, ventilation and air conditioning ("HVAC") to such public portions of the Building in normal operations during standard Building hours of operation;

xxxvi) Any costs representing an amount paid to an entity related to Landlord which is in excess of the commercially reasonable amount which would have been paid absent such relationship;

xxxvii) Any expenses for repairs or maintenance to the extent covered by warranties or service contracts;

xxxviii) Any type of utility service which is separately metered to or separately charged or paid by Tenant or any other tenant in the Building;

xxxix) The cost of any environmental remediation for which Landlord is responsible under this Lease;

xl) All ad valorem taxes paid or payable by Tenant or other tenants in the Building for personal property;

xli) All items and services for which Tenant pays third parties;

xlii) Costs paid to Landlord's parking operator;

xliii) The cost of repairing or restoring any portion of the Building damaged by a hazard or taken in condemnation (provided that the amount of any commercially reasonable deductible paid by Landlord shall be included in Operating Expenses);

xliv) Any costs or expense which is expressly stated in this Lease to be at Landlord's cost and expense; and

xlv) Any item which is included in the Operating Expenses which, but for this provision, would be included twice.

d) "Tenant's Share" means the percentage set forth in Section 4.1 of the BLI Table.

Section 4.2 Calculation of Tenant's Share of Increases in Operating Expenses. If, commencing with the calendar year immediately following the Base Year (as set forth in Section 4.2 of the BLI Table), the Operating Expenses for any calendar year during the Term, or portion thereof, (including the last calendar year of the Term), have increased over the Operating Expenses for the Base Year set forth in Section 4.2 of the BLI Table, then within thirty (30) days after Tenant's receipt of Landlord's computation of such increase (an "Escalation Statement"), Tenant shall pay to Landlord, as Additional Rent, an amount equal to the product obtained by multiplying such increase by Tenant's Share. Notwithstanding anything to the contrary in Section 4.1 of this Lease, during the initial Term, the increases in Operating Expenses shall be limited to five percent (5%) per annum on a cumulative basis (the "OER Controllable Item Cap"), excluding insurance

premiums, utilities, janitorial, and all general and special real estate taxes (the "Uncontrollable Items"); provided, however, that should the actual percentage change in the increase in Operating Expenses attributable to the Controllable Items exceed the OER Controllable Item Cap per annum, that excess amount shall accrue for application in any future year that the percentage increase in Operating Expenses attributable to the Controllable Items is less than the OER Controllable Item Cap per annum.

Landlord may, at or after the start of any calendar year subsequent to the Base Year, notify Tenant of the amount which Landlord estimates will be Tenant's monthly share of any such increase in Operating Expenses for such calendar year over the Base Year and the amount thereof shall be added to the Fixed Monthly Rent payments required to be made by Tenant in such year. If Tenant's Share of any such increase in rent payable hereunder as shown on the Escalation Statement is greater or less than the total amounts actually billed to and paid by Tenant during the year covered by such statement, then within thirty (30) days thereafter, Tenant shall pay in cash any sums owed Landlord or, if applicable, Tenant shall either receive a credit against any Fixed Monthly Rent and/or Additional Rent next accruing for any sum owed Tenant, or if Landlord's Escalation Statement is rendered after the expiration or earlier termination of this Lease and indicates that Tenant's estimated payments have exceeded the total amount to which Tenant was obligated, then provided that Landlord is not owed any other sum by Tenant, Landlord shall issue a cash refund to Tenant within thirty (30) days after Landlord's completion of such Escalation Statement.

Section 4.2.1 Within one (1) year after receipt of an Escalation Statement by Tenant, if Tenant disputes the amount of Additional Rent set forth in such Escalation Statement, then Tenant may engage an independent certified public accountant (which accountant is a member of a nationally or regionally recognized accounting firm and is not working on a contingency fee basis), designated and paid for by Tenant, to after reasonable notice to Landlord and at reasonable times, inspect Landlord's records with respect to such statement at Landlord's offices, provided that:

a) Tenant is not then in default under this Lease beyond any applicable notice and cure periods,

b) Tenant has paid all amounts that are required to be paid under the applicable Escalation Statement.

c) Such inspection is conducted during Landlord's customary business hours and completed within a commercially reasonable time period);

d) Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records (including, without limitation, no photocopying);

e) Prior to any inspection of Landlord's records, Tenant and Tenant's agents shall execute a commercially reasonable confidentiality agreement regarding such inspection and deliver an original of the same to Landlord; and

f) Tenant's failure to dispute the amount of Additional Rent set forth in any Escalation Statement within one (1) year of Tenant's receipt of such Escalation Statement shall be deemed to be Tenant's approval of such Escalation Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Escalation Statement.

If, after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "Accountant") selected by Landlord and subject to Tenant's reasonable approval; provided, however that if such determination by the Accountant proves that Operating Expenses were overstated, then the overstated amount shall be repaid to Tenant, and provided further that if such determination by the Accountant proves that Operating Expenses were overstated by more than four percent (4%), then the overstated amount shall be paid to Tenant and the cost of Tenant's audit, the Accountant and the costs of the Accountant's determination shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Operating Expenses payable by Tenant shall be as set forth in this Section 4.2.1 and Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Operating Expenses payable by Tenant.

Section 4.3 Tenant's Payment of Direct Charges as Additional Rent. Tenant shall promptly and duly pay all costs and expenses incurred for or in connection with any Tenant Change (as such term is defined in Section 12.12 of this Lease) or Tenant Service (as such term is defined in Section 8.10 of this Lease), and discharge any mechanic's or other lien created against the Premises, Building or the Project arising as a result of or in connection with any Tenant Change or Tenant Service as Additional Rent by paying the same, bonding or manner otherwise provided by law.

Any other cost, expense, charge, amount or sum (other than Fixed Monthly Rent) payable by Tenant as provided in this Lease shall also be considered Additional Rent.

Certain individual items of cost or expense may, in the reasonable determination of Landlord, be separately charged and billed to Tenant by Landlord, either alone or in conjunction with another party or parties, if they are deemed in good faith by Landlord to apply solely to Tenant and/or such other party or parties and are not otherwise normally recaptured by Landlord as part of normal Operating Expenses. Landlord shall give Tenant prior notice and the opportunity to cure any circumstance that would give rise to such separate and direct billing.

Said separate billing shall be paid as Additional Rent, regardless of Tenant's Share. Such allocations by Landlord shall be binding on Tenant unless patently unreasonable, and shall be payable within thirty (30) days after receipt of Landlord's billing therefor.

Section 4.4 Allocation of Operating Expenses. Tenant acknowledges that, because the Project contains multiple buildings and both retail and office elements, Landlord shall equitably allocate some or all of the Operating Expenses for the Project among different portions or occupants of the Project (the "Cost Pools"), in Landlord's reasonable discretion, based on (i) those Project Operating Expenses which are attributable solely to the Building, and (ii) a portion of the Operating Expenses which are attributable to the Project as a whole.

ARTICLE 5
ETHICS

Section 5.1 Ethics. Landlord and Tenant agree to conduct their business or practice in compliance with any appropriate and applicable codes of professional or business practice.

ARTICLE 6
USE OF PREMISES

Section 6.1 Use. The Premises shall only be used for general office and production use consistent with the operation of a first-class office building in the Sherman Oaks area (the "Specified Use") and for no other purposes, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any proposed revision of the Specified Use by Tenant shall be for a use consistent with those customarily found in first-class office buildings. Reasonable grounds for Landlord withholding its consent shall include, but not be limited to:

a) the proposed use will place a disproportionate burden on the Building systems;

b) the proposed use is for governmental or medical purposes or for a company whose primary business is that of conducting boiler-room type transactions or sales;

c) the proposed use would generate excessive foot traffic to the Premises and/or Building.

So long as Tenant is in control of the Premises, Tenant covenants and agrees that it shall not use, suffer or permit any person(s) to use all or any portion of the Premises for any purpose in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the City or County of Los Angeles, or other lawful authorities having jurisdiction over the Building.

Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or unreasonably interfere with the rights of other tenants or occupants of the Building. Tenant shall not use or allow the Premises to be used for any pornographic or violent purposes, nor shall Tenant cause, commit, maintain or permit the continuance of any nuisance or waste in, on or about the Premises. Tenant shall not use the Premises in any manner that in Landlord's reasonable judgment would adversely affect or interfere with any services Landlord is required to furnish to Tenant or to any other tenant or occupant of the Building, or that would interfere with or obstruct the proper and economical rendition of any such service.

Section 6.2 Exclusive Use. Landlord represents that Tenant's Specified Use of the Premises does not conflict with exclusive use provisions granted by Landlord in other leases for the Building. Landlord further agrees that it shall, in the future, not grant an exclusive use privilege to any other tenant in the Building that will prevent Tenant from continuing to use the Premises for its Specified Use.

Tenant acknowledges and agrees that it shall not engage in any of the uses specified hereinbelow, for which Landlord has already granted exclusive rights: None.

Provided that Tenant has received written notice of the same from Landlord, and further provided that Landlord does not grant a future exclusive use right that prohibits Tenant from engaging in the Specified Use, then Tenant agrees that it shall not violate any exclusive use provision(s) granted by Landlord to other tenants in the Building.

Section 6.3 Rules and Regulations. Tenant shall observe and comply with the rules and regulations set forth in Exhibit C, and such other and further reasonable and non-discriminatory rules and regulations as Landlord may make or adopt and communicate to Tenant in writing at any time or from time to time, when said rules, in the reasonable judgment of Landlord, may be necessary or desirable to ensure the first-class operation, maintenance, reputation or appearance of the Building. However, if any conflict arises between the provisions of this Lease and any such rule or regulation, the provisions of this Lease shall control.

Provided Landlord makes commercially reasonable efforts to seek compliance by all occupants of the Building with the rules and regulations adopted by Landlord, Landlord shall not be responsible to Tenant for the failure of any other tenants or occupants of the Building to comply with said rules and regulations.

ARTICLE 7
CONDITION UPON VACATING & REMOVAL OF PROPERTY

Section 7.1 Condition upon Vacating. At the expiration or earlier termination of this Lease, Tenant shall:

a) terminate its occupancy of, quit and surrender to Landlord, all or such portion of the Premises upon which this Lease has so terminated, broom-clean and in the same condition as received except for:

i) ordinary wear and tear, or

ii) loss or damage by fire or other casualty; and

b) surrender the Premises free of any and all debris and trash and any of Tenant's personal property, furniture, fixtures and equipment that do not otherwise become a part of the Project, pursuant to the provisions contained in Section 7.2 hereinbelow; and

c) at Tenant's sole expense, forthwith and with all due diligence remove any Tenant Change (as defined in Section 12.12 of this Lease) and, if requested by Landlord in Landlord's sole and absolute discretion, restore the Premises to its original condition, reasonable wear and tear excepted. However, Tenant shall only be obligated to remove said Tenant Change if (i) the Tenant Change was made without Landlord's approval; (ii) the Tenant Change is an over standard improvement; and/or (iii) Landlord notified Tenant of its obligation to do so at the time Landlord approved Tenant's request for a Tenant Change and Landlord's approval was required pursuant to

the terms of this Lease. If Tenant fails to complete such removal and/or restoration and/or to repair any damage caused by the removal or restoration of any Tenant Change, Landlord may do so and may charge the cost thereof to Tenant pursuant to Section 20.26 of this Lease or deduct the cost from the Security Deposit under Section 3.7 of this Lease. Tenant shall not be obligated to remove the initial Improvements, except as otherwise provided herein. In addition, at the expiration or earlier termination of this Lease, Tenant shall (1) remove all data, telecom and other cabling and wiring installed by or for Tenant in the Premises (including any of the same installed above the ceiling plenum), and (2) remove any security system or devices installed by Tenant, in either case whether or not the installation was performed as part of the initial Improvements constructed in the Premises or after such time, and Tenant shall repair any damage caused by such removal.

Section 7.2 Tenant's Property. All fixtures, equipment, improvements and installations attached or built into the Premises at any time during the Term shall, at the expiration or earlier termination of this Lease, be deemed the property of Landlord; become a permanent part of the Premises and remain therein. However, if said equipment, improvements and/or installations can be removed without causing any structural damage to the Premises, then, provided after such removal Tenant restores the Premises to the condition existing prior to installation of Tenant's trade fixtures or equipment, Tenant shall be permitted, at Tenant's sole expense, to remove said trade fixtures and equipment.

The provisions of this Article 7 shall survive the expiration or earlier termination of this Lease.

ARTICLE 8
UTILITIES AND SERVICES

Section 8.1 Normal Building Hours / Holidays. The "Normal Business Hours" of the Building, during which Landlord shall furnish the services specified in this Article 8 are defined as 8:00 A.M. to 6:00 P.M., Monday through Friday, and 9:00 A.M. to 1:00 P.M. on Saturday, any one or more Holiday(s) excepted.

The "Holidays" which shall be observed by Landlord in the Building are defined as any federally-recognized holiday and any other holiday specified herein, which are: New Years Day, Presidents' Day, Memorial Day, the 4th of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day (each individually a "Holiday"). Tenant acknowledges that the Building shall be closed on each and every such Holiday, and Tenant shall not be guaranteed access to Landlord or Landlord's managing agent(s) on each such Holiday.

Section 8.2 Access to the Building and General Services. Subject to Force Majeure and any power outage(s) which may occur in the Building when the same are out of Landlord's reasonable control, Landlord shall furnish the following services to the Premises twenty-four (24) hours per day, seven days per week:

a) during Normal Business Hours, bulb replacement for building standard lights;

b) access to and use of the parking facilities for persons holding valid parking permits;

c) access to and use of the elevators and Premises;

d) use of electrical lighting on an as-needed basis within the Premises; and

e) use of a reasonable level of water for kitchen and toilet facilities in the Premises and Common Area bathrooms.

Section 8.3 Janitorial Services. Landlord shall furnish the Premises with reasonable and customary janitorial services five (5) days per business week consistent with the level of janitorial services provided to the Comparable Buildings, except when the Building is closed on any Holiday. Landlord shall retain the sole discretion to choose and/or revise the janitorial company providing said services to the Premises and/or Building.

Section 8.4 Security Services. Tenant acknowledges that Landlord currently provides uniformed guard service to the Building 24 hours per day, 7 days per week, solely for the purposes of providing surveillance of, and information and directional assistance to persons entering the Building.

Tenant acknowledges that such guard service shall not provide any measure of security or safety to the Building or the Premises, and that Tenant shall take such actions as it may deem necessary and reasonable to ensure the safety and security of Tenant's property or person or the property or persons of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders. Tenant agrees and acknowledges that, except in the case of the gross negligence or willful misconduct of Landlord or its directors, employees, officers, partners or shareholders, Landlord shall not be liable to Tenant in any manner whatsoever arising out of the failure of Landlord's guard service to secure any person or property from harm.

Tenant agrees and acknowledges that Landlord, in Landlord's sole discretion, shall have the option, but not the obligation to add, decrease, revise the hours of and/or change the level of services being provided by any guard company serving the Building, so long as the level of security services provided to the Building is consistent with the level of security services provided to the Comparable Buildings. Tenant further agrees that Tenant shall not engage or hire any outside guard or security company without Landlord's prior written consent, which shall be in Landlord's sole discretion.

Section 8.5 Utilities. During Normal Business Hours Landlord shall furnish a reasonable level of water, heat, ventilation and air conditioning ("HVAC"), and a sufficient amount of electric current to provide customary business lighting and to operate ordinary office business machines, such as a single personal computer and ancillary printer per two hundred and fifty (250) usable square feet contained in the Premises, facsimile machines, small copiers customarily used for general office purposes, and such other equipment and office machines as do not result in above-standard use of the existing electrical system. So long as the same remain reasonably cost competitive, Landlord shall retain the sole discretion to choose the utility vendor(s) to supply such services to the Premises and the Building.

Except with the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned and/or delayed, Tenant shall not install or use any equipment, apparatus or device in the Premises that requires the installation of a 208 voltage circuit; consumes more than five (5) kilowatts per hour per item; or the aggregate use of which will in any way increase the connected load to more than 5 Watts per usable square foot, or cause the amount of electricity to be furnished or supplied for use in the Premises to more than 1.2 kWh per usable square foot, per month.

Except with the prior written consent of Landlord, Tenant shall not connect any electrical equipment to the electrical system of the Building, except through electrical outlets already existing in the Premises, nor shall Tenant pierce, revise, delete or add to the electrical, plumbing, mechanical or HVAC systems in the Premises.

Section 8.6 After Hours HVAC and/or Excess Utility Usage. If Tenant requires HVAC service during other than Normal Business Hours ("Excess HVAC"), Tenant may obtain Excess HVAC by telephone by using Tenant's secret code to activate the HVAC system. Tenant's activation of the HVAC system shall be deemed conclusive evidence of its willingness to pay the costs specified herein. Tenant shall pay for such Excess HVAC at Landlord's actual cost, without a markup for profit, overhead, administration or depreciation. The hourly charge for Excess HVAC as of the date of this Lease is $65.00, which is subject to change in accordance with the terms and conditions of this Section 8.6.

If Tenant requires electric current in excess of the amounts specified hereinabove, water or gas in excess of that customarily furnished to the Premises as office space ("Excess Utility Use"), Tenant shall first procure Landlord's prior written consent to such Excess Utility Use, which Landlord may reasonably refuse.

In lieu of Landlord's refusal, Landlord may cause a meter or sub-meter to be installed to measure the amount of water, gas and/or electric current consumed by Tenant in the Premises. The cost of any such meter(s), and the installation, maintenance, and repair thereof, shall be paid by Tenant as Additional Rent.

After completing installation of said meter(s), and/or if Tenant requests Excess HVAC, then Tenant shall pay, as Additional Rent, within thirty (30) calendar days after Tenant's receipt of Landlord's billing, for the actual amounts of all water, steam, compressed air, electric current and/or Excess HVAC consumed beyond the normal levels Landlord is required herein to provide. Said billing shall be calculated on the usage indicated by such meter(s), sub-meter(s), or Tenant's written request therefor, and shall be issued by Landlord at the rates charged for such services by the local public utility furnishing the same, plus any additional expense reasonably incurred by Landlord in providing said Excess Utility Use and/or in keeping account of the water, steam, compressed air and electric current so consumed.

Section 8.7 Changes Affecting HVAC. Tenant shall also pay as Additional Rent for any additional costs Landlord incurs to repair any failure of the HVAC equipment and systems to perform their function when said failure arises out of or in connection with any change in, or alterations to, the arrangement of partitioning in the Premises after the Commencement Date, or from occupancy

by, on average, more than one person for every two hundred fifty (250) usable square feet of the Premises, or from Tenant's failure to keep all HVAC vents within the Premises free of obstruction.

Section 8.8 Damaged or Defective Systems. Tenant shall give written notice to Landlord after Tenant becomes aware of any alleged damage to, or defective condition in any part or appurtenance of the Building's sanitary, electrical, HVAC or other systems serving, located in, or passing through, the Premises. Provided that the repair or remedy of said damage or defective condition is within the reasonable control of Landlord, it shall be remedied by Landlord with reasonable diligence. Otherwise, Landlord shall make such commercially reasonable efforts as may be available to Landlord to effect such remedy or repair, but Landlord shall not be liable to Tenant for any failure thereof, nor shall Tenant be entitled to claim any damages arising from any such damage or defective condition nor shall Tenant be entitled to claim any eviction by reason of any such damage or defective condition.

If such damage or defective condition was caused by, or is attributed to, a Tenant Change or the unreasonable or improper use of such system(s) by Tenant or its employees, licensees or invitees:

a) the cost of the remedy thereof shall be paid by Tenant as Additional Rent pursuant to the provisions of Section 4.3;

b) in no event shall Tenant be entitled to any abatement of rent as specified above; and

c) Tenant shall be estopped from making any claim for damages arising out of Landlord's repair thereof.

Section 8.9 Limitation on Landlord's Liability for Failure to Provide Utilities and/or Services. Tenant hereby releases the Landlord Parties from any liability for damages, by abatement of rent or otherwise, for any failure or delay in furnishing any of the services or utilities specified in this Article 8 (including, but not limited to telephone and telecommunication services), or for any diminution in the quality or quantity thereof.

Tenant's release of the Landlord Parties' liability shall be applicable when such failure, delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by Landlord's inability to secure electricity, gas, water or other fuel at the Building after Landlord's reasonable effort to do so, by accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause. Such failures, delays or diminution shall never be deemed to constitute a constructive eviction or disturbance of Tenant's use and possession of the Premises, or serve to relieve Tenant from paying Rent or performing any of its obligations under this Lease.

Furthermore, the Landlord Parties shall not be liable under any circumstances for a loss of, injury to, or interference with, Tenant's business, including, without limitation, any loss of profits occurring or arising through or in connection with or incidental to Landlord's failure to furnish any of the services or utilities required by this Article 8.

Notwithstanding the above, Landlord shall use commercially reasonable efforts to remedy any delay, defect or insufficiency in providing the services and or utilities required hereunder.

Notwithstanding anything to the contrary in this Lease, if Tenant is prevented from using and does not use, the Premises or any portion thereof, as a result of (i) Landlord's failure to provide services or utilities as required by this Lease, or (ii) Landlord's exercise of its rights under Section 12.11 below or the performance by Landlord of any repairs or maintenance to the Building (an "Abatement Event"), then Tenant shall give Landlord notice of such Abatement Event and if such Abatement Event continues for five (5) consecutive business days after Landlord's receipt of any such Notice (the "Eligibility Period"), and such failure is not attributable to, or caused by, the acts of Tenant, then the Fixed Monthly Rent, any Additional Rent and parking charges shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises, or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use ("Unusable Area"), bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, the Unusable Area for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Fixed Monthly Rent, Additional Rent and parking charges for the entire Premises shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. Such right to abate Fixed Monthly Rent and Additional Rent shall be Tenant's sole and exclusive remedy at law or in equity for an Abatement Event.

Section 8.10 Tenant Provided Services. Tenant shall make no contract or employ any labor in connection with the maintenance, cleaning or other servicing of the physical structures of the Premises or for installation of any computer, telephone or other cabling, equipment or materials provided in or to the Premises (collectively and individually a "Tenant Service") without the prior consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall not permit the use of any labor, material or equipment in the performance of any Tenant Service if the use thereof, in Landlord's reasonable judgment, would violate the provisions of any agreement between Landlord and any union providing work, labor or services in or about the Premises, Building and/or disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. If any violation, disturbance, interference or conflict occurs, Tenant, upon written demand by Landlord, shall promptly cause all contractors or subcontractors or all materials causing the violation, disturbance, interference, difficulty or conflict, to leave or be removed from the Building or the Common Areas.

ARTICLE 9
TENANT'S INDEMNIFICATION AND LIMITATION ON LANDLORD'S LIABILITY

Section 9.1 Tenant's Indemnification and Hold Harmless. Tenant shall indemnify and hold the Landlord Parties harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including reasonable attorneys' fees and costs incurred in the defense thereof) to which any the Landlord Parties may be subject or suffer when the same arise out of the negligence or willful misconduct of Tenant or the negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders in connection with the use of, work in, construction to, or actions in, on, upon or about the Premises, including any actions relating to the installation, placement, removal or financing of any Tenant Change, improvements, fixtures and/or equipment in, on, upon or about the Premises.

Tenant's indemnification shall extend to any and all claims and occurrences, whether for injury to or death of any person or persons, or for damage to property (including any loss of use thereof), or otherwise, occurring during the Term or prior to the Commencement Date and to all claims arising from any condition of the Premises due to or resulting from any default by Tenant in the keeping, observance or performance of any covenant or provision of this Lease, or from the negligence or willful misconduct of Tenant or the negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders.

Section 9.2 Nullity of Tenant's Indemnification in Event of Negligence. Notwithstanding anything to the contrary contained in this Lease, Tenant's indemnification shall not extend to the breach by Landlord of any of Landlord's obligations under this Lease or the negligence or willful misconduct of Landlord or the negligence or willful misconduct of Landlord's agents, contractors, directors, employees, officers, partners or shareholders, nor to such events and occurrences for which Landlord otherwise carries insurance coverage.

Section 9.3 Tenant's Waiver of Liability. Provided and to the extent that any injury or damage suffered by Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, officers, partners, and/or shareholders did not arise out of the breach by Landlord of any of Landlord's obligations under this Lease or the negligence or willful misconduct of Landlord or the negligence or willful misconduct of Landlord's agents, contractors, employees, officers, partners or shareholders, Tenant shall make no claim against Landlord and Landlord shall not be liable or responsible in any way for, and Tenant hereby waives all claims against Landlord with respect to or arising out of injury or damage to any person or property in or about the Premises by or from any cause whatsoever under the reasonable control or management of Tenant.

Section 9.4 Limitation of Landlord's Liability. Tenant expressly agrees that, notwithstanding anything in this Lease and/or any applicable law to the contrary, the liability of the Landlord Parties, and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to Tenant's actual direct, but not consequential, damages (including but not limited to loss of profits, loss of business opportunity, loss of goodwill or loss of use, in each case however occurring, all of which Tenant hereby waives), therefor and shall be recoverable only from the interest of Landlord in the Building.

Tenant specifically agrees that the Landlord Parties shall have no personal liability therefor. Further, Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

Section 9.5 Transfer of Landlord's Liability. Tenant expressly agrees that, to the extent that any transferee assumes the obligations of Landlord hereunder in writing, then the covenants and agreements on the part of Landlord to be performed under this Lease which arise and/or accrue after the date of such transfer shall not be binding upon Landlord herein named from and after the date of transfer of its interest in the Building.

Section 9.6 Landlord's Indemnification. Notwithstanding any contrary provision of this Lease, Landlord shall indemnify, and hold Tenant and Tenant's agents, clients, directors, officers, partners, employees, shareholders and contractors harmless from and against, any and all claims, causes of action, liabilities, losses, reasonable costs and expenses, including reasonable attorney's fees and court costs incurred in the defense thereof, arising from or in connection with:

a) Any activity occurring, or condition existing, at or in the Building and/or the Project (other than in the Premises) when such activity or condition is under the reasonable control of Landlord, except and to the extent the same is caused by the negligence or willful misconduct of Tenant or Tenant's employees, agents, licensee, invitees, or contractors, or by Tenant's breach or default in the performance of any obligation under this Lease;

b) Any activity occurring, or condition existing in the Premises when and to the extent caused by the negligence or willful misconduct of Landlord or Landlord's employees, agents or contractors; or

c) Any material breach by Landlord of any of Landlord's obligations under this Lease that extend after the expiration of any notice and cure period.

ARTICLE 10
COMPLIANCE WITH LAWS

Section 10.1 Tenant's Compliance with Laws. Tenant shall not use, permit to be used, or permit anything to be done in or about all or any portion of the Premises which will in any way violate any laws, statutes, ordinances, rules, orders or regulations duly issued by any governmental authority having jurisdiction over the Premises, or by the Board of Fire Underwriters (or any successor thereto) (collectively "Codes").

Section 10.2 Tenant to Comply at Sole Expense. Tenant shall, at its sole expense, promptly remedy any violation of such Codes. Notwithstanding the foregoing, nothing contained in this Section 10.2 shall require or permit Tenant to make any structural changes to the Premises, unless such changes are required due to either Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders use of the Premises for purposes other than general office purposes consistent with a Class A office building, in which case any such change in use shall be subject to the restrictions specified in Section 6.1 of this Lease.

Section 10.3 Conclusive Evidence of Violation. The judgment of any court of competent jurisdiction that Tenant has so violated any one or more Codes shall be conclusive evidence of such violation as between Landlord and Tenant.

Section 10.4 Landlord's Compliance. Landlord hereby confirms that if at any time during the Term, Landlord receives written notice, from any Governmental Authority, that any portion of the Common Areas of the Project, including, without limitation, the parking areas, elevator lobbies, path of travel through the Building elevator cabs, corridors and restrooms (collectively, the "Common Areas") are not in compliance with ADA or any other legal requirement in existence as of the Commencement Date (the "Non-Compliance Notice"), and Landlord does not choose to contest the Non-Compliance Notice or is unsuccessful in contesting the Non-Compliance Notice (any contest, whether successful or not, shall be at Landlord's sole cost and expense), and said non-compliance arose out of a condition existing before the Commencement Date, Landlord shall bear such costs as may be necessary to bring any such portion of the Common Areas into compliance with ADA or such other legal requirement at Landlord's sole cost and expense, it being expressly understood and agreed that if said non-compliance occurred subsequent to the Commencement Date (i.e., the non-compliant item was not non-compliant on the Commencement Date), the costs of remedying such non-compliance shall be included in Operating Expenses to the extent permitted under this Lease.

ARTICLE 11
ASSIGNMENT AND SUBLETTING

Section 11.1 Permission Required for Assignment or Sublet. Unless Landlord's prior written consent has been given, which consent shall not be unreasonably withheld, conditioned and/or delayed (subject to the express provisions of this Article 11), this Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant by operation of law; nor shall Tenant:

a) assign Tenant's interest in this Lease; or

b) sublet the Premises or any part thereof or permit the Premises or any part thereof to be utilized by anyone other than Tenant, whether as by a concessionaire, franchisee, licensee, permittee or otherwise (collectively, a "sublease").

In addition, except for Transfers under clauses (a) or (b), Tenant shall not mortgage, pledge, encumber or otherwise transfer this Lease, the Term and/or estate hereby granted or any interest herein without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion.

Any assignment, mortgage, pledge, encumbrance, transfer or sublease (collectively, any "Transfer") without Landlord's prior written consent shall be voidable, and, in Landlord's sole election, shall constitute a material default under this Lease.

Section 11.2 Voluntary Assignment due to Changes in Structure of Tenant. Any dissolution, merger, consolidation, or other reorganization of Tenant, or the single sale or other transfer of a controlling percentage of the capital stock of Tenant (other than the sale of such stock pursuant to a public offering that results in a majority of the same members of the Board and executive officers remaining in control of said corporation) and or the single sale of fifty percent (50%) or more of the value of the assets of Tenant, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote stock possessing fifty

percent (50%) or more of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors. Notwithstanding anything to the contrary contained herein, the preceding paragraph shall not apply to corporations whose stock is traded through a recognized United States exchange or over the counter.

Any withdrawal or change (whether voluntary, involuntary, or by operation of law) in the partnership by one or more partners who own, in the aggregate fifty percent (50%) or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment.

If Tenant is comprised of more than one individual, a purported assignment (whether voluntary, involuntary, or by operation of law), by any one of the persons executing this Lease shall be deemed a voluntary assignment.

Section 11.2.1 Affiliated Companies/Restructuring of Business Organization. Any contrary provision of this Article 11 notwithstanding, the assignment by Tenant of all of its rights under this Lease or the subletting by Tenant of all or any portion of the Premises to (i) a parent or subsidiary of Tenant, (ii) any person or entity which controls, is controlled by or under common control with Tenant, (iii) any entity which purchases all or substantially all of the assets or stock of Tenant, (iv) any entity into which Tenant is merged or consolidated, or (v) any entity which results from the merger or consolidation of entities which control, are controlled by or under common control with Tenant (all such persons or entities described in (i), (ii), (iii), (iv) and (v) being sometimes hereinafter referred to as "Affiliates") shall not be deemed a Transfer under this Article 11 and thus shall not be subject to Landlord's prior consent, and Landlord shall not be entitled to any Net Rental Profit resulting therefrom, provided that:

a) Any such Affiliate was not formed as a subterfuge to avoid the obligations of this Article 11;

b) Tenant gives Landlord prior notice of any such assignment or sublease to an Affiliate;

c) The successor of Tenant and Tenant have as of the effective date of any such assignment or sublease a tangible net worth, in the aggregate, computed in accordance with generally accepted accounting principles (but excluding good will as an asset), which is sufficient to meet the obligations of Tenant under this Lease;

d) Any such assignment or sublease shall be subject and subordinate to all of the terms and provisions of this Lease, and such assignee or sublessee shall be deemed to have assumed all of the obligations of Tenant under this Lease with respect to that portion of the Premises which is the subject of such Transfer (other than the amount of Fixed Monthly Rent payable by Tenant with respect to a sublease); and

e) Tenant and any guarantor shall remain fully liable for all obligations to be performed by Tenant under this Lease.

Section 11.3 Request to Assign or Sublease. If at any time during the Term, Tenant wishes to assign this Lease or any interest therein, or to sublet all or any portion of the Premises, then at least thirty (30) days prior to the date when Tenant desires the assignment or sublease to be effective, Tenant shall give written notice to Landlord setting forth the name, address, and business of the proposed assignee or sublessee, business and personal credit applications completed on Landlord's standard application forms, and information (including references and such financial documentation as Landlord shall reasonably prescribe) concerning the character and financial condition of the proposed assignee or sublessee, the effective date of the assignment or sublease, and all the material terms and conditions of the proposed assignment, and with reference solely to a sublease: a detailed description of the space proposed to be sublet, together with any rights of the proposed sublessee to use Tenant's improvements and/or ancillary services with the Premises.

Section 11.4 Landlord's Consent. Landlord shall have twenty (20) days after Tenant's notice of assignment and/or sublease is received with the financial information reasonably requested by Landlord to advise Tenant of Landlord's (i) consent to such proposed assignment or sublease, (ii) withholding of consent to such proposed assignment or sublease, or (iii) election to terminate this Lease, such termination to be effective as of the date of the commencement of the proposed assignment or subletting. If Landlord shall exercise its termination right hereunder, Landlord shall have the right to enter into a lease or other occupancy agreement directly with the proposed assignee or subtenant, and Tenant shall have no right to any of the rents or other consideration payable by such proposed assignee or subtenant under such other lease or occupancy agreement, even if such rents and other consideration exceed the rent payable under this Lease by Tenant. Landlord shall have the right to lease the Premises to any other tenant, or not lease the Premises, in its sole and absolute discretion. Landlord and Tenant specifically agree that Landlord's right to terminate this Lease under clause (iii) above is a material consideration for Landlord's agreement to enter into this Lease and such right may be exercised in Landlord's sole and absolute discretion and no test of reasonableness shall be applicable thereto; provided, however, that Landlord may exercise the termination right described in said clause (iii) only if Tenant proposes to assign this Lease or sublet the entire Premises for the remainder of the Term. Notwithstanding the foregoing, if Landlord shall notify Tenant that it elects to terminate this Lease, as set forth above, Tenant shall have five (5) business days to rescind its request to assign this Lease or sublet the entire Premises, in which event the Lease shall continue unchanged and in full force and effect.

Tenant acknowledges that Landlord's consent shall be based upon the criteria listed in Sections 11.4 (a) through (e) below, and subject to Landlord's right to reasonably disapprove of any proposed assignment and/or sublease, based on the existence of any condition contained within Section 11.5 hereinbelow. If Landlord provides its consent within the time period specified, Tenant shall be free to complete the assignment and/or sublet such space to the party contained in Tenant's notice, subject to the following conditions:

a) The assignment and/or sublease shall be on the same terms as were set forth in the notice given to Landlord;

b) The assignment and/or sublease shall be documented in a written format that is reasonably acceptable to Landlord, which form shall specifically include the assignee's and/or

sublessee's acknowledgement and acceptance of the obligation contained in this Lease, in so far as applicable;

c) The assignment and/or sublease shall not be valid, nor shall the assignee or sublessee take possession of the Premises, or subleased portion thereof, until an executed duplicate original of such sublease and/or assignment has been delivered to Landlord;

d) The assignee and/or sublessee shall have no further right to assign this Lease and/or sublease the Premises;

e) In the event of any Transfer, Landlord shall receive as Additional Rent hereunder (and without affecting or reducing any other obligation of Tenant under this Lease) fifty percent (50%) of Tenant's "Net Rental Profit" derived from such Transfer. In the event of a Transfer which is a sublease, "Net Rental Profit" shall mean all rent, Additional Rent or other consideration actually payable (in lieu of or in addition to rent) by Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant in connection with such Transfer for (i) advertising costs, (ii) any improvement allowance or other economic concessions (e.g., space planning allowance and moving expenses) paid by Tenant in connection with such Transfer, (iii) any brokerage commissions incurred by Tenant in connection with the Transfer, and (iv) reasonable attorneys' fees incurred by Tenant in connection with the Transfer. In the event of a Transfer other than a sublease, "Net Rental Profit" shall mean key money, bonus money or other consideration paid by the Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to the Transferee for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the Transferee in connection with such Transfer, after deducting the reasonable expenses incurred by Tenant in connection with such Transfer, as described in the preceding sentence. If part of the Net Rental Profit shall be payable by the Transferee other than in cash, then Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord.

Tenant shall deliver to Landlord a statement within thirty (30) days after the end of each calendar year and/or within thirty (30) days after the expiration or earlier termination of the Term of this Lease in which any Transfer has occurred, specifying for each such Transfer:

i) the date of its execution and delivery, the number of square feet of the Rentable Area demised thereby, and the Term thereof, and

ii) a computation in reasonable detail showing the amounts (if any) paid and payable by Tenant to Landlord pursuant to this Section 11.4 with respect to such Transfer for the period covered by such statement, and the amounts (if any) paid and payable by Tenant to Landlord pursuant to this Section 11.4 with respect to any payments received from a Transferee during such period but which relate to an earlier period.

Section 11.5 Reasonable Grounds for Denial of Assignment and/or Sublease. Landlord and Tenant agree that, in addition to such other reasonable grounds as Landlord may assert for

withholding its consent, it shall be reasonable under this Lease and any applicable law for Landlord to withhold its consent to any proposed Transfer, where any one or more of the following conditions exists:

a) The proposed sublessee or assignee (a "Transferee") is, in Landlord's reasonable judgment, of a character or reputation which is not consistent with those businesses customarily found in a Class A office building;

b) The Transferee is engaged in a business or intends to use all or any portion of the Premises for purposes which are not consistent with those generally found in the Building or other Class A office buildings in the vicinity of the Building, provided, however, that in no event shall Landlord be permitted to decline Tenant's request for a Transfer solely on the basis of said Transferee's intent to change the Specified Use from that of Tenant, unless such proposed change shall violate any Exclusive Use provision already granted by Landlord;

c) The Transferee is either a governmental agency or instrumentality thereof;

d) The Transfer will result in more than a reasonable and safe number of occupants within the Premises;

e) The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the sublease, if a sublessee, or this Lease, if an assignee, on the date consent is requested, or has demonstrated a prior history of credit instability or unworthiness;

f) The Transfer will cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give another occupant of the Building a right to cancel its lease;

g) The Transferee will retain any right originally granted to Tenant to exercise a right of renewal, right of expansion, right of first offer or other similar right held by Tenant;

h) Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with the proposed Transferee, is a tenant in the Building at the time Tenant requests approval of the proposed Transfer, or is engaged in on-going negotiations with Landlord to lease space in the Building at the time Tenant requests approval of the proposed Transfer; or

i) The Transferee intends to use all or a portion of the Premises for medical procedures or for a primary business which is as a boiler-room type sales or marketing organization.

If Landlord withholds or conditions its consent and Tenant believes that Landlord did so contrary to the terms of this Lease, Tenant may, as its sole remedy, prosecute an action for declaratory or injunctive relief to determine if Landlord properly withheld or conditioned its consent and the right to sue Landlord for actual damages suffered by Tenant, and Tenant hereby waives all other remedies, including without limitation those set forth in California Civil Code Section 1995.310.

Section 11.6 Tenant's Continued Obligation. Any consent by Landlord to an assignment of this Lease and/or sublease of the Premises shall not release Tenant from any of Tenant's obligations hereunder or be deemed to be a consent by Landlord to any subsequent hypothecation, assignment, subletting, occupation or use by another person, and Tenant shall remain liable to pay the Rent and/or perform all other obligations to be performed by Tenant hereunder. Landlord's acceptance of Rent or Additional Rent from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease. Landlord's consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

If any assignee or sublessee of Tenant or any successor of Tenant defaults in the performance of any of the provisions of this Lease, whether or not Landlord has collected Rent directly from said assignee or sublessee, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, sublessee or other successor-in-interest.

Provided that in no event shall any further assignment, sublease, amendment or modification to this Lease serve to either increase Tenant's liability or expand Tenant's duties or obligations hereunder, or relieve Tenant of its liability under this Lease, then Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with any assignee, without notifying Tenant or any successor of Tenant, and without obtaining their consent thereto.

Section 11.7 Tenant To Pay Landlord's Costs. If Tenant requests the consent of Landlord to an assignment of this Lease or a subletting of all or any portion of the Premises, whether or not Landlord shall grant consent thereto, then Tenant shall, concurrent with Tenant's submission of any written request therefor, pay to Landlord the non-refundable sum of $1,000.00 as reasonable consideration for Landlord's considering and processing the applicable request.

Section 11.8 Successors and Assigns. Subject to the provisions contained herein, the covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, their respective successors and assigns and all persons claiming by, through or under them.

ARTICLE 12
MAINTENANCE, REPAIRS, DAMAGE, DESTRUCTION, RENOVATION AND/OR ALTERATION

Section 12.1 Tenant's Obligation to Maintain. Tenant shall, at Tenant's sole expense, maintain the Premises in good order and repair, and shall also keep clean any portion of the Premises which Landlord is not obligated to clean. Such maintenance and repair obligations shall include the maintenance, clean-out; repair and/or replacement of Tenant's garbage disposal(s), Instant-Heat or other hot water producing equipment, if any, and any plumbing fixtures within the Premises (including any dishwashers, water dispensers or ice-makers and refrigeration devices), and the cleaning and removal of any dishes and/or food prior to the same becoming unsanitary. Tenant shall be responsible for repair of any leaks or other water migration from any plumbing fixtures located in the Premises, and shall be liable for any damage caused thereby to any Common Areas or other tenants' premises. If Tenant becomes obligated to repair anything within the Premises, Tenant shall

advise Landlord's managing agent of such need, which request shall be presumed conclusive evidence of Tenant's obligation and willingness to reimburse Landlord for the reasonable cost of such repair(s).

Further, Tenant shall pay the cost of any injury, damage or breakage in, upon or to the Premises created by Tenant's gross negligence or willful misconduct or the gross negligence or willful misconduct of

Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders.

Subject to Tenant's obligation for reimbursement to Landlord, as specified herein, Landlord shall make all repairs to the Premises and the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, the systems and equipment of the Building and the Tenant Improvements installed in the Premises. However, if such repairs, maintenance or cleaning are required due to Tenant's gross negligence or willful misconduct or the gross negligence or willful misconduct of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, then, Tenant shall, within fifteen (15) days after receipt of Landlord's billing therefor, reimburse Landlord, as Additional Rent, for any expense of such repairs, cleaning and/or maintenance.

Tenant hereby waives all right to make repairs at Landlord's expense under the provisions of Section 1932(1), 1941 and 1942 of the Civil Code of California.

Section 12.2 Repair Period Notice. Tenant **shall** give prompt notice to Landlord of Tenant's actual knowledge of any damage or destruction to all or any part of the Premises or Building resulting from or arising out of any fire, earthquake, or other identifiable event of a sudden, unexpected or unusual nature (individually or collectively a "Casualty"). The time periods specified in this Section 12.2 shall commence after Landlord receives said written notice from Tenant of the occurrence of a Casualty. After receipt of Tenant's written notice that a Casualty has occurred, Landlord shall, within the later of:

a) sixty (60) days after the date on which Landlord determines the full extent of the damage caused by the Casualty, or

b) thirty (30) days after Landlord has determined the extent of the insurance proceeds available to effectuate repairs, but

c) in no event more than one hundred and twenty (120) days after the Casualty, provide written notice to Tenant indicating the anticipated time period for repairing the Casualty (the "Repair Period Notice"). The Repair Period Notice shall also state, if applicable, Landlord's election either to repair the Premises, or to terminate this Lease, pursuant to the provisions of Section 12.3, and if Landlord elects to terminate this Lease, Landlord shall use commercially reasonable efforts to provide Tenant with a minimum period of ninety (90) days within which to fully vacate the Premises.

Section 12.3 Landlord's Option to Terminate or Repair. Notwithstanding anything to the contrary contained herein, Landlord shall have the option, but not the obligation to elect not to rebuild or restore the Premises and/or the Building if one or more of the following conditions is present:

a) repairs to the Premises cannot reasonably be completed within one hundred and eighty (180) days after the date of the Casualty (when such repairs are made without the payment of overtime or other premiums);

b) repairs required cannot be made pursuant to the then-existing laws or regulations affecting the Premises or Building, or the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty;

c) the holder of any mortgage on the Building or ground or underlying lessor with respect to the Project and/or the Building shall require that all or such large a portion of the insurance proceeds be used to retire the mortgage debt, so that the balance of insurance proceeds remaining available to Landlord for completion of repairs shall be insufficient to repair said damage or destruction;

d) the holder of any mortgage on the Building or ground or underlying lessor with respect to the Project and/or the Building shall terminate the mortgage, ground or underlying lease, as the case may be;

e) provided Landlord has carried the coverage Landlord is required to obtain under Section 19.1 of this Lease, the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies;

f) more than thirty-three and one-third percent (33 1/3%) of the Building is damaged or destroyed, whether or not the Premises is affected, provided that Landlord elects to terminate all other leases for offices of a similar size in the Building.

If Landlord elects not to complete repairs to the Building or Premises, pursuant to this Section 12.3, Landlord's election to terminate this Lease shall be stated in the Repair Period Notice, in which event this Lease shall cease and terminate as of the date contained in Landlord's Repair Period Notice.

If one hundred percent of the Building is damaged or destroyed, as certified by an independent building inspector, this Lease shall automatically terminate after Tenant's receipt of written notice of such termination from Landlord, and without action beyond the giving of such notice being required by either Landlord or Tenant.

Upon any termination of this Lease pursuant to this Section 12.3, Tenant shall pay its prorata share of Fixed Monthly Rent and Additional Rent, properly apportioned up to the date of such termination, reduced by any abatement of Rent to which Tenant is entitled under Section 12.5; after which both Landlord and Tenant shall thereafter be freed and discharged of all further obligations

under this Lease, except for those obligations which by their provisions specifically survive the expiration or earlier termination of the Term.

Section 12.4 Tenant's Option to Terminate. If:

a) the Repair Period Notice provided by Landlord indicates that the anticipated period for repairing the Casualty exceeds one hundred and eighty (180) days after the commencement of the repairs (the "Repair Period"), or

b) the Casualty to the Premises occurs during the last twelve (12) months of the Term and the anticipated period for repairing the Casualty exceeds sixty (60) days after the commencement of repairs as such repair period is set forth in a notice from Landlord to Tenant given within thirty (30) days after the Casualty (the "End of Term Notice");

then Tenant shall have the option, but not the obligation, to terminate this Lease by providing written notice ("Tenant's Termination Notice") to Landlord within thirty (30) days after receiving the Repair Period Notice in the case of 12.4 (a); or within thirty (30) days after receiving the End of Term Notice, in the case of Section 12.4 (b). Furthermore, if for reasons other than force majeure, Landlord has not completed the repairs on the date which is thirty (30) days after the expiration of the Repair Period, then Tenant shall also have the option, but not the obligation, to terminate this Lease by giving Landlord written notice of its intention to so terminate, which notice shall be given not more than forty-five (45) days after expiration of the Repair Period.

Tenant's failure to provide Landlord with Tenant's Termination Notice within the time periods specified hereinabove shall be deemed conclusive evidence that Tenant has waived its option to terminate this Lease.

Section 12.5 Temporary Space and/or Rent Abatement During Repairs or Renovation. During the Repair Period or during any such period that Landlord completes Work (as defined hereinbelow) or Renovations (as defined in Section 12.11 hereinbelow), if available, and if requested by Tenant, Landlord shall make available to Tenant other space in the Building which, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business. However, if such temporary space is smaller than the Premises, Tenant shall pay Fixed Monthly Rent and Additional Rent for the temporary space based upon the calculated rate per rentable square foot payable hereunder for the Premises, times the number of rentable square feet available for Tenant's use in the temporary space.

If no temporary space is available that is reasonably satisfactory to Tenant, and any part of the Premises is rendered untenantable by reason of such Casualty, Work or Renovation, then to the extent that all or said portion of the usable area of the Premises is so rendered untenantable by reason of such Casualty, Work or Renovation, Tenant shall be provided with a proportionate abatement of Fixed Monthly Rent and Additional Rent. Said proportional abatement shall be based on the usable square footage of the Premises that cannot and is not actually used by Tenant, divided by the total usable square feet contained in the Premises. That proportional abatement, if any, shall be provided during the period beginning on the later of:

a) the date of the Casualty; or

b) the actual date on which Tenant ceases to conduct Tenant's normal business operations in all or any portion of the Premises,

and shall end on the date Landlord achieves substantial completion of restoration of the Premises. Said abatement of Rent shall be deemed Tenant's waiver of any claim or right of claim for any loss or damage asserted by Tenant arising out of the Casualty Repair, Work or Renovation, as the case may be.

Section 12.6 Tenant's Waiver of Consequential Damages. Subject to Section 12.4, the provisions contained in Section 12.5 are Tenant's sole remedy arising out of any Casualty. Landlord shall not be liable to Tenant or any other person or entity for any direct, indirect, or consequential damages (including but not limited to lost profits of Tenant or loss of or interference with Tenant's business), due to, arising out of, or as a result of the Casualty.

In no event shall any Landlord Party be liable for any inconvenience or annoyance to Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, or for injury to the business of Tenant resulting in any way from such Casualty, or from Landlord's undertaking of repairs as a result of such Casualty.

Section 12.7 Repair Of The Premises When Casualty Not Caused By Tenant. If the cost of repair of any Casualty is covered under one or more of the insurance policies Landlord is required herein to provide, then Landlord shall restore the base core and shell of the Premises to its condition prior to the Casualty and repair and/or replace the improvements previously installed in the Premises.

If Landlord has elected to complete repairs to the Premises, and has not elected to terminate this Lease, as specified in Section 12.3, then Landlord shall diligently complete such repairs in a manner so as to minimize unreasonable interference with Tenant's use of that portion of the Premises remaining unaffected by the Casualty. Provided Landlord has elected to make the repairs required hereunder, this Lease shall not be void or voidable during the Repair Period, nor shall Landlord be deemed to have constructively evicted Tenant thereby.

Section 12.8 Waiver. Tenant hereby waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and the provisions of any successor or other law of like import.

Section 12.9 Repair of the Building. Except as specified hereinabove, unless Landlord terminates this Lease as permitted hereinabove, Landlord shall use commercially reasonable efforts to repair the Building, parking structure or other supporting structures and facilities within two hundred twenty-five (225) days after the commencement of repairs to same.

Section 12.10 Government-Required Repairs. If, during the Term, additional inspections other than those standard annual or biannual inspections to which the Building may generally be subject; testing, repairs and/or reconstruction (collectively the "Work") are required by any governmental authority, or if, upon the recommendation of its engineers, Landlord independently

elects to undertake all or any portion of the Work prior to being required to do so by such governmental authority, Landlord shall give notice thereof to Tenant and shall use its commercially reasonable efforts not to unreasonably interfere with Tenant's use of the Premises while completing the Work. Tenant shall cooperate fully with Landlord in connection with the Work and, upon the prior written request of Landlord, shall make the Premises available for completion of the Work. Tenant agrees that Landlord shall allocate all costs associated with completion of the Work to the Building's Operating Expenses, when permitted to under the provisions of Section 4.1 of this Lease.

If Landlord elects to undertake the Work during the Term, then Tenant shall be entitled to an abatement of rent, pursuant to the provisions of Section 12.5 hereinabove, and Landlord shall be completely responsible for repair of any damage to the Premises and all costs associated with the removal, moving and/or storage of Tenant's furniture, artwork, office equipment and files. Landlord will restore any and all areas damaged by completion of the Work to their previous quality and pay all clean-up costs. Landlord further agrees that it shall use commercially reasonable efforts to see that all construction, such as core drilling shall, insofar as is reasonably possible, be performed between the hours of 7:00 p.m. to 7:00 a.m. Monday through Friday; after 1:00 p.m. on Saturdays and/or at any time on Sundays.

Tenant shall not have the right to terminate this Lease as a result of Landlord undertaking the Work, nor shall Tenant or any third party claiming under Tenant be entitled to make any claim against Landlord for any interruption, interference or disruption of Tenant's business or loss of profits therefrom as a result of the Work, and Tenant hereby releases Landlord from any claim which Tenant may have against Landlord arising from or relating to, directly or indirectly, the performance of the Work by Landlord.

Section 12.11 Optional Landlord Renovation. It is specifically understood and agreed that Landlord has no obligation to alter, remodel, improve, renovate or decorate the Premises, Building, or Project, or any part thereof and that Landlord has made no representations and/or warranties to Tenant respecting the condition of the Premises, the Building, or the Project including, without limitation, any representation or warranty regarding any upgrades or other improvements to any Common Areas of the Building or Project.

However, at any time and from time to time during the Term, Landlord may elect, in Landlord's sole discretion, to otherwise renovate, improve, alter or modify elements of the Project, the Building and/or the Premises (collectively, "Renovations") including without limitation, the parking facilities, Common Areas, systems, equipment, roof, and structural portions of the same, which Renovations may include, without limitation:

a) modifying the Common Areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions and building safety and security, and

b) installing new carpeting, lighting and wall covering in the Building Common Areas.

In connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in or about the Building, limit or eliminate access to portions of the Building, Common Areas or parking facilities serving the Building, or perform other work in or about the Building, or the Project, which work may create noise, dust or debris that remains in the Building or the Project,.

Provided that Landlord provides written notice to Tenant as provided in Section 1.3 of this Lease, Landlord shall have the right to access through the Premises as well as the right to take into and upon and through all or any part of the Premises, or any other part of the Building, all materials that may reasonably be required to make such repairs, alterations, decorating, additions or improvements pursuant to the provisions of this Section 12.11. So long as Tenant shall maintain reasonable access to the Premises, the Building and the parking facilities, Landlord shall also have the right, in the course of the Renovations, to close entrances, doors, corridors, elevators, or other building facilities, or temporarily to abate the operation of such facilities.

So long as Tenant is not required to vacate the Premises for any reason arising out of the Renovations, and maintains reasonable access to the Premises and the parking facilities, Tenant shall permit all of the Renovations to be done, without claiming Landlord is guilty of the constructive eviction or disturbance of Tenant's use and possession.

Landlord shall not be liable to Tenant in any manner (except as expressly provided otherwise in this Lease), whether for abatement of any Rent or other charge, reimbursement of any expense, injury, loss or damage to Tenant's property, business, or any person claiming by or under Tenant, by reason of interference with the business of Tenant or inconvenience or annoyance to Tenant or the customers of Tenant resulting from any Renovations done in or about the Premises or the Building or to any adjacent or nearby building, land, street or alley. However, Landlord agrees that the Renovations shall be scheduled insofar as is commercially reasonable to permit Tenant to continue its normal business operations, with advance notice thereof, and in such commercially reasonable manner so as to minimize Tenant's inconvenience.

Section 12.12 Optional Tenant Changes During the Term. After completion of the initial Improvements contemplated hereunder, if any, Tenant shall make no alteration, change, addition, removal, demolition, improvement, repair or replacement in, on, upon, to or about the Premises, or at any time to any portion of the Building (collectively or individually a "Tenant Change"), without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent but upon ten (10) days prior notice to Landlord and in compliance with Exhibit B-1, to make strictly cosmetic, non-structural alterations (such as new paint and carpet and minor changes to millwork) ("Cosmetic Alterations") to the Premises that (i) are equal to or better than the minimum Building standards and specifications to the Premises; (ii) do not affect the exterior appearance of the Building; (iii) do not affect the Building systems and/or the Building structure; (iv) do not interfere unreasonably with another occupant's normal and customary business; and (v) do not require a building permit or any other form of approval whatsoever from any governmental authority. Except as otherwise specified in Article 7, any Tenant Change shall, at the termination of this Lease, become a part of the Building and belong to Landlord, pursuant to the provisions of Article 7. Any application

for Landlord's consent to a Tenant Change, and the completion thereof, shall be in conformance with the provisions of Exhibit B-1, attached hereto and made a part hereof by reference.

Tenant shall not knowingly permit Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to deface the walls, floors and/or ceilings of the Premises, nor mark, drive nails, screws or drill holes into, paint, or in any way mar any surface in the Building. Notwithstanding the above, Tenant is hereby permitted to install such pictures, certificates, licenses, artwork, bulletin boards and similar items as are normally used in Tenant's business, so long as such installation is carefully attached to the walls by Tenant in a manner reasonably prescribed by Landlord.

If Tenant desires, as a part of any Tenant Change, to make any revisions whatsoever affecting the electrical, HVAC, mechanical, life-safety, plumbing, or structural systems of the Building or Premises, such revisions, if approved by Landlord, must be completed by subcontractors specified by Landlord and in the manner and location(s) reasonably prescribed by Landlord. If Tenant desires to install any telephone outlets, the same shall be installed in the manner and location(s) reasonably prescribed by Landlord.

If Landlord consents to any requested Tenant Change, Tenant shall give Landlord a minimum of ten (10) days written notice prior to commencement thereof. Landlord reserves the option, but not the obligation, to enter upon the Premises for the purpose of posting and maintaining such notices on the Premises as may be reasonably necessary to protect Landlord against mechanic's liens, material man's liens or other liens, and/or for posting any other notices that may be proper and necessary in connection with Tenant's completion of the Tenant Change.

Except as expressly provided otherwise in this Lease, if any Tenant Change results in Landlord being required to make any alterations to other portions of the Building in order to comply with any applicable statutes, ordinances or regulations (e.g., "handicap ordinances") then Tenant shall reimburse Landlord upon demand for all costs and expenses incurred by Landlord in making such alterations. In addition, Tenant shall reimburse Landlord for any and all of Landlord's out of pocket costs incurred in reviewing Tenant's plans for any Tenant Change or for any other "peer review" work associated with Landlord's review of Tenant's plans for any Tenant Change, including, without limitation, Landlord's out of pocket costs incurred in engaging any third party engineers, contractors, consultants or design specialists. Tenant shall pay such costs to Landlord within five (5) business days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work.

Section 12.13 Express Agreement. The provisions of this Lease, including those contained in this Article 12, constitute an express agreement between Landlord and Tenant that applies in the event of any Casualty to the Premises, Building or Project. Tenant, therefore, fully waives the provisions of any statute or regulations, including California Civil Code Sections 1932(2) and 1933(4), and any other law or statute which purports to govern the rights or obligations of Landlord and Tenant concerning a Casualty in the absence of express agreement. Tenant and Landlord expressly agree and accept that any successor or other law of like import shall have no application hereunder.

ARTICLE 13
CONDEMNATION

Section 13.1 Condemnation of the Premises. If more than twenty-five percent (25%) of the Premises is lawfully condemned or taken in any manner for any public or quasi-public use, or if any portion of the Building is condemned or taken in such a manner that Tenant is reasonably prevented from obtaining access to the Building or the Premises, this Lease may, within ten (10) business days of such taking, be terminated at the option of either Landlord or Tenant by one party giving the other thirty (30) days written notice of its intent to do so. If either Landlord or Tenant provide the other party written notice of termination, the Term and estate hereby granted shall forthwith cease and terminate as of **the** earlier of the date of vesting of title in such condemnation or taking or the date of taking of possession by the condemning authority.

If less than twenty-five percent (25%) of the Premises is so condemned or taken, then the term and estate hereby granted with respect to such part shall forthwith cease and terminate as of the earlier of the date of vesting of title in such condemnation or taking or the date of taking of possession by the condemning authority, and the Fixed Monthly Rent payable hereunder (and Additional Rent payable pursuant to Articles 3 or 4) shall be abated on a prorated basis, by dividing the total number of usable square feet so taken by the total number of usable square feet contained in the Premises, then multiplying said percentage on a monthly basis, continuing from the date of such vesting of title to the date specified in this Lease for the expiration of the Term hereof.

Section 13.2 Condemnation of the Building. If less than twenty-five percent (25%) of the Building is so condemned or taken, then Landlord shall, to the extent of the proceeds of the condemnation payable to Landlord and with reasonable diligence, restore the remaining portion of the Building as nearly as practicable to its condition prior to such condemnation or taking; except that, if such proceeds constitute less than ninety percent (90%) of Landlord's estimate of the cost of rebuilding or restoration, then Landlord may terminate this Lease on thirty (30) days' prior written notice to Tenant.

If more than twenty-five percent (25%) of the Building is so condemned or taken, but the Premises are unaffected thereby, then Landlord shall have the option but not the obligation, which election shall be in Landlord's sole discretion, to terminate this Lease, effective the earlier of the date of vesting of title in such condemnation or the date Landlord delivers actual possession of the Building and Premises to the condemning authority, which election by Landlord shall be provided **to** Tenant in writing.

Section 13.3 Award. If any condemnation or taking of all or a part of the Building takes place, Tenant shall be entitled to join in any action claiming compensation therefore, and Landlord shall be entitled to receive that portion of the award made for the value of the Building, Premises, leasehold improvements made or reimbursed by Landlord, or bonus value of this Lease, and Tenant shall only be entitled to receive any award made for the value of the estate vested by this Lease in Tenant, including Tenant's proximate damages to Tenant's business and reasonable relocation expenses. Nothing shall preclude Tenant from intervening in any such condemnation proceeding to claim or receive from the condemning authority any compensation to which Tenant may otherwise lawfully be entitled in such case in respect of Tenant's property or for moving to a new location.

Section 13.4 Condemnation for a Limited Period. Notwithstanding the provisions of Section 13.1, 13.2 or 13.3, except during the final twelve (12) months of the Term, if all or any

portion of the Premises are condemned or taken for governmental occupancy for a limited period (i.e., anticipated to be no longer than sixty (60) days), then this Lease shall not terminate; there shall be no abatement of Fixed Monthly Rent or Additional Rent payable hereunder; and Tenant shall be entitled to receive the entire award therefor (whether paid as damages, rent or otherwise).

If, during the final twelve (12) months of the Term, all or any portion of the Premises are condemned or taken for governmental occupancy for a limited period anticipated to be in excess of sixty (60) days, or for a period extended after the expiration of the initial Term, Tenant shall have the option, but not the obligation, to terminate this Lease, in which case, Landlord shall be entitled to such part of such award as shall be properly allocable to the cost of restoration of the Premises, and the balance of such award shall be apportioned between Landlord and Tenant as of the date of such termination.

If the termination of such governmental occupancy is prior to expiration of this Lease, and Tenant has not elected to terminate this Lease, Tenant shall, upon receipt thereof and to the extent an award has been made, restore the Premises as nearly as possible to the condition in which they were prior to the condemnation or taking.

ARTICLE 14
MORTGAGE SUBORDINATION; ATTORNMENT AND MODIFICATION OF LEASE

Section 14.1 Subordination. This Lease, the Term and estate hereby granted, are and shall be subject and subordinate to the lien of each mortgage which may now or at any time hereafter affect Landlord's interest in the Project, Building, parking facilities, Common Areas or portions thereof and/or the land thereunder (an "underlying mortgage"), regardless of the interest rate, the terms of repayment, the use of the proceeds or any other provision of any such mortgage. Tenant shall from time to time execute and deliver such instruments as Landlord or the holder of any such mortgage may reasonably request to confirm the subordination provided in this Section 14.1. Notwithstanding any contrary provision of this Section 14.1, Landlord shall obtain and deliver to Tenant, within ninety (90) days following the mutual execution and delivery of this Lease, a non-disturbance agreement from the holder of the existing deed of trust affecting the Building (the "Holder") on their then-standard form, with such reasonable modifications to such form as may be negotiated by Tenant and the Holder (the "SNDA"), it being expressly understood and agreed that (i) Landlord shall use commercially reasonable efforts to assist Tenant in negotiating the SNDA, and (ii) Landlord shall have no liability to Tenant in the event the Holder elects not to make any changes to its then-standard form of SNDA. Tenant shall pay to Landlord, within thirty (30) days following Tenant's receipt of Landlord's billing, the reasonable out-of-pocket costs incurred by Landlord in connection with obtaining the SNDA (up to a maximum amount of $2,000.00). In addition, Landlord's delivery to Tenant of commercially reasonable non-disturbance agreement(s) in favor of Tenant from any ground lessors, mortgage holders or lien holders of Landlord who come into existence following the date hereof but prior to the expiration of the Term shall be in consideration of, and a condition precedent to, Tenant's agreement to be bound by the terms and conditions of this Article 14.

Section 14.2 Attornment. Tenant confirms that if by reason of a default under an underlying mortgage the interest of Landlord in the Premises is terminated, provided Tenant is

granted in writing continued quiet enjoyment of the Premises pursuant to the terms and provisions of this Lease, Tenant shall attorn to the holder of the reversionary interest in the Premises and shall recognize such holder as Tenant's landlord under this Lease, but in no event shall such holder be bound by any payment of Rent paid more than one month in advance of the date due under this Lease. Tenant shall, within fifteen (15) days after request therefor, execute and deliver, at any time and from time to time, upon the request of Landlord or of the holder of an underlying mortgage any instrument which may be necessary or appropriate to evidence such attornment.

Section 14.3 Modification of Lease; Notice of Default. If any current or prospective mortgagee or ground lessor for the Building requires a modification or modifications of this Lease, which modification or modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then in such event, Tenant agrees that this Lease may be so modified. Tenant agrees to execute and deliver to Landlord within fifteen (15) days following the request therefor whatever documents are required to effectuate said modification. Should Landlord or any such current or prospective mortgagee or ground lessor require execution of a short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Term, Tenant agrees to execute and deliver to Landlord such short form of Lease within fifteen (15) days following the request therefor. Further, Tenant shall give written notice of any default by Landlord under this Lease to any mortgagee and ground lessor of the Building whose address has been provided to Tenant and shall afford such mortgagee and ground lessor a reasonable opportunity to cure such default prior to exercising any remedy under this Lease.

ARTICLE 15
ESTOPPEL CERTIFICATES

Section 15.1 Estoppel Certificates. Tenant shall, within fifteen (15) days after receipt of Landlord's written request therefor, execute, acknowledge and deliver to Landlord an Estoppel Certificate, which may be conclusively relied upon by any prospective purchaser, mortgagee or beneficiary under any deed of trust covering the Building or any part thereof. Said Estoppel Certificate shall certify the following:

a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification);

b) the date, if any, to which rental and other sums payable hereunder have been paid;

c) that no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in the certificate;

d) that, to Tenant's actual knowledge, Landlord is not in default under this Lease or, if so, specifying such default; and

e) such other factual matters as may be reasonably requested by Landlord.

Tenant's failure to deliver the Estoppel Certificate within five (5) days following receipt of the Landlord's second (2nd) written request therefor shall entitle Landlord and any party relying on such certificate to conclusively presume that the facts contained in such certificate are true and correct.

ARTICLE 16
NOTICES

Section 16.1 Notices. Any notice, consent, approval, agreement, certification, request, bill, demand, statement, acceptance or other communication hereunder (a "notice") shall be in writing and shall be considered duly given or furnished when:

a) delivered personally or by messenger or overnight delivery service, with signature evidencing such delivery;

b) upon the date of delivery, after being mailed in a postpaid envelope, sent certified mail, when addressed to Landlord as set forth in the Basic Lease Information and to Tenant at the Premises and any other address for Tenant specified in the Basic Lease Information; or to such other address or addressee as either party may designate by a written notice given pursuant hereto; or

c) upon confirmation of good transmission if sent via facsimile machine to such phone number as shall have been provided in writing by Landlord or Tenant, one to the other.

If Tenant fails to provide another valid address, other than the Premises, upon which service to Tenant can be perfected, then Tenant hereby appoints as its agent to receive the service of all dispossessory or distraint proceedings and notices thereunder the person in charge of or occupying the Premises at the time, and if no person shall be in charge of or occupy the same, then such service may be made by attaching the same to the main entrance of the Premises. For the purpose of the service of any notice by Landlord under Article 17 of this Lease, the notice will be deemed served on the date of mailing by Landlord.

ARTICLE 17
DEFAULT AND LANDLORD'S OPTION TO CURE

Section 17.1 Tenant's Default. For the purposes of this Section 17.1, if the term "Tenant", as used in this Lease, refers to more than one person, then, such term shall be deemed to include all of such persons or any one of them; if any of the obligations of Tenant under this Lease are guaranteed, the term "Tenant", as used in Section 17.1(e) and Section 17.1(f), shall be deemed to also include the guarantor or, if there is more than one guarantor, all or any one of them; and if this Lease has been assigned, the term "Tenant", as used in Sections 17.1 (a) through (h), inclusive, shall be deemed to include the assignee and assignor, jointly and severally, unless Landlord shall have, in connection with such assignment, previously released the assignor from any further liability under this Lease, in which event the term "Tenant", as used in said subparagraphs, shall not include the assignor that was previously released.

Tenant's continued occupancy and quiet enjoyment of the Premises and this Lease and the covenants and estate hereby granted are subject to the limitation that:

a) if Tenant fails to make any payment of Fixed Monthly Rent or Additional Rent within five (5) business days following Tenant's receipt of written notice from Landlord that any such amount is due and unpaid, provided that the notice and cure period for Tenant's failure to pay Termination Consideration as and when due shall be governed by Section 3.3.1 ; or

b) if Tenant abandons or vacates the Premises and concurrently discontinues the payment of Rent; or

c) if Tenant defaults in the keeping, observance or performance of any covenant or agreement set forth in Sections 6.1, 6.2, or 19.3, and if such default continues and is not cured by Tenant before the expiration of Landlord's written 3-Day Notice to Cure or Quit; or

d) if Tenant defaults in the keeping, observance or performance of any covenant or agreement including any provisions of the rules and regulations established by Landlord (other than a default of the character referred to in Sections 17.1 (a), (b) or (c)), and if such default continues and is not cured by Tenant within thirty (30) days after Landlord has given to Tenant a notice specifying the same, or, in the case of such a default which for causes beyond Tenant's reasonable control (including occupancy of a sublessee) cannot with due diligence be cured within such period of thirty (30) days, if Tenant:

i) does not, promptly upon Tenant's receipt of such notice, advise Landlord of Tenant's intention duly to institute all steps necessary to cure such default; or

ii) does not duly institute and thereafter diligently prosecute to completion all steps (including, if appropriate, legal proceedings against a defaulting sublessee) necessary to cure the same; or

e) intentionally omitted; or

f) if Tenant:

i) applies for or consents to the appointment of, or the taking of possession by a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property;

ii) admits in writing its inability, or is generally unable, to pay its debts as such debts become due;

iii) makes a general assignment for the benefit of its creditors;

iv) commences a voluntary case under federal bankruptcy laws (as now or hereafter in effect);

v) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts;

vi) fails to controvert in a timely or appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under such bankruptcy laws;

vii) takes any action for the purpose of effecting any of the foregoing; or

g) if a proceeding or case is commenced, without the application or consent of Tenant, in any court of competent jurisdiction, seeking:

i) the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of Tenant; or

ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Tenant or of all or a substantial part of its assets; or

iii) similar relief with respect of Tenant under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days, or an order for relief against Tenant shall be entered in an involuntary case under such bankruptcy laws; or

h) if Tenant fails to take possession of and move into the Premises within fifteen (15) calendar days after Landlord tenders the same in writing to Tenant, but in no event prior to the Commencement Date unless Tenant acknowledges and accepts the Commencement Date as occurring within such fifteen-day time period, and pays Rent thereon from such Commencement Date;

then, in any or each such event, Tenant shall be deemed to have committed a material default under this Lease.

Section 17.2 Landlord's Option to Cure Tenant's Default. If Tenant enters into a default under this Lease, in lieu of Landlord's issuance of a written notice, as specified hereinbelow, Landlord may cure the same at the sole expense of Tenant:

a) immediately and without notice in the case of emergency; if said default is specified in Sections 17.1 (a), (b) or (c), or if such default unreasonably interferes with the use by any other tenant of the Building; with the efficient operation of the Building; or will result in a violation of law or in a cancellation of any insurance policy maintained by Landlord, and

b) after the expiration of Landlord's 3-Day Notice of Intent to Cure, in the case of any default other than those specified in Section 17.2 (a) hereinabove.

Within fifteen (15) business days after receiving a statement from Landlord, Tenant shall pay to Landlord the amount of the expense reasonably incurred by Landlord in performing Tenant's

obligation. If Tenant fails to pay such amount to Landlord within the specified time period, Landlord may (in addition to any other remedies of Landlord under this Lease or applicable law) deduct the amount due from the Security Deposit under Section 3.7.

Section 17.3 Landlord's Option to Terminate this Lease. In addition to any other remedies Landlord may have at law or in equity, if Tenant commits a default and fails to cure such default prior to the expiration of all applicable notice and/or cure periods, Landlord shall be entitled to give to Tenant a written notice of intention to terminate this Lease at the expiration of three (3) days from the date of the giving of such notice, and if such notice is given by Landlord, and Tenant fails to cure the defaults specified therein, then this Lease and the Term and estate hereby granted (whether or not the Commencement Date has already occurred) shall terminate upon the expiration of such three (3) day period (a "Default Termination"), with the same effect as if the last of such three (3) days were the Termination Date, except that Tenant shall remain liable for damages as provided hereinbelow or pursuant to law.

Section 17.4 Certain Payments. Bills for all reasonable costs and expenses incurred by Landlord in connection with any performance by it under Section 17.2 shall be payable, as Additional Rent, pursuant to the provisions of Section 4.3.

Section 17.5 Certain Waivers. Unless Tenant has submitted documentation that it validly disputes Landlord's billing for Fixed Monthly Rent hereunder, or is completing an audit of Landlord's Operating Expense Statement, if Tenant is in default in payment of Fixed Monthly Rent or Additional Rent hereunder, Tenant waives the right to designate the items against which any payments made by Tenant are to be credited. In lieu thereof, Landlord may apply any payments received from Tenant to the then-oldest billing remaining unpaid on Tenant's rental account or to any other payment due from Tenant, as Landlord sees fit.

Section 17.6 Landlord Default. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless:

a) in the event such default is with respect to the payment of money, Landlord fails to pay such unpaid amounts within five (5) business days of written notice from Tenant that the same was not paid when due, or

b) in the event such default is other than the obligation to pay money, Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) days period and thereafter diligently pursue the same to completion within a reasonable time period.

Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

ARTICLE 18
DAMAGES; REMEDIES; RE-ENTRY BY LANDLORD; ETC.

Section 18.1 Damages. If Landlord terminates this Lease, pursuant to the provisions of Section 17.3 (a "Default Termination"), then Landlord may recover from Tenant the total of:

a) the worth at the time of award of the unpaid Fixed Monthly Rent and Additional Rent earned to the date of such Default Termination; and

b) the worth at the time of award of the amount by which the unpaid Fixed Monthly Rent and Additional Rent which would have been earned after the date of such Default Termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and

c) the worth at the time of award of the amount by which the unpaid Fixed Monthly Rent and Additional Rent which would have been earned for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and

d) any other amount reasonably necessary to compensate Landlord for all of the detriment proximately caused by Tenant's failure to observe or perform any of its covenants and agreements under this Lease or which in the ordinary course of events would be likely to result therefrom, including, without limitation, the payment of the reasonable expenses incurred or paid by Landlord in re-entering and securing possession of the Premises and in the reletting thereof (including, without limitation, altering and preparing the Premises for new tenants and brokers' commission); and

e) at Landlord's sole election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable California laws.

Section 18.2 Computations: The "worth at the time of award" is computed:

a) in paragraphs (a) and (b) above, by allowing interest at the rate of ten percent (10%) per annum (but in no event in excess of the maximum rate permitted by law); and

b) in paragraph (c) above, by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

c) For purposes of computing unpaid rental which would have accrued and become payable under this Lease, unpaid rental shall consist of the sum of:

i) the total Fixed Monthly Rent for the balance of the Term, plus

ii) a computation of Tenant's Share of Additional Rent due under this Lease including, without limitation, Tenant's Share of any increase in Operating Expenses (including real estate taxes) for the balance of the Term. For purposes of computing any increases due Landlord hereunder, Additional Rent for the calendar year of the default and for each future calendar year in

the Term shall be assumed to be equal to the Additional Rent for the calendar year prior to the year in which default occurs, compounded at a rate equal to the mean average rate of inflation for the preceding five calendar years as determined by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index (All Urban Consumers, all items, 1982-84 equals 100) for the metropolitan area or region of which Los Angeles, California is a part. If such index is discontinued or revised, the average rate of inflation shall be determined by reference to the index designated as the successor or substitute index by the government of the United States.

Section 18.3 Re-Entry by Landlord.

a) If a Default Termination occurs or any default specified in Sections 17.1 (a) through (g) occurs and continues beyond the period of grace (if any) therefor, Landlord or Landlord's authorized representatives may re-enter the Premises and remove all persons and all property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding at law, without being liable to indictment, prosecution or damages therefor, and may repossess and enjoy the Premises. No re-entry or repossession of the Premises by Landlord or its representatives under this Section 18.3 shall be construed as an election to terminate this Lease unless a notice of such election is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. The words "re-enter", "re-entry" and "re-entering" as used herein are not restricted to their technical legal meanings.

b) If any default specified in Sections 17.1 (a) through (g) occurs and continues beyond the period of grace (if any) therefor, then if Landlord does not elect to terminate this Lease Landlord may, from time to time and without terminating this Lease, enforce all its rights and remedies under this Lease, including the right to recover the Fixed Monthly Rent and Additional Rent as the same becomes payable by Tenant hereunder.

i) If Landlord consents thereto, Tenant may sublet the Premises or any part thereof (which consent Landlord agrees will not be unreasonably withheld), subject to Tenant's compliance with the requirements of Article 11 of this Lease. So long as Landlord is exercising this remedy it will not terminate Tenant's right to possession of the Premises, but it may engage in the acts permitted by Section 1951.4(c) of the California Civil Code.

c) If Tenant abandons the Premises in breach of this Lease, Landlord shall have the right to relet the Premises or any part thereof on such terms and conditions and at such rentals as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs in and to the Premises necessary to reletting. If Landlord so elects to relet, then gross rentals received by Landlord from the reletting shall be applied:

i) **first,** to the payment of the reasonable expenses incurred or paid by Landlord in re-entering and securing possession of the Premises and in the reletting thereof (including, without limitation, altering and preparing the Premises for new tenants and brokers' commissions);

ii) **second,** to the payment of the Fixed Monthly Rent and Additional Rent payable by Tenant hereunder; and

iii) **third,** the remainder, if any, to be retained by Landlord and applied to the payment of future Fixed Monthly Rent and Additional Rent as the same become due.

Should the gross rentals received by Landlord from the reletting be insufficient to pay in full the sums stated in Section 18.3 (a) and (b) hereinabove, Tenant shall, upon demand, pay the deficiency to Landlord.

Section 18.4 Certain Waivers. After Landlord has actually obtained possession of the Premises pursuant to any lawful order of possession granted in a valid court of law, Tenant thereafter waives and surrenders for Tenant, and for all claiming under Tenant, all rights and privileges now or hereafter existing to redeem the Premises (whether by order or judgment of any court or by any legal process or writ); to assert Tenant's continued right to occupancy of the Premises; or to have a continuance of this Lease for the Term hereof. Tenant also waives the provisions of any law relating to notice and/or delay in levy of execution in case of an eviction or dispossession for nonpayment of rent, and of any successor or other law of like import.

Section 18.5 Cumulative Remedies. The remedies of Landlord provided for in this Lease are cumulative and are not intended to be exclusive of any other remedies to which Landlord may be lawfully entitled. The exercise by Landlord of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy. Notwithstanding anything to the contrary herein, in no event shall Tenant be liable for any indirect, special or consequential damages under this Lease, except as set forth in Section 2.2 of this Lease.

ARTICLE 19
INSURANCE

Section 19.1 Landlord Obligations.

a) Landlord shall secure and maintain through individual or blanket policies during the Term of this Lease the following insurance:

i) Fire insurance and extended coverage for the full replacement cost of the Building, the parking facilities, the Common Area improvements and any and all improvements installed in, on or upon the Premises and affixed thereto (but excluding Tenant's fixtures, furnishings, equipment, personal property or other elements of Tenant's Property);

ii) Such other insurance (including, without limitation, liability insurance, equipment breakdown, business interruption, earthquake and/or flood insurance) as Landlord reasonably elects to obtain or any Lender requires.

b) Insurance effected by Landlord under this Section 19.1 will be:

i) In amounts which Landlord from time to time determines sufficient or which any Lender requires; and

ii) Subject to such deductibles and exclusions as Landlord deems appropriate.

c) Notwithstanding any contribution by Tenant to the cost of insurance premiums as provided herein, Tenant acknowledges that Tenant has no right to receive any proceeds from any insurance policies carried by Landlord.

Section 19.2 Tenant Obligations.

a) At least ten (10) days prior to the earlier of the Commencement Date or Tenant's anticipated early access date of the Premises and thereafter during the Term of this Lease, Tenant shall secure and maintain, at its own expense throughout the Term of this Lease the following minimum types and amounts of insurance, in form and in companies acceptable to Landlord, insuring Tenant, its employees, agents and designees:

i) Workers' Compensation Insurance, which shall be not less than the amount and scope required by statute or other governing law;

ii) Employer's Liability Insurance in amounts equal to or greater than the following: Bodily Injury by accident - $1,000,000 each accident; Bodily Injury by disease - $1,000,000 policy limit; and Bodily Injury by disease - $1,000,000 each employee;

iii) Commercial General Liability and Umbrella Liability Insurance on an occurrence basis, with bodily injury and property damage coverage in an amount equal to a combined single limit of not less than $2,000,000 per occurrence (and $2,000,000 aggregate per location if Tenant has multiple locations); and such insurance shall include the following coverages: (A) Premises and Operations coverage under all coverage parts, if applicable; (B) Products and Completed Operations coverage; (C) Water Damage and Fire Legal Liability; (D) Coverage for liability assumed under this Lease without any limitation endorsements; (E) Personal Injury coverage;

iv) Automobile Liability Coverage in the amount of $1,000,000 per accident, and insuring Tenant against liability for claims arising out of ownership, maintenance, or use of any owned, hired, borrowed or non-owned automobiles, as applicable;

v) Special form property insurance, including coverage for flood and earthquake, insuring fixtures, glass, equipment, merchandise, inventory and other elements of Tenant's Property in and all other contents of the Premises. Such insurance shall be in an amount equal to 100% of the replacement value thereof (and Tenant shall re-determine the same as frequently as necessary in order to comply herewith). The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair and/or replace the items so insured;

vi) A commercially reasonable policy of business interruption insurance for a period of not less than 12 months with respect to the operation of Tenant's business; and

vii) Any other forms of insurance Landlord may reasonably require from time to time, in form and amounts and for insurance risks against which a prudent tenant of comparable size in a comparable business would protect itself.

b) All insurance policies maintained to provide the coverages required herein shall:

i) Be issued by insurance companies authorized to do business in the state in which the leased premises are located, and with companies rated, at a minimum "A- VII" by A.M. Best;

ii) Be subject to the prior approval of Landlord (which approval shall not be unreasonably withheld) as to form, substance and insurer;

iii) Provide for a deductible only so long as Tenant shall remain liable for payment of any such deductible in the event of any loss;

iv) Contain appropriate cross-liability endorsements denying Tenant's insurers the right of subrogation against Landlord as to risks covered by such insurance, without prejudice to any waiver of indemnity provisions applicable to Tenant and any limitation of liability provisions applicable to Landlord hereunder, of which provisions Tenant shall notify all insurance carriers;

v) Contain provisions for at least ten (10) days advance written notice to Landlord of cancellation due

to non-payment and thirty (30) days advance written notice to Landlord of material modification or cancellation for any reason other than non-payment; and

vi) Stipulate that coverages afforded under such policies are primary insurance as respects Landlord and that any other insurance maintained by Landlord are excess and non-contributing with the insurance required hereunder.

c) No endorsement limiting or excluding a required coverage is permitted.

d) Tenant shall deliver to Landlord upon execution of this Lease, written evidence of insurance coverages required herein. Tenant shall deliver **to** Landlord no less than fifteen (15) days prior to the expiration of any required coverage, written evidence of the renewal or replacement of such coverage. Landlord's failure at any time to object to Tenant's failure to provide the specified insurance or written evidence thereof (either as to the type or amount of such insurance) shall not be deemed as a waiver of Tenant's obligations under this Section.

e) Landlord shall be named as an additional insured on the Tenant's policies of General Liability and Umbrella Liability insurance and as a loss payee on the Tenant's policies of All Risk insurance as their interest may appear. Tenant shall deliver to Landlord the appropriate endorsements evidencing additional insured and loss payee status. Any claim for loss under said insurance policies shall be payable notwithstanding any act, omission, negligence, representation, misrepresentation or other conduct or misconduct of Tenant which might otherwise cause cancellation, forfeiture or reduction of such insurance.

f) The insurance requirements in this Section shall not in any way limit, in either scope or amount, the indemnity obligations separately owed by Tenant to Landlord under this Lease.

g) Nothing herein shall in any manner limit the liability of Tenant for non-performance of its obligations or for loss or damage for which Tenant is responsible. The aforementioned minimum limits of policies shall in no event limit the liability of Tenant hereunder.

h) Tenant may, at its option, satisfy its insurance obligations hereunder by policies of so-called blanket insurance carried by Tenant provided that the same shall, in all respects, comply with the provisions hereof. In such event, Tenant shall not be deemed to have complied with its obligations hereunder until Tenant shall have obtained and delivered to Landlord a copy of each such policy together with an appropriate endorsement or certificate applicable to and evidencing full compliance with the specific requirements of this Lease (irrespective of any claim which may be made with respect to any other property or liability covered under such policy), and until the same shall have been approved by Landlord in writing.

Section 19.3 Compliance with Building Insurance Requirements. After Tenant takes occupancy of the Premises, Tenant shall not violate or permit in, on or upon the Premises the violation of any condition imposed by such standard fire insurance policies as are normally issued for office buildings in the City or County in which the Building is located. Tenant shall not do, suffer or permit anything to be done, or keep, suffer or permit anything to be kept, in the Premises which would increase the risk ratings or premium calculation factors on the Building or property therein (collectively an "Increased Risk"), or which would result in insurance companies of good standing refusing to insure the Building or any property appurtenant thereto in such amounts and against such risks as Landlord may reasonably determine from time to time are appropriate.

Notwithstanding the above, if additional insurance is available to cover such Increased Risk, Tenant shall not be in default hereunder if:

a) Tenant authorizes Landlord in writing to obtain such additional insurance; and

b) prepays the annual cost thereof to Landlord for such additional coverage, as well as the additional costs, if any, of any increase in Landlord's other insurance premiums resulting from the existence or continuance of such Increased Risk.

Section 19.4 Mutual Waiver of Subrogation. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claims, actions or causes of actions against each other, their respective agents, officers and employees, for any loss or damage that may occur to the Premises, Building or Project, or personal property within the Building, regardless of cause or origin, including the negligence of Landlord and Tenant and their respective agents, officers, employees and contractors. Each party agrees to give immediately to its respective insurance company which

has issued policies of insurance covering any risk of direct physical loss, written notice of the terms of the mutual waivers contained in this Section 19.4, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers. If either Landlord or Tenant fails to provide the insurance policy or policies required hereinabove, the waiver of subrogation contained in this Section 19.4 shall no longer inure to the benefit of the party failing to provide such insurance, and the party claiming against such uninsured party shall be entitled to restitution of all damages and expenses suffered and/or claimed, without limitation.

Section 19.5 Failure to Secure. If at any time during the Term, and after expiration of ten (10) business days' prior written demand therefore from Landlord, Tenant fails to:

a) provide Landlord with access to a registered insurance broker of record that can verify Tenant's compliance with the requirement contained in this Article 19; or

b) provide documentation reasonably acceptable to Landlord that Tenant has secured and maintained the insurance coverage required hereunder,

then such failure shall be considered a material default under this Lease, and Landlord shall have the option, but not the obligation, without further notice or demand to obtain such insurance on behalf of or as the agent of Tenant and in Tenant's name.

Tenant shall pay Landlord's billing for the premiums associated with such insurance policy or policies within five (5) days after receipt of Landlord's billing, as well as such other reasonable costs and fees arising out of such default, together with interest on the entire amount so advanced by Landlord, at the rate of ten percent (10%) per annum, computed from the date of such advance. Such advances, if made by Landlord, shall be construed as and considered Additional Rent under this Lease.

ARTICLE 20
MISCELLANEOUS

Section 20.1 Entire Agreement. This Lease, including the exhibits and guaranty of lease, if any, annexed hereto, contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection therewith and neither party and no agent or representative thereof has made or is making, and neither party in executing and delivering this Lease is relying upon, any warranties or representations, except to the extent set forth in this Lease. All understandings and agreements heretofore had between Landlord and Tenant relating to the leasing of the Premises are merged in this Lease, which alone fully and completely expresses their agreement. The Riders (if any) and Exhibits annexed to this Lease and the Construction Agreement are hereby incorporated herein and made a part hereof.

Section 20.2 No Waiver or Modification. The failure of Landlord or Tenant to insist in any instance upon the strict keeping, observance or performance of any covenant or agreement contained in this Lease or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue

and remain in full force and effect. No waiver or modification by either Landlord or Tenant of any covenant or agreement contained in this Lease shall be deemed to have been made unless the same is in writing executed by the party whose rights are being waived or modified. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder unless accepted in writing by Landlord. The receipt and retention by Landlord, and the payment by Tenant, of Fixed Monthly Rent or Additional Rent with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach by either Landlord or Tenant.

Section 20.3 Time of the Essence. Time is of the essence of this Lease and of all provisions hereof, except in respect to the delivery of possession of the Premises at the Commencement Date.

Section 20.4 Force Majeure. For the purposes of this Lease, "Force Majeure" shall be defined as any or all prevention, delays or stoppages and/or the inability to obtain services, labor, materials or reasonable substitutes therefor, when such prevention, delay, stoppage or failure is due to strikes, lockouts, labor disputes, terrorist acts, acts of God, governmental actions, civil commotion, fire or other casualty, and/or other causes beyond the reasonable control of the party obligated to perform, except that Force Majeure may not be raised as a defense for Tenant's non-performance of any obligations imposed by this Lease with regard to the payment of Fixed Monthly Rent and/or Additional Rent.

Notwithstanding anything to the contrary contained in this Lease, Force Majeure shall excuse the performance of such party for a period equal to any such prevention, delay, stoppage or inability. Therefore, if this Lease specifies a time period for performance of an obligation by either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

Section 20.5 Broker. Landlord and Tenant represent to one another that each has dealt with no broker or agent in connection with this Lease or its negotiations other than the brokers identified in Section 20.5 of the BLI Table. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord shall pay LA Realty's commission in connection with this Lease in accordance with a separate commission agreement between Landlord and LA Realty.

Section 20.6 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 20.7 Submission of Lease. Whether or not rental deposits have been received by Landlord from Tenant, and whether or not Landlord has delivered to Tenant an unexecuted draft version of this Lease for Tenant's review and/or signature, no contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, nor shall this Lease be valid and/or in effect until this Lease has been fully executed and a duplicate original of said fully-executed Lease has been delivered to both Landlord and Tenant.

The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for Tenant to lease, or otherwise create any interest by Tenant in the Premises or any other offices or space situated in the Building. Execution of this Lease by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered a fully-executed duplicate original of this Lease to Tenant. Landlord and Tenant agree hereby to authorize transmission of all or portions of documents, including signature lines thereon, by facsimile machines, and further authorize the other party to rely conclusively upon such facsimile transmissions as if the original had been received.

Section 20.8 Captions. The captions in this Lease are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions hereof.

Section 20.9 Singular and Plural, Etc. The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. Words used in the masculine gender include the feminine and neuter. If there be more than one Landlord or Tenant the obligations hereunder imposed upon Landlord and Tenant shall be joint and several.

Section 20.10 Independent Covenants. Except where the covenants contained in one Article of this Lease are clearly affected by or contingent upon fulfillment by either party of another Article or paragraph of this Lease, this Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any actions hereunder at Landlord's expense or to any set-off of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for the violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Project or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

Section 20.11 Severability. If any covenant or agreement of this Lease or the application thereof to any person or circumstance shall be held to be invalid or unenforceable, then and in each such event the remainder of this Lease or the application of such covenant or agreement to any other person or any other circumstance shall not be thereby affected, and each covenant and agreement hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 20.12 Warranty of Authority. If Landlord or Tenant signs as a corporation, limited liability company or a partnership, each of the persons executing this Lease on behalf of Landlord or Tenant hereby covenant and warrant that each is a duly authorized and existing entity, that each has and is qualified to do business in California, that the persons signing on behalf of Landlord or Tenant have full right and authority to enter into this Lease, and that each and every person signing on behalf of either Landlord or Tenant are authorized to do so.

Section 20.13 No Representations or Warranties. Neither Landlord nor Landlord's agents or attorneys have made any representations or warranties with respect to the Premises, the Building or this Lease, except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise.

Section 20.14 No Joint Venture or Partnership. This Lease shall not be deemed or construed to create or establish any relationship of partnership or joint venture or similar relationship or arrangement between Landlord and Tenant hereunder.

Section 20.15 Tenant's Obligations At Its Sole Expense. Notwithstanding the fact that certain references in this Lease to acts required to be performed by Tenant hereunder, or to breaches or defaults of this Lease by Tenant, omit to state that such acts shall be performed at Tenant's sole expense, or omit to state that such breaches or defaults by Tenant are material, unless the context clearly implies to the contrary each and every act to be performed or obligation to be fulfilled by Tenant pursuant to this Lease shall be performed or fulfilled at Tenant's sole expense, and all breaches or defaults by Tenant hereunder shall be deemed material.

Section 20.16 Attorneys' Fees. If litigation is instituted between Landlord and Tenant, the cause for which arises out of or in relation to this Lease, the prevailing party in such litigation shall be entitled to receive its costs (not limited to court costs), expenses and reasonable attorneys' fees from the non-prevailing party as the same may be awarded by the court.

Section 20.17 Intentionally deleted.

Section 20.18 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

Section 20.19 Prohibition Against Recording. Except as provided in Section 14.3 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

Section 20.20 Hazardous Waste. Tenant specifically agrees that, except for such limited quantities of office materials and supplies as are customarily used in Tenant's normal business operations, Tenant shall not engage or permit at any time, any operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, for the purpose of or in any way involving the handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal, accidental or intentional) of any hazardous substances, materials or wastes, or any wastes regulated under any local, state or federal law.

Tenant shall, during the Term, remain in full compliance with all applicable laws governing its use and occupancy of the Premises, including, without limitation, the handling, manufacturing, treatment, storage, disposal, discharge, use, and transportation of hazardous substances, materials

or wastes, and any wastes regulated under any local, state or federal law. Tenant will remain in full compliance with the terms and conditions of all permits and licenses issued to it by any governmental authority on account of any or all of its activities on the Premises. Tenant shall comply with any operations and maintenance program for the Project.

Section 20.21 Transportation Management. Tenant shall, at Tenant's sole expense, fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, when the same have been mandated by an outside governmental authority having jurisdiction therefor and not when required for the convenience of Landlord.

In connection therewith, Tenant shall be responsible for the transportation planning and management for all of Tenant's employees while located at the Premises, by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities reasonably designated by Landlord. Such programs may include, without limitation:

a) restrictions on the number of peak-hour vehicle trips generated by Tenant;

b) requirements for increased vehicle occupancy;

c) implementing an in-house ride-sharing program and/or appointing an employee transportation coordinator;

d) working with employees of any Building (or area-wide) ridesharing program manager;

e) instituting employer-sponsored incentives (financial or in-kind) to encourage employees to ridesharing; and

f) utilizing flexible work shifts for employees.

Section 20.22 Signage. Tenant may not install, inscribe, paint or affix any awning, shade, sign, advertisement or notice on or to any part of the outside or inside of the Building, or in any portion of the Premises visible to the outside of the Building or Common Areas without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion.

All signage and/or directory listings installed on behalf of Tenant, whether installed in, on or upon the public corridors, doorways, Building directory and/or parking directory (if any), or in any other location whatsoever visible outside of the Premises, shall be installed by Landlord, at Tenant's sole expense.

Tenant's identification on or in any Common Area of the Building shall be limited to Tenant's name and suite designation, and in no event shall Tenant be entitled to the installation of Tenant's logo in any portion of the Building or Common Areas. Furthermore, the size, style, and placement of letters to be used in any of Tenant's signage shall be determined by Landlord, in Landlord's sole discretion, in full conformance with the previously established signage program for the Building.

Except as specified hereinbelow, Tenant shall only be entitled to one (1) listing on the Building directory, or any parking directory ancillary thereto, which shall only show Tenant's business name and suite designation. Tenant shall also be entitled to a maximum of eleven (11) additional listings on said Building and/or parking directory, which listings shall be limited solely to Tenant's officers, employees, subsidiaries, affiliates and/or sublessees, if any. All of said listings shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

Section 20.23 Intentionally Deleted.

Section 20.24 Confidentiality. Landlord and Tenant agree that the covenants and provisions of this Lease shall not be disclosed except (a) as required by applicable law (including, without limitation, as required by any warrant, subpoena or order issued by a court of competent jurisdiction or law enforcement authority) and (b) to anyone directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, which permitted disclosure shall include, but not be limited to, the board members, legal counsel and/or accountants of either Landlord or Tenant.

Section 20.25 Intentionally Deleted.

Section 20.26 Landlord's Right to Perform Tenant's Obligations. All obligations to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's expense (unless this Lease expressly provides otherwise) without any reduction of or offset against Rent. Except to the extent set forth in Section 17.2 herein, in the event of a default by Tenant of any obligation under this Lease, Landlord may, after delivering notice to Tenant and allowing Tenant ten (10) business days to cure such default, perform the obligation on Tenant's behalf, without waiving any of Landlord's rights, remedies, claims or defenses with respect to Tenant's failure to perform any obligations and without releasing Tenant from such obligations. If Landlord determines that such default reasonably requires additional time for cure, then Landlord's notice may state such other time period, provided that Tenant commences its cure within ten (10) business days after notice and thereafter continuously prosecutes such cure to completion. Within fifteen (15) business days after receiving a statement from Landlord, Tenant shall pay to Landlord the amount of the expense reasonably incurred by Landlord in performing Tenant's obligation. If Tenant fails to pay such amount to Landlord within the specified time period, Landlord may (in addition to any other remedies of Landlord under this Lease or applicable law) deduct the amount due from the Security Deposit under Section 3.7. The terms of this Section 20.26 shall survive the expiration or earlier termination of this Lease.

Section 20.27 Civil Code Section 1938 Disclosure. Pursuant to California Civil Code Section 1938, Landlord hereby discloses that the Premises have not undergone an inspection by a Certified Access Specialist to determine whether the Premises meet all applicable construction-related accessibility standards.

ARTICLE 21
PARKING

Section 21.1 Parking. Throughout the Term, Tenant's parking allocation shall be as set forth in Section 21.1 of the Basic Lease Information ("BEA"). Except as otherwise permitted by Landlord's management agent in its reasonable discretion, and based on the availability thereof, in no event shall Tenant be entitled to purchase more than the number of parking permits listed in the BLI. If additional parking permits are available on a month-to-month basis, which determination shall be in the sole discretion of Landlord's parking agent, Tenant shall be permitted to purchase one or more of said permits on a first-come, first-served basis.

Said parking permits shall allow Tenant to park in the Building parking facility at the posted monthly parking rates and charges then in effect, plus any and all applicable taxes, provided that such rates may be changed from time to time, in Landlord's sole discretion. Landlord shall retain sole discretion to designate the location of each parking space, and whether it shall be assigned, or unassigned, unless specifically agreed to otherwise in writing between Landlord and Tenant.

In the event Tenant is in default under this Lease, and notwithstanding that Tenant may be current in the payment of all parking charges required to be paid under this Lease, Landlord may terminate Tenant's parking permits issued under this Lease effective five (5) days after notice to Tenant of such default. If Landlord has previously delivered a notice of default to Tenant and if such default remains uncured after the expiration of any notice and cure period, no additional notice shall be required and Landlord may immediately terminate Tenant's parking permits. The foregoing remedy shall be in addition to all of Landlord's rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under this Lease and applicable law). To the extent there is any conflict between the terms of this grammatical paragraph and the terms of any separate parking agreement executed by Tenant or any of its employees at the request of Landlord or any third party contractor, the terms of this grammatical paragraph shall govern.

Guests and invitees of Tenant shall have the right to use, in common with guests and invitees of other tenants of the Building, the transient parking facilities of the Building at the then-posted parking rates and charges, or at such other rate or rates and charges as may be agreed upon from time to time between Landlord and Tenant in writing. Such rate(s) or charges may be changed by Landlord from time to time in Landlord's sole discretion, and shall include, without limitation, any and all fees or taxes relating to parking assessed to Landlord for such parking facilities.

Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders continued use of said transient, as well as monthly parking, shall be contingent upon Tenant and Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders continued compliance with the reasonable and non-discriminatory rules and regulations adopted by Landlord, which rules and regulations may change at any time or from time to time during the Term hereof in Landlord's sole discretion.

ARTICLE 22
CONTINGENCY TO EFFECTIVENESS

Landlord and Tenant acknowledge and agree that Landlord's agreement to enter into this Lease is contingent upon Tenant's execution and delivery of this Lease to Landlord and Tenant's

execution and delivery of the Termination Agreement to the 1901 Landlord; and Tenant vacating and surrendering possession of the 1901 Premises as required by the Termination Agreement (collectively, the "Contingency Conditions"). In the event the Contingency Conditions have not been satisfied in full on or before the Effective Date (as defined in the Termination Agreement) , this Lease shall terminate and no longer be in full force and effect within ten (10) business days after either party to this Lease delivers notice to the other party.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease, effective the later of the date(s) written below.

LANDLORD:

DOUGLAS EMMETT 2016, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: /s/ Andrew B. Goodman
Andrew B. Goodman
Senior Vice President

Dated: 1/6/17

TENANT:

CINEDIGM CORP.,
a Delaware corporation

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: SVP

Dated: 1/5/17

By: __

Name: __

Title: __

Dated: __

EXHIBIT A — PREMISES PLAN

Suites 410 and 420 at 15301 Ventura Boulevard, Sherman Oaks, California 91403

Rentable Area: approximately 11,598 square feet
Usable Area: approximately 9,109 square feet

(Measured pursuant to the provisions of Section 1.4 of the Lease)

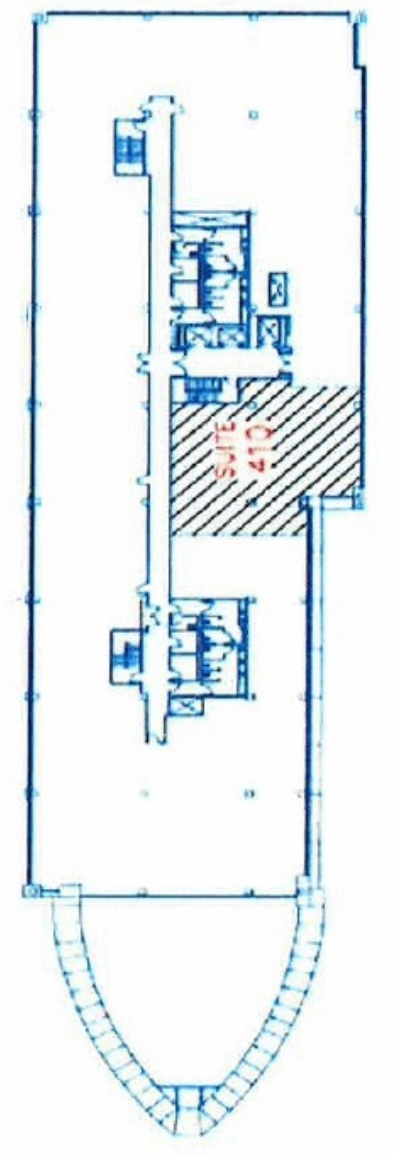

EXHIBIT A
PREMISES PLAN

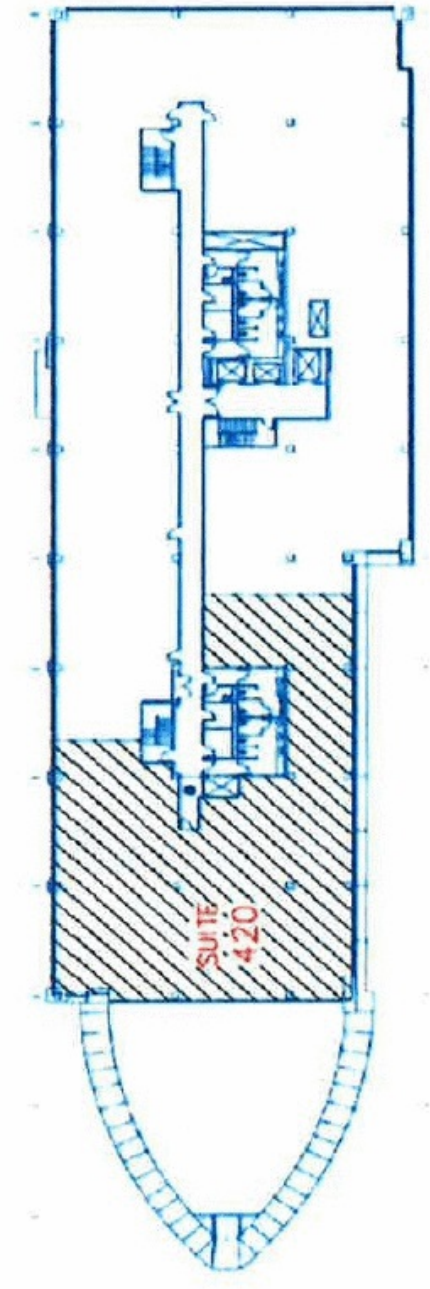

EXHIBIT B

INTENTIONALLY DELETED

EXHIBIT B-1

CONSTRUCTION BY TENANT DURING TERM

1 . If Tenant wishes to make a Tenant Change, as specified in Section 12.12 of the Lease, such Tenant Change shall be completed pursuant to the provisions of Section 12.12 of the Lease and this Exhibit B-1. Tenant shall bear all costs of said Tenant Change, which shall be paid directly to Tenant's general contractor ("Contractor").

2 . Contractor shall complete construction to the Premises pursuant to the final Plans and Specifications approved in writing by Landlord and Tenant (the "Tenant Change"), in compliance with all applicable codes and regulations. Tenant's selections of finishes and materials shall be indicated on the Plans and Specifications, and shall be equal to or better than the minimum Building standards and specifications. All work not shown on the final Plans and Specifications, but which is to be included in the Tenant Change, including but not limited to, telephone service installation, furnishings or cabinetry, shall be installed pursuant to Landlord's reasonable directives.

3. Prior to commencing any work:

a) Tenant's proposed Contractor and the Contractor's proposed subcontractors and suppliers shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. As a condition of such approval, so long as the same are reasonably cost competitive, then Contractor shall use Landlord's Heating, Venting, and Air-conditioning, plumbing, and electrical subcontractors for such work.

b) During completion of any Tenant Change, neither Tenant or Contractor shall permit any subcontractors, workmen, laborers, material or equipment to come into or upon the Building if the use thereof, in Landlord's reasonable judgment, would violate Landlord's agreement with any union providing work, labor or services in or about the Building or disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. If any violation, disturbance, interference or conflict occurs, Tenant, upon demand by Landlord, shall promptly cause all contractors or subcontractors or all materials causing the violation, disturbance, interference, difficulty or conflict, to leave or be removed from the Building or the Common Areas..

c) Contractor shall submit to Landlord and Tenant a written bid for completion of the Tenant Change. Said bid shall include Contractor's overhead, profit, and fees, and, if the proposed Tenant Change is for cosmetic work in excess of $100,000.00 in aggregate value per occurrence or for structural work of any kind, Contractor shall, upon completion of said Tenant Change, pay an administrative fee to Landlord's managing agent for supervision of said Tenant Change equal to three percent (3%) of the total cost of the Tenant Change, to defray said agent's costs for supervision of the construction.

d) Tenant's Contractor shall execute the Agreement attached hereto as Schedule 1.

4 . Tenant or Contractor shall submit all Plans and Specifications to Landlord, and no work on the Premises shall be commenced before Tenant has received Landlord's final written approval thereof, which shall not be unreasonably withheld, delayed or conditioned. In addition, Tenant shall reimburse Landlord for any and all of Landlord's out of pocket costs incurred in reviewing Tenant's plans for any Tenant Change or for any other "peer review" work associated with Landlord's review of Tenant's plans for any Tenant Change, including, without limitation, Landlord's out of pocket costs incurred in engaging any third party engineers, contractors, consultants or design specialists. Tenant shall pay such costs to Landlord within five (5) business days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work.

5. Contractor shall complete all architectural and planning review and obtain all permits, including signage, required by the city, state or county in which the Premises are located.

6 . Contractor shall submit to Landlord verification of public liability and worker's compensation insurance adequate to fully protect Landlord and Tenant from and against any and all liability for death or injury to persons or damage to property caused in or about or by reason of the construction of any work done by Contractor or Contractor's subcontractors or suppliers.

7. Unless otherwise waived in writing by Landlord, which waiver shall be in Landlord's sole discretion, Contractor shall provide payment and performance bonds in an amount equal to 100% of the estimated amount of Tenant Change, as specified to Landlord pursuant to Paragraph 2.

8. Contractor and Contractor's subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide Contractor and Contractor's subcontractors and suppliers with reasonable access to the Premises.

9. During construction of the Tenant Change, Contractor shall adhere to the procedures contained hereinbelow, which represent Landlord's minimum requirements for completion of the Tenant Change.

10. Upon completion of the Tenant Change, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full, and Contractor shall provide Landlord with lien releases as requested by Landlord, confirmation that no liens have been filed against the Premises or the Building. If any liens arise against the Premises or the Building as a result of the Tenant Change, Tenant shall immediately, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Premises have been cleared of such liens.

11. Whether or not Tenant or Contractor timely complete the Tenant Change, unless the Lease is otherwise terminated pursuant to the provisions contained therein, Tenant acknowledges and agrees that Tenant's obligations under the Lease to pay Fixed Monthly Rent and/or Additional Rent shall continue unabated.

CONSTRUCTION POLICY

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

1. Administration

a) Contractors to notify the management office for the Building prior to starting any work. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.

b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.

c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.

d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.

e) The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:

i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.

ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.

f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.

g) The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the buildings trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.

h) Contractors will include in their proposals all costs to include: parking, elevator service, additional security (if required), restoration of carpets, etc. Parking will be validated only if contractor is working directly for the Building Office.

i) Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager. Any changes that need additional work not described in the bid will be approved in writing by the Building Manager. All contractors doing work

on this project should first verify the scope of work (as stated on the plans) before submitting bids; not after the job has started.

2. Building Facilities Coordination

a) All deliveries of material will be made through the parking lot entrance.

b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.

c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

3. Housekeeping

a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.

b) All construction done on the property that requires the use of lobbies or Common Area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:

i)Mylar: Extra heavy-duty to be taped from the freight elevator to the suite under construction.

ii) Masonite: 1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.

c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.

d) Food and related lunch debris are not to be left in the suite under construction.

e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All Common Areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

4. Construction Requirements

a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e., tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.

b) Electric panel schedules must be brought up to date identifying all new circuits added.

c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.

d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.

e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.

f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.

g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

h) All core drilling is not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:

i)A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.

ii)A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.

iii) The Building Engineer will inspect the construction on a periodic basis as well.

j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction shall be deducted from Tenant's Security Deposit.

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LANDLORD:

DOUGLAS EMMETT 2016, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: /s/ Andrew B. Goodman
Andrew B. Goodman
Senior Vice President

Dated: 1/6/17

TENANT:

CINEDIGM CORP.,
a Delaware corporation

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: 1/5/17

Dated: __

By: __

Name: __

Title: __

Dated: __

SCHEDULE 1

Agreement By Contractor of Indemnification/Hold Harmless of Landlord

("Agreement")

Owner:

Douglas Emmett 2016, LLC
do Douglas Emmett Management, LLC
Director of Property Management
808 Wilshire Boulevard, Suite 200
Santa Monica, California 90401

Contractor:

___
___
___

Re: (the "Project")

The undersigned (referred to herein as "Contractor") has been engaged by Cinedigm Corp., a Delaware corporation ("Tenant") to perform work (the "Work") in or on the above referenced Project, which is owned by Douglas Emmett 2016, LLC, a Delaware limited liability company ("Owner"), and managed by Owner's duly authorized agent, Douglas Emmett Management, LLC, a Delaware limited liability company ("Manager"). Contractor acknowledges and agrees that Contractor has reviewed and shall comply with the "Construction Policies" that are a part of Exhibit B-1 attached to and made a part of the Lease. Contractor also agrees that Contractor shall, and shall cause its subcontractors, agents and employees to (a) perform the Work and enter and exit the Project, elevators, and parking facilities in a manner that will not disturb any other tenants, subtenants or other occupants of the Project or any of their employees, officers or invitees; (b) engage in any demolition, anchoring of walls or supports, drilling, or conduct any other aspect of planning or construction or operate any equipment in Tenant's premises or any other part of the Project that may cause excessive noise, dust, vibrations or odors only during such hours as approved in writing in advance by Owner or Manager and only in the manner prescribed in writing by Owner or Manager; (c) comply with the Construction Policies or any written guidelines or instructions delivered to Contractor from Owner or Manager regarding performance of the Work; and (d) comply with applicable laws. Contractor understands and agrees that, prior to Contractor commencing the Work, Owner requires Contractor to provide the Landlord Parties (as hereinafter defined) with certain protections and that such protections are a material inducement to Owner's consent to allowing Contractor to perform the Work at the Project. Accordingly, Contractor hereby agrees to and/or shall comply with the following:

1. Contractor shall indemnify and hold harmless Owner and Manager and their respective affiliates, members, interest holders, managing members, officers, directors, partners,

employees, agents, predecessors, successors and assigns (hereinafter collectively referred to as "Landlord Parties" and individually a "Landlord Party") from and against all liabilities, claims, damages, losses, liens, causes of actions, judgments, costs and expenses, of whatever kind or nature, including without limitation, bodily injury or death (whether or not those injured or deceased are performing work under this Agreement or are affiliated with the parties hereto), property damage, costs of litigation (including, without limitation, actual attorneys' fees and costs) (collectively, "Claims") arising out of or resulting from (1) the failure of Contractor or any of its subcontractors, employees or agents to comply with the requirements set forth in clauses (a), (b), (c) or (d) above; or any other obligation of Contractor under this Agreement, (2) the negligent acts or omissions of Contractor, its owners, agents, servants, employees, or subcontractors, or (3) the Work performed by Contractor. This indemnification obligation shall not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for Contractor or its subcontractors under workers compensation or disability laws. Contractor's duty to indemnify shall include and extend to (i) situations in which Contractor has been negligent in the screening, hiring and training of its employees, contractors and subcontractors, said negligence of which causes liability in which any Landlord Party is alleged to be responsible for any Claims arising out of such negligent screening, hiring or training; and (ii) Claims for labor performed, equipment, tools, supplies or materials used or furnished in the performance of Contractor's services, including any costs and expenses incurred in the defense of such Claims and any damages to any Landlord Party resulting from such Claims.

2. Contractor agrees after written demand to immediately cause the effect of any suit or lien to be removed from the Project and in the event Contractor shall fail to do so, Owner is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed and the costs thereof, together with attorneys' fees shall be immediately due and payable by Contractor to Owner. In the event a suit is brought against any Landlord Party or if any Landlord Party is named as a defendant in any suit against Contractor or Tenant, Contractor shall, at the option of Owner in Owner's sole discretion, defend the Landlord Parties with counsel selected by Contractor and acceptable to Owner, in Owner's reasonable discretion. Contractor shall pay any and all costs and expenses in connection therewith as well as all additional costs and expenses incurred in such suit, including without limitation, professional fees such as expert fees, and/or appraisers' and accountants' fees, and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the court in such suit. Contractor may litigate any such lien or suit provided Contractor causes the effect thereof to be removed from the Project promptly in advance.

3. Contractor shall promptly pay all indebtedness incurred in Contractor's performance of the Work. Should any lien or charge attach to the Project by reason of Contractor's failure to pay such indebtedness, Contractor shall promptly procure the release of any such lien or charge and shall indemnify, defend (with counsel reasonably approved by Owner) and hold the Landlord Parties harmless from all loss, cost damage or expense incidental thereto.

4. If at any time there should be evidence of any lien or claim for which Owner or Manager is or might become liable, or for which the Project is, or might become subject to and which is chargeable to Contractor or any of its subcontractors, after allowing Contractor thirty (30) days to remove such lien, Owner or Manager shall have the right to retain out of any amounts due Contractor (as in for example, disbursements of any tenant improvement allowance), which shall be above and beyond any retention amounts, an amount sufficient to clear the lien or claim and completely indemnify the Landlord Parties against such lien or claim along with all associated costs, which shall in no way serve as an election of remedies by Owner or Manager. Contractor may obtain possession of the retained amount, provided that Contractor (a) posts a bond or other security in an amount sufficient to fully indemnify the Landlord Parties against the lien or claim, and (b) obtains Owner or Manager's approval as to the adequacy and quality of the bond or security, which Owner or Manager shall not unreasonable withhold. The cost of any such bond shall be borne by Contractor.

5. Contractor shall not take and is not authorized to take any action in the name of or otherwise on behalf of Owner or Manager which would violate any applicable law. If Contractor knowingly performs any Work or engages in any other activities contrary to applicable law, Contractor shall bear any and all additional costs resulting therefrom, including, but not limited to, the costs of correcting the Work or repairing the Project to comply with such law and the cost of fully indemnifying the Landlord Parties from all violations.

6. Contractor shall immediately cause all Landlord Parties to be released from any liability or penalty which may be imposed on Contractor, its employees, agents or subcontractors by reason of any alleged violation or violations of applicable law by Contractor in performance of the Work.

7. Contractor waives any right to consequential, special or indirect damages or loss of anticipated profits, except for acts of gross negligence or intentional misconduct by Owner or Manager. Notwithstanding anything else contained herein to the contrary, Contractor shall look solely to Owner's interest in the Project and any proceeds from a sale of the Project that actually remain undistributed, for satisfaction of any liabilities or obligations of Owner under this Agreement. No Landlord Party shall be personally liable for any such liabilities or obligations whatsoever.

8. If litigation is instituted between Owner and Contractor, the cause for which arises out of or in relation to this Agreement, the prevailing party in such litigation shall be entitled to receive its costs (not limited to court costs), expenses and reasonable attorneys' fees from the non-prevailing party as the same may be awarded by the court.

It is expressly understood and agreed that the foregoing provisions shall survive the termination or expiration of any agreement between Contractor and Tenant.

ALL OF THE ABOVE TERMS ARE AGREED TO AND ACKNOWLEDGED BY:

CONTRACTOR

Signature Company Name

Title Street Address

Date City, State, Zip

EXHIBIT C

RULES AND REGULATIONS

BUILDING RULES AND REGULATIONS

1. Access. Tenant and/or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall only use the sidewalks, entrances, lobby(ies), garage(s), elevators, stairways, and public corridors as a means of ingress and egress, and shall take such actions as may reasonably be necessary to ensure that the same remain unobstructed at all times.

The entrance and exit doors to the Premises are to be kept closed at all times except as required for orderly passage to and from the Premises. Except on balconies available for the joint or exclusive use of Tenant as otherwise specified hereinabove, Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to loiter in any part of the Building or obstruct any means of ingress or egress. Tenant shall not cover any doors, and shall not cover any window, other than with vertical or mini-blinds pre-approved in writing by Landlord. Landlord specifically disapproves the installation of any film or foil covering whatsoever on the windows of the Premises.

Neither Tenant, nor its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall go up on the roof or onto any balcony serving the Building, except upon such roof, portion thereof, or balcony as may be contiguous to the Premises and is designated in writing by Landlord as a roof-deck, roof-garden area, or exclusive use balcony area.

2. Restroom Facilities. The toilet rooms, toilets, urinals, wash bowls and other apparatus (the "Restroom Facilities"), whether contained in the Common Areas of the Building and/or the interior of the Premises, shall not be used for any purpose other than that for which they were designed. Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to throw foreign substances of any kind whatsoever or papers not specifically designated for use in the Restroom facilities down any toilet, or to dispose of the same in any way not in keeping with the instructions provided to Tenant by the management of the Building regarding same, and Tenant hereby specifically agrees to reimburse Landlord directly for the expense of any breakage, stoppage or damage resulting from Tenant's violation of this rule.

3. Heavy Equipment. Landlord reserves the right, in Landlord's sole discretion, to decline, limit or designate the location for installation of any safes, other unusually heavy, or unusually large objects to be used or brought into the Premises or the Building. In each case where Tenant requests installation of one or more such unusually heavy item(s), which request shall be conclusively evidenced by Tenant's effort to bring such item(s) into the Building or Premises, Tenant shall reimburse Landlord for the costs of any engineering or structural analysis required by Landlord in connection therewith. In all cases, each such heavy object shall be placed on a metal stand or metal plates or such other mounting detail of such size as shall be prescribed by Landlord.

Tenant hereby indemnifies Landlord against any damage or injury done to persons, places, things or the Building or its Common Areas when such damage or injury primarily arises out of Tenant's installation or use of one or more unusually heavy objects. Tenant further agrees to reimburse Landlord for the costs of repair of any damage done to the Building or property therein by putting in, taking out, or maintaining such safes or other unusually heavy objects.

4. Transportation of Freight. Except as otherwise agreed **to by** Landlord in writing, Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall only carry freight, furniture or bulky materials in or out of the Building before or after Normal Business Hours, (as that term is defined in Section 8.1 of the Lease). Tenant may only install and/or move such freight, furniture or bulky material after previous written notice of its intention to complete such a move, given to the Office of the Building. The persons and/or company employed by Tenant for such work must be professional movers, reasonably acceptable to Landlord, and said movers must provide Landlord with a certificate of insurance evidencing the existence of worker's compensation and all risk liability coverage in a minimum amount of $2,000,000.

Tenant may, subject to the provisions of the immediately preceding paragraph, move freight, furniture, bulky matter and other material in or out of the Premises on Saturdays between the hours of 8:00 A.M. and 6:00 P.M., provided that Tenant pays in advance for Landlord's reasonably anticipated additional costs, if any, for elevator operators, security guards and other expenses arising by reason of such move by Tenant.

5. Flammable Materials. Except for such limited quantities of office materials and supplies as are customarily utilized in Tenant's normal business operations, Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline, flammable or combustible fluid or material, other than those limited quantities of normal business operating materials as may reasonably be necessary for the operation or maintenance of office equipment. Nor shall Tenant keep or bring into the Premises or the Building any other toxic or hazardous material specifically disallowed pursuant to California state law.

6. Cooking / Odors / Nuisances. Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to engage in the preparation and/or serving of foods unless the Premises includes a self-contained kitchen area. Nor shall Tenant permit the odors arising from such cooking, or any other improper noises, vibrations, or odors to be emanate from the Premises. Tenant shall not obtain for use in the Premises, ice, drinking water, food, beverage, towel or other similar services except at such reasonable hours and under such reasonable regulations as may be specified by Landlord.

Tenant hereby agrees to instruct all persons entering the Premises to comply with the requirements of the Building, by advising all persons entering the Premises that smoking of any tobacco or other substance is prohibited at all times, except in such Common Areas located outside the Building as may be designated by the Building management.

Tenant shall not permit Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to interfere in any way with other tenants of the Building or with those having business with them.

Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to bring or keep within the Building any animal, bird or bicycle, except such seeing-eye dog or other disability assistance type animal as may comply with the requirements of any handicapped ordinances having jurisdiction therefor.

Tenant shall store its trash and garbage within the Premises. No material shall be placed in the trash boxes or receptacles if such material is a hazardous waste or toxic substance or is of such a nature that its disposal in Landlord's ordinary and customary manner of removing and disposing of trash and garbage would be a violation of any law, ordinance or company regulation governing such disposal. All garbage and refuse disposal shall be made only through entry ways and elevators provided for such purposes and at such times as Landlord shall designate. As and when directed by Landlord and/or if required by any governmental agency having jurisdiction therefor, Tenant shall comply with all directives for recycling and separation of trash.

Tenant shall not employ any person to do janitorial work in any part of the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion.

Landlord reserves the right to exclude or expel from the Building any person who in Landlord's sole discretion is intoxicated or under the influence of liquor or drugs or who, in any manner, engages in any act in violation of the Rules and Regulations of the Building.

Tenant shall not conduct any public or private auction, fire sale or other sale of Tenant's personal property, furniture, fixtures or equipment or any other property located in or upon the Premises, without Landlord's prior written consent, which consent shall be in Landlord's sole discretion.

7. Storage. Tenant may only store goods, wares, or merchandise on or in the Premises in areas specifically designated by Landlord for such storage.

8. Directives to Management. Tenant's requirements, other than those Landlord specifically agrees to perform elsewhere in this Lease, shall only be attended to upon the Building management's receipt of Tenant's written request therefor. Landlord's employees shall not perform any work or do anything outside of their regular duties unless under special instruction from the Building management. No security guard, janitor or engineer or other employee of the Building management shall admit any person (Tenant or otherwise) to the Premises without specific instructions from the Office of the Building and written authorization for such admittance from Tenant.

9. Keys and Locks. Landlord shall furnish Tenant with two keys to each door lock existing in the Premises. Tenant shall reimburse Landlord a reasonable charge for these and any additional keys. Tenant shall not *be* permitted to have keys made, nor shall Tenant alter any lock or install a new or additional lock or bolts on any door of the Premises without Landlord's prior written consent. Tenant shall, in each case, furnish Landlord with a key for any additional lock installed or changed

by Tenant or Tenant's agent(s). Tenant, upon the expiration or earlier termination of this Lease, shall deliver to Landlord all keys in the possession of Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders for doors in the Building, whether or not furnished to Tenant by Landlord. If Tenant, or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, lose or misplace any key(s) to the Building, Landlord shall, in Landlord's sole discretion, either replace said key(s) or re-key such locks as may be affected thereby, and Tenant shall reimburse Landlord for all such costs of such re-keying and/or replacement.

10. Solicitation. Tenant and/or its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall not permit any canvassing, peddling, soliciting and/or distribution of handbills or any other written materials to occur in the Premises and/or the Building, nor shall Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders engage in such solicitation or distribution activities.

11. Retail Sales, Services and Manufacturing Prohibited. Except with the prior written consent of Landlord, Tenant shall not sell, or permit the retail sale of, newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises, nor shall Tenant carry on or permit or allow any employee or other person to carry on the independent business of stenography, typewriting or any similar business in or from the Premises for the service or accommodation of other occupants of any other portion of the Building. Tenant shall not permit the Premises to be used for manufacturing or for any illegal activity of any kind, or for any business or activity other than for Tenant's specific use.

12. Change in Name or Address. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.

13. Projections from Premises. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or the exterior walls of the Building or in any area projecting outside the interior walls of the Premises. Tenant shall not install or permit to be installed any awnings, air conditioning units or other projections, without the prior written consent of Landlord.

14. Superiority of Lease. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the covenants, agreements or provisions of this Lease. If a conflict or disagreement between the Lease and these Rules becomes apparent, this Lease shall prevail.

15. Changes to Rules and Regulations. Provided such changes do not materially harm Tenant's ability to conduct its normal business operations, Landlord shall retain the right to change, add or rescind any rule or regulation contained herein, or to make such other and further reasonable and non-discriminatory Rules and Regulations as in Landlord's sole judgment may, from time to time, become necessary for the management, safety, care and cleanliness of the Premises, the Building or the Parking Facilities, or for the preservation of good order therein, or for the convenience of other occupants and tenants therein, so long as such rescission, addition, deletion or change is thereafter reasonably applied to all occupants of the Building affected thereby.

PARKING RULES AND REGULATIONS

A. Tenant shall strictly comply with all posted speed limits, directional signs, yield signs, stops signs and all other signs within or about the parking facilities.

B. Tenant shall register all vehicle license plate numbers with the Building management.

C. Tenant shall be responsible for the cost of repairing any damage to the parking facilities or cleaning any debris created or left by Tenant, including, without limitation, oil leakage from motor vehicles parked in the parking facilities under its auspices.

D. Landlord, in addition to reserving the right to designate one or more areas solely for visitor parking, which areas may be changed by Landlord from time to time with or without prior notice to Tenant, reserves the right to allocate additional visitor spaces on any floor of the parking facilities. Tenant shall not park any vehicles in any spaces designated as visitor only spaces or customer spaces within the parking facilities.

E. Tenant shall strictly comply with all rules, regulations, ordinances, speed limits, and statutes affecting handicapped parking and/or access, and shall not park any vehicles within the fire lanes, along parking curbs or in striped areas.

F. Tenant shall only use the number of parking permits allocated to it and shall not permit more than one of its employees to utilize the same parking permit. Landlord reserves the right to assign or reassign parking spaces within the Parking facilities to Tenant from time to time, and provided Landlord is required to do so by reason of any action arising out of a governmental mandate imposed on Landlord, Landlord further reserves the right at any time to substitute an equivalent number of parking spaces in a parking facilities or subterranean or surface parking facility within a reasonable distance of the Premises.

G. Except with Landlord's managing agent(s)' prior written consent, Tenant shall not leave vehicles in the parking facilities overnight, nor park any vehicles in the parking facilities other than automobiles, motorcycles, motor-driven or non-motor-driven bicycles or four-wheeled trucks or vans. Landlord may, in its sole discretion, designate separate areas for bicycles and motorcycles. Tenant shall ensure that vehicles parking in the parking facilities by using the parking permits assigned to Tenant shall be parked entirely within the striped lines designating a single space and are not so situated or of such a width or length as to impede access to or egress from vehicles parked in adjacent areas or doors or loading docks. Further, all vehicles utilizing Tenant's parking permits shall not be higher than any height limitation that may be posted, or of such a size, weight or dimension so that entry of such vehicle into the parking facilities would cause any damage or injury thereto.

H. Tenant shall not allow any of the vehicles parked using Tenant's permits, or the vehicles of any of Tenant's suppliers, shippers, customers or invitees to be loaded or unloaded in any area other than those specifically designated by Landlord for loading.

I. Tenant shall not use or occupy the parking facilities in any manner which will unreasonably interfere with the use of the parking facilities by other tenants or occupants of the Building. Without limitation, Tenant agrees to promptly turn off any vehicle alarm system activated and sounding an alarm in the parking facilities. In the event said alarm system fails to turn off and no longer sound an intruder alert fifteen (15) minutes after commencing such an alarm, Landlord shall reserve the right to remove the vehicle from the parking facilities at Tenant's sole expense.

J. Tenant acknowledges that the Rules and Regulations as posted herein shall be in effect twenty-four hours per day, seven days per week, without exception.

K. Tenant acknowledges that the uniformed guard officers and parking attendants serving the parking facilities are authorized to issue verbal and written warnings of Tenant's violations of any of the rules and regulations contained herein. Except in the case of a car alarm continuing to sound in excess of a maximum of fifteen (15) minutes, in which case no further notice by Landlord shall be required. If Tenant or Tenant's agents, contractors, directors, employees, officers, partners or shareholders continue to materially breach these rules and regulations after expiration of written notice and the opportunity to cure has been given to Tenant, then in addition to such other remedies and request for injunctive relief it may have, Landlord shall have the right, without additional notice, to remove or tow away the vehicle involved and store the same, all costs of which shall be borne exclusively by Tenant and/or revoke Tenant's parking privileges and rights under the Lease.

LANDLORD:

DOUGLAS EMMETT 2016, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: /s/ Andrew B. Goodman
Andrew B. Goodman
Senior Vice President

Dated: 1/6/17

TENANT:

CINEDIGM CORP.,
a Delaware corporation

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: 1/5/17

Dated: __

By: __

Name: __

Title: __

Dated: __

EXHIBIT A

PERSONAL PROPERTY

PERSONAL PROPERTY

1. Desks [A];
2. Chairs [A];
3. Credenzas [A];
4. Conference room furniture [B];
5. Built-in cabinetry in attorney offices [A];
6. Built-in cabinetry in secretarial bays [A];
7. All phone and computer cabling [C];
8. Phone switch and related equipment and software including without limitation the following [D]:
    * Network Hardware
    * Core switch: WS-C4506
    * Router: CISCO2811-V/K9
    * Router: CISCO2811 Q17245961
    * Phone system;
    * Voice GW: CISCO2811-SEC/K9 Q
    * Cisco CallManager: MCS-7825-H3-ECS1 System version: 6.1.3.1000-16
    * Cisco CallManager: MCS7816113-K9-CMB2 System version: 6.1.3.1000-16
    * Cisco Unity: MCS7816H3-K9-CMB2 Cisco Unity 5.0 Build 5.0(1)
    * Phones: Cisco IP Phones 7960
9. Printers: HP LaserJet Printers and HP MFPs [E]
10. Refrigerators

A. Landlord's property located in the Premises.
B. Chairs owned by Cinedigm; tables will remain in the Premises.
C. Equipment is in storage; Cat 5 data cabling is in the Premises.
D. In storage.
E. Cinedigm to identify which equipment they have replaced at their cost, others are in storage

EXHIBIT A

PERSONAL PROPERTY

PERSONAL PROPERTY

1. Desks [A];
2. Chairs [A];
3. Credenzas [A];
4. Conference room furniture [B];
5. Built-in cabinetry in attorney offices [A];
6. Built-in cabinetry in secretarial bays [A];
7. All phone and computer cabling [C];
8. Phone switch and related equipment and software including without limitation the following[D]:
   *Network Hardware
   *Core switch: WS-C4506
   *Router: CISCO2811-V/K9
   *Router: CISCO2811 Q17245961
   *Phone system;
   *Voice GW: CISCO2811-SEC/K9 Q
   *Cisco CallManager: MCS-7825-H3-ECS1 System version: 6.1.3.1000-16
   *Cisco CallManager: MCS7816113-K9-CMB2 System version: 6.1.3.1000-16
   *Cisco Unity: MCS7816H3-K9-CMB2 Cisco Unity 5.0 Build 5.0(1)
   *Phones: Cisco IP Phones 7960
9. Refrigerators in main kitchen

A. Landlord's property located in the Premises.
B. Chairs owned by Cinedigm (except for the Aeron chairs, which will be removed from the Premises); tables will remain in the Premises.
C. Equipment is in storage; Cat 5 data cabling is in the Premises.
D. In storage.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements of Cinedigm Corp. on Form S-1 (No. 333-214486), S-3 (No. 333-192449) and Form S-8 (No.333-189898) of our report dated June 29, 2017 on our audits of the consolidated financial statements as of March 31, 2017 and 2016 and for each of the years in the two-year period ended March 31, 2017, which report is included in this Annual Report on Form 10-K to be filed on or about June 29, 2017.

/s/ EISNERAMPER LLP

New York, New York
June 29, 2017

EXHIBIT 31.1

CERTIFICATION

I, Christopher J. McGurk, certify that:

1. I have reviewed this Form 10-K of Cinedigm Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 29, 2017

By: /s/ Christopher J. McGurk

Christopher J. McGurk
Chief Executive Officer and Chairman of the Board of Directors
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Jeffrey S. Edell, certify that:

1. I have reviewed this Form 10-K of Cinedigm Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 29, 2017

By: /s/ Jeffrey S. Edell

Jeffrey S. Edell
Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Form 10-K of Cinedigm Corp. (the "Company") for the period ended March 31, 2017 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: June 29, 2017 By: /s/ Christopher J. McGurk

Christopher J. McGurk
Chief Executive Officer and Chairman of the Board of Directors
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Form 10-K of Cinedigm Corp. (the "Company") for the period ended March 31, 2017 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: June 29, 2017

By: /s/ Jeffrey S. Edell

Jeffrey S. Edell
Chief Financial Officer (Principal Financial Officer)