

**Exhibit 1 to Exhibit A**

**Settlement Agreement**

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## Settlement Agreement

This Settlement Agreement (the "Settlement Agreement") is made and entered into as of January [8], 2016 (the "Execution Date"), by and among Manchester Securities Corp. ("Manchester Securities"), Manchester Library Company LLC ("Library"), Heatherden Securities LLC ("Heatherden Securities"), Heatherden Securities Corp. ("Heatherden Securities Corp."), Heatherden Holdings LLC, Beverly Blvd 2 Holdings LLC ("Bev 2 Holdings"), Beverly Blvd 2 LLC ("Bev 2"), Elliott Management Corporation ("Management"), Elliott Associates, L.P. ("Associates"), Elliott Capital Advisors, L.P. ("Capital Advisors"), Elliott International, L.P. ("International"), Braxton Associates, Inc., and Elliott International Capital Advisors, Inc., (collectively, the "Creditor Parties") and the Official Committee of Unsecured Creditors of Relativity Fashion, LLC, et al. (the "Committee", and together with the Creditor Parties, the "Parties" and each a "Party"), in its capacity as representative for the chapter 11 estates of Relativity Fashion, LLC, and its affiliated debtors.

### Recitals

WHEREAS, the Debtors (as defined below) have commenced chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York (the "Court"), jointly administered under the caption In re Relativity Fashion, LLC, et al., Case No. 15-11989 (MEW) (Bankr. S.D.N.Y.);

WHEREAS, the *Amended and Restated Final Order Pursuant to Sections 105, 361, 362, 363, 364, and 507 of the Bankruptcy Code (I) Authorizing Debtors to Obtain Superpriority Secured Debtor-in-Possession Financing, (II) Authorizing Debtors to Use Cash Collateral, (III) Granting Adequate Protection to the Cortland Parties and Manchester Parties and (IV) Granting Related Relief*, entered by the Court on November 3, 2015 (the "Amended DIP Order"), provided for certain stipulations, admissions, and releases regarding the Manchester Parties and the Manchester Releases (each as defined in the Amended DIP Order), subject to the Committee's right to bring a Manchester Challenge (as defined in the Amended DIP Order);

WHEREAS, the Committee has investigated possible Manchester Challenges and identified a number of possible claims and causes of action with respect to certain prepetition transactions between the Debtors and the Creditor Parties;

WHEREAS, the Creditor Parties dispute the merit of any such claims and causes of action against them;

WHEREAS, following good faith, arm's length negotiations, the Parties have reached agreement on the settlement embodied in this Settlement Agreement;

WHEREAS, the Committee will file a motion under Federal Rule of Bankruptcy Procedure 9019 with the Court (the "Motion") to approve this Settlement Agreement;

Now, therefore, the Parties hereby agree as follows:

**I. Definitions.**

- A. “Affiliates and Subsidiaries” means the Debtors’ non-debtor affiliates and subsidiaries.
- B. “Agreed Treatment” has the meaning given in Section VIII.
- C. “Settlement Agreement” has the meaning given in the preamble.
- D. “Amended DIP Order” has the meaning given in the recitals.
- E. “Associates” has the meaning given in the preamble.
- F. “Amendment No. 2” means a new term sheet amending the Term Sheets in the form attached as Exhibit A.
- G. “Bev 2” has the meaning given in the preamble.
- H. “Bev 2 Holdings” has the meaning given in the preamble.
- I. “Capital Advisors” has the meaning given in the preamble.
- J. “Cases” means the chapter 11 cases of the Debtors.
- K. “Committee” has the meaning given in the preamble.
- L. “Controlled Non-Debtor Subsidiaries” means the non-debtor subsidiaries and affiliates in which the Debtors in the aggregate, directly or indirectly, hold (1) more than 50% of the equity interests, (2) equity rights entitling the Debtors to appoint a controlling majority of the board of directors, board of managers, or similar persons or entities with ultimate authority over the subject entity, or (3) equity rights or contract rights entitling the Debtors to control, directly or indirectly, mergers or sales of sustainably all assets of the subject entity.
- M. “Court” has the meaning given in the recitals.
- N. “Credit Agreement” means the Second Amended and Restated Credit Agreement, dated as of May 30, 2012, as amended by Amendment No. 1, dated as of October 2, 2014, by and among the borrowers signatory thereto, Relativity Holdings LLC, as guarantor, and Manchester Securities, as lender.
- O. “Creditor Parties” has the meaning given in the preamble.
- P. “Creditor Released Party” and “Creditor Released Parties” have the meanings given in Section IV.A.
- Q. “Debtors” means Relativity Fashion, LLC and its affiliated debtors in the jointly administered chapter 11 cases captioned In re Relativity Fashion, LLC, et al., Case No. 15-11989 (MEW) (Bankr. S.D.N.Y.).

- R. “Debtor Released Claims” has the meaning given in Section IV.A.
- S. “Debtor Releasing Parties” has the meaning given in Section IV.A.
- T. “DIP Facility” means the Debtor-In-Possession Financing Agreement, dated July 30, 2015, as amended.
- U. “Effective Date” has the meaning given in Section IV.A.
- V. “Estates” means the chapter 11 estates of each of the Debtors.
- W. “Execution Date” has the meaning given in the preamble.
- X. “General Unsecured Creditors” means the unsecured creditors of the Debtors, excluding Manchester Securities.
- Y. “Heatherden Securities” has the meaning given in the preamble.
- Z. “Heatherden Securities Corp.” has the meaning given in the preamble.
- AA. “International” has the meaning given in the preamble.
- BB. “Library” has the meaning given in the preamble.
- CC. “Library Agreements” means each of the agreements, documents and other instruments listed on Schedule 2 attached hereto, in each case, as the same may have been amended, restated or modified from time to time.
- DD. “Management” has the meaning given in the preamble.
- EE. “Manchester Claim” means the claim of Manchester Securities for all rights, obligations, and possible claims under or related to the Credit Agreement.
- FF. “Manchester Securities” has the meaning given in the preamble.
- GG. “Motion” has the meaning given in the recitals.
- HH. “Order” means an order approving the Motion and this Settlement Agreement in the form attached as Exhibit B or otherwise in form and substance acceptable to the Creditor Parties and to the Committee.
- II. “Party” and “Parties” have the meaning given in the preamble.
- JJ. “Participation Threshold” has the meaning set forth in Section III.A.1.
- KK. “Plan” means the chapter 11 plan filed by the Debtors on December 17, 2015 or any subsequently filed amendment to such plan.
- LL. “Relativity Media” means Relativity Media, LLC.

MM. "Retained Rights & Claims" has the meaning given in Section III.B.2.

NN. "Term Sheets" means the TLA/TLB Term Sheet dated as of October 3, 2015, the Investor Term Sheet dated as of October 3, 2015, and the Amendment Term Sheet dated as of October 20, 2015, copies of which are attached as Exhibit C.

**II. Allowance of Manchester Claim.** The Manchester Claim shall be fully and finally allowed in the amount of \$137,000,000 against each Debtor listed on Schedule 1, which Manchester Claim shall not be subject to setoff, deduction, counterclaim, defenses, recharacterization, subordination under Bankruptcy Code section 510, or disallowance under Bankruptcy Code section 502(d); provided, that despite allowance against multiple Debtors, the Manchester Claim is not entitled to more than payment in full; provided, further, that any recoveries on account of the Manchester Claim are conditioned as provided in Section III.

**III. Partial Waiver of Distributions on Manchester Claim.**

A. Manchester Securities hereby waives its right to cash distributions on the Manchester Claim, whether such distributions are made under a chapter 11 plan or otherwise, subject to the limitations set forth in this Section III.

1. Manchester Securities waives its right to distributions on the Manchester Claim made from the first \$35,000,000 in distributions to General Unsecured Creditors (the "Participation Threshold"); provided, however, that the Participation Threshold shall be increased to \$70,000,000 if (a) Manchester Securities objects to the Plan, (b) the Court denies confirmation of the Plan as a result of Manchester Securities' objection, and (c) either (i) a chapter 11 plan of liquidation is instead confirmed for the Debtors, (ii) the Cases convert to chapter 7, or (iii) the Cases are dismissed.

2. The foregoing limited waiver of rights to distributions set forth in this Section III shall not affect Manchester Securities' or its affiliates rights to receive equity in the reorganized Debtors as provided for in Section VIII.A. or to object to the Plan (including any provisions thereof) or any other chapter 11 plan that materially adversely affects the value of Manchester Securities' or its affiliates rights under Section VIII.A.

B. For the avoidance of doubt:

1. Manchester Securities shall in all circumstances retain its rights to the Manchester Claim, including, without limitation, the right to participate in cash distributions to General Unsecured Creditors in excess of the Participation Threshold and the right to receive warrants in the reorganized Debtors as referenced in Section VIII.A. and other debt or equity securities in the reorganized Debtors distributed on account of the Manchester Claim; and

2. Library, Heatherden Securities, Heatherden Securities Corp., Bev 2 Holdings, Bev 2, Management, Associates, Capital Advisors, International and their affiliates (excluding Manchester Securities) shall retain all rights in, to, and

under their respective claims against, interests in, and contracts with the Debtors, including, without limitation, all rights to receive equity in the reorganized Debtors and all rights under the DIP Facility and associated Court orders and the Library Agreements (such rights and claims, together with the other rights and claims retained by the Creditor Parties as set forth in this Section, the “Retained Rights & Claims”).

#### IV. Releases by Estates

A. Effective upon entry of the Order (the “Effective Date”), each of the Estates, on behalf of itself and each of its successors and assigns (collectively with the Estates, the “Debtor Releasing Parties”), does hereby forever waive, release, discharge, and acquit (i) Manchester Securities, (ii) Heatherden Securities, (iii) Library, (iv) Heatherden Securities Corp., (v) Heatherden Holdings LLC, (vi) Bev 2 Holdings, (vii) Bev 2, (viii) Management, (ix) Associates, (x) Capital Advisors, (xi) International, (xii) Braxton Associates, Inc., (xiii) Elliott International Capital Advisors, Inc., and (xiv) with respect to each of the entities named in (i) through (xiv) above, such entity’s present and former direct or indirect affiliates, parents, subsidiaries, general partners, limited partners, members, managers, investment funds, investment vehicles, investors, beneficiaries, transferees, successors and assigns, management companies, fund advisors, investment bankers, accountants, consultants, financial and other advisors, and the respective managers, partners, members, principals, advisory board members, attorneys, employees, agents, representatives, officers and directors of each of the foregoing in any capacity, ((i) through (xiii), together, but excluding any current director or officer of the Debtors, the “Creditor Released Parties” and each, a “Creditor Released Party”) of and from any and all claims, demands, liabilities, responsibilities, disputes, and causes of action (whether at law or equity), of every type, kind, nature, description or character, that arise from or relate to any Debtor or any subsidiary of or other affiliate thereof, whether such claims have arisen in the past or arise in the future, irrespective of how, why or by reason of which facts, whether such claims have heretofore arisen, are now existing, or hereafter arise, or that could, might, or may be asserted or claimed to exist, of whatever kind or name, whether such facts or claims are known or unknown, suspected or unsuspected, liquidated or unliquidated, contingent or non-contingent, each as though fully set forth herein at length, whether asserted directly, indirectly, or derivatively (which shall include any suit brought by any Controlled Non-Debtor Subsidiary), by way of claim, cross-claim, counterclaim, or claim for contribution or indemnity (collectively, the “Debtor Released Claims”), and each Debtor Releasing Party agrees, jointly and severally, (x) not to sue any Creditor Released Party, directly or indirectly (which shall include any suit brought by any Controlled Non-Debtor Subsidiary), in respect of any such Debtor Released Claims and (y) that such Debtor Releasing Party will not profit or benefit (whether directly or indirectly) from any such suit with respect to any such Debtor Released Claims, and will remit the amount or value (whichever is higher) of any direct or indirect products, proceeds, profits, benefits, collections or awards from any such action (whether or not distributed to the Debtor Releasing Party) to the respective Creditor Released Party; provided, however, that the Debtor Released Claims shall exclude any claims under this Settlement Agreement; provided, further, that the Committee and the Debtors retain the rights to assert claims and defenses arising under or

related to the contracts giving rise to the Retained Rights & Claims, to the extent that such Retained Rights & Claims are asserted against the Debtors (but such rights retained by the Debtors shall exclude, for avoidance of doubt, claims or defense based on the Debtor Released Claims, including, without limitation, any claims or defenses arising under Chapter 5 of the Bankruptcy Code or similar State laws or claims for equitable subordination, equitable disallowance, or recharacterization). For purposes of the releases contained in this paragraph, any reference to any Debtor Releasing Party shall mean and include, as applicable, such Debtor Releasing Party's predecessors, successors and assigns, including, without limitation, any receiver, trustee, debtor-in-possession, or estate representative acting on behalf of such parties.

B. Without derogating from the New York choice of law provision set forth herein, each Debtor Releasing Party acknowledges that there is a possibility that, subsequent to the execution of this Settlement Agreement, it will discover facts or incur or suffer actual or contemplated claims or counterclaims arising out of or relating in any way to the Debtor Released Claims, which were unknown or unsuspected at the time this Settlement Agreement was executed, and which if known by it at the time may have materially affected the decision to execute the Settlement Agreement. Each Debtor Releasing Party further acknowledges and agrees that by reason of the Settlement Agreement, and the waiver and release and discharge contained herein, it is assuming any risk of such unknown or unsuspected facts and such unknown or unsuspected claims. Each Debtor Releasing Party has been advised of the existence of Section 1542 of the California Civil Code which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Notwithstanding such provisions, the waiver and release and discharge contained herein shall constitute a full waiver and release and discharge in accordance with its terms and each Debtor Releasing Party (i) expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of any statute or principle of public policy or common law of the United States, or of any state thereof (including Section 1542 of the California Civil Code) or any other country, which either narrowly construes releases purporting by their terms to release such unknown or unsuspected claims in whole or in part, or restricts or prohibits the releasing of such claims and (ii) expressly acknowledges and agrees, to the fullest extent permitted by law, that all such provisions, rights, and benefits are inapplicable due to the governing law provision set forth in Section XIII.E. of this Settlement Agreement (except any that are applicable under the laws of the State of New York, which are waived and relinquished under clause (i) of this paragraph).

**V. Releases by Creditor Parties.**

A. Upon the Effective Date, each of the Creditor Parties, on behalf of itself and each of its successors and assigns (collectively with the Creditor Parties, the "Manchester Releasing Parties"), does hereby forever waive, release, discharge, and acquit (i) the Committee, (ii) the Debtors, and (iii) with respect to the Committee (but not the Debtors), the members, officers, agents, representatives, investment bankers, consultants, financial and other advisors, and attorneys of the Committee, ((i) through (iii), together, the "Committee Released Parties" and each, a "Committee Released Party") of and from any and all claims, demands, liabilities, responsibilities, disputes, and causes of action (whether at law or equity), of every type, kind, nature, description or character, that arise from or relate to any Debtor or any subsidiary of or other affiliate thereof, whether such claims have arisen in the past or arise in the future, irrespective of how, why or by reason of which facts, whether such claims have heretofore arisen, are now existing, or hereafter arise, or that could, might, or may be asserted or claimed to exist, of whatever kind or name, whether such facts or claims are known or unknown, suspected or unsuspected, liquidated or unliquidated, contingent or non-contingent, each as though fully set forth herein at length, whether asserted directly, indirectly, or derivatively, by way of claim, cross-claim, counterclaim, or claim for contribution or indemnity (collectively, the "Manchester Released Claims"), and each Manchester Releasing Party agrees, jointly and severally, (x) not to sue any Committee Released Party, directly or indirectly, in respect of any such Manchester Released Claims and (y) that such Manchester Releasing Party will not profit or benefit from any such suit with respect to any such Manchester Released Claims and will remit any proceeds of any such action to the respective Committee Released Party; provided, however, that the Manchester Released Claims shall exclude (a) with respect to the release of the Debtors, the Manchester Claim, the claims under the DIP Facility, and any other Retained Rights & Claims, and (b) any claims under this Settlement Agreement. For purposes of the releases contained in this paragraph, any reference to any Manchester Releasing Party shall mean and include, as applicable, such Manchester Releasing Party's predecessors, successors and assigns, including, without limitation, any receiver, trustee, debtor-in-possession, or estate representative acting on behalf of such parties.

B. Without derogating from the New York choice of law provision set forth herein, each Manchester Releasing Party acknowledges that there is a possibility that, subsequent to the execution of this Settlement Agreement, it will discover facts or incur or suffer actual or contemplated claims or counterclaims arising out of or relating in any way to the Manchester Released Claims, which were unknown or unsuspected at the time this Settlement Agreement was executed, and which if known by it at the time may have materially affected the decision to execute the Settlement Agreement. Each Manchester Releasing Party further acknowledges and agrees that by reason of the Settlement Agreement, and the waiver and release and discharge contained herein, it is assuming any risk of such unknown or unsuspected facts and such unknown or unsuspected claims. Each Manchester Releasing Party has been advised of the existence of Section 1542 of the California Civil Code which provides:



“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Notwithstanding such provisions, the waiver and release and discharge contained herein shall constitute a full waiver and release and discharge in accordance with its terms and each Manchester Releasing Party (i) expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of any statute or principle of public policy or common law of the United States, or of any state thereof (including Section 1542 of the California Civil Code) or any other country, which either narrowly construes releases purporting by their terms to release such unknown or unsuspected claims in whole or in part, or restricts or prohibits the releasing of such claims and (ii) expressly acknowledges and agrees, to the fullest extent permitted by law, that all such provisions, rights, and benefits are inapplicable due to the governing law provision set forth in Section XIII.E. of this Settlement Agreement (except any that are applicable under the laws of the State of New York, which are waived and relinquished under clause (i) of this paragraph).

**VI. Professional Fees of Creditor Parties.** The Committee hereby agrees not to object to:

1. The approval pursuant to paragraph 20 of the Amended DIP Order of the professional fees of the Creditor Parties for the period from September 22, 2015 through November 30, 2015 in the aggregate amount of \$2,016,612.62 for Ropes & Gray LLP, \$1,873,379.85 for O'Melveny & Myers LLP, and \$230,000 for Moelis & Company (which fees have previously been reviewed by the Committee); and
2. Timely payment in cash by the Debtors of such fees up to the amounts provided for in the Debtors' budgets and consistent with the financing orders previously entered by the Court in these Cases (\$2,250,000 in the aggregate for October, November and December of 2015, and January of 2016, for Creditor Parties' fees), which budget amount shall not affect the obligation to pay the remainder of such fees.

**VII. Manchester Securities Right to Vote Manchester Claim.** Manchester Securities shall retain the right to vote the Manchester Claim in favor of or against any chapter 11 plans in these cases, including without limitation, the Plan.

**VIII. Conditional Agreement to Vote for Plan and Extend DIP Facility Maturity Date.** Manchester Securities agrees to vote in favor of the Plan and Heatherden Securities agrees to extend the maturity date for the DIP Facility to January 31, 2016, if the Plan is amended on or before January 18, 2016, to provide as follows (such treatment provided in this Section VIII.A. – C., the “Agreed Treatment”):

A. The treatment of the Creditor Parties' secured and unsecured claims provided for in the Term Sheets, as amended by Amendment No. 2, including the Creditor Parties' rights to receive equity in the reorganized Debtors and payment of fees;

B. Repayment in full in cash of all obligations under the DIP Facility (which the Parties acknowledge are currently due and owing) on the effective date of the Plan;

C. A full and unconditional release from the Estates in favor of the Creditor Parties and a release from any third party that might claim against a Creditor Party, which releases shall be in form and substance reasonably acceptable to the Creditor Parties and otherwise consistent with the releases provided in Section IV, and which shall contain no third party release or injunction affecting direct or derivative claims or rights of any Creditor Party.

**IX. Creditor Parties' Right to Object to Chapter 11 Plans.** The Creditor Parties shall retain their rights to object to any chapter 11 plans in the Cases. The Creditor Parties shall also retain the separate right to object to and contest any releases of third party or derivative claims or rights or related injunctions contained in any chapter 11 plans in the Cases.

**X. Motion.** The Committee agrees to seek an expedited hearing on the Motion on January 20, 2016.

**XI. Termination.** The Creditor Parties may terminate this Settlement Agreement, by written notice to the Committee, if any of the following occur:

A. The Motion has not been filed on the docket of the Cases on or before January 11, 2016;

B. The Committee fails to diligently prosecute the Motion; and

C. The Court does not enter the Order on the docket of the Cases on or before January 27, 2016.

**XII. Tolling of Challenge Period.** The period under the Amended DIP Order for the Committee to assert a Manchester Challenge is hereby extended until one business day following the earlier of entry of the Order on the docket of these Cases or the termination of this Settlement Agreement; provided, however, that the Committee agrees not to assert a Manchester Challenge so long as this Settlement Agreement has not been terminated.

**XIII. Miscellaneous.**

A. No Admission of Liability. Neither the execution nor delivery of this Settlement Agreement by any Party is an admission of any wrongdoing whatsoever on the part of any Party.

B. Further Assurances. Subject to the other terms of this Settlement Agreement, the Parties agree to execute and deliver such other instruments and perform such other acts,

in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate this Settlement Agreement.

C. Amendments and Waivers. No amendment, modification, waiver, or termination of any provision of this Settlement Agreement shall in any event be effective unless the same shall be in writing and signed by the Parties. The waiver by any Party of a breach of any provision of this Settlement Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by any Party to exercise any right or privilege hereunder shall be deemed a waiver of such Party's rights or privileges hereunder or shall be deemed a waiver of such Party's rights to exercise the same at any subsequent time or times hereafter.

D. Headings. The headings of all sections of this Settlement Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision of this Settlement Agreement.

E. Governing Law. All issues and questions concerning the construction, validity, enforcement, and interpretation of this Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

F. Jurisdiction. Each of the Parties hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to any of the obligations arising under or relating to this Settlement Agreement shall be brought in the Bankruptcy Court, and each of the Parties hereby irrevocably submits to and accepts with respect to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the jurisdiction of the Bankruptcy Court.

G. Jury Waiver. Each of the Parties hereby irrevocably waives any right it may have to a trial by jury in any suit, action, or proceeding brought with respect to any of the obligations arising under or relating to this Settlement Agreement. Each of the Parties hereby waives any right it may have to claim or recover in any suit, action, or proceeding referred to above any special, exemplary, punitive, or consequential damages or any monetary recovery other than, or in addition to, actual damages.

H. Execution of Agreement. This Settlement Agreement may be executed and delivered (by facsimile, electronic mail, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement.

I. Third Party Beneficiaries. There are no third party beneficiaries to this Settlement Agreement, other than the Committee and its members and professionals and the Creditor Released Parties, who are third party beneficiaries for purposes of the releases and

covenants in Sections V and IV, respectively, and the provision regarding specific performance in Section XIII.J.

J. Specific Performance. It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Settlement Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief, including attorneys' fees and costs, as a remedy of any such breach, and each Party agrees to waive any requirement for the securing or posting of a bond in connection with such remedy, in addition to any other remedy to which such non-breaching Party may be entitled, at law or in equity.

K. Notice. All notices hereunder shall be deemed given if in writing and delivered, if sent by facsimile, email, or overnight delivery to the following:

If to the Committee, to counsel at the following address:

Togut, Segal & Segal LLP  
Attn: Frank A. Oswald and Scott E. Ratner  
One Penn Plaza  
Suite 3335  
New York, NY 10119  
Email: [frankoswald@teamtogut.com](mailto:frankoswald@teamtogut.com)  
Email: [seratner@teamtogut.com](mailto:seratner@teamtogut.com)

If to the Creditor Parties, to:

Elliott Management Corporation  
Attn: David Miller and Johannes Weber  
40 West 57<sup>th</sup> Street  
New York, NY 10019  
Email: [dmiller@elliottmgmt.com](mailto:dmiller@elliottmgmt.com)  
Email: [jweber@elliottmgmt.com](mailto:jweber@elliottmgmt.com)

with a copy to

Ropes & Gray LLP  
Attn: Keith H. Wofford  
1211 Avenue of the Americas  
New York, NY 10036  
Email: [keith.wofford@ropesgray.com](mailto:keith.wofford@ropesgray.com)

and

Ropes & Gray LLP  
Attn: James A. Wright III  
Prudential Tower  
800 Boylston Street

Boston, MA 02199  
Email: [james.wright@ropesgray.com](mailto:james.wright@ropesgray.com)

and

O'Melveny & Myers LLP  
Attn: Evan Jones  
400 South Hope Street  
Los Angeles, CA 90071  
Email: [ejones@omm.com](mailto:ejones@omm.com)

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IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be executed and delivered by their respective duly authorized officers or other agents, solely in their respective capacity as officers or other agents of the undersigned and not in any other capacity, as of the date first set forth above.

3 DAYS TO KILL PRODUCTIONS, LLC  
21 & OVER PRODUCTIONS, LLC  
A PERFECT GETAWAY PR, LLC  
A PERFECT GETAWAY, LLC  
ARMORED CAR PRODUCTIONS, LLC  
BEST OF ME PRODUCTIONS, LLC  
BLACK OR WHITE FILMS, LLC  
BLACKBIRD PRODUCTIONS, LLC  
BRANT POINT PRODUCTIONS, LLC  
BRICK MANSIONS ACQUISITIONS, LLC  
BRILLIANT FILMS, LLC  
BROTHERS PRODUCTIONS, LLC  
BROTHERS SERVICING, LLC  
CATFISH PRODUCTIONS, LLC  
CINE PRODUCTIONS, LLC  
CINEPOST, LLC  
CISCO BEACH MEDIA, LLC  
CLIFF ROAD MEDIA, LLC  
DEN OF THIEVES FILMS, LLC  
DON JON ACQUISITIONS, LLC  
DR PRODUCTIONS, LLC  
EINSTEIN RENTALS, LLC  
ENGLISH BREAKFAST MEDIA, LLC  
FURNACE FILMS, LLC  
GOTTI ACQUISITIONS, LLC  
GREAT POINT PRODUCTIONS, LLC  
GUIDO CONTINI FILMS, LLC  
HOOPER FARM MUSIC, LLC  
HOOPER FARM PUBLISHING, LLC  
HUMMOCK POND PROPERTIES, LLC  
HUNTER KILLER LA PRODUCTIONS  
HUNTER KILLER PRODUCTIONS, LLC  
IN THE HAT PRODUCTIONS, LLC  
J & J PROJECT, LLC  
JGAG ACQUISITIONS, LLC  
LEFT BEHIND ACQUISITIONS, LLC  
LONG POND MEDIA, LLC  
MADAKET PUBLISHING, LLC  
MADAKET ROAD MUSIC, LLC  
MADVINE RM, LLC  
RML ACQUISITIONS I, LLC  
RML ACQUISITIONS II, LLC

MALAVITA PRODUCTIONS, LLC  
MB PRODUCTIONS, LLC  
MERCHANT OF SHANGHAI  
PRODUCTIONS, LLC  
MIACOMET MEDIA LLC  
MIRACLE SHOT PRODUCTIONS, LLC  
MOST WONDERFUL TIME  
PRODUCTIONS, LLC  
MOVIE PRODUCTIONS, LLC  
ONE LIFE ACQUISITIONS, LLC  
ORANGE STREET MEDIA, LLC  
OUT OF THIS WORLD PRODUCTIONS,  
LLC  
PARANOIA ACQUISITIONS, LLC  
PHANTOM ACQUISITIONS, LLC  
POCOMO PRODUCTIONS, LLC  
RELATIVE MOTION MUSIC, LLC  
RELATIVE VELOCITY MUSIC, LLC  
RELATIVITY DEVELOPMENT, LLC  
RELATIVITY FASHION, LLC  
RELATIVITY FILM FINANCE II, LLC  
RELATIVITY FILM FINANCE III, LLC  
RELATIVITY FILM FINANCE, LLC  
RELATIVITY FILMS, LLC  
RELATIVITY FOREIGN, LLC  
RELATIVITY HOLDINGS LLC  
RELATIVITY INDIA HOLDINGS, LLC  
RELATIVITY JACKSON, LLC  
RELATIVITY MEDIA, LLC  
RELATIVITY MEDIA DISTRIBUTION, LLC  
RELATIVITY MEDIA FILMS, LLC  
RELATIVITY MUSIC GROUP, LLC  
RELATIVITY PRODUCTION LLC  
RELATIVITY REAL, LLC  
RELATIVITY ROGUE, LLC  
RELATIVITY SENATOR, LLC  
RELATIVITY SKY LAND ASIA  
HOLDINGS, LLC  
RELATIVITY TV, LLC  
REVELER PRODUCTIONS, LLC  
RMLDD FINANCING, LLC  
RML TIMELESS PRODUCTIONS, LLC

RML ACQUISITIONS III, LLC  
RML ACQUISITIONS IV, LLC  
RML ACQUISITIONS IX, LLC  
RML ACQUISITIONS V, LLC  
RML ACQUISITIONS VI, LLC  
RML ACQUISITIONS VII, LLC  
RML ACQUISITIONS VIII, LLC  
RML ACQUISITIONS X, LLC  
RML ACQUISITIONS XI, LLC  
RML ACQUISITIONS XII, LLC  
RML ACQUISITIONS XIII, LLC  
RML ACQUISITIONS XIV, LLC  
RML ACQUISITIONS XV, LLC  
RML BRONZE FILMS, LLC  
RML DAMASCUS FILMS, LLC  
RML DESERT FILMS, LLC  
RML DISTRIBUTION DOMESTIC, LLC  
RML DISTRIBUTION INTERNATIONAL,  
LLC  
RML DOCUMENTARIES, LLC  
RML DR FILMS, LLC  
RML ECHO FILMS, LLC  
RML ESCOBAR FILMS LLC  
RML FILM DEVELOPMENT, LLC  
RML FILMS PR, LLC  
RML HECTOR FILMS, LLC  
RML HILLSONG FILMS, LLC  
RML IFWT FILMS, LLC  
RML INTERNATIONAL ASSETS, LLC  
RML JACKSON LLC  
RML KIDNAP FILMS, LLC  
RML LAZARUS FILMS, LLC  
RML NINA FILMS, LLC  
RML NOVEMBER FILMS, LLC  
RML OCULUS FILMS, LLC  
RML OUR FATHER FILMS, LLC  
RML ROMEO AND JULIET FILMS, LLC  
RML SCRIPTURE FILMS, LLC  
RML SOLACE FILMS, LLC  
RML SOMNIA FILMS, LLC  
RML TURKEYS FILMS, LLC  
RML VERY GOOD GIRLS FILMS, LLC  
RML WIB FILMS, LLC  
ROGUE DIGITAL, LLC  
ROGUE GAMES, LLC  
ROGUELIFE LLC  
SAFE HAVEN PRODUCTIONS, LLC  
SANCTUM FILMS, LLC  
SANTA CLAUS PRODUCTIONS, LLC  
SMITH POINT PRODUCTIONS, LLC  
SNOW WHITE PRODUCTIONS, LLC  
SPY NEXT DOOR, LLC  
STORY DEVELOPMENT, LLC  
STRAIGHT WHARF PRODUCTIONS, LLC  
STRANGERS II, LLC  
STRETCH ARMSTRONG PRODUCTIONS,  
LLC  
STUDIO MERCHANDISE, LLC  
SUMMER FOREVER PRODUCTIONS, LLC  
THE CROW PRODUCTIONS, LLC  
TOTALLY INTERNS, LLC  
TRIBES OF PALOS VERDES  
PRODUCTION, LLC  
TUCKERNUCK MUSIC, LLC  
TUCKERNUCK PUBLISHING, LLC  
WRIGHT GIRLS FILMS, LLC  
YUMA, INC.  
ZERO POINT ENTERPRISES, LLC

*[Signature Page to Settlement Agreement on the Following Page]*

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS, in its Capacity as  
the Representative for the Chapter 11 Estate of  
each of the Debtors listed above

By its attorneys,  
TOGUT, SEGAL & SEGAL LLP  
By:

/s/Frank A. Oswald  
ALBERT TOGUT  
FRANK A. OSWALD  
SCOTT E. RATNER  
Members of the Firm  
One Penn Plaza  
New York, New York 10119  
(212) 594-5000

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MANCHESTER SECURITIES CORP.  
MANCHESTER LIBRARY COMPANY LLC  
HEATHERDEN HOLDINGS LLC  
HEATHERDEN SECURITIES LLC  
HEATHERDEN SECURITIES CORP.  
BEVERLY BLVD 2 HOLDINGS LLC  
BEVERLY BLVD 2 LLC  
ELLIOTT MANAGEMENT CORPORATION  
ELLIOTT ASSOCIATES, L.P.  
ELLIOTT CAPITAL ADVISORS, L.P.  
ELLIOTT INTERNATIONAL, L.P.  
BRAXTON ASSOCIATES, INC.  
ELLIOTT INTERNATIONAL CAPITAL ADVISORS,  
INC.

By:           /s/ Elliot Greenberg            
Name:           Elliot Greenberg            
Title:           Vice President          

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**Schedule 1**

3 DAYS TO KILL PRODUCTIONS, LLC  
21 & OVER PRODUCTIONS, LLC  
A PERFECT GETAWAY PR, LLC  
A PERFECT GETAWAY, LLC  
ARMORED CAR PRODUCTIONS, LLC  
BEST OF ME PRODUCTIONS, LLC  
BLACK OR WHITE FILMS, LLC  
BLACKBIRD PRODUCTIONS, LLC  
BRANT POINT PRODUCTIONS, LLC  
BRICK MANSIONS ACQUISITIONS, LLC  
BRILLIANT FILMS, LLC  
BROTHERS PRODUCTIONS, LLC  
BROTHERS SERVICING, LLC  
CATFISH PRODUCTIONS, LLC  
CINE PRODUCTIONS, LLC  
CINEPOST, LLC  
CISCO BEACH MEDIA, LLC  
CLIFF ROAD MEDIA, LLC  
DEN OF THIEVES FILMS, LLC  
DON JON ACQUISITIONS, LLC  
DR PRODUCTIONS, LLC  
EINSTEIN RENTALS, LLC  
ENGLISH BREAKFAST MEDIA, LLC  
FURNACE FILMS, LLC  
GOTTI ACQUISITIONS, LLC  
GREAT POINT PRODUCTIONS, LLC  
GUIDO CONTINI FILMS, LLC  
HOOPER FARM MUSIC, LLC  
HOOPER FARM PUBLISHING, LLC  
HUMMOCK POND PROPERTIES, LLC  
HUNTER KILLER LA PRODUCTIONS  
HUNTER KILLER PRODUCTIONS, LLC  
IN THE HAT PRODUCTIONS, LLC  
JGAG ACQUISITIONS, LLC  
LEFT BEHIND ACQUISITIONS, LLC  
LONG POND MEDIA, LLC  
MADAKET PUBLISHING, LLC  
MADAKET ROAD MUSIC, LLC  
MADVINE RM, LLC  
MALAVITA PRODUCTIONS, LLC  
MB PRODUCTIONS, LLC  
MERCHANT OF SHANGHAI  
PRODUCTIONS, LLC  
MIACOMET MEDIA LLC  
MIRACLE SHOT PRODUCTIONS, LLC  
MOST WONDERFUL TIME  
PRODUCTIONS, LLC  
MOVIE PRODUCTIONS, LLC  
ONE LIFE ACQUISITIONS, LLC  
ORANGE STREET MEDIA, LLC  
OUT OF THIS WORLD PRODUCTIONS,  
LLC  
PARANOIA ACQUISITIONS, LLC  
PHANTOM ACQUISITIONS, LLC  
POCOMO PRODUCTIONS, LLC  
RELATIVE MOTION MUSIC, LLC  
RELATIVE VELOCITY MUSIC, LLC  
RELATIVITY DEVELOPMENT, LLC  
RELATIVITY FILM FINANCE II, LLC  
RELATIVITY FILM FINANCE III, LLC  
RELATIVITY FILM FINANCE, LLC  
RELATIVITY FILMS, LLC  
RELATIVITY FOREIGN, LLC  
RELATIVITY HOLDINGS LLC  
RELATIVITY INDIA HOLDINGS, LLC  
RELATIVITY JACKSON, LLC  
RELATIVITY MEDIA, LLC  
RELATIVITY MEDIA DISTRIBUTION, LLC  
RELATIVITY MEDIA FILMS, LLC  
RELATIVITY MUSIC GROUP, LLC  
RELATIVITY PRODUCTION LLC  
RELATIVITY REAL, LLC  
RELATIVITY ROGUE, LLC  
RELATIVITY SENATOR, LLC  
RELATIVITY SKY LAND ASIA  
HOLDINGS, LLC  
RELATIVITY TV, LLC  
REVELER PRODUCTIONS, LLC  
RMLDD FINANCING, LLC  
RML ACQUISITIONS I, LLC  
RML ACQUISITIONS II, LLC  
RML ACQUISITIONS III, LLC  
RML ACQUISITIONS IV, LLC  
RML ACQUISITIONS IX, LLC  
RML ACQUISITIONS V, LLC  
RML ACQUISITIONS VI, LLC  
RML ACQUISITIONS VII, LLC  
RML ACQUISITIONS VIII, LLC  
RML ACQUISITIONS X, LLC  
RML ACQUISITIONS XI, LLC

RML ACQUISITIONS XII, LLC  
RML ACQUISITIONS XIII, LLC  
RML ACQUISITIONS XIV, LLC  
RML ACQUISITIONS XV, LLC  
RML BRONZE FILMS, LLC  
RML DAMASCUS FILMS, LLC  
RML DESERT FILMS, LLC  
RML DISTRIBUTION DOMESTIC, LLC  
RML DISTRIBUTION INTERNATIONAL,  
LLC  
RML DOCUMENTARIES, LLC  
RML DR FILMS, LLC  
RML ECHO FILMS, LLC  
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RML FILM DEVELOPMENT, LLC  
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RML HECTOR FILMS, LLC  
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RML NINA FILMS, LLC  
RML NOVEMBER FILMS, LLC  
RML OCULUS FILMS, LLC  
RML OUR FATHER FILMS, LLC  
RML ROMEO AND JULIET FILMS, LLC  
RML SOLACE FILMS, LLC

RML SOMNIA FILMS, LLC  
RML TIMELESS PRODUCTIONS, LLC  
RML TURKEYS FILMS, LLC  
RML VERY GOOD GIRLS FILMS, LLC  
RML WIB FILMS, LLC  
ROGUE DIGITAL, LLC  
ROGUE GAMES, LLC  
ROGUELIFE LLC  
SAFE HAVEN PRODUCTIONS, LLC  
SANCTUM FILMS, LLC  
SANTA CLAUS PRODUCTIONS, LLC  
SMITH POINT PRODUCTIONS, LLC  
SNOW WHITE PRODUCTIONS, LLC  
SPY NEXT DOOR, LLC  
STORY DEVELOPMENT, LLC  
STRAIGHT WHARF PRODUCTIONS, LLC  
STRANGERS II, LLC  
STRETCH ARMSTRONG PRODUCTIONS,  
LLC  
STUDIO MERCHANDISE, LLC  
SUMMER FOREVER PRODUCTIONS, LLC  
THE CROW PRODUCTIONS, LLC  
TOTALLY INTERNS, LLC  
TRIBES OF PALOS VERDES  
PRODUCTION, LLC  
TUCKERNUCK MUSIC, LLC  
TUCKERNUCK PUBLISHING, LLC  
WRIGHT GIRLS FILMS, LLC  
ZERO POINT ENTERPRISES, LLC

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## Schedule 2

### **Library Agreements**

1. the Libraries Asset Transfer Agreement, dated as of May 30, 2012, between Library and Relativity Media (the “**Libraries Asset Transfer Agreement**”).
2. the Sales and Distribution Services Agreement, dated as of May 30, 2012, between Library and Relativity Media (the “**Sales and Distribution Services Agreement**”).
3. the related Security Agreement and Mortgage of Copyright.
4. all Notices of Irrevocable Assignment and Directions to Pay or similar instruments entered into in connection with the Libraries Asset Transfer Agreement and Sales and Distribution Services Agreement, and the related Distributor’s Acceptances.
5. all Lab Access Letters or similar instruments entered into in connection with the Libraries Asset Transfer Agreement and Sales and Distribution Services Agreement.
6. the Amended and Restated Collection Account Management Agreement, dated as of October 1, 2012, by and among Relativity Media, Library, and Fintage Collection Account Management, B.V..
7. the UCC-1 Financing Statement, #12-7315714768, filed with the California Secretary of State on May 31, 2012, with respect to Relativity Media as Debtor and Library as Secured Party.
8. the UCC-1 Financing Statement, #12-7315708044, filed with the California Secretary of State on May 31, 2012, with respect to American Kids, LLC as Debtor and Library as Secured Party.
9. the UCC-1 Financing Statement, #12-7315707891, filed with the California Secretary of State on May 31, 2012, with respect to Dark Fields Productions, LLC as Debtor and Library as Secured Party.

10. the UCC-1 Financing Statement, #12-7315707770, filed with the California Secretary of State on May 31, 2012, with respect to Dear John, LLC as Debtor and Library as Secured Party.

11. the UCC-1 Financing Statement, #12-7315707659, filed with the California Secretary of State on May 31, 2012, with respect to Fighter, LLC as Debtor and Library as Secured Party.

12. the UCC-1 Financing Statement, #12-7315707154, filed with the California Secretary of State on May 31, 2012, with respect to Five Continents Imports, LLC as Debtor and Library as Secured Party.

13. the UCC-1 Financing Statement, #12-7315706648, filed with the California Secretary of State on May 31, 2012, with respect to MacGruber, LLC as Debtor and Library as Secured Party.

14. the UCC-1 Financing Statement, #12-7315706527, filed with the California Secretary of State on May 31, 2012, with respect to My Soul to Take, LLC as Debtor and Library as Secured Party.

15. the UCC-1 Financing Statement, #12-7315715658, filed with the California Secretary of State on May 31, 2012, with respect to Relativity Development, LLC as Debtor and Library as Secured Party.

16. the UCC-1 Financing Statement, #12-7315715274, filed with the California Secretary of State on May 31, 2012, with respect to Relativity Jackson, LLC as Debtor and Library as Secured Party.

17. the UCC-1 Financing Statement, #12-7315714900, filed with the California Secretary of State on May 31, 2012, with respect to Relativity Media Distribution, LLC as Debtor and Library as Secured Party.

18. the UCC-1 Financing Statement, #12-7315714526, filed with the California Secretary of State on May 31, 2012, with respect to Relativity Rogue, LLC as Debtor and Library as Secured Party.

19. the UCC-1 Financing Statement, #12-7315709934, filed with the California Secretary of State on May 31, 2012, with respect to RML Acquisitions I, LLC as Debtor and Library as Secured Party.

20. the UCC-1 Financing Statement, #12-7315709792, filed with the California Secretary of State on May 31, 2012, with respect to RML Distribution Domestic, LLC as Debtor and Library as Secured Party.

21. the UCC-1 Financing Statement, #12-7315709176, filed with the California Secretary of State on May 31, 2012, with respect to RML Distribution International, LLC as Debtor and Library as Secured Party.

22. the UCC-1 Financing Statement, #12-7315706358, filed with the California Secretary of State on May 31, 2012, with respect to Season of the Witch Distributions, LLC as Debtor and Library as Secured Party.

23. the UCC-1 Financing Statement, #12-7315706022, filed with the California Secretary of State on May 31, 2012, with respect to Season of the Witch Productions, LLC as Debtor and Library as Secured Party.

24. the UCC-1 Financing Statement, #12-7315705637, filed with the California Secretary of State on May 31, 2012, with respect to Season of the Witch, LLC as Debtor and Library as Secured Party.

25. the UCC-1 Financing Statement, #12-7315708802, filed with the California Secretary of State on May 31, 2012, with respect to War of Gods Distributions, LLC as Debtor and Library as Secured Party.

26. the UCC-1 Financing Statement, #12-7315708428, filed with the California Secretary of State on May 31, 2012, with respect to War of Gods Productions, LLC as Debtor and Library as Secured Party.

27. the UCC-1 Financing Statement, #12-7315704747, filed with the California Secretary of State on May 31, 2012, with respect to Catfish Productions, LLC as Debtor and Library as Secured Party.

28. the UCC-1 Financing Statement, #12-7315708165, filed with the California Secretary of State on May 31, 2012, with respect to War of the Gods, LLC as Debtor and Library as Secured Party.

29. the UCC-1 Financing Statement, #12-7315705253, filed with the California Secretary of State on May 31, 2012, with respect to Warrior Way, LLC as Debtor and Library as Secured Party.

30. the preexisting licensing and distribution agreements, including, without limitation, those set forth on Schedule 4.14(a) of the Libraries Asset Transfer Agreement that were not otherwise assumed by Library.

31. such distribution and licensing agreements entered into by Relativity Media and its affiliates pursuant to the Sales and Distribution Services Agreement, including, without limitation, the following:

- a. Library License Agreement between RML Distribution Domestic LLC and Home Box Office, Inc., dated as of July 14, 2015.
  - b. First Amendment, dated as of February 2, 2015, to the Spanish Language Broadcast Network Television License Agreement, dated as of April 6, 2011, by and between RML Distribution Domestic, LLC and Telemundo Network Group LLC.
  - c. Home Video Rights Acquisition Agreement, dated as of July 1, 2015, by and between Twentieth Century Fox Home Entertainment LLC and RML Distribution Domestic, LLC.
32. Each document or other instrument expressly contemplated by or entered into pursuant to or in furtherance of any of the foregoing.



**Exhibit A**

**Seal Order Pending**

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**Exhibit B**

**Form of 9019 Order**

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
In re:	:	Chapter 11
	:	
RELATIVITY FASHION, LLC, <i>et al.</i> ,	:	Case No. 15-11989 (MEW)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**ORDER APPROVING SETTLEMENT AGREEMENT**

Upon consideration of the Motion of the Official Committee of Unsecured Creditors for the above-captioned chapter 11 cases (the "Committee") seeking approval of a Settlement Agreement (the "Settlement Agreement") between the Committee and Manchester Securities Corp., Heatherden Holdings LLC, Manchester Library Company LLC, Heatherden Securities LLC, Heatherden Securities Corp., Beverly Blvd 2 Holdings LLC, Beverly Blvd 2 LLC, Elliott Management Corporation, Elliott Associates, L.P., Elliott Capital Advisors, L.P., Elliott International, L.P., Braxton Associates, Inc., and Elliott International Capital Advisors Inc., (collectively, the "Creditor Parties", and together with the Committee, the "Parties"), dated January 8, 2016, a copy of which is attached as **Exhibit A** to this Order; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice need be provided; and the Court having determined that the relief requested is in the best interests of the Debtors, these estates, their creditors, and other parties-in-interest; and the Court having reviewed the Settlement Agreement;<sup>1</sup> and after due deliberation and sufficient cause appearing therefor, it is hereby

---

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Settlement Agreement.

**ORDERED, THAT:**

1. The Motion is granted, and the Settlement Agreement attached as **Exhibit A** to this Order is hereby approved. The Committee is authorized and directed to execute and consummate the Settlement Agreement in accordance with its terms, and the Debtors' estates shall be fully bound thereby.

2. The Manchester Claim is hereby fully and finally allowed in the amount of \$137,000,000 against each Debtor listed on **Schedule 1** to the Settlement Agreement; provided that despite allowance against multiple Debtors, the Manchester Claim is not entitled to more than payment in full; provided, further, that any recoveries on account of the Manchester Claim are conditioned as provided in Section III of the Settlement Agreement. The Manchester Claim shall not be subject to setoff, deduction, counterclaim, defenses, recharacterization, subordination under Bankruptcy Code section 510, or disallowance under Bankruptcy Code section 502(d).

3. The Committee is authorized and directed to execute and grant the releases of the Creditor Parties provided for in the Settlement Agreement on behalf of each of the Debtors and their respective estates, which releases shall bind the rights of creditors to bring fraudulent conveyance and other avoidance actions.

4. To the fullest extent permissible by applicable law and subject to the applicable governing documents, for non-debtor subsidiaries and affiliates of the Debtors in which the Debtors, in the aggregate, directly or indirectly, hold (1) more than 50% of the equity interests, (2) equity rights entitling the Debtors to appoint a controlling majority of the board of directors, board of managers, or similar persons or entities with ultimate authority over the subject entity, or (3) equity rights entitling the Debtors to control, directly or indirectly, mergers or sales of substantially all assets of

the subject entity ((1) – (3), together, the “Controlled Non-Debtor Subsidiaries”), the Debtors are authorized to cause each Controlled Non-Debtor Subsidiary to authorize, execute, and deliver to the Creditor Parties a Release Agreement in the form attached as **Exhibit D** to the Settlement Agreement.

5. The time period in paragraph 34 of the *Amended and Restated Final Order Pursuant to Sections 105, 361, 362, 363, 364, and 507 of the Bankruptcy Code (I) Authorizing Debtors to Obtain Superpriority Secured Debtor-in-Possession Financing, (II) Authorizing Debtors to Use Cash Collateral, (III) Granting Adequate Protection to the Portland Parties and Manchester Parties and (IV) Granting Related Relief*, entered by the Court on November 3, 2015 (the “Amended DIP Order”), to bring a Manchester Challenge (as defined in the Amended DIP Order) is hereby terminated.

6. The professional fees and expenses of the Creditor Parties for September 22, 2015 through November 30, 2015, in the aggregate amount of \$2,016,612.62 for Ropes & Gray LLP, \$1,873,379.85 for O’Melveny & Myers LLP, and \$230,000 for Moelis & Company (the “Professional Fees”), are hereby approved. The Debtors are authorized, as previously provided in the Amended DIP Order, to pay timely in cash the Professional Fees up to the amounts previously provided for in the Debtors’ debtor-in-possession financing and cash collateral budgets for Creditor Parties’ fees and consistent with the financing orders entered by the Court in these chapter 11 cases (\$2,250,000 in the aggregate for October, November and December of 2015, and January of 2016), which budget shall not affect the obligation to pay the remainder of such fees. All payments pursuant to this Order are without prejudice to the claims of the Creditor Parties with respect to other fees and expenses that may be asserted for other periods (i.e., prior to September 22, 2015 or subsequent to November 30, 2015) in these chapter 11 cases.

7. The Creditor Parties' claims for professional fees against the Debtors will not be subject to any bar dates for claims entitled to administrative or other priority status whether under Bankruptcy Code section 507(a)(2) or otherwise set forth in a chapter 11 plan.

8. The Settlement Agreement may be modified, amended, or supplemented for ministerial or non-substantive purposes only by a written agreement signed by the Parties in accordance with the terms thereof without further order of the Court; provided, that no such modification, amendment, or supplement may be made without further order of the Court if, in the determination of any Party (in its sole and absolute discretion), it would substantively or materially alter any of the terms of the Settlement Agreement.

9. Based upon the representations set forth in the Settlement Agreement, (i) there are good, sufficient, and sound business reasons for the Committee to enter into the Settlement Agreement; (ii) the Settlement Agreement represents a fair and reasonable resolution of the Committee's rights to bring a Manchester Challenge; and (iii) the Settlement Agreement was entered into by the Committee and the Creditor Parties in good faith and from arm's-length bargaining positions.

10. This Court retains jurisdiction with respect to all matters arising from or related to the Settlement Agreement or enforcement of this Order, including the authority to interpret, implement and enforce the terms and provisions of the Settlement Agreement or this Order.

Dated: \_\_\_\_\_, 2016  
New York, New York

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THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit C**

**Seal Order Pending**

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**Exhibit D**

**Form of Release Agreement**

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## RELEASE AGREEMENT

This Release Agreement (the "Agreement"), dated as of \_\_\_\_\_, 2016, is entered into between the party executing this Agreement (the "Non-Debtor Subsidiary") and Manchester Securities Corp. ("Manchester Securities"), Manchester Library Company LLC ("Library"), Heatherden Holdings LLC, Heatherden Securities LLC ("Heatherden Securities"), Heatherden Securities Corp. ("Heatherden Securities Corp."), Beverly Blvd 2 Holdings LLC ("Bev 2 Holdings"), Beverly Blvd 2 LLC ("Bev 2"), Elliott Management Corporation ("Management"), Elliott Associates, L.P. ("Associates"), Elliott Capital Advisors, L.P. ("Capital Advisors"), Elliott International, L.P. ("International"), Braxton Associates, Inc., and Elliott International Capital Advisors, Inc., (collectively, the "Creditor Parties", and collectively with the Non-Debtor Subsidiary, the "Parties").

### WITNESSETH:

WHEREAS, the Non-Debtor Subsidiary is a subsidiary of one or more of Relativity Fashion, LLC and its affiliated debtors in the jointly administered chapter 11 cases captioned In re Relativity Fashion, LLC, et al., Case No. 15-11989 (MEW) (Bankr. S.D.N.Y.) (collectively, the "Debtors");

WHEREAS, on January [--], 2016, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered the *Order Approving Settlement Agreement* [Docket No. --] (the "Order"), which approved a settlement agreement (as attached as Exhibit A to the Order, the "Settlement Agreement");

WHEREAS, the Order provides for the execution of this Agreement by the Releasing Party;

NOW, THEREFORE, each of the Parties, in exchange for valuable consideration received and acknowledged, hereby agrees as follows:

1. Effective upon the execution of this Agreement by all Parties, the Non-Debtor Subsidiary, on behalf of itself and each of its successors and assigns (collectively with the Non-Debtor Subsidiary, the "Subsidiary Releasing Parties"), does hereby forever waive, release, discharge, and acquit (i) Manchester Securities, (ii) Heatherden Holdings LLC, (iii) Heatherden Securities, (iv) Library, (v) Heatherden Securities Corp., (vi) Bev 2 Holdings, (vii) Bev 2, (viii) Management, (ix) Associates, (x) Capital Advisors, (xi) International, (xii) Braxton Associates, Inc., (xiii) International, and (xiv) with respect to each of the entities named in (i) through (xiii) above, such entity's present and former direct or indirect affiliates, parents, subsidiaries, general partners, limited partners, members, managers, investment funds, investment vehicles, investors, beneficiaries, transferees, successors and assigns, management companies, fund advisors, investment bankers, accountants, consultants, financial and other advisors, and the respective managers, partners, members, principals, advisory board members, attorneys, employees, agents, representatives, officers and directors of each of the foregoing in any capacity, ((i) through (xiv), together, but excluding any current director or officer of the Debtors, the "Creditor Released Parties" and each, a "Creditor Released Party") of and from any and all claims, demands, liabilities, responsibilities, disputes, and causes of action (whether at law or equity), of every type, kind, nature, description or character, that arise from or relate to

any Debtor or any subsidiary of or other affiliate thereof, whether such claims have arisen in the past or arise in the future, irrespective of how, why or by reason of which facts, whether such claims have heretofore arisen, are now existing, or hereafter arise, or that could, might, or may be asserted or claimed to exist, of whatever kind or name, whether such facts or claims are known or unknown, suspected or unsuspected, liquidated or unliquidated, contingent or non-contingent, each as though fully set forth herein at length, whether asserted directly, indirectly, or derivatively, by way of claim, cross-claim, counterclaim, or claim for contribution or indemnity (collectively, the "Subsidiary Released Claims"), and each Subsidiary Releasing Party agrees, jointly and severally, (x) not to sue any Creditor Released Party, directly or indirectly, in respect of any such Subsidiary Released Claims and (y) that such Subsidiary Releasing Party will not profit or benefit from any such suit with respect to any such Subsidiary Released Claims and will remit any proceeds of any such action to the respective Creditor Released Party. For purposes of the releases contained in this paragraph, any reference to any Subsidiary Releasing Party shall mean and include, as applicable, such Subsidiary Releasing Party's predecessors, successors and assigns, including, without limitation, any receiver, trustee, debtor-in-possession, or estate representative acting on behalf of such parties.

Without derogating from the New York choice of law provision set forth herein, each Subsidiary Releasing Party acknowledges that there is a possibility that, subsequent to the execution of this Agreement, it will discover facts or incur or suffer actual or contemplated claims or counterclaims arising out of or relating in any way to the Subsidiary Released Claims, which were unknown or unsuspected at the time this Agreement was executed, and which if known by it at the time may have materially affected the decision to execute the Agreement. Each Subsidiary Releasing Party further acknowledges and agrees that by reason of the Agreement, and the waiver and release and discharge contained herein, it is assuming any risk of such unknown or unsuspected facts and such unknown or unsuspected claims. Each Subsidiary Releasing Party has been advised of the existence of Section 1542 of the California Civil Code which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Notwithstanding such provisions, the waiver and release and discharge contained herein shall constitute a full waiver and release and discharge in accordance with its terms and each Subsidiary Releasing Party (i) expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of any statute or principle of public policy or common law of the United States, or of any state thereof (including Section 1542 of the California Civil Code) or any other country, which either narrowly construes releases purporting by their terms to release such unknown or unsuspected claims in whole or in part, or restricts or prohibits the releasing of such claims and (ii) expressly acknowledges and agrees, to the fullest extent permitted by law, that all such provisions, rights, and benefits are inapplicable due to the governing law provision set forth in this Agreement (except any that are applicable under the laws of the State of New York, which are waived and relinquished under clause (i) of this paragraph).

2. Effective upon the execution of this Agreement by all Parties, each of the Creditor Parties, on behalf of itself and each of its successors and assigns (collectively with the Creditor Parties, the "Manchester Releasing Parties"), does hereby forever waive, release, discharge, and acquit (i) the Non-Debtor Subsidiary of and from any and all claims, demands, liabilities, responsibilities, disputes, and causes of action (whether at law or equity), of every type, kind, nature, description or character, that arise from or relate to any Debtor or any subsidiary of or other affiliate thereof, whether such claims have arisen in the past or arise in the future, irrespective of how, why or by reason of which facts, whether such claims have heretofore arisen, are now existing, or hereafter arise, or that could, might, or may be asserted or claimed to exist, of whatever kind or name, whether such facts or claims are known or unknown, suspected or unsuspected, liquidated or unliquidated, contingent or non-contingent, each as though fully set forth herein at length, whether asserted directly, indirectly, or derivatively, by way of claim, cross-claim, counterclaim, or claim for contribution or indemnity (collectively, the "Manchester Released Claims"), and each Manchester Releasing Party agrees, jointly and severally, (x) not to sue the Non-Debtor Subsidiary, directly or indirectly, in respect of any such Manchester Released Claims and (y) that such Manchester Releasing Party will not profit or benefit from any such suit with respect to any such Manchester Released Claims and will remit any proceeds of any such action to the Non-Debtor Subsidiary; provided, however, that the Manchester Released Claims shall exclude (a) the Manchester Claim (as defined in the Settlement Agreement), the claims under the DIP Facility (as defined in the Settlement Agreement), and any other Retained Rights & Claims (as defined in the Settlement Agreement), and (b) any claims under the Settlement Agreement or this Agreement. For purposes of the releases contained in this paragraph, any reference to any Manchester Releasing Party shall mean and include, as applicable, such Manchester Releasing Party's predecessors, successors and assigns, including, without limitation, any receiver, trustee, debtor-in-possession, or estate representative acting on behalf of such parties.

Without derogating from the New York choice of law provision set forth herein, each Manchester Releasing Party acknowledges that there is a possibility that, subsequent to the execution of this Agreement, it will discover facts or incur or suffer actual or contemplated claims or counterclaims arising out of or relating in any way to the Manchester Released Claims, which were unknown or unsuspected at the time this Settlement Agreement was executed, and which if known by it at the time may have materially affected the decision to execute this Agreement. Each Manchester Releasing Party further acknowledges and agrees that by reason of this Agreement, and the waiver and release and discharge contained herein, it is assuming any risk of such unknown or unsuspected facts and such unknown or unsuspected claims. Each Manchester Releasing Party has been advised of the existence of Section 1542 of the California Civil Code which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Notwithstanding such provisions, the waiver and release and discharge contained herein shall constitute a full waiver and release and discharge in accordance with its terms and each

Manchester Releasing Party (i) expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of any statute or principle of public policy or common law of the United States, or of any state thereof (including Section 1542 of the California Civil Code) or any other country, which either narrowly construes releases purporting by their terms to release such unknown or unsuspected claims in whole or in part, or restricts or prohibits the releasing of such claims and (ii) expressly acknowledges and agrees, to the fullest extent permitted by law, that all such provisions, rights, and benefits are inapplicable due to the governing law provision set forth in this Agreement (except any that are applicable under the laws of the State of New York, which are waived and relinquished under clause (i) of this paragraph).

3. The Subsidiary Releasing Party hereby represents and warrants that (i) the Subsidiary Releasing Party has all requisite power and authority to enter into this Agreement and perform its obligations hereunder, (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action on the part of the Subsidiary Releasing Party, (iii) this Agreement has been duly executed and delivered by the Subsidiary Releasing Party and is a legally valid and binding obligation of such entity, enforceable in accordance with its terms, and (iv) the execution and delivery of this Agreement and the Subsidiary Releasing Party's obligations hereunder do not conflict with any contract, agreement or other undertaking of the Subsidiary Releasing Party.

4. All issues and questions concerning the construction, validity, enforcement, and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

5. Each of the Parties hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to any of the obligations arising under or relating to this Agreement shall be brought in the Bankruptcy Court, and each of the Parties hereby irrevocably submits to and accepts with respect to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the jurisdiction of the Bankruptcy Court.

6. It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief, including attorneys' fees and costs, as a remedy of any such breach, and each Party agrees to waive any requirement for the securing or posting of a bond in connection with such remedy, in addition to any other remedy to which such non-breaching Party may be entitled, at law or in equity.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized officers or other agents, solely in its respective capacities as officers or other agents of the undersigned and not in any other capacity, as of the date first set forth above.

[SUBSIDIARY RELEASING PARTY]

\_\_\_\_\_  
Name:  
Title:

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MANCHESTER SECURITIES CORP.  
MANCHESTER LIBRARY COMPANY LLC  
HEATHERDEN HOLDINGS LLC  
HEATHERDEN SECURITIES LLC  
HEATHERDEN SECURITIES CORP.  
BEVERLY BLVD 2 HOLDINGS LLC  
BEVERLY BLVD 2 LLC  
ELLIOTT MANAGEMENT CORPORATION  
ELLIOTT ASSOCIATES, L.P.  
ELLIOTT CAPITAL ADVISORS, L.P.  
ELLIOTT INTERNATIONAL, L.P.  
BRAXTON ASSOCIATES, INC.  
ELLIOTT INTERNATIONAL CAPITAL ADVISORS,  
INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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