
From: Nathan Dorius
Sent: Thursday, April 01, 2010 7:39 PM
To: 'Jatedbaer@aol.com'; 'Pmjarowey2@aol.com'; Joseph Pia
Cc: 'bob@camelotfilms.com'; 'plevoff@aol.com'
Subject: RE: Loan Documentation Scheduling
Attachments: Guaranty - Peter Jarowey.doc; Guaranty - Robert Atwell.doc; Guaranty - Ted Baer.doc

Gentlemen:

Let me begin by apologizing for not being more responsive to your several phone calls and emails the past day or so. I have been in court and out-of-office meetings nearly non-stop the past two days. I have tried to push along the documentation and review those items you have sent me in between my hearings and meetings. I appreciate your patience in this regard.

I have reviewed Phil's redline comments on the draft Note. I am fine with the majority of the suggested changes. I believe the only substantive disagreements are over (1) the default interest rate and (2) the identity of the guarantors. We requested a default interest rate of 5% per month and Phil pushed back with 2%, which is not satisfactory to the lender. The lender is willing to reduce the default interest rate to 3.5%. As for the guarantors, the lender requires that Bob Atwell, Ted Baer, and Peter Jarowey personally guaranty payment of the Note. This requirement is based upon our current perception of the value of the two borrowing entities and lender's ability to be made whole solely from those entities and their respective assets. Upon our review of a list of the two entities' respective unencumbered assets, we may either drop the requirement of the personal guarantees or cap the liability of each guarantor at an amount less than the Note balance.

In speaking with Joe, the lender is also requiring that a particular employee of Camelot (whether or not he continues his employment with Camelot) handle the distribution of the library collection during the five-year period during which the lender will have a revenue interest in the borrowing entities. I will include this requirement in the documents.

I have given the draft asset purchase agreement a cursory review. Before I spend quality time on it and provide you with any specific comments, I need to know what stage you are at in your negotiations. I hesitate spending significant time on this unless and until I know I am dealing with a draft agreement which is close to being final. Please advise on the status of your negotiations and whether you think the APA will undergo significant modifications.

As mentioned above, we need to receive a list of unencumbered assets of each borrowing entity. This is important in our analysis of the need for personal guarantees and in crafting appropriate security agreement language as to those assets.

I have attached and invite your review of the three personal guaranty agreements. We should have all of the finance documents done by tomorrow. This should enable us to close late tomorrow or early next week.

Nathan S. Dorius
(801) 961-1308

From: Jatedbaer@aol.com [mailto:Jatedbaer@aol.com]
Sent: Thursday, April 01, 2010 8:55 AM
To: Nathan Dorius; Pmjarowey2@aol.com; Joseph Pia
Cc: bob@camelotfilms.com; plevoff@aol.com
Subject: Re: Loan Documentation Scheduling

Nathan - good morning. In an effort to get a solid handle on timing in consideration of all our schedules, we would like to set up a conference call between yourself, Phil, Peter and me for a time as early as possible today at your convenience. We have a conference number you may use - 712-432-0800 ext. 444480#. I would think that we only need a short time in order to establish the timing for finishing all the documentation. Please text me several good times as I may be off computer for a while this morning - and I will confirm a time that we can all talk. My cell is 805-441-4136.

thanks

best

Ted

In a message dated 3/30/2010 7:23:47 P.M. Pacific Daylight Time, nathan@ssparlaw.com writes:

Gentlemen:

Please review the attached draft Note. I am sending this to Joe simultaneously, and he may additional comments or changes. I began working on the other loan documents and will circulate them once completed. I still have not received the draft asset purchase agreement. When may we expect to receive a draft? Thank you.

Nathan S. Dorius

(801) 961-1308

From: Jatedbaer@aol.com [mailto:Jatedbaer@aol.com]
Sent: Tuesday, March 30, 2010 6:22 PM
To: Nathan Dorius; Pmjarowey2@aol.com; Joseph Pia
Cc: bob@camelotfilms.com; plevoff@aol.com; Jatedbaer@aol.com
Subject: Re: Liberation Outside Review

Nathan - good afternoon. I am following up on your email below as Phil has left for the evening. If you have those financing documents to circulate, we would appreciate seeing them tonight in order to move quickly on them tomorrow when Phil will be back in the office to review with us.

Thank you.

Best

Ted

In a message dated 3/30/2010 7:46:17 A.M. Pacific Daylight Time, nathan@ssparlaw.com writes:

Gentlemen:

Good morning. Per a voicemail I received yesterday from Phil, I have begun preparing draft financing documents which I intend to circulate later today. I understand that Phil is preparing (or has prepared) a draft asset purchase agreement. I would like to review that draft agreement, so please forward it to me at your earliest convenience.

In the meantime, would you please forward to me scanned copies of any UCC financing statements which have been filed against any assets or interests of Camelot Films, Inc. and/or Camelot Entertainment Group, Inc. Thank you.

Nathan