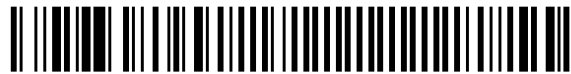


**EXHIBIT I**

**ESCROW AGREEMENT**



## ESCROW AGREEMENT

This Escrow Agreement dated this 22nd day of January, 2008 (the "Escrow Agreement"), is entered into by and among MOVIE GALLERY, INC. ("Movie Gallery"), SOPRIS CAPITAL ADVISORS LLC ("Sopris") (Movie Gallery and Sopris, collectively, the "Parties," and individually, a "Party"), and Wells Fargo Bank, National Association, as escrow agent ("Escrow Agent").

### RECITALS

A. The Parties are among the parties to that certain Plan Support Agreement made and entered into as of December 21, 2007 (the "Plan Support Agreement"), by and among Movie Gallery, Sopris, the Consenting First Lien Holders, the Consenting Second Lien Holders and the Consenting 11% Senior Note Holders (as each term is defined in the Plan Support Agreement), a copy of which is attached hereto as Exhibit D. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan Support Agreement.

B. Pursuant to Section 3.5 of the Plan Support Agreement, Sopris is required to deposit in escrow an amount equal to \$50,000,000 (the "Escrow Amount") to secure the Backstop Commitment under the Plan and the Rights Offering Term Sheet.

C. Sopris hereby agrees to place in escrow the Escrow Property (as defined below) and the Escrow Agent agrees to hold and distribute such funds in accordance with the terms of this Escrow Agreement.

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

### ARTICLE 1 ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. No later than one (1) Business Day after the date of effectiveness of the Plan Support Agreement, Sopris shall deliver to the Escrow Agent the amount of \$50,000,000.00 (the "Escrow Property") in immediately available funds, to be held by the Escrow Agent in a segregated trust account (the "Trust Account") in accordance with the terms and conditions hereof.

Section 1.2. Investments.

(a) The Escrow Agent is authorized and directed to deposit, transfer, hold and invest the Escrow Property and any investment income thereon in such investment or investments subject to the following: (i) the Escrow Agent shall invest the Escrow Property in Permitted Investments (as defined below) in accordance with written instructions as may from time to time be provided to the Escrow Agent by Sopris (which, in the case of clause (f) of the definition of Permitted Investments, shall be in the form of Exhibit A hereto); (ii) in the absence of such

direction, the Escrow Agent is hereby directed to invest the Escrow Property in the Wells Fargo Advantage Funds, Treasury Plus Money Market Fund; and (iii) notwithstanding anything to the contrary in clause (i) and (ii), within one Business Day from the time the Escrow Agent receives a notice pursuant to Sections 1.3(a) or (b) of this Escrow Agreement, or from either of Movie Gallery or Sopris (with a copy to the party not submitting such notice) asserting that disbursement circumstances set forth in Section 1.3(a) or (b) of this Escrow Agreement have occurred, the Escrow Agent shall cause the Escrow Property to be liquidated and held uninvested in a Trust Account until the Escrow Property is distributed. Any investment earnings and income on the Escrow Property (the "Investment Income") shall become part of the Escrow Property, and shall be distributed by the Escrow Agent in accordance with the provisions of Section 1.3(c) of this Escrow Agreement. The term "Permitted Investments" shall mean any one or more of the following: (a) direct obligations of, or obligations guaranteed by, the United States of America (such obligations, "United States Obligations") having maturities of not more than one month from the date of acquisition, (b) certificates of deposit having maturities of not more than one month from the date of acquisition or interest bearing accounts of any bank or trust company, incorporated under the laws of the United States of America or any state, which has combined capital and surplus of not less than one billion dollars (\$1,000,000,000), (c) commercial paper having maturities of not more than one month from the date of acquisition and having the highest rating obtainable from Standard & Poor's corporation or Moody's Investors Service, Inc., (d) hold-in-custody repurchase agreements having a term of not more than seven days collateralized by United States Obligations, (e) money market funds substantially all of the assets of which are comprised of any one or more of the foregoing, and (f) any of the Wells Fargo Advantage Funds listed on Exhibit A hereto.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

### Section 1.3. Disbursements.

(a) Disbursements on Joint Instructions. The Escrow Agent shall disburse the Escrow Property within three (3) Business Days following its receipt of written instructions, signed by each of the Parties, which joint written instructions shall be substantially in the form of Annex I hereto. The Parties agree to deliver such joint written instructions to the Escrow Agent under the following circumstances: (i) the Plan Support Agreement has been terminated by reason of a Termination Event having occurred under Section 8.1(k) of the Plan Support Agreement due to a material breach by Sopris, in which case, (x) \$50,000,000 plus accrued interest thereon (to the extent required by Section 1.3(d) of this Escrow Agreement) shall be disbursed to Movie Gallery as liquidated damages and (y) the balance of the Escrow Property, if

any, shall be disbursed to Sopris or its designee, in each case, in accordance with the wire instructions set forth therein; (ii) the Plan Support Agreement has been terminated for any reason other than pursuant to a Termination Event having occurred under Section 8.1(k) of the Plan Support Agreement due to a material breach by Sopris, in which case, the entirety of the Escrow Property shall be disbursed to Sopris or its designee in accordance with the wire instructions set forth therein; and (iii) contemporaneously with the closing of the Rights Offering, in which case, (x) an amount equal to the aggregate purchase price for the shares being sold to Sopris pursuant to, and calculated in accordance with, the Backstop Rights Purchase Agreement shall be disbursed to Movie Gallery and (y) the balance of the Escrow Property, if any, shall be disbursed to Sopris or its designee, in each case, in accordance with the wire instructions set forth therein. Any joint written instructions issued pursuant hereto shall be final and binding upon the Parties.

(b) Disbursement following Final Judgment. The Escrow Agent will disburse the Escrow Property, or any portion thereof, in accordance with a certified copy of a final, binding, non-appealable order of a court of competent jurisdiction. For the avoidance of doubt, the Parties acknowledge and agree that the Bankruptcy Court is a court of competent jurisdiction.

(c) Disbursement of Remaining Escrow Funds. Promptly following the disbursement of Escrow Property pursuant to clause (a) or (b) of this Section 1.3 (but in any event, during the same Business Day), to the extent that any funds remain in the Trust Account, the Escrow Agent shall disburse any such remaining funds to Sopris in accordance with written wire instructions designated by Sopris.

(d) Delayed Disbursements. In the event that within one Business Day following the Escrow Agent's liquidation of the Escrow Property and its deposit of such property in the Trust Account, each as required pursuant to Section 1.2(a)(iii) of this Escrow Agreement, no disbursement in accordance with Section 1.3 of this Escrow Agreement has been made, then the Escrow Agent shall reinvest such property (the "Reinvested Property") in the Wells Fargo Advantage Funds, Treasury Plus Money Market Fund. Notwithstanding anything herein to the contrary, the aggregate amount of Investment Income accrued on the Reinvested Property shall be disbursed by the Escrow Agent to (x) Movie Gallery if Movie Gallery is entitled to receive a disbursement in accordance with Section 1.3(a)(i)(x) or Section 1.3(b) of this Escrow Agreement or (y) Sopris in accordance with Section 1.3(c) of this Escrow Agreement.

#### Section 1.4. Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all Investment Income from the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by Sopris, whether or not such income was disbursed during such calendar year.

(b) Prior to closing, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may reasonably request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the Regulations

promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Parties, jointly and severally, shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this Section 1.4(c) is in addition to the indemnification provided in Section 3.1 and shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 1.5. Termination. Upon the disbursement of all of the Escrow Property, this Escrow Agreement shall terminate and be of no further force and effect except that the provisions of Sections 1.4(c), 3.1 and 3.2 hereof shall survive termination.

## ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (reasonable fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit B-1 and Exhibit B-2 to this Escrow Agreement.

Section 2.4. Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 2.5. No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

### ARTICLE 3 PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. The Parties, jointly and severally, shall indemnify, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, reasonable attorneys' fees and expenses or other reasonable professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by the willful misconduct or gross negligence of the Escrow Agent. The provisions of this Section 3.1 shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 3.2. Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all unpaid services fees and reasonable expenses to which it is entitled through the date of

termination. Such resignation or removal, as the case may be, shall be effective thirty (30) days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid by Movie Gallery promptly following demand therefor. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Property with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Property.

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent is authorized to retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction, (ii) receives a written agreement executed by each of the parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover reasonable attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Escrow Agent shall be entitled to act on any such agreement or court order without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, upon written notice thereof to each of the Parties. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

#### ARTICLE 4 MISCELLANEOUS

Section 4.1. Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement, except as provided in Section 4.2. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Third Party Beneficiaries. The Consenting First Lien Holders under the Plan Support Agreement shall be third party beneficiaries of this Escrow Agreement and shall have the limited right, through the First Lien Administrative Agent or the First Lien Requisite Holders, to enforce this Escrow Agreement on behalf of Movie Gallery in the event that Movie Gallery shall fail timely to enforce the terms of this Escrow Agreement.

Section 4.3. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.4. Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been



duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service, or (iv) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. Any notice given shall be deemed given upon the actual date of such delivery. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to Movie Gallery:

900 West Main Street  
Dothan, Alabama 36301  
Attention: S. Page Todd, General Counsel  
Facsimile: (334) 836-3626  
E-mail: [stodd@movgal.com](mailto:stodd@movgal.com)

with a mandatory copy to:

Kirkland & Ellis LLP  
200 East Randolph Drive  
Chicago, Illinois 60601-6636  
Attention: Anup Sathy, Esq.  
Facsimile: (302) 861-2200  
E-mail: [asathy@kirkland.com](mailto:asathy@kirkland.com)

If to Sopris:

c/o Sonnenschein Nath & Rosenthal LLP  
1221 Avenue of the Americas  
New York, New York 10022  
Attention: Peter D. Wolfson, Esq.  
Facsimile: (212) 768-6800  
E-mail: [pwolfson@sonnenschein.com](mailto:pwolfson@sonnenschein.com)

If to the First Lien Requisite Holders:

c/o Skadden Arps Slate Meagher & Flom LLP  
Four Times Square  
New York, New York 10036  
Attention: Jay Goffman, Esq.  
Facsimile: (212) 735-2000  
E-mail: [jay.goffman@skadden.com](mailto:jay.goffman@skadden.com)

If to the Escrow Agent:

Wells Fargo Bank, National Association  
625 Marquette Avenue  
Minneapolis, MN 55479  
Attention: Jeffery T. Rose  
Telephone: 612-667-0337  
Facsimile: 612-667-9825

Section 4.5 Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 4.6 Bankruptcy Court. The Bankruptcy Court supervising the chapter 11 cases of Movie Gallery and its affiliated debtors (or, if the reference of the chapter 11 cases to the Bankruptcy Court has been withdrawn, then the appropriate U.S. District Court) shall have the exclusive authority to hear and resolve any disputes regarding, or arising in connection with, this Escrow Agreement.

Section 4.7 Entire Agreement. This Escrow Agreement sets forth the entire agreement and understanding of the parties related to the Escrow Property.

Section 4.8 Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent with the prior consent of the First Lien Requisite Holders.

Section 4.9 Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.


Section 4.10 Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.11 Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

MOVIE GALLERY, INC.

By:   
Name: S. Page Todd  
Title: Executive Vice President, Secretary & General Counsel

SOPRIS CAPITAL ADVISORS LLC

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

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent


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

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

MOVIE GALLERY, INC.

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

SOPRIS CAPITAL ADVISORS LLC

By:  \_\_\_\_\_  
Name: NIKOS HECHT  
Title: MANAGING MEMBER

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent

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

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.


MOVIE GALLERY, INC.

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

SOPRIS CAPITAL ADVISORS LLC

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

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent

By:  \_\_\_\_\_  
Name: **JEFFERY ROSE**  
Title: **Vice President**

## EXHIBIT A

**Agency and Custody Account Direction  
For Cash Balances**

Direction to use Wells Fargo Advantage Funds for Cash Balances for the escrow account or accounts (the "Account") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to invest, as indicated below or as I shall direct further from time to time, all cash in the Account in the following money market portfolio of Wells Fargo Advantage Funds (the "Fund") or another permitted investment of my choice (Check One):

- Wells Fargo Advantage Funds, 100% Treasury Money Market Fund  
 Wells Fargo Advantage Funds, Government Money Market Fund  
 Wells Fargo Advantage Funds, Prime Investment Money Market Fund  
 Wells Fargo Advantage Funds, Treasury Plus Money Market Fund  
 Wells Fargo Advantage Funds, National Tax-Free Money Market Fund

I acknowledge that I have received, at my request, and reviewed the Fund's prospectus and have determined that the Fund is an appropriate investment for the Account.

I understand from reading the Fund's prospectus that Wells Fargo Funds Management, LLC ("Wells Fargo Funds Management"), a wholly-owned subsidiary of Wells Fargo & Company, provides investment advisory and other administrative services for the *Wells Fargo Advantage Funds*. Other affiliates of Wells Fargo & Company provide sub-advisory and other services for the Funds. Boston Financial Data Services serves as transfer agent for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member NASD/SIPC, an affiliate of Wells Fargo & Company. I also understand that Wells Fargo & Company will be paid, and its bank affiliates may be paid, fees for services to the Funds and that those fees may include Processing Organization fees as described in the Fund's prospectus.

I understand that you will not exclude amounts invested in the Fund from Account assets subject to fees under the Account agreement between us.

I understand that investments in the Fund are not obligations of, or endorsed or guaranteed by, Wells Fargo Bank or its affiliates and are not insured by the Federal Deposit Insurance Corporation.

I acknowledge that I have full power to direct investments of the Account.

I understand that I may change this direction at any time and that it shall continue in effect until revoked or modified by me by written notice to you.

I understand that if I choose to communicate this investment direction solely via facsimile, then the investment direction will be understood to be enforceable and binding.

**SOPRIS CAPITAL ADVISORS LLC**

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

EXHIBIT B-1  
CERTIFICATE AS TO AUTHORIZED SIGNATURES

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of MOVIE GALLERY, INC. and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-1 is attached, on behalf of MOVIE GALLERY, INC.


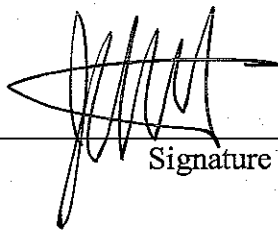
Name / Title	<u>Specimen Signature</u>
<u>S. Page Todd</u> Name <u>Executive Vice President, Secretary &amp; General Counsel</u> Title	 Signature
<u>JEFFRY GORDON</u> Name <u>SVP, CHIEF ADMINISTRATIVE OFFICER ASSISTANT SECRETARY &amp; DEPUTY GENERAL COUNSEL</u> Title	 Signature
_____ Name	_____ Signature
_____ Title	
_____ Name	_____ Signature
_____ Title	

EXHIBIT B-2  
CERTIFICATE AS TO AUTHORIZED SIGNATURES

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of SOPRIS CAPITAL ADVISORS LLC and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-2 is attached, on behalf of SOPRIS CAPITAL ADVISORS LLC.


Name / Title	<u>Specimen Signature</u>
<u>NIKOS HECHT, MANAGING MEMBER</u> Name	 Signature
_____ Title	_____ Signature
_____ Name	_____ Signature
_____ Title	_____ Signature
_____ Name	_____ Signature
_____ Title	_____ Signature
_____ Name	_____ Signature
_____ Title	



EXHIBIT C  
FEES OF ESCROW AGENT

## SCHEDULE OF FEES

### MOVIE GALLERY, INC. & SOPRIS CAPITAL ADVISORS LLC ESCROW

#### For Services as Escrow Agent

**Acceptance Fee:** **\$1,500.00**

Initial Fees as they relate to Wells Fargo Bank acting in the capacity of Escrow Agent – includes review of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account(s). The Acceptance Fee is payable at closing.

**Escrow Agent Annual Administration Fee:** **\$1,500.00**

For ordinary administrative services of the Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wire and check processing); monitoring claim notices pursuant to the agreement; disbursement of funds in accordance with the agreement; and mailing of trust account statements to all applicable parties.

Tax reporting is included for up to Five (5) entities. Should additional reporting be necessary, a \$25 per item reporting charge will be assessed.

This fee is payable in advance, with the first installment due at the time of closing. The Annual Fee covers a full year or any part thereof, and will not be prorated or refunded in the year of early termination.

***Wells Fargo's bid is based on the following assumptions:***

- Number of Escrow Accounts to be established: One (1)
- Number of Deposits to Escrow Account: Not more than One (1)
- Number of Withdrawals from Escrow Fund: Not more than Two (2)
- Term of Escrow: Not more than One (1) year
- Appointment is subject to receipt of requested due diligence information as per the USA Patriot Act
- All funds will be received from or distributed to a domestic or an approved foreign entity
- If the account does not open within three (3) months of the date shown below, this proposal will be deemed null and void

**Out-of Pocket Expenses:** **At Cost**

We will charge for out-of-pocket expenses in response to specific tasks assigned by the client or provided for in the escrow agreement. Possible expenses would be, but are not limited to, express mail and messenger charges, travel expenses to attend closing or other meetings. There are no charges for indirect out-of-pocket expenses.

*This fee schedule is based upon the assumptions listed above which pertain to the responsibilities and risks involved in Wells Fargo undertaking the role of Escrow Agent. These assumptions are based on information provided to us as of the date of this fee schedule. Our fee schedule is subject to review and acceptance of the final documents. Should any of the assumptions, duties or responsibilities change, we reserve the right to affirm, modify or rescind our fee schedule. Extraordinary services (services other than the ordinary administration services of Escrow Agent described above) are not included in the annual administration fee and will be billed as incurred at the rates in effect from time to time.*

*January 4, 2008*

EXHIBIT D  
PLAN SUPPORT AGREEMENT

(Filed Separately as Exhibit C to the Disclosure Statement)

ANNEX I

[Escrow Agent], As Escrow Agent  
[address]

Reference is hereby made to that certain Escrow Agreement, dated as of January \_\_, 2008 (the "Escrow Agreement"), by and among Movie Gallery, Inc. ("Movie Gallery"), Sopris Capital Advisors LLC ("Sopris"), and Wells Fargo Bank, National Association, as escrow agent. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Escrow Agreement. Pursuant to **[add one of the following references as applicable]**

[Section 1.3(a)(i) of the Escrow Agreement, you are hereby instructed to deliver within three (3) Business Days following your receipt of this letter: \$50,000,000 to Movie Gallery by wire transfer of immediately available funds to the following account: **[insert Movie Gallery wire transfer instructions]** and the balance of the Escrow Property, if any, to Sopris by wire transfer of immediately available funds to the following account: **[insert Sopris wire transfer instructions].]**

or

[Section 1.3(a)(ii) of the Escrow Agreement, you are hereby instructed to deliver within three (3) Business Days following your receipt of this letter: the entirety of the Escrow Property to Sopris by wire transfer of immediately available funds to the following account: **[insert Sopris wire transfer instructions].]**

or

[Section 1.3(a)(iii) of the Escrow Agreement, you are hereby instructed to deliver within three (3) Business Days following your receipt of this letter: \$\_\_\_\_\_ (insert an amount equal to the aggregate purchase price for the shares being sold to Sopris pursuant to, and calculated in accordance with, the Backstop Rights Purchase Agreement) to Movie Gallery by wire transfer of immediately available funds to the following account: **[insert Movie Gallery wire transfer instructions]** and the balance of the Escrow Property, if any, to Sopris by wire transfer of immediately available funds to the following account: **[insert Sopris wire transfer instructions].]**

Very truly yours,  
MOVIE GALLERY, INC.

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

SOPRIS CAPITAL ADVISORS LLC

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