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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

In re:	)	Case No. 07-33849
	)	Jointly Administered
MOVIE GALLERY, INC., et al., <sup>1</sup>	)	Chapter 11
	)	Hon. Douglas O. Tice, Jr.
Debtors.	)	
	)	

**INTERIM ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS, IN  
THEIR DISCRETION, TO ENTER INTO ACCOMMODATION AGREEMENTS WITH  
MAJOR MOVIE STUDIO SUPPLIERS AND TO PAY PREPETITION OBLIGATIONS  
IN CONNECTION THEREWITH**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors (collectively, the “Debtors”) for the entry of interim and final orders (the “Interim Order”) authorizing, but not directing, the Debtors in their discretion, to enter into accommodation agreements (the

<sup>1</sup> The Debtors in the cases include: Movie Gallery, Inc.; Hollywood Entertainment Corporation; M.G. Digital, LLC; M.G.A. Realty I, LLC; MG Automation LLC; and Movie Gallery US, LLC.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.



“Accommodation Agreements”) with their major movie studio suppliers (the “Studios”)<sup>3</sup> and to pay prepetition obligations in connection therewith and the First Day Affidavit; it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; service of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED

1. The Debtors are authorized, but not directed, in their discretion, to pay Overage Obligations to those Studios who have either executed an Accommodation Agreement or who, in the Debtors’ business judgment, are negotiating in good faith towards and have agreed to the principle terms of an Accommodation Agreement.

2. Notwithstanding any provision herein to the contrary, no provision of this Interim Order shall be deemed or construed as (a) an admission as to the validity or amount of any claim against the Debtors, (b) a waiver of the Debtors’ rights to dispute any claim on any grounds, (c) a promise to pay any claim or (d) a request to assume any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

3. The Final Hearing is set for November 6, 2:00 p.m.

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<sup>3</sup> For purposes of the Motion and this Order, the Studios include: Twentieth Century Fox Home Entertainment, Inc.; Video Products Distributors, Inc. (“VPD”); Lions Gate Films, Inc.; Paramount Home Entertainment, Inc.; Sony Pictures Home Entertainment Inc.; Universal Studios Home Video, Inc.; New Line Home Entertainment, Inc.; and Warner Home Video, Inc. Technically, VPD is a distributor, not a studio, but VPD is included in this Motion because the Debtors acquire their Disney product through VPD.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

5. The terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

Richmond, Virginia

Date: October \_\_\_\_, 2007

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United States Bankruptcy Judge