



State of Rhode Island and Providence Plantations  
315 Iron Horse Way, Suite 101  
Providence, RI 02908  
401-278-9100

May 8, 2012

Keith W. Stokes  
Executive Director

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

38 Studios, LLC  
5 Clock Tower Place  
Maynard, MA 01751  
Attn: Chief Financial Officer

38 Studios, LLC  
One Empire Plaza  
Providence, RI 02903  
Attn: Mr. Richard Wester

Re: Motion Picture Production Tax Credits

Ladies and Gentlemen:

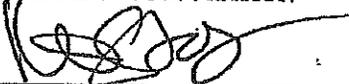
Reference is made to the Notice of Default letter (the "Default Letter") dated May 4, 2012 from the Rhode Island Economic Development Corporation (the "Corporation") to 38 Studios, LLC (the "Obligor").

Reference is also made to the Loan and Trust Agreement by and among the Corporation, the Obligor and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") dated as of November 1, 2010 (the "Agreement"). Any term not otherwise defined herein shall have the meanings ascribed to such term in the Agreement.

Please note that, until such time as the Obligor pays the Annual Guaranty Fee to the Corporation, thus curing the default, the default remains in existence and consequently, pursuant to Section 6.02(A)(u) of the Agreement, the Obligor shall not, "apply for, take actions to obtain or otherwise avail itself of any tax credit whether through a Subsidiary or an Affiliate". This restriction applies to the Motion Picture Production Tax Credit as well as any other state tax credit and any other state funded program for which the Obligor might otherwise be eligible to apply, if any.

The Corporation hereby continues to reserve all of its rights and remedies, at law or in equity, with respect to any default, Obligor Default or Event of Default under the Agreement and any other document or agreement entered into in connection with the Agreement.

RHODE ISLAND ECONOMIC  
DEVELOPMENT CORPORATION

By:   
Keith Stokes  
Executive Director

BPG:jlg

cc: Mr. Thomas Zaccagnino  
David M. Gilden, Esq.  
Antonio Afonso, Esq.