

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules hereto, this "Patent Security Agreement") is made as of November 1, 2010, between 38 Studios Baltimore, LLC ("Debtor"), and Rhode Island Economic Development Corporation ("Secured Party").

RECITALS

WHEREAS, Debtor and Secured Party are parties to that certain Guaranty dated as of November 1, 2010 (as it may from time to time be amended, supplemented, modified, restated or amended and restated, the "Guaranty"), pursuant to the terms of which, *inter alia*, Debtor guaranteed the obligations of 38 Studios, LLC to Secured Party under that certain Loan and Trust Agreement dated as of November 1, 2010 (the "Loan Agreement");

WHEREAS, Secured Party is willing to make a term loan available to 38 Studios, LLC on the terms and conditions set forth in the Loan Agreement, but only upon the condition, among others, that Debtor shall have executed and delivered to Secured Party, that certain Guaranty Security and Pledge Agreement dated as of November 1, 2010 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Debtor is required to execute and deliver to Secured Party, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Debtor hereby grants to Secured Party a continuing first priority security interest (subject to Permitted Liens) in all of Debtor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

(a) all of its Patents, including, without limitation, those patents and applications, registrations and recordings described in Schedule P attached hereto and made a part hereof, and licenses relating to Patents to which it is a party;

(b) all goodwill, trade secrets, proprietary or confidential information, technical information, procedures, formulae, quality control standards, designs, operating and training manuals, customer lists, and other general intangibles with respect to the foregoing;

(c) all reissues, continuations or extensions of the foregoing; and

(d) all products and proceeds of the foregoing, including, any claim by Debtor against third parties for past, present or future infringement or dilution of any Patent or any license relating to a Patent.

3. SECURITY FOR OBLIGATIONS. This Patent Security Agreement and the security interest created hereby secures the payment and performance of all of the Obligations, whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Secured Party pursuant to the Security Agreement. Debtor hereby acknowledges and affirms that the rights and remedies of Secured Party with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

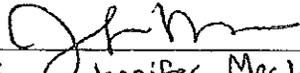
5. AUTHORIZATION TO SUPPLEMENT. If Debtor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Patent Security Agreement shall automatically apply thereto, subject to the terms of the Security Agreement. Debtor shall give prompt notice in writing to Secured Party with respect to any such new patent rights as provided in the Security Agreement.

6. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Patent Security Agreement or any other loan document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

IN WITNESS WHEREOF, Debtor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

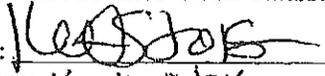
DEBTOR:

38 STUDIOS BALTIMORE, LLC

By: 
Name: Jennifer MacLean
Title: CEO

SECURED PARTY:

RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

By: 
Name: Keith S. Jones
Title: Ex Director

SCHEDULE P

Existing and Pending Patents

The following existing and pending patents and patent applications are owned by Borrower:

| COUNTRY | PATENT NO. / SERIAL NO. | ISSUE / FILING DATE | TITLE |
|---------|----------------------------|------------------------|-------|
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