

SECURITY AND PLEDGE AGREEMENT

THIS SECURITY AND PLEDGE AGREEMENT (as it may from time to time be amended, supplemented, modified, restated or amended and restated, the "Agreement") is dated as of November 1, 2010, between 38 Studios, LLC, a Delaware limited liability company ("Debtor") and Rhode Island Economic Development Corporation ("Secured Party").

RECITALS

A. **Loan Agreement.** Debtor and Secured Party are parties to that certain Loan and Trust Agreement dated as of October 1, 2010 (as it may from time to time be amended, supplemented, modified, restated or amended and restated, the "Loan Agreement"), pursuant to which Secured Party loaned Debtor monies, on the terms, and subject to the conditions, set forth in the Loan Agreement. Capitalized terms used herein without definition shall have the meanings set forth for such terms in the Loan Agreement, as applicable. Unless otherwise defined herein, terms used in Division 9 of the Uniform Commercial Code of the State of Rhode Island (the "Rhode Island UCC") are used herein as therein defined.

B. **This Agreement.** As an inducement to Secured Party to lend to Debtor, Debtor desires to secure: (i) Debtor's obligations, covenants, representations and warranties under the Loan Agreement, whether now existing or hereafter arising and (ii) Debtor's obligations, covenants, representations and warranties under this Agreement (including, the payment of any and all amounts which would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. 362(a) or the operation of any other provision of law of any jurisdiction which would otherwise cause a stay of payment of such amounts) (collectively, the "Obligations").

NOW, THEREFORE, for valuable consideration, the receipt, adequacy and legal sufficiency of which Debtor hereby acknowledges, Debtor hereby agrees with Secured Party for its benefit as follows:

AGREEMENT

1. Definitions.

1.1. "Big Huge Games" shall mean 38 Studios Baltimore, LLC d/b/a Big Huge Games, a Delaware limited liability company and wholly owned subsidiary of Debtor.

1.2. "Certificates" shall mean all certificates, instruments or other documents now or hereafter representing or evidencing any Equity Interests.

1.3. "Equity Interests" shall mean shares of capital stock, partnership interests, membership interests in limited liability companies (including without limitation: (a) the right of the member to a share of the profits and losses of such limited liability company and the member's right to receive distributions of the limited liability company's assets; (b) all rights and powers of the member to manage the business and affairs of each such subsidiary pursuant to such subsidiary's limited liability company agreement, applicable law, or otherwise; and (c) the right of the member to become or to exercise any rights or powers of a member in such limited liability company), beneficial interests in a trust or other equity ownership interests in a person of

whatever nature, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

1.4. "Obligations" shall have the meaning set forth in Recital B hereof.

1.5. "Permitted Encumbrances" shall mean the security interests granted to City National Bank and International Film Guarantors in connection with Project Mercury and such other liens as are expressly permitted by the terms of the Loan Agreement.

1.6. "Project Copernicus" shall mean those certain software products being developed and produced by Debtor which are currently entitled "Project Copernicus" and are designed as a massive multiplayer online video game.

1.7. "Project Mercury" shall mean those certain software products being developed and produced by Mercury Project, LLC which are currently entitled "Project Mercury" and are designed for play on certain video game platforms.

1.8. "Projects" shall mean all software products (and all elements thereof) developed and/or produced by Debtor or any of Debtor's subsidiaries including without limitation Project Copernicus and Project Mercury.

1.9. "Security Interest" shall have the meaning set forth in Section 2 hereof.

2. **Grant of Security Interest.** As security for the full payment and performance, whether direct or indirect, absolute or contingent, or now or hereafter due or arising, of all the Obligations, Debtor hereby mortgages, assigns, transfers, sets over, conveys, grants and delivers to Secured Party a first priority (except that certain of the Collateral may be subject to a prior security interest constituting a Permitted Encumbrance hereunder) security interest, copyright mortgage and lien in and to all of Debtor's right, title and interest in and to the collateral described in Exhibit A attached hereto, wherever located, whether now in existence or hereafter created, and whether now owned or hereafter acquired (such collateral is collectively referred to herein as the "Collateral") (such security interest, copyright mortgage and lien are collectively referred to herein as the "Security Interest"). In connection with the foregoing, concurrently with the execution of this Agreement, Debtor shall execute and deliver to Secured Party each of the following: (a) a Patent Security Agreement in substantially the form attached hereto as Exhibit C, (b) a Trademark Security Agreement in substantially the form attached hereto as Exhibit D, and (c) a Copyright Mortgage and Assignment in substantially the form attached hereto as Exhibit E.

3. **Delivery of Certain Pledged Collateral.** In accordance with the terms of this Agreement, Debtor shall cause to be pledged and delivered to Secured Party each of the Certificates evidencing all shares in, membership interests in, and other equity interests in, Big Huge Games, Mercury Project, LLC and all other subsidiaries owned by the Debtor and any other shares, membership interests or other equity interests in Big Huge Games and all other subsidiaries obtained by it in the future. Upon delivery to the Secured Party, (i) any Certificates shall be accompanied by stock powers or membership interest powers, as applicable, duly executed in blank or other instruments of transfer satisfactory to the Secured Party and by such other instruments and documents as the Secured Party may reasonably request and (ii) all other property comprising part of the Collateral shall be accompanied by proper instruments of

assignment duly executed by the Debtor and such other instruments or documents as the Secured Party may reasonably request.

4. **Covenants, Representations and Warranties of Debtor.** Debtor covenants with, and represents and warrants to, Secured Party as follows:

4.1. Debtor is a limited liability company, duly organized and validly existing and in good standing under the laws of Delaware; Debtor's organizational identification number is 4211689; and Debtor has full power, authority and legal right, and all requisite governmental licenses, permits and franchises, to own the Collateral and to grant a security interest in all the Collateral.

4.2. The execution and delivery of this Agreement by Debtor, and the grant of the Security Interest, have been duly authorized by all necessary corporate or limited liability company action of Debtor; this Agreement has been validly executed and delivered by Debtor; and this Agreement is the legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3. The provisions of this Agreement are effective to grant to Secured Party a valid security interest in the Collateral securing payment and performance of the Obligations, enforceable against Debtor in all of Debtor's right, title and interest in and to the Collateral, subject to no security interest, copyright mortgage, mortgage, lien, pledge, charge, encumbrance, limitation, restriction, right, claim, license, lease, sale, purchase or assignment of any kind or nature in, to, of or upon any of the Collateral under applicable law other than the Permitted Encumbrances. Except for the Permitted Encumbrances, Debtor has not granted, shall not grant, or suffer to exist, any security interest, copyright mortgage, mortgage, lien, pledge, charge, encumbrance, limitation, restriction, right, claim, license, lease, sale, purchase or assignment of any kind or nature, in, to, of or upon any of the Collateral to any individual, corporation, trust, estate, partnership, joint venture, company, association, league, group, government bureau, agency or subdivision thereof or other entity of whatsoever kind or nature (incorporated or unincorporated) (collectively, "Person"), the effect of which would be to supersede, cause to be subordinated, take priority over, or participate on an even priority with, the Security Interest; and upon the recordation of the Copyright Mortgage and Assignment (as defined herein) in the United States Copyright Office and upon the filing of the Financing Statement (as defined herein) in the filing office of the Secretary of State of the State of Delaware (the "Filing Office"), the Security Interest will be perfected, to the extent a security interest in the Collateral can be perfected by the filing of a financing statement in the Filing Office.

4.4. Debtor shall pay all taxes, assessments and other charges of every kind and nature which may be levied or assessed against the Collateral.

4.5. Debtor shall promptly give written notice to Secured Party (and, upon request, furnish a copy to Secured Party) of any litigation or other proceedings filed or commenced against Debtor or affecting any of the Collateral; provided, however, that any inadvertent failure to provide notice to Secured Party shall not be a breach, to the extent that Debtor provides the required notice to Secured Party within five (5) business days of becoming

aware of such litigation or proceeding or within five (5) business days of any notice to Debtor reminding Debtor of its obligations under this Section 4.5. Debtor shall, at its own expense, appear and defend any and all actions and proceedings affecting any of the Collateral, or otherwise affecting the Security Interest, and shall obtain and furnish to Secured Party from time to time, upon demand, such releases and subordinations of claims and liens, which may be required to maintain the priority of Secured Party's rights and liens hereunder.

4.6. Debtor shall not make any change (i) to its limited liability company name, or (ii) in its jurisdiction of organization, unless (A) Secured Party shall have received from Debtor written notice of such change no later than thirty (30) days prior to the effective date of any such change and (B) prior to the effective date of any such change, Debtor shall have executed and delivered to Secured Party such documents for filing with the United States Copyright Office, and authenticated such financing statements for filing in such filing offices in such jurisdictions, as Secured Party may reasonably deem necessary to preserve the perfection of the Security Interest.

4.7. Debtor shall keep its place of business or, if it has more than one place of business, its chief executive office, and the offices where Debtor keeps its books and records, at the address for Debtor set forth in Section 18.2.2 hereof, or at such other locations of which Secured Party shall have received written notice from Debtor not later than thirty (30) days prior to the effective date of any change to any of such other locations.

4.8. Debtor has had no corporate, partnership, limited liability company or other name, and no trade names, fictitious names, assumed names or "doing business as" names, in the United States or in any other jurisdiction in the past five years other than its current corporate, partnership, limited liability company or other name referenced herein, and shall not have or use any of the same without providing Secured Party with thirty (30) days prior written notice until the Obligations have been paid and performed in full.

4.9. Concurrently with the execution and delivery of this Agreement, Debtor shall deliver to Secured Party evidence of the submission to, and receipt by, the United States Copyright Office of documentation: (i) evidencing the registration of Project Mercury in the name of Mercury Project, LLC; (ii) evidencing the registration of Project Copernicus in the name of Debtor; and (iii) when available, the documentation necessary to register the copyright for the other Projects in the name of Debtor. Debtor, as debtor of record with respect to that certain UCC Financing Statement (the "Financing Statement") consisting of a copy of Exhibit B attached hereto and incorporated herein by this reference to be filed in the Filing Office, hereby authenticates the Financing Statement, and Debtor hereby authorizes the filing of the Financing Statement in the Filing Office, and in such other offices, in such jurisdictions, as Secured Party deems to be appropriate in order to perfect the Security Interest.

4.10. The sale of the Collateral by Secured Party is not prohibited or regulated by any federal or state law or regulation or any agreement binding upon Debtor and requires no registration or filing with, or consent or approval of, any governmental body, regulatory authority or securities exchange.

4.11. The parties agree that upon the occurrence and during the continuance of an Event of Default (as defined herein), and upon delivery of notice by Secured Party (except that if such Event of Default arises under Section 8.2 hereof, no such notice shall be required),

any and all voting or similar rights with respect to any stock, membership interest or other equity interest included in the Collateral shall be exercisable only by Secured Party.

5. **Further Assurances.** Debtor shall from time to time at the request of Secured Party execute, acknowledge, have witnessed or otherwise formalize, and deliver, or cause to be executed, acknowledged, witnessed or otherwise formalized, and delivered, to Secured Party any and all documents and/or instruments, and otherwise take such actions, that Secured Party deems reasonably necessary or appropriate to further perfect, protect, evidence, effectuate, renew, terminate and/or continue the Security Interest. If Debtor fails to execute, acknowledge, have witnessed or otherwise formalize, and deliver any such documents or instruments within ten (10) business days after Secured Party's request therefor, Secured Party may execute, acknowledge, have witnessed or otherwise formalize, and deliver such documents and instruments as Debtor's appointed attorney-in-fact, which appointment for such purposes is hereby made irrevocably and coupled with an interest with full rights of substitution and delegation to execute, acknowledge, have witnessed or otherwise formalize, and deliver, any such documents in the name of Debtor. Secured Party shall promptly furnish to Debtor copies of any documents or instruments executed pursuant to the foregoing power of attorney.

6. **Certain Payments and Actions.** If Debtor fails to make any payment or to take any action that is an Obligation secured hereunder, or fails to make any other payment or take any other action reasonably required under the circumstances to preserve the priority and value of Secured Party's rights under this Agreement, then Secured Party may (but shall not be obligated to) make such payments and take such actions as Secured Party in its reasonable discretion under the circumstances deems necessary to protect the Security Interest in the Collateral, and Secured Party is hereby authorized (without limiting the general nature of the authority hereinabove conferred), if Debtor has so failed to make payment or initiate action within five (5) business days (or such lesser time as Secured Party deems necessary under the circumstances) after Secured Party gives Debtor written notice that such payment or action is required and has not been made or taken, to pay, purchase, contest or compromise any security interest or lien which in Secured Party's reasonable discretion under the circumstances appears to be prior or superior to, or of equal priority with, the Security Interest, or to pay, purchase, contest or compromise any security interest or lien which in Secured Party's reasonable discretion under the circumstances appears to give its holder, or any other Person, any right the exercise of which could adversely affect the priority and/or value of the rights of Secured Party under this Agreement or the Loan Agreement or of the Security Interest.

7. **Duty To Hold In Trust.** Upon the occurrence of any Event of Default (as defined herein), Debtor shall, upon receipt by it of any revenue, income or other sums in which a security interest is granted to Secured Party under this Agreement, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for Secured Party, in precisely the form received, and shall forthwith endorse, transfer and deliver any such sums or instruments, or both, to Secured Party for application to the satisfaction of the Obligations.

8. **Events of Default.** As used herein, the term "Event of Default" shall mean the occurrence of any of the following events:

8.1. Debtor shall fail to pay or perform any Obligation in a due and timely manner, or any of the representations and warranties of Debtor set forth in the Loan Agreement or in this Agreement shall have been false when made or deemed made.

8.2. Debtor shall terminate, disaffirm, reject or repudiate, or attempt to terminate, disaffirm; reject or repudiate the Loan Agreement or its obligations thereunder, or this Agreement or its obligations hereunder.

8.3. (i) Debtor is the subject of an order for relief or any other order under any bankruptcy, reorganization, receivership, liquidation, insolvency, compromise, arrangement or moratorium statute, law or regulation, whether now in force or hereafter enacted, or (ii) any action of any nature whatsoever (whether voluntary or involuntary) is taken for Debtor's relief under any bankruptcy, reorganization, receivership, liquidation, insolvency, compromise, arrangement or moratorium statute, law or regulation, whether now in force or hereafter enacted (which if involuntary is not dismissed within sixty (60) calendar days from the date such action is commenced), or (iii) any assignment is made for the benefit of the creditors of Debtor, or (iv) any petition (whether voluntary or involuntary) is made or filed for the appointment of a receiver, liquidator, trustee or custodian for any of the assets of Debtor (which if involuntary is not dismissed within sixty [60] calendar days), or if any receiver, liquidator, trustee or custodian for any of the assets of Debtor is appointed, and such petition or such receiver, liquidator, trustee or custodian is not withdrawn or discharged within sixty (60) calendar days from the date of filing, making or appointment, or (v) the Collateral or any portion thereof in which Debtor has any interest is attached or levied upon and such attachment or levy is not released within sixty (60) calendar days thereafter, or (vi) Debtor becomes unable to pay its debts as they become due, or (vii) Debtor is dissolved or its business is substantially terminated for any reason whatsoever.

9. **Rights and Remedies Upon Event of Default.** Upon the occurrence of any Event of Default, Secured Party shall have all of the rights and remedies of a secured party under the Rhode Island UCC, and all other rights and remedies under all other applicable laws, and, without limiting the generality of the foregoing, Secured Party may in its sole discretion:

9.1. Enter upon the premises where any of the Collateral may be, and take possession of the Collateral, and may demand and receive such possession from any Person who has possession thereof, and Secured Party may take such measures as it may deem reasonably necessary or proper for the care or protection thereof, including the right to remove, keep and/or store all or any portion of the Collateral or put a custodian in charge thereof; and/or

9.2. With or without taking possession, sell, lease, license, or otherwise dispose of, at any time, and from time to time, as Secured Party may determine, any or all of the Collateral, in its present condition or following any commercially reasonable preparation or processing, in its entirety or in parcels, either at public or private disposition, at such price and on such terms as Secured Party may deem best. Secured Party may be the purchaser, lessee, licensee or acquiror of any or all of the Collateral at any such disposition and shall be entitled, for the purpose of bidding and making settlement or payment of the price for all or any portion of the Collateral disposed of at any such disposition, to use and apply any of the Obligations as a credit on account of the price of any Collateral payable by Secured Party at such disposition. Debtor shall not have any right of redemption subsequent to any such disposition or Secured Party's entering into a contract for any such disposition, and Debtor hereby expressly waives any such right; and/or

9.3. Institute any proceeding at law, in equity, or otherwise for the foreclosure of the Collateral or any part thereof. To the extent permitted by law, any disposition thereof shall be held in the same manner, with the same effect and subject to the same terms and conditions as specified in Section 9.2 hereof. Secured Party may, in its sole discretion, from time to time, at any time and in any order, choose to institute a proceeding for foreclosure on some portion of the Collateral and a disposition under Section 9.2 hereof on other portions of the Collateral, without being deemed to have made an election of remedies or to have waived any other rights or remedies, and without in any other way limiting any rights or remedies which it may otherwise have; and/or

9.4. In its name or in the name of Debtor, or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for or make any compromise or settlement deemed desirable with respect to, any of the Collateral, but shall be under no obligation to do so, and Secured Party may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, or release, any of the Collateral, without thereby incurring responsibility to, or discharging or otherwise affecting any liability of, Debtor; and/or

9.5. Petition any court for the appointment of a receiver for any part of or all of the Collateral, for the purpose of preserving, protecting and retaining the Collateral and the value of the Collateral, and for the purpose of facilitating Secured Party's exercise of any other of Secured Party's rights and remedies under this Agreement, the Rhode Island UCC and/or any other applicable law.

9.6. Debtor hereby acknowledges and agrees that:

9.6.1 Secured Party may be unable to sell certain Collateral publicly without registering such Collateral under the Securities Act of 1933, as it may be amended from time to time (the "Securities Act") and applicable state securities laws (the Securities Act and such applicable state securities laws are collectively referred to herein as the "Securities Laws"), which would likely be an expensive and time-consuming undertaking and, in fact, one which might be impossible to accomplish even if Secured Party were willing to invest the necessary time and money. Secured Party may be able to register such Collateral under the Securities Laws but may regard such registration as too expensive or too time-consuming. If Secured Party sells Collateral without registration, Secured Party may be required to sell such Collateral only in private sales to a restricted group of offerees and purchasers who fulfill certain suitability standards and who will be obligated to agree, among other things, to acquire such Collateral for their own account for investment and not with a view to distributing or reselling such Collateral. Such a private sale may result in less favorable prices and other terms than a public sale. Debtor recognizes and acknowledges these realities. Debtor agrees that a private sale, even under these restrictive conditions, will be considered commercially reasonable notwithstanding that Secured Party has not registered or sought to register such Collateral under the Securities Laws, even if Debtor agrees to pay all costs of the registration process.

9.6.2 Debtor is aware that Section 6A-9-610(c) of the Rhode Island UCC states that Secured Party is able to purchase Collateral only if it is sold at a public sale or meets certain other conditions. Debtor is also aware that staff personnel of the United States Securities and Exchange Commission ("SEC") have, over a period of years, issued various No-Action Letters (the "No-Action Letters") that describe procedures which, in the view of the SEC staff,

permit a foreclosure sale of securities to occur in a manner that is public for purposes of the provisions of Article 9 of the UCC governing the rights and remedies of a secured party after default, yet not public for purposes of Section 4(2) of the Securities Act. Debtor is also aware that Secured Party may wish to purchase Collateral that is sold at a foreclosure sale, and Debtor believes that such purchases would be appropriate in circumstances in which Collateral is sold in conformity with the principles set forth in the No-Action Letters. Section 6A-9-601 of the UCC permits Debtor to agree on the standards for determining whether Secured Party has complied with its obligations under Section 6A-9-610(c) of the UCC. Pursuant to Section 6A-9-601 of the UCC, Debtor specifically agrees that a foreclosure sale conducted in conformity with the principles set forth in the No-Action Letters (a) shall be considered a "public" sale for purposes of Section 6A-9-610(c) of the UCC; (b) will be considered commercially reasonable notwithstanding that Secured Party has not registered or sought to register such Collateral as is sold in any such foreclosure sale under the Securities Laws, even if Debtor agrees to pay all costs of the registration process; and (c) shall be considered to be commercially reasonable notwithstanding that Secured Party purchased Collateral at such a sale.

9.6.3 Debtor agrees that Secured Party shall not have any general duty or obligation to make any effort to obtain or pay any particular price for any Collateral sold by Secured Party pursuant to this Agreement (including sales made to Secured Party). Secured Party may, in its discretion, among other things, accept the first offer received, or decide to approach or not to approach any potential purchasers.

9.6.4 Debtor shall use all reasonable efforts to do or cause to be done all such other acts and things (except that Debtor shall not be obligated to register any Collateral under the Securities Laws) as may be reasonably necessary to make any sale or sales of Collateral valid and binding and in compliance with applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at Debtor's expense.

9.6.5 Debtor agrees that a breach of any of the covenants contained in this Section 9.6 shall cause irreparable injury to Secured Party, and that Secured Party will have no adequate remedy at law in respect of such breach. As a consequence, Debtor agrees that each and every covenant contained in this Section 9.6 shall be specifically enforceable against Debtor, and, to the extent permitted by applicable law, Debtor waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that an Event of Default has not occurred hereunder.

10. Security Interest Remains in Full Force and Effect. All rights of Secured Party hereunder, the Security Interest, and all of the Obligations, shall be and remain in full force and effect irrespective of any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations or any obligation the failure of performance of which is an Event of Default hereunder, or any other amendment or waiver of or any consent to any departure from the Loan Agreement, until such time, if any, as the Termination Date (as defined herein) shall have occurred.

11. Loan Agreement. Debtor acknowledges and agrees that, Secured Party may informally agree with Debtor and/or any of Debtor's subsidiaries or affiliates, or any other Person, to vary their performance under the Loan Agreement from the express provisions of the

Loan Agreement; Secured Party may from time to time waive or excuse various conditions to its obligations under the Loan Agreement; Secured Party may from time to time waive or excuse various breaches or defaults by Debtor and/or any of Debtor's subsidiaries or affiliates, or any other Person, under the Loan Agreement or otherwise; and Secured Party may refrain from enforcing any or all of its rights or remedies from time to time available to it under the Loan Agreement; and as a result of any or all of the foregoing, any rights of Debtor in the nature of subrogation or other claims against any other debtor upon or following any exercise by Secured Party of any of its rights or remedies hereunder, may be unavailable to Debtor, or may have been destroyed, or may otherwise be impaired, diminished or curtailed. Debtor expressly waives and agrees not to assert any claim, defense and/or excuse, and expressly waives and agrees not to assert any right or claim of offset, setoff, reduction, modification or exoneration of or against the Security Interest, based upon any event or matter described in the preceding sentence, or any other event or matter, whether similar or dissimilar to any of the events or matters described in the preceding sentence, upon which Debtor might otherwise base any such claim, defense, or excuse, or right of offset, setoff, reduction, modification or exoneration. Without limiting the generality of the foregoing, Debtor hereby expressly waives (a) notice of the acceptance of this Agreement by any Person, (b) notice of the Obligations now existing or which may hereafter exist or be created, (c) notice of any adverse change in the financial condition of Debtor or of any other fact that might increase Debtor's risk hereunder, and (d) notice of demand for payment or performance, or notice of default or nonpayment or nonperformance, under the Loan Agreement or otherwise in respect of any of the Obligations.

12. No Extinguishment, Release, Mitigation, Diminishment or Reduction of any Claim. Neither Secured Party's acceptance of this Agreement and the Security Interest, nor any exercise by Secured Party of any of its rights hereunder, shall extinguish, release, mitigate, diminish or reduce in any manner whatsoever any claim, cause of action or other right or remedy Secured Party has, claims, or may at the date hereof or hereafter have or claim, against Debtor or any other Person, whether arising out of the Loan Agreement, or any alleged breach of the Loan Agreement, or otherwise.

13. Duties of Secured Party; Debtor Remains Liable. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Provided that Secured Party complies with its obligations, if any, under Rhode Island UCC Section 6A-9-207, Secured Party shall not otherwise be liable or responsible in any way or manner for (a) the safekeeping of any of the Collateral; (b) any loss or damage thereto occurring or arising in any manner or fashion or from any cause; (c) any diminution in the value thereof; or (d) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person whomsoever. Anything contained herein to the contrary notwithstanding, (x) Debtor shall remain liable under any contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (y) the exercise by Secured Party of any of its rights hereunder shall not release Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (z) Secured Party shall not have any obligation or liability under any contracts, licenses, and agreements included in the Collateral by reason of this Agreement, nor shall Secured Party be obligated to perform any of the obligations or duties of Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

14. Damages; Expenses. Debtor shall pay to Secured Party (a) the amounts of all damages incurred by Secured Party arising out of the breach of any of the Obligations or the failure of any representation or warranty under the Loan Agreement or hereunder; and (b) all fees, costs and expenses of any nature whatsoever, including reasonable outside attorneys' fees, of or arising out of the enforcement of any provisions of this Agreement after the occurrence of an Event of Default hereunder. Debtor agrees to indemnify Secured Party from and against any and all claims, losses and liabilities in any way relating to, arising out of or resulting from this Agreement and the transactions contemplated hereby (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result solely from Secured Party's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Secured Party shall pay to Debtor all fees, costs and expenses of any nature whatsoever, including reasonable outside attorneys' fees, of or arising out of Secured Party's gross negligence or willful misconduct hereunder. Secured Party agrees to indemnify Debtor from and against any and all claims, losses and liabilities in any way relating to, arising out of or resulting from Secured Party's material breach of this Agreement and for Secured Party's gross negligence or willful misconduct hereunder. The obligations of Debtor in this Section 13 shall survive the termination of this Agreement and the discharge of Debtor's other obligations under this Agreement and/or the Loan Agreement.

15. No Delay. No delay on the part of Secured Party in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right.

16. Continuing Assignment and Security Interest; Partial Release; Termination. This Agreement shall create a continuing assignment of and security interest in all of the Collateral, and shall remain in full force and effect until the payment and performance in full of all of the Obligations (the "Termination Date"). Upon the occurrence of the Termination Date, the Security Interest in all the Collateral shall automatically terminate, whereupon Secured Party shall promptly execute such documents and instruments as Debtor shall reasonably require to evidence such termination, at Debtor's sole cost and expense.

17. Storage of Project Elements. Secured Party and Debtor have agreed that Debtor will serve as custodian of all physical property, including back-up storage of all electronic and digital data relating to the development and production of the Projects (the "Project Elements"). Debtor accepts that appointment and agrees to hold all of the Project Elements as custodian for Secured Party subject to the terms and conditions of this Section 17. Unless Secured Party has agreed otherwise in writing, Debtor will (a) at all times keep all the Project Elements in its actual or constructive possession and control at its facilities located [in Timonium, Maryland], and (b) not deliver any of those Project Elements to anyone. Debtor will maintain all Project Elements that are in its possession or control in the condition received, or manufactured, as applicable, normal wear and tear excepted. Debtor will neither look to Secured Party nor assert any claim or lien against Secured Party, the Projects, or the Project Elements by reason of: (i) any work, labor, material, or services which Debtor has performed for or furnished to or may, in the future, perform for or furnish to any other party; or (ii) any other claim or cause of action that Debtor may have against any other party. Debtor will not refuse to honor any of Secured Party's orders or instructions with respect to the Project Elements by reason of any unpaid charges incurred by its respective designees, or others, or for any other reason. Secured Party has a first priority

(except that certain of the Collateral may be subject to a prior security interest constituting a Permitted Encumbrance hereunder), perfected, security interest in and to the Projects. Therefore, if Debtor receives a notice from Secured Party stating that it is exercising exclusive control of the Projects (the "Notice of Exclusive Control") (which Notice of Exclusive Control may only be given after the occurrence, and during the continuation, of an "Event of Default" [as such term is defined in the Loan Agreement]), then at all times thereafter (unless Debtor is prevented from doing so pursuant to the terms of a conflicting court order or pursuant to the terms of Paragraph 17 of that certain Security and Pledge Agreement, dated as of December 11, 2009, between 38 Studios Baltimore, LLC "Project Mercury" or any intercreditor agreement entered into between Secured Party and any other secured party which is the beneficiary of a Permitted Encumbrance) Debtor shall (i) hold all of the Project Elements as pledgeholder and as agent for Secured Party; (ii) neither accept nor comply with any order of any other person, or permit any other person to remove or have access to any of the Project Elements; and (iii) comply with all instructions, orders, and directions of Secured Party regarding the disposition of the Project Elements without further consent or direction from any other person and without regard to any inconsistent or conflicting instructions given to Debtor by any other person. Secured Party's rights with respect to access to the Project Elements hereunder shall terminate only upon the indefeasible satisfaction of all obligations of Debtor under the Loan Agreement (a "Secured Party Payment Notice").

18. General.

18.1. Governing Law, and Remedies.

18.1.1 THE SUBSTANTIVE LAWS (AS DISTINGUISHED FROM THE CHOICE OF LAW RULES) OF THE STATE OF RHODE ISLAND AND THE UNITED STATES OF AMERICA GOVERN (A) THE VALIDITY AND INTERPRETATION OF THIS AGREEMENT, (B) THE PERFORMANCE BY THE PARTIES OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER, AND (C) ALL OTHER CAUSES OF ACTION (WHETHER SOUNDING IN CONTRACT OR IN TORT) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TERMINATION OF THIS AGREEMENT.

18.1.2 Debtor and Secured Party hereby submit to the exclusive jurisdiction of the courts of the State of Rhode Island and the Federal Courts of the United States for the District of Rhode Island and irrevocably waive any objection which each may now or hereafter have to the venue of any suit, action or proceeding, arising out of or relating to this Agreement or any other agreement, document or other instrument executed in connection herewith brought in the courts of the State of Rhode Island or in the Federal Courts of the United States for the District of Rhode Island, and hereby further irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum. Debtor designates and appoints The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, as Debtor's agent to receive on its behalf service of all process in any such proceedings in any such court, such service being hereby acknowledged by Debtor to be effective and binding service in every respect.

18.2. Notices. All notices, statements, payments and other documents required or permitted to be given under this Agreement shall be in writing and shall be delivered to any party by delivery (a) to such party at the address or facsimile number set forth below for notice to such party, or (b) to such address or facsimile number as is hereafter supplied by such party to

the delivering party by notice delivered pursuant to this Section 18.2, or (c) to any address to which such party in fact relocates or to any facsimile number which such party in fact maintains, either by personal delivery, by air courier, by fax (with hard copy concurrently sent by mail, postage prepaid) or as otherwise specifically provided for herein and addressed as follows:

18.2.1 If to Secured Party, to:

Rhode Island Economic Development Corporation
315 Iron Horse Way, Suite 101
Providence, Rhode Island 02908
Attention: Executive Director
Fax No: 401-273-8270

With a copy to:

Moses & Afonso, Ltd.
16 Westminster Street, Suite 400
Providence, Rhode Island 02903
Attention: Anthony Afonso
Fax No: 401-453-3604

18.2.2 If to Debtor, to:

38 Studios, LLC
5 Clock Tower Place, Suite 140
Maynard, Massachusetts 01754
Attention: Attention: Chief Financial Officer
Fax No: 978-310-5152

After April 15, 2011:

c/o 38 Studios, LLC
One Empire Plaza
Providence, RI 02903
Attn: Chief Financial Officer

With a copy to:

Weissmann Wolff Bergman Coleman Grodin & Evall LLP
9665 Wilshire Blvd, Ninth Floor
Beverly Hills, California 90212
Attention: Wayne Kazan
Fax No: 310-550-7191

And

Edwards Angell Palmer & Dodge LLP

2800 Financial Plaza
Providence, RI 02903 USA
Attention: Ellen M. Flynn-Corneau
Fax No: 888.325.7291

The date of personal delivery, delivery by air courier, or fax transmission (with hard copy concurrently therewith by mail) of such notice or payment shall be deemed the date of service of such notice or payment, unless otherwise specified herein; provided, however, that any notice which commences the running of any period of time for the exercise of any option or the performance of any other act by either party hereto must be served by hand or air courier and shall be deemed served when so delivered.

18.3. Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

18.4. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to make such provision valid and enforceable under applicable law, but if any provision hereof shall be or become invalid or unenforceable under any applicable law, such provision shall be ineffective to the extent of such invalidity or unenforceability only, without thereby invalidating the remainder of such provision or of any of the remaining provisions hereof.

18.5. Remedies Cumulative. No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute, hereunder or otherwise, and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise. The election of any one or more of such remedies by Secured Party shall not constitute a waiver by Secured Party of the right to pursue any other available remedies.

18.6. Transferees, Successors and Assigns. All terms and provisions of this Agreement shall be binding upon Debtor and its successors in interest and inure to the benefit of Secured Party and the transferees, successors and assigns of Secured Party.

18.7. Headings. Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation thereof.

18.8. No Waiver. No breach of any provision of this Agreement may be waived unless in writing and the waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

18.9. Amendment. This Agreement may be amended only by a written agreement executed by all parties hereto.

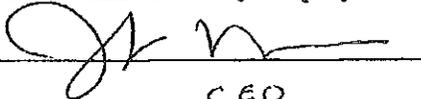
18.10. Entire Agreement. This Agreement, the Loan Agreement and the other documents and instruments contemplated by the Loan Agreement and this Agreement embody the entire understanding and agreement of the parties with respect to the subject matter hereof, and there are no further or other agreements or understandings, written or oral, in effect between

the parties hereto relating to the subject matter hereof, unless expressly referred to herein or executed concurrently herewith.

IN WITNESS WHEREOF, Debtor and Secured Party have duly executed and delivered this Agreement as of the date first above written.

DEBTOR:

38 STUDIOS, LLC,
a Delaware limited liability company

By: 

Its: CEO

SECURED PARTY:

**RHODE ISLAND ECONOMIC DEVELOPMENT
CORPORATION**

By: 

Its: EX Director

EXHIBIT A

COLLATERAL

The "Collateral" is all of the following, wherever located, whether now in existence or hereafter created, and whether now owned or hereafter acquired:

1. All of Debtor's Equity Interests in [REDACTED] 38 Studios Baltimore, LLC, Mercury Project, LLC and all other subsidiaries of Debtor, including, without limitation, all Certificates representing or evidencing the same, any and all proceeds and products of any of the foregoing, and any and all collections, dividends (whether in cash, stock or otherwise), distributions, redemption payments, liquidation payments, interest or premiums with respect to any of the foregoing.

2. All of Debtor's present and future right, title and interest, in or to any property or assets whatsoever, whether now or hereafter acquired and wherever the same may from time to time be located, and all rights and powers of Debtor, to transfer any interest in or to any property or assets whatsoever, including, without limitation, any and all of the following property:

a) All present and future accounts, accounts receivable, agreements, contracts, leases, contract rights, payment intangibles, rights to payment, instruments, documents, chattel paper (whether tangible or electronic), promissory notes, security agreements, guaranties, letters of credit, letter-of-credit rights, undertakings, surety bonds, insurance policies (whether or not required by the terms of the Loan Documents), notes and drafts, and all forms of obligations owing to Debtor or in which Debtor may have any interest, however created or arising and whether or not earned by performance;

b) All present and future general intangibles, all tax refunds and credits of every kind and nature to which Debtor now or hereafter may become entitled, however arising, all other refunds, and all deposits, credits, reserves, loans, royalties, cost savings, deferred payments, goodwill, choses in action, liquidated damages, rights to indemnification, trade secrets, computer programs, software, customer and supplier lists, licenses, permits, copyrights, technology, processes, proprietary information, insurance proceeds of which Debtor is a beneficiary; all present and future: (i) trademarks, trade names, trade styles, service marks, all prints and labels on which said trademarks, trade names, trade styles and service marks appear, have appeared, or will appear, and all designs and general intangibles of a like nature, all applications, registrations, and recordings relating to the foregoing, in the United States Patent and Trademark Office ("USPTO") or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those registered and applied-for trademarks, terms, designs and applications described in Schedule 1 attached hereto and made a part hereof (the "Trademarks"), and (ii) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks (that portion of the Collateral described in the foregoing clauses (i) and (ii) is referred to herein as the "Trademark Collateral"); and all present and future: patents, whether foreign or domestic, applications, registrations, and recordings relating to such patents in the USPTO or in any similar office or

agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those patents and applications, registrations and recordings described in Schedule 2 attached hereto and made a part hereof (the "Patents"); and all present and future: copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications, whether foreign or domestic, and United States, state and international registrations of the foregoing, and all reissues, extensions and renewals of the foregoing, including, without limitation, those listed on Schedule 3 attached hereto and made a part hereof (the "Copyrights"), together with all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing; the right to sue for past, present and future infringements of rights in copyrights, all goodwill of Debtor related thereto, and any and all proceeds of any of the foregoing, including, but not limited to, any and all proceeds of licensing thereof (the "Copyright Collateral"; and collectively with the Trademark Collateral and the Patents, the "IP Collateral");

c) All present and future deposit accounts of Debtor, including, without limitation, any demand, time, savings, passbook or like account maintained by Debtor with any bank, savings and loan association, credit union or like organization, and all money, cash and cash equivalents of Debtor, whether or not deposited in any such deposit account other than and excluding the collection account with respect to the video game project currently entitled "Project Mercury" held in the name of Mercury Project, LLC at City National Bank;

d) All present and future books and records, including, without limitation, books of account and ledgers of every kind and nature, all electronically recorded data relating to Debtor or the business thereof, all receptacles and containers for such records, and all files and correspondence;

e) All present and future goods, including, without limitation, all consumer goods, farm products, inventory, equipment, catalogs, machinery, tools, molds, dies, furniture, furnishings, fixtures, trade fixtures, motor vehicles and all other goods used in connection with or in the conduct of Debtor's business, including all goods as defined in Section 6A-9-102(44) of the UCC;

f) All present and future inventory and merchandise, including, without limitation, all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work in process and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing;

g) All present and future stocks, bonds, debentures, securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodity contracts, commodity accounts, subscription rights, options, warrants, puts, calls, certificates, investment property, partnership interests, limited liability company membership or other interests, joint venture interests, certificates of deposit, investments and/or brokerage accounts, including all Pledged Collateral, and all rights, preferences, privileges, dividends, distributions, redemption payments, or liquidation payments with respect thereto;

h) All present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;

i) All other present and future tangible and intangible property of Debtor;

j) All present and future rights, remedies, powers and/or privileges of Debtor with respect to any of the foregoing, including the right to make claims thereunder or with respect thereto; and

k) Any and all proceeds and products of any of the foregoing, including, without limitation, all money, accounts, payment intangibles, general intangibles, deposit accounts, promissory notes, documents, instruments, certificates of deposit, chattel paper, goods, insurance proceeds, claims by Debtor against third parties for past, present and future infringement of the IP Collateral or any license with respect thereto, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

3. All of Debtor's right, title and interest in or to any projects whatsoever, whether now or hereafter acquired, including without limitation those certain video game projects currently entitled "Project Mercury" and "Project Copernicus" (the "Projects") and all rights therein and thereto, and all properties and things of value pertaining thereto, together with all of the following:

(a) all rights of every kind and nature (including, without limitation, copyrights) in and to and/or relating to the literary, musical, dramatic and/or other material upon which, in whole or in part, the Projects have been, is or may be based, or which have been, is or may be used or included in the Projects, including, without limitation, the underlying rights to the outline description and technical specifications, all preliminary and final scripts, scenarios, screenplays, bibles, stories, treatments, novels, outlines, books, titles, concepts, manuscripts, comics, novellas, trading cards, collectible card games, pen and paper games, web logs and other properties or materials of any kind or nature, in whatever state of completion and all drafts, versions and variations thereof and all source code, object code, data and databases forming part or all of the Projects, and all rights pursuant to any and all documents pursuant to which Debtor secured any right, title or interest in and to any of the foregoing (collectively the "Literary Property");

(b) all materials and items prepared in connection with the pre-production of the Projects, including the following: budgets, production schedules, research, patches, content updates, expansions, game tools and game engines, and all other tangible and intangible materials prepared during pre-production, production and/or following the release of the Projects (collectively, the "Development Items");

(c) all tangible personal property and physical properties of every kind or nature whatsoever of or relating to the Projects (including, without limitation, (A) all digital footage, trailers, soundtracks, music and effects tracks, video masters, video and audio recordings and programming code (collectively, the "Physical Elements"), and (B) copies of all (1) synchronization licenses, (2) composers agreements, (3) contracts relating to the acquisition and

production of the Projects, (4) still photographs and artwork, (5) press books, (6) story synopses, (7) credit requirements lists, (8) posters, (9) advertising, (10) publicity materials, (11) designs, (12) drawings, (13) special effects, (14) gold masters, (15) game tools and game engines and all licenses in connection with the same, (16) soundtracks, (17) recordings, (18) audio and video tapes and discs of all types and gauges, (19) strategy guides, and all versions thereof (including, without limitation, all foreign language versions) and all of Debtor's rights of access to and use of the foregoing (collectively and together with the Physical Elements, the "Physical Properties");

(d) all rights (including, without limitation, all video game production rights) in and to any and all lyrics, music and musical compositions created for, used in or to be used in connection with the Projects, including, without limitation, all copyrights therein, and further including, without limitation, all rights to perform, copy, record, rerecord, produce, reproduce and/or synchronize all of said lyrics, music and musical compositions in and in connection with video game and other productions (collectively, the "Music Rights");

(e) all collateral, allied, ancillary, subsidiary, merchandising and publishing rights of every kind and nature, including without limitation, derived from, appurtenant to or related to the Projects or the Literary Property, including, without limitation, all production, exploitation, software, off-shoot mini-games, ports, expansion packs, SKUS, reissue, remake, sequel, serial or series production rights by use of film, tape, online, digital, recording devices or any other interactive media now known or hereafter conceived, devised, created or developed, whether based upon, derived from or inspired by the Projects, the Literary Property or any part thereof, all rights to use, exploit and license others to use or exploit any and all novelization, publishing, development, distribution, commercial tie-ups and merchandising rights of every kind and nature, including, without limitation, all novelization, publishing, development, distribution, merchandising rights and commercial tie-ups arising out of or connected with or inspired by the Projects or the Literary Property, the title or titles of the Projects, the characters appearing in the Projects or the Literary Property or the names or characteristics of such characters, and including further, without limitation, any and all commercial exploitation in connection with or related to the Projects or the Literary Property and all remakes of, prequels or sequels to the Projects or the Literary Property;

(f) all rights of every kind or nature, present and future, in and to all agreements and understandings (whether or not evidenced in writing) relating to the Projects, and the development, production, completion, delivery and exploitation of the Projects, including, without limitation, all agreements for personal services, including the services of writers, artists, programmers, developers, producers, special effects personnel, personnel, animators, cameramen and other creative, artistic and technical staff, and agreements for the use of studio space, equipment, facilities, locations, animation services, special effects services, source code escrow contracts and laboratory contracts, and any and all rights derived therefrom or relating thereto;

(g) all insurance and insurance policies heretofore, now or hereafter obtained in connection with the Projects, the Physical Properties or the insurable properties thereof or in connection with any Person or Persons engaged in the development, production, publishing, completion, delivery or exploitation of the Projects, and the proceeds of all of the foregoing;

(h) all statutory and common-law copyrights, domestic and foreign, and all renewals and extensions of any such copyrights, and all rights and interests in such copyrights, renewals and extensions, obtained or to be obtained on the Projects, the Literary Property and/or the Music Rights, together with any and all copyrights, domestic and foreign, and all renewals and extensions of any such copyrights, and all rights and interests in such copyrights, renewals and extensions, obtained or to be obtained in connection with the Projects or any underlying or component elements of the Projects, including, without limitation, the Literary Property and the Music Rights, together with the right to copyright and all rights to renew or extend such copyrights and the right (but not the obligation) to sue in the name of Debtor, or in Secured Party's name, for past, present and future infringements of copyright, upon the Projects, and/or the Literary Property and/or the Music Rights and/or any part thereof;

(i) all rights to produce, publish, acquire, finance, release, sell, distribute, subdistribute, lease, market, license, exhibit, broadcast, reproduce, publicize, perform, copy, communicate, record, re-record, synchronize, transmit and/or otherwise exploit the Projects, the Literary Property, the Music Rights, the Physical Properties, the Development Items and any and all rights therein, in perpetuity, without limitation, in any manner and in any media whatsoever throughout the universe, including, without limitation, on any wired or wireless, gaming or non-gaming, audio, visual or audio-visual interactive platform including Sony Playstation and Microsoft Xbox (and the future and successor generations of those interactive platforms), PC and mobile telephony device and by internet, projection, radio, all forms of television (including, without limitation, free, pay, toll, cable, sustaining, subscription, sponsored and direct satellite broadcast), in theaters, non-theatrically, on all platforms, on cassettes, cartridges, DVDs, discs and other similar and dissimilar video devices, and by any and all other scientific, mechanical or electronic means, methods, processes or devices now known or hereafter conceived, devised, created or developed;

(j) all rights under contract or any other commitment or agreement which grant to any Person (including, without limitation, all rights under contract or any other commitment or agreement which grant to Secured Party) any right to develop, produce, publish, acquire, finance, release, sell, distribute, subdistribute or otherwise exploit the Projects or any rights in or to the Projects, and all accounts and general intangibles arising out of the exploitation of the Projects or otherwise associated with or relating to the Projects, including, without limitation, all rights to receive any sums payable under any such contract, commitment, agreement, accounts or general intangibles; and

(k) all rent, revenues, income, compensation, products, increases, proceeds and profits or other property obtained or to be obtained from the production, sale, distribution, marketing, licensing, exhibition, reproduction, publication, ownership, exploitation or other uses or disposition of the Projects and the Literary Property (or any rights therein or part thereof), in any and all media, including, without limitation, the properties thereof and of any collateral, allied, ancillary and subsidiary rights and any and all merchandising and publishing rights therein and thereto, and amounts recovered as damages by reason of unfair competition, copyright infringement, breach of any contract or infringement of any rights, or derived therefrom in any manner whatsoever.

4. The following personal property, whether now owned or hereafter acquired, (i) all of Debtor's rights in and to the title of the Projects, and the exclusive use thereof, including, without limitation, any and all rights protected pursuant to trademark, service mark, unfair competition or other laws, rules or principles of law or equity and (ii) all of Debtor's rights in and to any and all inventions, processes, code, formulae, licenses, patents, patent rights, trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, logos, indicia, corporate and company names, business source or business identifiers and renewals and extensions thereof, domestic and foreign, relating to the Projects, and the accompanying goodwill and other like business property rights, and the right (but not the obligation) to register claims under trademark or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in Debtor's name or in Secured Party's name for past, present or future infringement of trademark or patent.
5. All of Debtor's right, title and interest in and to the underlying property that Debtor has or may acquire in the future to the extent necessary to develop, produce and distribute the Projects, including, without limitation, any and all licenses from wholly owned subsidiaries of Debtor in any underlying property in connection with development, production and exploitation of the Projects, and the Development Items.
6. All of Debtor's cash and cash equivalents, and all drafts, checks, certificates of deposit, notes, bills of exchange and other writings which evidence a right to the payment of money and are not themselves security agreements or leases and are of a type which in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment whether now owned or hereafter acquired.
7. All machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, computers, memory devices, implements and other tangible personal property of every kind and description, whether now owned or hereafter acquired, (including, without limitation, all wardrobe, props, mikes, scenery, sound stages, movable, permanent or vehicular dressing rooms, sets, lighting equipment, cameras and other photographic, sound recording and editing equipment, projectors, film developing equipment and machinery) and all goods of like kind or type hereafter acquired, and all additions and accessions thereto (collectively the "Equipment") and all rents, proceeds and products of the Equipment, including, without limitation, the rights to insurance covering the Equipment.
8. Any and all documents, receipts or books and records, including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee with respect to any of the Collateral described in Sections 2 through 7 hereof and Section 9 hereof.
9. Any security interest, copyright mortgage, mortgage, lien, pledge, charge, encumbrance, limitation, restriction, right, claim, license, lease, sale, purchase or assignment of any kind or nature in, to, of or upon any of the foregoing.

10. All proceeds, products, rents, additions and accessions (including, without limitation, insurance proceeds) of the Collateral described in Sections 2 through 9 hereof.

SCHEDULE I
TO
SECURITY AGREEMENT

Existing and Pending Trademarks

The following existing and pending trademarks are owned by Debtor:

COUNTRY	SERIAL / REGISTRATION NO	FILING / REGISTRATION DATE	MARK

SCHEDULE 2
TO
SECURITY AGREEMENT

Existing and Pending Patents

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

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

SCHEDULE 3
TO
SECURITY AGREEMENT

Existing and Pending Copyrights

The following existing and pending copyrights are owned by Debtor:

REGISTRATION NO	TITLE	REGISTRATION DATE
	Project Mercury	
	Project Copernicus	

**EXHIBIT B
FINANCING STATEMENT**



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
F	7
L	J

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
38 Studios, LLC

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS
5 Clock Tower Place, Suite 140

CITY Maynard	STATE MA	POSTAL CODE 01754	COUNTRY US
------------------------	--------------------	-----------------------------	----------------------

1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION LLC	1f. JURISDICTION OF ORGANIZATION Delaware	1g. ORGANIZATIONAL I.D.#, if any 4211689	<input type="checkbox"/> NONE
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2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY

2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL I.D.#, if any	<input type="checkbox"/> NONE
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3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) insert only one secured party (3a or 3b)

3a. ORGANIZATION'S NAME
Rhode Island Economic Development Corporation

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS
315 Iron Horse Way, Suite 101

CITY Providence	STATE RI	POSTAL CODE 02908	COUNTRY US
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4. This FINANCING STATEMENT covers the following collateral:
See Exhibit A attached hereto and incorporated herein by reference.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (OPTIONAL) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

EXHIBIT A TO FINANCING STATEMENT

COLLATERAL

Item 4, continued:

Debtor: 38 Studios, LLC

The "Collateral" is all of the following, wherever located, whether now in existence or hereafter created, and whether now owned or hereafter acquired:

1. All of Debtor's Equity Interests in [REDACTED] 38 Studios Baltimore, LLC, Mercury Project, LLC and all other subsidiaries of Debtor, including, without limitation, all Certificates representing or evidencing the same, any and all proceeds and products of any of the foregoing, and any and all collections, dividends (whether in cash, stock or otherwise), distributions, redemption payments, liquidation payments, interest or premiums with respect to any of the foregoing.

2. All of Debtor's present and future right, title and interest, in or to any property or assets whatsoever, whether now or hereafter acquired and wherever the same may from time to time be located, and all rights and powers of Debtor, to transfer any interest in or to any property or assets whatsoever, including, without limitation, any and all of the following property:

- a) All present and future accounts, accounts receivable, agreements, contracts, leases, contract rights, payment intangibles, rights to payment, instruments, documents, chattel paper (whether tangible or electronic), promissory notes, security agreements, guaranties, letters of credit, letter-of-credit rights, undertakings, surety bonds, insurance policies (whether or not required by the terms of the Loan Documents), notes and drafts, and all forms of obligations owing to Debtor or in which Debtor may have any interest, however created or arising and whether or not earned by performance;
- b) All present and future general intangibles, all tax refunds and credits of every kind and nature to which Debtor now or hereafter may become entitled, however arising, all other refunds, and all deposits, credits, reserves, loans, royalties, cost savings, deferred payments, goodwill, choses in action, liquidated damages, rights to indemnification, trade secrets, computer programs, software, customer and supplier lists, licenses, permits, copyrights, technology, processes, proprietary information, insurance proceeds of which Debtor is a beneficiary; all present and future: (i) trademarks, trade names, trade styles, service marks, all prints and labels on which said trademarks, trade names, trade styles and service marks appear, have appeared, or will appear, and all designs and general intangibles of a like nature, all applications, registrations, and recordings relating to the foregoing in the United States Patent and Trademark Office ("USPTO") or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those registered and applied-for trademarks, terms, designs and applications described in Schedule

1 attached hereto and made a part hereof (the "Trademarks"), and (ii) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks (that portion of the Collateral described in the foregoing clauses (i) and (ii) is referred to herein as the "Trademark Collateral"); and all present and future: patents, whether foreign or domestic, applications, registrations, and recordings relating to such patents in the USPTO or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those patents and applications, registrations and recordings described in Schedule 2 attached hereto and made a part hereof (the "Patents"); and all present and future: copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications, whether foreign or domestic, and United States, state and international registrations of the foregoing, and all reissues, extensions and renewals of the foregoing, including, without limitation, those listed on Schedule 3 attached hereto and made a part hereof (the "Copyrights"), together with all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing; the right to sue for past, present and future infringements of rights in copyrights, all goodwill of Debtor related thereto, and any and all proceeds of any of the foregoing, including, but not limited to, any and all proceeds of licensing thereof (the "Copyright Collateral"; and collectively with the Trademark Collateral and the Patents, the "IP Collateral");

- c) All present and future deposit accounts of Debtor, including, without limitation, any demand, time, savings, passbook or like account maintained by Debtor with any bank, savings and loan association, credit union or like organization, and all money, cash and cash equivalents of Debtor, whether or not deposited in any such deposit account other than and excluding the collection account with respect to the video game project currently entitled "Project Mercury" held in the name of Mercury Project, LLC at City National Bank;
- d) All present and future books and records, including, without limitation, books of account and ledgers of every kind and nature, all electronically recorded data relating to Debtor or the business thereof, all receptacles and containers for such records, and all files and correspondence;
- e) All present and future goods, including, without limitation, all consumer goods, farm products, inventory, equipment, catalogs, machinery, tools, molds, dies, furniture, furnishings, fixtures, trade fixtures, motor vehicles and all other goods used in connection with or in the conduct of Debtor's business, including all goods as defined in Section 6A-9-102(44) of the UCC;
- f) All present and future inventory and merchandise, including, without limitation, all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work in process and finished goods, all packing materials, supplies and containers relating to or used in connection with

any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing;

- g) All present and future stocks, bonds, debentures, securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodity contracts, commodity accounts, subscription rights, options, warrants, puts, calls, certificates, investment property, partnership interests, limited liability company membership or other interests, joint venture interests, certificates of deposit, investments and/or brokerage accounts, including all Pledged Collateral, and all rights, preferences, privileges, dividends, distributions, redemption payments, or liquidation payments with respect thereto;
- h) All present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;
- i) All other present and future tangible and intangible property of Debtor;
- j) All present and future rights, remedies, powers and/or privileges of Debtor with respect to any of the foregoing, including the right to make claims thereunder or with respect thereto; and
- k) Any and all proceeds and products of any of the foregoing, including, without limitation, all money, accounts, payment intangibles, general intangibles, deposit accounts, promissory notes, documents, instruments, certificates of deposit, chattel paper, goods, insurance proceeds, claims by Debtor against third parties for past, present and future infringement of the IP Collateral or any license with respect thereto, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

3. All of Debtor's right, title and interest in or to any projects whatsoever, whether now or hereafter acquired, including without limitation those certain video game projects currently entitled "Project Mercury" and "Project Copernicus" (the "Projects") and all rights therein and thereto, and all properties and things of value pertaining thereto, together with all of the following:

(a) all rights of every kind and nature (including, without limitation, copyrights) in and to and/or relating to the literary, musical, dramatic and/or other material upon which, in whole or in part, the Projects have been, is or may be based, or which have been, is or may be used or included in the Projects, including, without limitation, the underlying rights to the outline description and technical specifications, all preliminary and final scripts, scenarios, screenplays, bibles, stories, treatments, novels, outlines, books, titles, concepts, manuscripts, comics, novellas, trading cards, collectible card games, pen and paper games, web logs and other properties or materials of any kind or nature, in whatever state of completion and all drafts, versions and variations thereof and all source code, object code, data and databases forming part or all of the Projects, and all rights pursuant to any and all documents pursuant to which Debtor secured any right, title or interest in and to any of the foregoing (collectively the "Literary Property");

(b) all materials and items prepared in connection with the pre-production of the Projects, including the following: budgets, production schedules, research, patches, content updates, expansions, game tools and game engines, and all other tangible and intangible materials prepared during pre-production, production and/or following the release of the Projects (collectively, the "Development Items");

(c) all tangible personal property and physical properties of every kind or nature whatsoever of or relating to the Projects (including, without limitation, (A) all digital footage, trailers, soundtracks, music and effects tracks, video masters, video and audio recordings and programming code (collectively, the "Physical Elements"), and (B) copies of all (1) synchronization licenses, (2) composers agreements, (3) contracts relating to the acquisition and production of the Projects, (4) still photographs and artwork, (5) press books, (6) story synopses, (7) credit requirements lists, (8) posters, (9) advertising, (10) publicity materials, (11) designs, (12) drawings, (13) special effects, (14) gold masters, (15) game tools and game engines and all licenses in connection with the same, (16) soundtracks, (17) recordings, (18) audio and video tapes and discs of all types and gauges, (19) strategy guides, and all versions thereof (including, without limitation, all foreign language versions) and all of Debtor's rights of access to and use of the foregoing (collectively and together with the Physical Elements, the "Physical Properties");

(d) all rights (including, without limitation, all video game production rights) in and to any and all lyrics, music and musical compositions created for, used in or to be used in connection with the Projects, including, without limitation, all copyrights therein, and further including, without limitation, all rights to perform, copy, record, rerecord, produce, reproduce and/or synchronize all of said lyrics, music and musical compositions in and in connection with video game and other productions (collectively, the "Music Rights");

(e) all collateral, allied, ancillary, subsidiary, merchandising and publishing rights of every kind and nature, including without limitation, derived from, appurtenant to or related to the Projects or the Literary Property, including, without limitation, all production, exploitation, software, off-shoot mini-games, ports, expansion packs, SKUS, reissue, remake, sequel, serial or series production rights by use of film, tape, online, digital, recording devices or any other interactive media now known or hereafter conceived, devised, created or developed, whether based upon, derived from or inspired by the Projects, the Literary Property or any part thereof, all rights to use, exploit and license others to use or exploit any and all novelization, publishing, development, distribution, commercial tie-ups and merchandising rights of every kind and nature, including, without limitation, all novelization, publishing, development, distribution, merchandising rights and commercial tie-ups arising out of or connected with or inspired by the Projects or the Literary Property, the title or titles of the Projects, the characters appearing in the Projects or the Literary Property or the names or characteristics of such characters, and including further, without limitation, any and all commercial exploitation in connection with or related to the Projects or the Literary Property and all remakes of, prequels or sequels to the Projects or the Literary Property;

(f) all rights of every kind or nature, present and future, in and to all agreements and understandings (whether or not evidenced in writing) relating to the Projects, and the

development, production, completion, delivery and exploitation of the Projects, including, without limitation, all agreements for personal services, including the services of writers, artists, programmers, developers, producers, special effects personnel, personnel, animators, cameramen and other creative, artistic and technical staff, and agreements for the use of studio space, equipment, facilities, locations, animation services, special effects services, source code escrow contracts and laboratory contracts, and any and all rights derived therefrom or relating thereto;

(g) all insurance and insurance policies heretofore, now or hereafter obtained in connection with the Projects, the Physical Properties or the insurable properties thereof or in connection with any Person or Persons engaged in the development, production, publishing, completion, delivery or exploitation of the Projects, and the proceeds of all of the foregoing;

(h) all statutory and common-law copyrights, domestic and foreign, and all renewals and extensions of any such copyrights, and all rights and interests in such copyrights, renewals and extensions, obtained or to be obtained on the Projects, the Literary Property and/or the Music Rights, together with any and all copyrights, domestic and foreign, and all renewals and extensions of any such copyrights, and all rights and interests in such copyrights, renewals and extensions, obtained or to be obtained in connection with the Projects or any underlying or component elements of the Projects, including, without limitation, the Literary Property and the Music Rights, together with the right to copyright and all rights to renew or extend such copyrights and the right (but not the obligation) to sue in the name of Debtor, or in Secured Party's name, for past, present and future infringements of copyright, upon the Projects, and/or the Literary Property and/or the Music Rights and/or any part thereof;

(i) all rights to produce, publish, acquire, finance, release, sell, distribute, subdistribute, lease, market, license, exhibit, broadcast, reproduce, publicize, perform, copy, communicate, record, re-record, synchronize, transmit and/or otherwise exploit the Projects, the Literary Property, the Music Rights, the Physical Properties, the Development Items and any and all rights therein, in perpetuity, without limitation, in any manner and in any media whatsoever throughout the universe, including, without limitation, on any wired or wireless, gaming or non-gaming, audio, visual or audio-visual interactive platform including Sony Playstation and Microsoft Xbox (and the future and successor generations of those interactive platforms), PC and mobile telephony device and by internet, projection, radio, all forms of television (including, without limitation, free, pay, toll, cable, sustaining, subscription, sponsored and direct satellite broadcast), in theaters, non-theatrically, on all platforms, on cassettes, cartridges, DVDs, discs and other similar and dissimilar video devices, and by any and all other scientific, mechanical or electronic means, methods, processes or devices now known or hereafter conceived, devised, created or developed;

(j) all rights under contract or any other commitment or agreement which grant to any Person (including, without limitation, all rights under contract or any other commitment or agreement which grant to Secured Party) any right to develop, produce, publish, acquire, finance, release, sell, distribute, subdistribute or otherwise exploit the Projects or any rights in or to the Projects, and all accounts and general intangibles arising out of the exploitation of the Projects or otherwise associated with or relating to the Projects, including, without limitation, all rights to receive any sums payable under any such contract, commitment, agreement, accounts or general intangibles; and

(k) all rent, revenues, income, compensation, products, increases, proceeds and profits or other property obtained or to be obtained from the production, sale, distribution, marketing, licensing, exhibition, reproduction, publication, ownership, exploitation or other uses or disposition of the Projects and the Literary Property (or any rights therein or part thereof), in any and all media, including, without limitation, the properties thereof and of any collateral, allied, ancillary and subsidiary rights and any and all merchandising and publishing rights therein and thereto, and amounts recovered as damages by reason of unfair competition, copyright infringement, breach of any contract or infringement of any rights, or derived therefrom in any manner whatsoever.

4. The following personal property, whether now owned or hereafter acquired, (i) all of Debtor's rights in and to the title of the Projects, and the exclusive use thereof, including, without limitation, any and all rights protected pursuant to trademark, service mark, unfair competition or other laws, rules or principles of law or equity and (ii) all of Debtor's rights in and to any and all inventions, processes, code, formulae, licenses, patents, patent rights, trademarks; trademark rights, service marks, service mark rights, trade names, trade name rights, logos, indicia, corporate and company names, business source or business identifiers and renewals and extensions thereof, domestic and foreign, relating to the Projects, and the accompanying goodwill and other like business property rights, and the right (but not the obligation) to register claims under trademark or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in Debtor's name or in Secured Party's name for past, present or future infringement of trademark or patent.

5. All of Debtor's right, title and interest in and to the underlying property that Debtor has or may acquire in the future to the extent necessary to develop, produce and distribute the Projects, including, without limitation, any and all licenses from wholly owned subsidiaries of Debtor in any underlying property in connection with development, production and exploitation of the Projects, and the Development Items.

6. All of Debtor's cash and cash equivalents, and all drafts, checks, certificates of deposit, notes, bills of exchange and other writings which evidence a right to the payment of money and are not themselves security agreements or leases and are of a type which in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment whether now owned or hereafter acquired.

7. All machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, computers, memory devices, implements and other tangible personal property of every kind and description, whether now owned or hereafter acquired, (including, without limitation, all wardrobe, props, mikes, scenery, sound stages, movable, permanent or vehicular dressing rooms, sets, lighting equipment, cameras and other photographic, sound recording and editing equipment, projectors, film developing equipment and machinery) and all goods of like kind or type hereafter acquired, and all additions and accessions thereto (collectively the "Equipment") and all rents, proceeds and products of the Equipment, including, without limitation, the rights to insurance covering the Equipment.

8. Any and all documents, receipts or books and records, including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee with respect to any of the Collateral described in Sections 2 through 7 hereof and Section 9 hereof.

9. Any security interest, copyright mortgage, mortgage, lien, pledge, charge, encumbrance, limitation, restriction, right, claim, license, lease, sale, purchase or assignment of any kind or nature in, to, of or upon any of the foregoing.

10. All proceeds, products, rents, additions and accessions (including, without limitation, insurance proceeds) of the Collateral described in Sections 2 through 9 hereof.

Definitions

"Certificates" shall mean all certificates, instruments or other documents now or hereafter representing or evidencing any Equity Interests.

"Equity Interests" shall mean shares of capital stock, partnership interests, membership interests in limited liability companies (including without limitation: (a) the right of the member to a share of the profits and losses of such limited liability company and the member's right to receive distributions of the limited liability company's assets; (b) all rights and powers of the member to manage the business and affairs of each such subsidiary pursuant to such subsidiary's limited liability company agreement, applicable law, or otherwise; and (c) the right of the member to become or to exercise any rights or powers of a member in such limited liability company), beneficial interests in a trust or other equity ownership interests in a person of whatever nature, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"Loan Agreement" shall mean that certain Loan and Trust Agreement dated as of November 1, 2010 (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules thereto), between Debtor and Secured Party.

"Loan Documents" shall have the meaning set forth in the Loan Agreement.

SCHEDULE I

Existing and Pending Trademarks

The following existing and pending trademarks are owned by Debtor:

COUNTRY	SERIAL / REGISTRATION NO	FILING / REGISTRATION DATE	MARK

SCHEDULE 2

Existing and Pending Patents

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

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

SCHEDULE 3

Existing and Pending Copyrights

The following existing and pending copyrights are owned by Debtor:

REGISTRATION NO	TITLE	REGISTRATION DATE
	Project Mercury	
	Project Copernicus	

EXHIBIT C

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, LLC ("Borrower"), and Rhode Island Economic Development Corporation ("Secured Party").

RECITALS

WHEREAS, pursuant to that certain Loan and Trust Agreement dated as of October 1, 2010 (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules thereto, the "Loan Agreement"), between Borrower and Secured Party, Secured Party is willing to make a term loan available to Borrower on the terms and conditions set forth therein;

WHEREAS, Secured Party is willing to make a term loan available to Borrower on the terms and conditions set forth in the Loan Agreement, but only upon the condition, among others, that Borrower shall have executed and delivered to Secured Party, that certain 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, Borrower 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, Borrower 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. Borrower hereby grants to Secured Party a continuing first priority security interest (subject to Permitted Liens) in all of Borrower'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 Borrower 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. Borrower 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 Borrower 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. Borrower 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, Borrower has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BORROWER:

38 STUDIOS, LLC

By: _____
Name:
Title:

SECURED PARTY:

**RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Name:
Title:

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

EXHIBIT D

TRADEMARK SECURITY AGREEMENT

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

RECITALS

WHEREAS, pursuant to that certain Loan and Trust Agreement dated as of October 1, 2010 (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules thereto, the "Loan Agreement"), between Borrower and Secured Party, Secured Party is willing to make a term loan available to Borrower on the terms and conditions set forth therein;

WHEREAS, Secured Party is willing to make a term loan available to Borrower on the terms and conditions set forth in the Loan Agreement, but only upon the condition, among others, that Borrower shall have executed and delivered to Secured Party, that certain 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, Borrower is required to execute and deliver to Secured Party, this Trademark 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, Borrower 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 TRADEMARK COLLATERAL.** Borrower hereby grants to Secured Party a continuing first priority security interest (subject to Permitted Liens) in all of Borrower's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):
 - (a) all of its Trademarks, including, without limitation, those registered and applied-for trademarks, terms, designs and applications described in Schedule T attached hereto and made a part hereof, and licenses relating to Trademarks 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;

(d) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each license relating to Trademarks; and

(e) all products and proceeds of the foregoing, including, any claim by Borrower against third parties for past, present or future (i) infringement or dilution of any Trademark or any license relating to Trademarks or (ii) injury to the goodwill associated with any Trademark or any license relating to Trademarks.

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

4. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Secured Party pursuant to the Security Agreement. Borrower hereby acknowledges and affirms that the rights and remedies of Secured Party with respect to the security interest in the Trademark 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 Borrower shall obtain rights to any new trademarks, the provisions of this Trademark Security Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Secured Party with respect to any such new trademarks or renewal or extension of any trademark registration as provided in the Security Agreement.

6. COUNTERPARTS. This Trademark 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 Trademark 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, Borrower has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BORROWER:

38 STUDIOS, LLC

By: _____

Name:

Title:

SECURED PARTY:

**RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION**

By: _____

Name:

Title:

SCHEDULE T

Existing and Pending Trademarks

The following existing and pending trademarks are owned by Borrower:

COUNTRY	SERIAL / REGISTRATION NO	FILING / REGISTRATION DATE	MARK

EXHIBIT E

COPYRIGHT MORTGAGE AND ASSIGNMENT

("PROJECT MERCURY" AND "PROJECT COPERNICUS")

This COPYRIGHT MORTGAGE AND ASSIGNMENT (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules hereto, this "Copyright Mortgage and Assignment") is made as of November 1, 2010, between 38 Studios, Inc. ("Mortgagor"), and Rhode Island Economic Development Corporation ("Mortgagee").

RECITALS

WHEREAS, pursuant to that certain Loan and Trust Agreement dated as of November 1, 2010 (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules thereto, the "Loan Agreement"), between Mortgagor and Mortgagee, Mortgagee is willing to make a term loan available to Mortgagor on the terms and conditions set forth therein;

WHEREAS, Mortgagee is willing to make a term loan available to Mortgagor on the terms and conditions set forth in the Loan Agreement, but only upon the condition, among others, that Mortgagor shall have executed and delivered to Mortgagee, that certain 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, Mortgagor is required to execute and deliver to Mortgagee, this Copyright Mortgage and Assignment (all capitalized terms used but not otherwise defined herein have the meanings given to them in the 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, Mortgagor hereby agrees as follows:

1. Mortgagor hereby mortgages, assigns, transfers, sets over, conveys, grants and delivers to Mortgagee, as security for all of Mortgagor's obligations under the Loan and Trust Agreement, a security interest, copyright mortgage and lien in and to all of Mortgagor's right, title and interest in and to the collateral described on Exhibit A attached hereto and incorporated herein by this reference, wherever located, whether now in existence or hereafter created, and whether now owned or hereafter acquired (such collateral is collectively referred to herein as the "Collateral").
2. Mortgagor agrees that if any Person shall do or perform any acts which Mortgagee believes to constitute a copyright infringement of the Collateral or constitute a plagiarism, or violate or infringe any rights of any Mortgagor or Mortgagee therein, or if any Person shall do or perform any acts which Mortgagee believes to constitute an unauthorized or unlawful distribution, exhibition, or use of the Collateral or any rights therein, then and in any such event, Mortgagee may and shall have the right to take such steps and institute such suits or proceedings as Mortgagee may deem advisable or necessary to prevent such acts and conduct and to secure

damages and other relief by reason thereof, and to generally take such steps as may be advisable or necessary or proper for the full protection of the rights of the parties. Mortgagee may take such steps or institute such suits or proceedings in its own name or in the name of Mortgagor or in the names of Mortgagee and Mortgagor jointly.

3. In order to effectuate the rights described in the foregoing paragraph, Mortgagor hereby irrevocably constitutes and appoints Mortgagee its lawful attorney-in-fact to do all acts and things permitted or contemplated by the terms hereof. Without limiting the generality of the foregoing, the aforesaid conveyance and assignment includes with respect to the rights granted all prior choses-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

4. This Copyright Mortgage and Assignment shall be governed by, and construed in accordance with, the laws of the State of Rhode Island, excluding (to the fullest extent a Rhode Island court would permit) any rule of law that would cause application of the laws of any jurisdiction other than the State of Rhode Island.

5. The security interests granted pursuant to this Copyright Mortgage and Assignment are granted in conjunction with the security interests granted to Mortgagee pursuant to the Security Agreement. Mortgagor hereby acknowledges and affirms that the rights and remedies of Mortgagee with respect to the security interest in the 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.

6. Mortgagor shall give Mortgagee prompt notice in writing of any additional United States copyright registrations or applications therefor after the date hereof.

IN WITNESS WHEREOF, Mortgagor has caused this Copyright Mortgage and Assignment to be executed and delivered by its duly authorized officer as of the date first set forth above.

MORTGAGOR:

38 STUDIOS, LLC

By: _____

Name:

Title:

Acknowledgment of Individual

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In _____, in said County on the _____ day of _____

_____, before me personally appeared _____, each and all to me known, and know by me to be the party(ies) executing the foregoing instrument; and _____ acknowledged said instrument, by him/her/they executed, to be his/her/their free act and deed.

Notary Public

Printed Name: _____

My Commission Expires:

EXHIBIT A

COLLATERAL

The "Collateral" is all of the following, wherever located, whether now in existence or hereafter created, and whether now owned or hereafter acquired:

1. All of Mortgagor's Equity Interests in [REDACTED] 38 Studios Baltimore, LLC, Mercury Project, LLC and all other subsidiaries, including, without limitation, all Certificates representing or evidencing the same, any and all proceeds and products of any of the foregoing, and any and all collections, dividends (whether in cash, stock or otherwise), distributions, redemption payments, liquidation payments, interest or premiums with respect to any of the foregoing.

2. All of Mortgagor's present and future right, title and interest, in or to any property or assets whatsoever, whether now or hereafter acquired and wherever the same may from time to time be located, and all rights and powers of Mortgagor, to transfer any interest in or to any property or assets whatsoever, including, without limitation, any and all of the following property:

- a) All present and future accounts, accounts receivable, agreements, contracts, leases, contract rights, payment intangibles, rights to payment, instruments, documents, chattel paper (whether tangible or electronic), promissory notes, security agreements, guaranties, letters of credit, letter-of-credit rights, undertakings, surety bonds, insurance policies (whether or not required by the terms of the Loan Documents), notes and drafts, and all forms of obligations owing to Mortgagor or in which Mortgagor may have any interest, however created or arising and whether or not earned by performance;
- b) All present and future general intangibles, all tax refunds and credits of every kind and nature to which Mortgagor now or hereafter may become entitled, however arising, all other refunds, and all deposits, credits, reserves, loans, royalties, cost savings, deferred payments, goodwill, choses in action, liquidated damages, rights to indemnification, trade secrets, computer programs, software, customer and supplier lists, licenses, permits, copyrights, technology, processes, proprietary information, insurance proceeds of which Mortgagor is a beneficiary; all present and future: (i) trademarks, trade names, trade styles, service marks, all prints and labels on which said trademarks, trade names, trade styles and service marks appear, have appeared, or will appear, and all designs and general intangibles of a like nature, all applications, registrations, and recordings relating to the foregoing in the United States Patent and Trademark Office ("USPTO") or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those registered and applied-for trademarks, terms, designs and applications described in Schedule 1 attached hereto and made a part hereof (the "Trademarks"), and (ii) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks (that portion of the Collateral

described in the foregoing clauses (i) and (ii) is referred to herein as the "Trademark Collateral"); and all present and future: patents, whether foreign or domestic, applications, registrations, and recordings relating to such patents in the USPTO or in any similar office or agency of the United States of America, any state thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including, without limitation, those patents and applications, registrations and recordings described in Schedule 2 attached hereto and made a part hereof (the "Patents"); and all present and future: copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications, whether foreign or domestic, and United States, state and international registrations of the foregoing, and all reissues, extensions and renewals of the foregoing, including, without limitation, those listed on Schedule 3 attached hereto and made a part hereof (the "Copyrights"), together with all income, royalties, damages and payments now or hereafter due and/or payable with respect to the foregoing; the right to sue for past, present and future infringements of rights in copyrights, all goodwill of Mortgagor related thereto, and any and all proceeds of any of the foregoing, including, but not limited to, any and all proceeds of licensing thereof (the "Copyright Collateral"; and collectively with the Trademark Collateral and the Patents, the "IP Collateral");

- c) All present and future deposit accounts of Mortgagor, including, without limitation, any demand, time, savings, passbook or like account maintained by Mortgagor with any bank, savings and loan association, credit union or like organization, and all money, cash and cash equivalents of Mortgagor, whether or not deposited in any such deposit account other than and excluding the collection account with respect to the video game project currently entitled "Project Mercury" held in the name of Mercury Project, LLC at City National Bank;
- d) All present and future books and records, including, without limitation, books of account and ledgers of every kind and nature, all electronically recorded data relating to Mortgagor or the business thereof, all receptacles and containers for such records, and all files and correspondence;
- e) All present and future goods, including, without limitation, all consumer goods, farm products, inventory, equipment, catalogs, machinery, tools, molds, dies, furniture, furnishings, fixtures, trade fixtures, motor vehicles and all other goods used in connection with or in the conduct of Mortgagor's business, including all goods as defined in Section 6A-9-102(44) of the UCC;
- f) All present and future inventory and merchandise, including, without limitation, all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work in process and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing;
- g) All present and future stocks, bonds, debentures, securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodity

contracts, commodity accounts, subscription rights, options, warrants, puts, calls, certificates, investment property, partnership interests, limited liability company membership or other interests, joint venture interests, certificates of deposit, investments and/or brokerage accounts, including all Pledged Collateral, and all rights, preferences, privileges, dividends, distributions, redemption payments, or liquidation payments with respect thereto;

- h) All present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;
- i) All other present and future tangible and intangible property of Mortgagor;
- j) All present and future rights, remedies, powers and/or privileges of Mortgagor with respect to any of the foregoing, including the right to make claims thereunder or with respect thereto; and
- k) Any and all proceeds and products of any of the foregoing, including, without limitation, all money, accounts, payment intangibles, general intangibles, deposit accounts, promissory notes, documents, instruments, certificates of deposit, chattel paper, goods, insurance proceeds, claims by Mortgagor against third parties for past, present and future infringement of the IP Collateral or any license with respect thereto, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

3. All of Mortgagor's right, title and interest in or to any projects whatsoever, whether now or hereafter acquired, including without limitation those certain video game projects currently entitled "Project Mercury" and "Project Copernicus" (the "Projects") and all rights therein and thereto, and all properties and things of value pertaining thereto, together with all of the following:

(a) all rights of every kind and nature (including, without limitation, copyrights) in and to and/or relating to the literary, musical, dramatic and/or other material upon which, in whole or in part, the Projects have been, is or may be based, or which have been, is or may be used or included in the Projects, including, without limitation, the underlying rights to the outline description and technical specifications, all preliminary and final scripts, scenarios, screenplays, bibles, stories, treatments, novels, outlines, books, titles, concepts, manuscripts, comics, novellas, trading cards, collectible card games, pen and paper games, web logs and other properties or materials of any kind or nature, in whatever state of completion and all drafts, versions and variations thereof and all source code, object code, data and databases forming part or all of the Projects, and all rights pursuant to any and all documents pursuant to which Mortgagor secured any right, title or interest in and to any of the foregoing (collectively the "Literary Property");

(b) all materials and items prepared in connection with the pre-production of the Projects, including the following: budgets, production schedules, research, patches, content updates, expansions, game tools and game engines, and all other tangible and intangible materials prepared during pre-production, production and/or following the release of the Projects (collectively, the "Development Items");

(c) all tangible personal property and physical properties of every kind or nature whatsoever of or relating to the Projects (including, without limitation, (A) all digital footage, trailers, soundtracks, music and effects tracks, video masters, video and audio recordings and programming code (collectively, the "Physical Elements"), and (B) copies of all (1) synchronization licenses, (2) composers agreements, (3) contracts relating to the acquisition and production of the Projects, (4) still photographs and artwork, (5) press books, (6) story synopses, (7) credit requirements lists, (8) posters, (9) advertising, (10) publicity materials, (11) designs, (12) drawings, (13) special effects, (14) gold masters, (15) game tools and game engines and all licenses in connection with the same, (16) soundtracks, (17) recordings, (18) audio and video tapes and discs of all types and gauges, (19) strategy guides, and all versions thereof (including, without limitation, all foreign language versions) and all of Mortgagor's rights of access to and use of the foregoing (collectively and together with the Physical Elements, the "Physical Properties");

(d) all rights (including, without limitation, all video game production rights) in and to any and all lyrics, music and musical compositions created for, used in or to be used in connection with the Projects, including, without limitation, all copyrights therein, and further including, without limitation, all rights to perform, copy, record, rerecord, produce, reproduce and/or synchronize all of said lyrics, music and musical compositions in and in connection with video game and other productions (collectively, the "Music Rights");

(e) all collateral, allied, ancillary, subsidiary, merchandising and publishing rights of every kind and nature, including without limitation, derived from, appurtenant to or related to the Projects or the Literary Property, including, without limitation, all production, exploitation, software, off-shoot mini-games, ports, expansion packs, SKUS, reissue, remake, sequel, serial or series production rights by use of film, tape, online, digital, recording devices or any other interactive media now known or hereafter conceived, devised, created or developed, whether based upon, derived from or inspired by the Projects, the Literary Property or any part thereof, all rights to use, exploit and license others to use or exploit any and all novelization, publishing, development, distribution, commercial tie-ups and merchandising rights of every kind and nature, including, without limitation, all novelization, publishing, development, distribution, merchandising rights and commercial tie-ups arising out of or connected with or inspired by the Projects or the Literary Property, the title or titles of the Projects, the characters appearing in the Projects or the Literary Property or the names or characteristics of such characters, and including further, without limitation, any and all commercial exploitation in connection with or related to the Projects or the Literary Property and all remakes of, prequels or sequels to the Projects or the Literary Property;

(f) all rights of every kind or nature, present and future, in and to all agreements and understandings (whether or not evidenced in writing) relating to the Projects, and the development, production, completion, delivery and exploitation of the Projects, including, without limitation, all agreements for personal services, including the services of writers, artists, programmers, developers, producers, special effects personnel, personnel, animators, cameramen and other creative, artistic and technical staff, and agreements for the use of studio space, equipment, facilities, locations, animation services, special effects services, source code escrow contracts and laboratory contracts, and any and all rights derived therefrom or relating thereto;

(g) all insurance and insurance policies heretofore, now or hereafter obtained in connection with the Projects, the Physical Properties or the insurable properties thereof or in connection with any Person or Persons engaged in the development, production, publishing, completion, delivery or exploitation of the Projects, and the proceeds of all of the foregoing;

(h) all statutory and common-law copyrights, domestic and foreign, and all renewals and extensions of any such copyrights, and all rights and interests in such copyrights, renewals and extensions, obtained or to be obtained on the Projects, the Literary Property and/or the Music Rights, together with any and all copyrights, domestic and foreign, and all renewals and extensions of any such copyrights, and all rights and interests in such copyrights, renewals and extensions, obtained or to be obtained in connection with the Projects or any underlying or component elements of the Projects, including, without limitation, the Literary Property and the Music Rights, together with the right to copyright and all rights to renew or extend such copyrights and the right (but not the obligation) to sue in the name of Mortgagor, or in Mortgagee's name, for past, present and future infringements of copyright, upon the Projects, and/or the Literary Property and/or the Music Rights and/or any part thereof;

(i) all rights to produce, publish, acquire, finance, release, sell, distribute, subdistribute, lease, market, license, exhibit, broadcast, reproduce, publicize, perform, copy, communicate, record, re-record, synchronize, transmit and/or otherwise exploit the Projects, the Literary Property, the Music Rights, the Physical Properties, the Development Items and any and all rights therein, in perpetuity, without limitation, in any manner and in any media whatsoever throughout the universe, including, without limitation, on any wired or wireless, gaming or non-gaming, audio, visual or audio-visual interactive platform including Sony Playstation and Microsoft Xbox (and the future and successor generations of those interactive platforms), PC and mobile telephony device and by internet, projection, radio, all forms of television (including, without limitation, free, pay, toll, cable, sustaining, subscription, sponsored and direct satellite broadcast), in theaters, non-theatrically, on all platforms, on cassettes, cartridges, DVDs, discs and other similar and dissimilar video devices, and by any and all other scientific, mechanical or electronic means, methods, processes or devices now known or hereafter conceived, devised, created or developed;

(j) all rights under contract or any other commitment or agreement which grant to any Person (including, without limitation, all rights under contract or any other commitment or agreement which grant to Mortgagee) any right to develop, produce, publish, acquire, finance, release, sell, distribute, subdistribute or otherwise exploit the Projects or any rights in or to the Projects, and all accounts and general intangibles arising out of the exploitation of the Projects or otherwise associated with or relating to the Projects, including, without limitation, all rights to receive any sums payable under any such contract, commitment, agreement, accounts or general intangibles; and

(k) all rent, revenues, income, compensation, products, increases, proceeds and profits or other property obtained or to be obtained from the production, sale, distribution, marketing, licensing, exhibition, reproduction, publication, ownership, exploitation or other uses or disposition of the Projects and the Literary Property (or any rights therein or part thereof), in any and all media, including, without limitation, the properties thereof and of any collateral, allied, ancillary and subsidiary rights and any and all merchandising and publishing rights therein and thereto, and amounts recovered as damages by reason of unfair competition, copyright

infringement, breach of any contract or infringement of any rights, or derived therefrom in any manner whatsoever.

4. The following personal property, whether now owned or hereafter acquired, (i) all of Mortgagor's rights in and to the title of the Projects, and the exclusive use thereof, including, without limitation, any and all rights protected pursuant to trademark, service mark, unfair competition or other laws, rules or principles of law or equity and (ii) all of Mortgagor's rights in and to any and all inventions, processes, code, formulae, licenses, patents, patent rights, trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, logos, indicia, corporate and company names, business source or business identifiers and renewals and extensions thereof, domestic and foreign, relating to the Projects, and the accompanying goodwill and other like business property rights, and the right (but not the obligation) to register claims under trademark or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in Mortgagor's name or in Mortgagee's name for past, present or future infringement of trademark or patent.

5. All of Mortgagor's right, title and interest in and to the underlying property that Mortgagor has or may acquire in the future to the extent necessary to develop, produce and distribute the Projects, including, without limitation, any and all licenses (including the Underlying Property License) from wholly owned subsidiaries of Mortgagor in any underlying property from in connection with development, production and exploitation of the Projects, and the Development Items.

6. All of Mortgagor's cash and cash equivalents, and all drafts, checks, certificates of deposit, notes, bills of exchange and other writings which evidence a right to the payment of money and are not themselves security agreements or leases and are of a type which in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment whether now owned or hereafter acquired.

7. All machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, computers, memory devices, implements and other tangible personal property of every kind and description, whether now owned or hereafter acquired, (including, without limitation, all wardrobe, props, mikes, scenery, sound stages, movable, permanent or vehicular dressing rooms, sets, lighting equipment, cameras and other photographic, sound recording and editing equipment, projectors, film developing equipment and machinery) and all goods of like kind or type hereafter acquired, and all additions and accessions thereto (collectively the "Equipment") and all rents, proceeds and products of the Equipment, including, without limitation, the rights to insurance covering the Equipment.

8. Any and all documents, receipts or books and records, including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee with respect to any of the Collateral described in Sections 2 through 7 hereof and Section 9 hereof.

9. Any security interest, copyright mortgage, mortgage, lien, pledge, charge, encumbrance, limitation, restriction, right, claim, license, lease, sale, purchase or assignment of any kind or nature in, to, of or upon any of the foregoing.

10. All proceeds, products, rents, additions and accessions (including, without limitation, insurance proceeds) of the Collateral described in Sections 2 through 9 hereof.

Definitions

"Certificates" shall mean all certificates, instruments or other documents now or hereafter representing or evidencing any Equity Interests.

"Equity Interests" shall mean shares of capital stock, partnership interests, membership interests in limited liability companies (including without limitation: (a) the right of the member to a share of the profits and losses of such limited liability company and the member's right to receive distributions of the limited liability company's assets; (b) all rights and powers of the member to manage the business and affairs of each such subsidiary pursuant to such subsidiary's limited liability company agreement, applicable law, or otherwise; and (c) the right of the member to become or to exercise any rights or powers of a member in such limited liability company), beneficial interests in a trust or other equity ownership interests in a person of whatever nature, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"Loan Documents" shall have the meaning set forth in the Loan Agreement.

"Underlying Property License" means that certain Short Form Underlying Intellectual Property License from [REDACTED] to Mortgagor dated as of October 4, 2010 relating to the universe of the entertainment property known as [REDACTED] in connection with the development and production of Project Copernicus, which Short Form Underlying Intellectual Property License has been recorded in the US Copyright Office at Volume [] Document [] on [].

SCHEDULE I
TO
COPYRIGHT MORTGAGE AND ASSIGNMENT

Existing and Pending Trademarks

The following existing and pending trademarks are owned by Mortgagor:

COUNTRY	SERIAL / REGISTRATION NO.	FILING / REGISTRATION DATE	MARK

SCHEDULE 2
TO
COPYRIGHT MORTGAGE AND ASSIGNMENT

Existing and Pending Patents

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

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

SCHEDULE 3
TO
COPYRIGHT MORTGAGE AND ASSIGNMENT

Existing and Pending Copyrights

The following existing and pending copyrights are owned by Mortgagor:

REGISTRATION NO.	TITLE	REGISTRATION DATE
	Project Copernicus	
	Project Mercury	