

PATENT ASSIGNMENT

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| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY AGREEMENT |
| CONVEYING PARTY DATA | |
| Name | Execution Date |
| Mediaport Entertainment, Inc. | 04/03/2013 |
| RECEIVING PARTY DATA | |
| Name: | Red Touch Media, South Africa Pty. |
| Street Address: | 43 Birchwood CT |
| Internal Address: | Montrose Street, Vorna Valley |
| City: | Midrand 1686 |
| State/Country: | SOUTH AFRICA |
| PROPERTY NUMBERS Total: 14 | |
| Property Type | Number |
| Application Number: | 11344917 |
| Application Number: | 11397050 |
| Application Number: | 11397292 |
| Application Number: | 11455458 |
| Application Number: | 11773540 |
| Application Number: | 12101742 |
| Application Number: | 12136338 |
| Application Number: | 12142287 |
| Application Number: | 12168109 |
| Application Number: | 12172572 |
| Application Number: | 12188396 |
| Application Number: | 12350127 |
| Application Number: | 12608725 |
| Application Number: | 29250681 |
| CORRESPONDENCE DATA | |

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PATENT
 REEL: 030165 FRAME: 0672

OP \$560.00 11344917

Fax Number: 8014476890

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 801-447-6860

Email: Kristie@redtouchmedia.com

Correspondent Name: Kristie Parker

Address Line 1: 5225 Wiley Post Way, Suite 150

Address Line 4: Salt Lake City, UTAH 84116

NAME OF SUBMITTER:

Kristie M. Parker

Signature:

/Kristie M. Parker/

Date:

04/08/2013

This document serves as an Oath/Declaration (37 CFR 1.63).

Total Attachments: 14

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of April 3, 2013 (as amended, modified or otherwise supplemented from time to time, this "*Agreement*") is executed by and between Mediaport Entertainment, Inc., a Delaware corporation (the "*Debtor*") and Red Touch Media, a South African company registered as a (PTY) Limited in the Republic of South Africa (the "*Secured Party*").

RECITALS

WHEREAS, the Debtor has issued to the Secured Party a Secured Promissory Note in the principal amount of \$2,419,766.06 and will issue the Secured Party a series of secured promissory notes up to a maximum aggregate principal amount of \$3,000,000 (collectively, the "*Notes*"); and

WHEREAS, in order to induce the Secured Party to extend the credit evidenced by the Notes, the Debtor has agreed to enter into this Agreement and to grant the Secured Party the security interest in the Collateral described below.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Debtor hereby agrees with the Secured Party as follows:

1. Definitions and Interpretation. When used in this Agreement, the following terms have the following respective meanings:

"*Lien*" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including, without limitation, the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the Uniform Commercial Code or comparable law of any jurisdiction; *provided, however*, that Lien shall not be deemed to include any Permitted Liens (as defined herein).

"*Obligations*" shall mean the Notes issued by the Debtor and all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Debtor under the Notes to the Secured Party of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Debtor hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

"*Obligor*" shall mean the Debtor and each and every other maker, endorser, guarantor or surety of or for the obligations of the Debtor under the Notes, and any other party granting a security interest or other Lien or encumbrance on any of its property to secure the obligations under the Notes.

"*Permitted Liens*" shall mean (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established or Liens for delinquent tax obligations as of the date hereof; (b) Liens in respect of property or assets imposed by law which were incurred in the ordinary course of business, such as carriers', warehousemen's, materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings; (c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, and mechanic's Liens, carrier's Liens and other Liens to secure the performance of tenders, statutory obligations, contract bids, government contracts, performance and return of money bonds and other similar obligations, incurred in the ordinary course of business, whether pursuant to statutory requirements, common law or consensual arrangements; (d) Liens in favor of the Secured Party; (e) Liens upon any equipment acquired or held by the Debtor or any of its Subsidiaries to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, so long as such Lien extends only to the equipment financed, and any accessions, replacements, substitutions and proceeds (including insurance proceeds) thereof or thereto; (f) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default (as defined in the Notes) under the Notes; (g) Liens which constitute rights of setoff of a customary nature or banker's liens, whether arising by law or by contract; (h) Liens arising from indebtedness contemplated by Section 8(d); (i) leases or subleases and licenses or sublicenses granted in the ordinary course of the Debtor's business; or G) Liens in existence as of the date hereof or Liens arising from circumstances or indebtedness in existence on the date hereof.

"*Patents*" as used herein the term includes all Pending Patents, Provisional Patents and Prior Art.

"*Person*" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"*UCC*" means the Uniform Commercial Code as In effect In the State of Delaware from time to time.

Unless otherwise defined herein, all terms defined in the UCC have the respective meanings given to those terms in the UCC.

2. Grant of Security Interest. As security for the Obligations, the Debtor hereby pledges to the Secured Party, and grants to the Secured Party, a security interest in all right, title and interest of the Debtor in and to the property described in Attachment 1 hereto, whether now

existing or hereafter from time to time acquired (collectively, the "*Collateral*"). Notwithstanding the foregoing, the security interest granted herein shall not extend to and the term "*Collateral*" shall not include any equipment or other property financed by a third party, provided that such third party's Liens are Liens of the type described in clause (e) of the definition of Permitted Liens. Furthermore, the term "*Collateral*" shall not include any property, rights or licenses to the extent the granting of a security interest therein would be contrary to applicable law or is prohibited by or would constitute a default under any agreement or document governing such property, rights or licenses (but only to the extent such prohibition is enforceable under applicable law).

3. General Representations and Warranties. The Debtor represents and warrants to the Secured party that:

(a) The Debtor is the owner or authorized user of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the owner or authorized user thereof) and that no other Person has (or, in the case of after-acquired Collateral, at the time the Debtor acquires rights therein, will have) any right, title, claim or interest (by way of Liens or otherwise) in, against or to the Collateral, other than Permitted Liens;

(b) Upon the filing of UCC-1 financing statement in the appropriate filing office, the Secured Party has (or, in the case of after-acquired Collateral, at the time the Debtor acquires rights therein, will have) a perfected security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, except for Permitted Liens;

(c) All accounts receivable and payment intangibles are genuine and enforceable against the party obligated to pay the same (it being understood that this representation is not a guarantee of collectability); and

(d) The originals of all documents evidencing all accounts receivable and payment intangibles of the Debtor and the only original books of account and records of the Debtor relating thereto are, and will continue to be, kept at the chief executive office of the Debtor or at such other locations as the Debtor may establish in accordance with this Agreement.

4. Representations and Warranties Regarding Intellectual Property. The Debtor represents and warrants to the Secured Party that:

(a) Listed on Attachment II hereto is an accurate and complete list of all trademarks, patents, and copyrights owned by the Debtor and any pending trademark, patent or copyright applications of the Debtor;

(b) The Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to its trademarks, and the goods and services covered by the registrations thereof and, to the extent registered, such registrations are valid and enforceable and in full force and effect;

(c) The Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to each of its patents and the registrations thereof are valid and

enforceable and in full force and effect;

(d) The Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to each of its copyrights and according to the records of the Copyright Office, each of said copyrights is valid and enforceable and in full force and effect;

(e) The Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to its mask works and according to the records of the Copyright Office, each of said mask works is valid and enforceable and in full force and effect;

(f) To Debtor's knowledge after due inquiry, there is no claim by any third party that any patents, trademarks, copyrights or mask works are invalid and unenforceable or do or may violate the rights of any Person;

(g) The Debtor has obtained from each employee who may be considered the inventor of patentable inventions (invented within the scope of such employee's employment) an assignment to the Debtor of all rights to such inventions, including patents; and

(h) The Debtor has taken all steps that a reasonably prudent, similarly situated debtor would take to protect the secrecy and the validity under applicable law of all material trade secrets.

5. Covenants Relating to Collateral. The Debtor hereby agrees:

(a) to perform all commercially reasonable acts that may be necessary to maintain, preserve, protect and perfect the Collateral, the Liens granted to the Secured Party therein and the perfection and priority of such Liens, except for Permitted Liens; *provided, however*, Debtor's obligation with respect to intellectual property shall be subject to Section 6 and that Debtor shall not otherwise be required to register any patents, copyrights or trademarks;

(b) not to use or permit any Collateral to be used (i) in violation in any material respect of any applicable law, rule or regulation, or (ii) in violation of any policy of insurance covering the Collateral;

(c) not to keep Collateral consisting of (i) chattel paper at any location other than its chief executive office set forth in item 1 of Attachment III hereto, or (ii) equipment or inventory at any location other than the locations set forth in item 2 of Attachment III hereto;

(d) to pay promptly when due all taxes and other governmental charges (subject to any consensual compromises or settlements with the relevant governmental or taxing authority), all Liens and all other charges now or hereafter imposed upon or affecting any Collateral, other than Liens for delinquent taxes outstanding as of the date hereof;

(e) (i) to promptly, but in any event within 5 business days, provide written notice of any change in the Debtor's name or place of business (or, if the Debtor has more than one place of business, its chief executive office), or the office in which the Debtor's records relating to accounts receivable and payment intangibles are kept, and (ii) without the prior written consent of the Secured Party, not to change the Debtor's state of incorporation;

(f) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings reasonably deemed necessary or appropriate by any Secured Party to perfect, maintain and protect the Liens hereunder and the priority thereof and to deliver promptly upon the request of a Secured Party all originals of Collateral consisting of instruments;

(g) to appear in and use all efforts that a reasonably prudent, similarly situated debtor would take to defend any action or proceeding which may affect its title to or the Secured Party's interest in the Collateral;

(h) if the Secured Party gives value to enable the Debtor to acquire rights in or the use of any Collateral, to use such value for such purpose;

(i) to keep accurate and complete schedules of the Collateral and to provide the Secured Party with such records and such other reports and information relating to the Collateral as the Secured Party may reasonably request from time to time;

(j) not to surrender or lose possession of (other than to the Secured Party), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein, and to keep the Collateral free of all Liens except Permitted Liens; *provided* that the Debtor may sell, lease, transfer, license or otherwise dispose of any of the Collateral in the ordinary course of business consisting of (i) the sale of inventory, (ii) sales of worn-out or obsolete equipment, (iii) non-exclusive licenses and similar arrangements for the use of the property of the Debtor and (iv) escrows of software or other intellectual property entered into by the Debtor in the ordinary course of Debtor's business or to the extent that such sale, lease, transfer, license or disposition would not have a material adverse effect on the financial condition, properties or business of the Debtor;

(k) if requested by the Secured Party, to type, print or stamp conspicuously on the face of all original copies of all Collateral consisting of chattel paper a legend satisfactory to the Secured Party indicating that such chattel paper is subject to the security interest granted hereby;

(l) to use its commercially reasonable efforts, applying sound business practice and judgment to collect, enforce and receive delivery of the accounts receivable and payment intangibles in accordance with past practice until otherwise notified by the Secured Party;

(m) to comply with all material requirements of law relating to the possession, operation, maintenance and control of the Collateral (including the Fair Labor Standards Act); and (n) to permit the Secured Party and its representatives the right, at any time during normal business hours, upon reasonable prior notice, to visit and inspect the properties of the Debtor and its corporate, financial and operating records, and make abstracts therefrom, and to discuss the Debtor's affairs, finances and accounts with its directors, officers and independent public accountants.

6. Covenants Regarding Intellectual Property. The Debtor hereby agrees that:

(a) The Debtor will perform all acts and execute all documents, including, upon the

request of the Secured Party, notices of security interest for each relevant type of intellectual property in forms suitable for filing with the Patent and Trademark Office or the Copyright Office, that may be necessary or desirable to record, maintain, preserve, protect and perfect the Secured Party's interest in the Collateral, the Lien granted to the Secured Party in the Collateral and the first priority of such Lien;

(b) Except to the extent that the Secured Party gives prior written consent, which consent shall not be unreasonably withheld:

(i) The Debtor (either itself or through licensees) will continue to use its material trademarks in connection with each and every trademark class of goods or services applicable to its current line of products or services as reflected in its current catalogs, brochures, price lists or similar materials in order to maintain such trademarks in full force and effect free from any claim of abandonment for nonuse, and the Debtor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any material trademark may become invalidated;

(ii) The Debtor will not do any act or omit to do any act whereby any material patent registrations may become abandoned or dedicated to the public domain or the remedies available against any material potential infringers could reasonably be expected to be weakened and shall notify the Secured Party immediately if it knows of any reason or has any reason to know that any material patent registration may become abandoned or dedicated; and

(iii) If the Debtor determines that any material copyrights or mask works may become abandoned or dedicated to the public domain or the remedies available against material potential infringers could reasonably be expected to be weakened and the Debtor shall notify the Secured Party immediately and, in connection therewith, the Debtor shall use commercially reasonable efforts to assign to the Secured Party for no consideration any such material copyright or mask work that has been abandoned or dedicated to the public domain.

(c) The Debtor will promptly (and in any event within twenty (20) days) notify the Secured Party upon the filing, either by the Debtor or through any agent, employee, licensee or designee, of (i) an application for the registration of any patent or trademark, with the Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, (ii) any assignment of any patent or trademark, which the Debtor may acquire from a third party, with the Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, or (iii) any assignment of any copyright or mask work, which the Debtor may acquire from a third party, with the Copyright Office or any similar office or agency in any other country or any political subdivision thereof. Upon the request of a Secured Party, the Debtor shall execute and deliver any and all agreements, instruments, documents and papers as such Secured Party may request to evidence their security interest in such patent, trademark (and the goodwill and general intangibles of the Debtor relating thereto or represented thereby), copyright or mask work, and the Debtor authorizes the Secured Party to amend an original counterpart of the applicable notice of security interest executed pursuant to Section 6(a) of this Agreement without first obtaining the Debtor's approval of or signature to such amendment and to record such document with the Patent and Trademark Office or Copyright Office, as applicable;

(d) While any Obligations remain outstanding, each one (1) month cycle, the Debtor shall register or cause to be registered with the United States Copyright Office any copyright registrations with respect to any proprietary software of the Debtor or any other property that is subject to registration with the United States Copyright Office;

(e) The Debtor will take all commercially reasonable necessary steps in any proceeding before the Patent and Trademark Office, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to diligently prosecute or maintain, as applicable, each application and registration of the patents, trademarks, copyrights and mask works, including filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted hereunder);

(f) The Debtor shall (i) use proper statutory notice in connection with its use of the patents, trademarks, copyrights and mask works, (ii) maintain consistent standards of quality in its manufacture of products sold under the trademarks or provision of services in connection with the trademarks, and (iii) take all efforts that a reasonably prudent, similarly situated debtor would take to protect the secrecy and the validity under applicable law of all material trade secrets;

(g) The Debtor agrees that if it learns of any use by any Person of any term or design likely to cause material confusion with any trademark, the Debtor shall notify the Secured Party within ten (10) days of the Debtor becoming aware of such use and of all steps taken and to be taken to remedy any infringement of any trademark; provided that, for avoidance of doubt, the Debtor may postpone for a reasonable period of time the steps to be take to remedy such infringement if the Person involved is a customer of the Debtor; and

(h) The Debtor shall seek to maintain with each employee who may have access to the trade secrets of the Debtor an agreement by which such employee agrees not to disclose such trade secrets and with each employee who may be the inventor of patentable inventions (invented within the scope of such employee's employment) an invention assignment agreement requiring such employee to assign all rights to such inventions, including patents and patent applications, to the Debtor and further requiring such employee to cooperate fully with the Debtor, its successors in interest, including the Secured Party, and their counsel, in the prosecution of any patent application or in any litigation involving the invention, whether such cooperation is required during such employee's employment with the Debtor or after the termination of such employment.

7. Authorized Action by the Secured Party. Effective upon a default under the Note (an "*Event of Default*"), the Debtor hereby irrevocably appoints the Secured Party as its attorney-in-fact (which appointment is coupled with an interest) and agrees that the Secured Party may perform (but shall not be obligated to and shall incur no liability to the Debtor or any third party for failure so to do) any act which the Debtor is obligated by this Agreement to perform, and to exercise such rights and powers as the Debtor might exercise with respect to the Collateral, including the right to:

(a) collect by legal proceedings or otherwise and endorse, receive and receipt for all

dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral;

(b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral;

(c) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral;

(d) insure, process and preserve the Collateral;

(e) pay any indebtedness of the Debtor relating to the Collateral; and

(f) file UCC financing statements and execute other documents, instruments and agreements required hereunder;

provided, however, that the Secured Party shall not exercise any such powers granted pursuant to subsections (a) through (e) prior to the occurrence of an Event of Default and shall only exercise such powers during the continuance of an Event of Default. The Debtor agrees to reimburse the Secured Party upon demand for any reasonable costs and expenses, including attorneys' fees, the Secured Party may incur while acting as the Debtor's attorney-in fact hereunder, all of which costs and expenses are included in the Obligations. It is further agreed and understood between the parties hereto that such care as the Secured Party gives to the safekeeping of its own property of like kind shall constitute reasonable care of the Collateral when in such Secured Party's possession; *provided, however,* that the Secured Party shall not be required to make any presentment, demand or protest, or give any notice and need not take any action to preserve any rights against any prior party or any other person in connection with the Obligations or with respect to the Collateral.

Nothing herein shall be intended or interpreted as a waiver of the Borrower's right to receive a "reasonable authenticated notification of disposition" under Sections 9-611 and 9-612 of the Uniform Commercial Code prior to disposition of the Collateral upon an Event of Default.

8. General Covenants of the Debtor. The Debtor hereby agrees:

(a) The Debtor shall preserve and maintain its corporate existence and all of its licenses, privileges and franchises and other rights necessary or desirable in the normal course of its business, except to the extent that the failure to preserve and maintain its corporate existence and such rights would not have a material adverse effect on the financial condition, properties or business of the Debtor. The Debtor shall qualify to do business and shall be and remain in good standing in each jurisdiction in which the nature of its business requires it to be so qualified and in which failure to be so qualified and in good standing would have a material adverse effect on the financial condition, properties or business of the Debtor.

(b) The Debtor shall comply in all material respects with all applicable laws, regulations and governmental requirements. The Debtor shall pay and discharge when due any and all federal and state income taxes, except as may be subject to good faith contest or as to which a bona fide dispute may arise.

(c) The Debtor agrees to carry on its business in the usual, prudent and ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent with such business, use all commercially reasonable efforts to preserve intact the Debtor's present business organizations, keep available the services of the Debtor's present officers and key employees and preserve the Debtor's relationships with customers, suppliers, distributors, licensors, licensees, and others having business dealings with it, all with the goal of preserving unimpaired the Debtor's good will and ongoing businesses.

(d) Until such time as all unpaid principal, and accrued and unpaid interest, has been paid pursuant to the terms of the Obligations, the Debtor will not create, incur, assume or be liable for any secured indebtedness that is senior to or *pari passu* with the indebtedness to the Secured Party under the Notes, without the prior written consent of the Secured Party, other than existing indebtedness, capital leases and trade payables incurred in the ordinary course of business.

9. Litigation and Other Proceedings.

(a) The Debtor shall have the right and obligation to commence and diligently prosecute such suits, proceedings or other actions for infringement or other damage, or reexamination or reissue proceedings, or opposition or cancellation proceedings as are reasonable to protect any of the patents, trademarks, copyrights, mask works or trade secrets. No such suit, proceeding or other actions shall be settled or voluntarily dismissed, nor shall any party be released or excused of any claims of or liability for infringement, without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld.

(b) Upon the occurrence and during the continuation of an Event of Default, the Secured Party shall have the right but not the obligation to bring suit or institute proceedings in the name of the Debtor or the Secured Party to enforce any rights in the Collateral, including any license thereunder, in which event the Debtor shall at the request of a Secured Party do any and all lawful acts and execute any and all documents reasonably required by a Secured Party in aid of such enforcement. If a Secured Party elects not to bring suit to enforce any right under the Collateral, including any license thereunder, the Debtor agrees to use all reasonable measures, whether by suit, proceeding or other action, to cause to cease any infringement of any right under the Collateral by any Person and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing necessary to prevent such infringement.

10. Default and Remedies.

(a) Default. The Debtor shall be deemed in default under this Agreement upon the occurrence and during the continuance of an Event of Default.

(b) Remedies. Upon the occurrence and continuance of any Event of Default, the Secured Party shall have the right to exercise, in its sole discretion, any and all other rights and remedies provided for herein, under the Notes, or under the Uniform Commercial Code and at law or equity generally, including, without limitation, the right to foreclose the security interests granted hereunder and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Without limiting the foregoing, the Secured Party may enter the Debtor's premises or other premises without legal process and without incurring liability to the Debtor therefore except for the Secured Party's willful misconduct or gross (not mere) negligence, and the Secured Party may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as the Secured Party may deem advisable and the Secured Party may require the Debtor to make the Collateral available to the Secured Party at a convenient place. With or without having the Collateral at the time or place of sale, the Secured Party may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Secured Party may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party shall give the Debtor reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Obligor at least five (5) days prior to such sale or sales is reasonable notification. At any public sale the Secured Party may bid for and become the purchaser, and the Secured Party or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and such right and equity are hereby expressly waived and released by the Debtor. In connection with the exercise of the foregoing remedies, the Secured Party is granted permission, without charge, to use all of Debtor's trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and other proprietary rights which are used in connection with (a) Inventory for the purpose of disposing of such Inventory and (b) equipment for the purpose of completing the manufacture of unfinished goods.

(c) Application of Collateral Proceeds. The proceeds and/or avails of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder (as well as any other amounts of any kind held by the Secured Party at the time of, or received by the Secured Party after, the occurrence of an Event of Default) shall be paid to and applied as follows:

(i) First, to the payment of costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all fees, expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party;

(ii) Second, to the payment to the Secured Party of the amount then owing or unpaid on the Notes, and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon such Notes, then the proceeds shall be applied first to accrued interest and second to outstanding principal, pro rata in proportion to the amounts owed by the Debtor to the Secured Party; and

(iii) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

11. Indemnity. Obligors agree to defend, indemnify and hold harmless the Secured Party and each of their respective partners, officers, employees, and agents against:

(a) All obligations, demands, claims and liabilities claimed or asserted by any other party (other than a Secured Party) in connection with the transactions contemplated by this Agreement; and

(b) All losses or expenses in any way suffered, or paid by them as a result of or in any way arising out of, following or consequential to transactions between the Obligors and them, whether under this Agreement or otherwise (including without limitation, reasonable attorneys fees and reasonable expenses), except in the case of any indemnitee, for losses arising from or out of such indemnitee's gross negligence or willful misconduct.

THIS INDEMNIFICATION PROVISION, EXCEPT AS EXPRESSLY PROVIDED, SHALL BE APPLICABLE WHETHER OR NOT THE LOSSES, COSTS, EXPENSES AND DAMAGES IN QUESTION AROSE SOLELY OR IN PART FROM THE ACTIVE, PASSIVE OR CONCURRENT NEGLIGENCE OF ANY SECURED PARTY OR ITS PARTNERS, OFFICERS, EMPLOYEES AND AGENTS. ALL PARTIES TO THIS AGREEMENT HEREBY ACKNOWLEDGE THAT THIS STATEMENT IS CONSPICUOUS AND PROVIDES SUFFICIENT NOTICE OF SUCH EXCULPATION.

12. Miscellaneous.

(a) Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally by hand or by courier, mailed by overnight mail, postage prepaid, sent by facsimile or sent by electronic mail directed to the address or facsimile number as the parties may designate in writing to the other party. All such notices and other communications shall be deemed given upon personal delivery, on the date of mailing, upon confirmation of facsimile transfer or upon confirmation of electronic mail delivery.

(b) Termination of Security Interest. Upon the payment in full of all Obligations, with such payment in full acknowledged by the Secured Party in writing, the security interest granted herein shall terminate and all rights to the Collateral shall revert to the Debtor. Upon such termination, the Secured Party hereby authorizes the Debtor to file any UCC termination statements necessary to effect such termination and the Secured Party will, at the Debtor's expense, execute and deliver to the Debtor any additional documents or instruments as the Debtor shall reasonably request to evidence such termination.

(c) Waivers and Amendments. This Agreement and the obligations of the Debtor and the rights of the Secured Party under this Agreement may be amended, waived, discharged or terminated (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) with the written consent of the Debtor (each

of which shall not be required in connection with a waiver of rights by the Secured Party) and the Secured Party. Any amendment, waiver, discharge or termination effected in accordance with this Section 12(c) shall be binding upon the Secured Party and the Debtor.

(d) Governing Law. THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS BY THE LAWS OF THE STATE OF DELAWARE AS SUCH LAWS ARE APPLIED TO AGREEMENTS BETWEEN DELAWARE RESIDENTS ENTERED INTO AND TO BE PERFORMED ENTIRELY WITHIN DELA WARE.

(e) Entire Agreement. This Agreement and the Notes and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

(f) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

(g) Successors and Assigns. Except as otherwise expressly provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto; *provided, however*, that the Debtor may not sell, assign or delegate rights and obligations hereunder without the prior written consent of the Secured Party

(h) Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to the Secured Party, upon any breach or default of the Debtor under the Notes shall impair any such right, power, or remedy of the Secured Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or for in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default therefore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of the Secured Party of any breach or default under this Agreement or any waiver on the part of the Secured Party of any provisions or conditions of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to the Secured Party, shall be cumulative and not alternative.

(i) Titles and Subtitles. The titles of the paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement

(j) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile or other electronic copies of signed signature pages will be deemed binding originals.

(k) Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the language used in this Agreement has been chosen by the parties to express their mutual intent. Accordingly, no rules of strict construction

will be applied against any party with respect to this Agreement.

(l) Cumulative Rights, etc. The rights, powers and remedies of the Secured Party under this Agreement shall be in addition to all rights, powers and remedies given to the Secured Party by virtue of any applicable law, rule or regulation of any governmental authority, any Note or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing the Secured Party's rights hereunder. The Debtor waives any right to require the Secured Party to proceed against any person or entity or to exhaust any Collateral or to pursue any remedy in the Secured Party's power.

(m) Payments Free of Taxes, etc. All payments made by the Debtor under the Notes shall be made by the Debtor free and clear of and without deduction for any and all present and future taxes, levies, charges, deductions and withholdings. In addition, the Debtor shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Agreement. Upon request by a Secured Party, the Debtor shall furnish evidence satisfactory to such Secured Party that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

(n) Expenses. The Debtor shall pay on demand all fees and expenses, including attorneys' fees and expenses, incurred by the Secured Parties in connection with custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which is not performed as and when required by this Agreement.

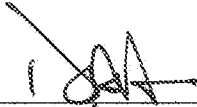
(o) Other Interpretive Provisions. References in this Agreement and each of the Notes to any document, instrument or agreement (a) includes all exhibits, schedules and other attachments thereto, (b) includes all documents, instruments or agreements issued or executed in replacement thereof, and (c) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "include" and "including" and words of similar import when used in this Agreement shall not be construed to be limiting or exclusive.

Signatures Contained on Following Page

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed as of date first above written.


DEBTOR:

MEDIAPORT ENTERTAINMENT, INC.

By: 
Name: David Hubbard
Title: Chief Commercial Officer / MD International

SECURED PARTY:

RED TOUCH MEDIA

By: 
Name: David Hubbard
Title: Chief Commercial Officer, Managing Director, International