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02-12-2004

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office



To the Honorable Commissioner

102667728

ed original documents or copy thereof.

1. Name of conveying party(ies):

CAPCOM CO., LTD.

Individual(s)       Association  
 General Partnership       Limited Partnership  
 Corporation-State  
 Other Company incorporated in Japan

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)

Name: Angel Studios, Inc.

Internal Address: \_\_\_\_\_

Street Address: 5966 La Place Court, Suite 170

City: Carlsbad State: CA Zip: 92008

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Virginia  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)  
 Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment       Merger  
 Security Agreement       Change of Name  
 Other \_\_\_\_\_

Execution Date: 08/15/2003

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 76-374510

\_\_\_\_\_

\_\_\_\_\_

Additional number(s) attached  Yes  No

B. Trademark Registration No.(s) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Raymond P. Mulry

Internal Address: \_\_\_\_\_

Morrison Cohen Singer & Weinstein, LLP

\_\_\_\_\_

Street Address: 750 Lexington Avenue

\_\_\_\_\_

City: New York State: NY Zip: 10022

6. Total number of applications and registrations involved: .....

7. Total fee (37 CFR 3.41).....\$ 40.00

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_


\_\_\_\_\_

\_\_\_\_\_

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9. Signature.

Raymond P. Mulry            02/11/2004

Name of Person Signing      Signature      Date

Total number of pages including cover sheet, attachments, and document:

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**INTELLECTUAL PROPERTY ASSIGNMENT AND AGREEMENT**

This Intellectual Property Assignment and Agreement (this "Agreement") is entered into, effective as of this 15<sup>th</sup> day of August, 2003 (the "Effective Date") by and between CAPCOM CO., LTD. a company incorporated in Japan with its principal place of business at 1-3, Uchi-Hiranomachi, 3-Chome, Chuo-Ku, Osaka 540-0037, Japan ("Assignor") and Angel Studios, Inc. (d/b/a Rockstar - San Diego), a Virginia corporation having its corporate offices at 5966 La Place Court, Suite 170, Carlsbad, California 92008 ("Assignee") (each, a "Party," and collectively, the "Parties").

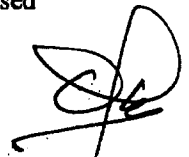
WHEREAS, Assignor is the owner of certain intellectual property rights as more fully described in Schedule A attached hereto and made a part hereof (collectively, the "Work") and all copyright, patent, trademark, trade name, trade secret, if any, and all other intellectual property rights (the "Intellectual Property Rights") relating to the Work; and

WHEREAS, Assignee desires to acquire Assignor's rights, title and interest in, to and under said Works and Intellectual Property Rights, together with all registrations and applications for registration thereof on the terms set forth herein;

NOW, THEREFORE, in consideration for the mutual promises and covenants contained herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the Assignor and Assignee, intending to be legally bound, agree as follows:

1. Assignment. Assignor does hereby sell, transfer, convey and assign unto Assignee its entire right, title and interest in and to the Work and in and to its Intellectual Property Rights relating thereto, including copyrights and extensions registrations and renewals thereof, if any; patents, patent applications, inventions and technology; if any, trademarks, service marks, logos and registrations and applications for registration thereof, if any, together with the associated goodwill; trade secrets, if any; together with the rights, if any to do and to authorize others to do any and all acts allowed by law in relation to such rights in the United States and Japan and all other countries in which such rights may subsist; and the right to sue and recover for any past infringements, if any; said rights to be held and enjoyed by said Assignee for its own use and benefit and for the use and benefit of its successors, assigns or other legal representatives as fully and entirely as the same would have been held and enjoyed by said Assignor if this assignment and sale had not been made. Assignor acknowledges that Assignee has no obligation to exploit or to use any of the Work and/or Intellectual Property Rights conveyed herein.

2. Royalty. Upon commencement of distribution or earlier sale of an interactive software game by Assignee based on, and incorporating a substantial portion and majority of the Work and Intellectual Property Rights of Assignor described hereunder (the "Game"), if any, Assignee agrees to pay to Assignor a royalty of \$2.50 for each unit of the Game sold through by the Assignee or any of its affiliates on the Playstation 2 platform worldwide (except Asia) (the "Royalty"). The Royalty shall not apply to (x) units sold in Asia, (y) ports or console conversions of the Game, and (z) sequels. If the wholesale price of the Game as of the date of commercial release is reduced (whether by price protection or otherwise, i.e. if the Game reaches "Greatest Hits" status), the Royalty with respect to the Game shall be reduced proportionately; provided, that such reduction in Royalty shall occur only if the Royalty will be reduce \$0.10 or more per unit. The Assignee may withhold a reserve for returns of the units sold, which is fifteen percent (15%) of net revenues from the sale of the units during any quarter. The reserve for returns shall be liquidated in each subsequent quarter. For purposes of clarification, Assignor shall be entitled to a royalty on a western style game only if it incorporates a substantial portion and majority of the Work and Intellectual Property Rights and is published for the Playstation 2. In case any doubt is reasonably raised



by Assignor whether a software game developed by Assignee, from which sale Assignor receives no royalty, includes a substantial portion and majority of the Work and Intellectual Property Rights, Assignee agrees to provide the proof that the software game in question is the one from which sale no royalty is payable to Assignor. Assignor acknowledges that Assignee has no obligation to produce, distribute, advertise or exploit the Game or to use any of the Work and/or Intellectual Property therein.

3. Invoicing. After the commercial release of the Game, the Assignee shall provide to Assignor within thirty (30) days after each of January 31st, April 30th, July 31st and October 31st in each year a full and accurate statement (each a "Statement") of royalties under this Agreement for that quarter. Statements shall itemize sales of units and give such other information so that Assignor shall be able to verify the accuracy of the royalty calculations without needing further details. The number of units of the Game manufactured and shipped shall be furnished whether or not any units for Game have been sold during the preceding quarter. In the event units of the Game have not been manufactured, shipped to or sold during any such quarter, the Assignee shall nonetheless be obligated to furnish the Statement for that quarter to Assignor. As soon as is practicable following receipt of each Statement, Assignor shall provide to the Assignee an invoice for the total amount of royalties payable in respect of the relevant quarter (the "Assignor Invoice"). The Assignee shall pay such royalties to Assignor within fifteen (15) business days after receipt of the original Assignor Invoice. Interest shall be payable on any amounts paid later than the date due hereunder at 2% above the maximum base rate at the time of such late payments of Assignee's Citibank rate (such rate, the "Penalty Rate") calculated from the date any amount is due until the date of receipt of the relevant sum by Assignor. All sums payable to Assignor under this Agreement shall be made to Assignor by bank wire transfer as advised by Assignor to Assignee from time to time and shall only be treated as received when credited to Assignor's bank account. All payments will be made in United States Dollars (or if Assignee decides for tax or currency exchange reasons, upon forty five (45) days written notice to Assignor, in Japanese Yen, based on an average of Japanese Yen to US Dollar exchange rates and based on an average of exchange rates for the months for which royalties are reported).

4. Merchandising. The Parties agree that Assignor retains merchandising rights in relation to the Game exclusively in Asia only, and Assignee retains such merchandising rights exclusively in the world (except Asia). Each party may exploit its merchandising rights in its exclusive territory at its sole discretion with no obligations to the other party other than payment to it of certain percentage of net revenue received from its exploitation of merchandising rights as follows:

- Merchandising in Asia by Assignor: 50% of net revenue to Assignee
- Merchandising in the world (except Asia) by Assignee: 25% of net revenue to Assignor

The quarterly report and payment from one party to the other party (and related invoicing) shall be made in the same manners as Assignee does to Assignor in relation to the royalty payment of the Game sales set forth in Section 2 and Section 3 above.

5. Covenant Not to Assert Claims. Assignor agrees and acknowledges that, as of the Effective Date, Assignor does not have and will not retain or acquire any right, title, interest, ownership, use right or claim in connection with the Work or Intellectual Property Rights or any use right thereof. Assignor will not, directly or indirectly, at any time and anywhere in the world, assert or claim, or initiate or threaten in any court or any office or agency for the registration of intellectual property rights in any state, province, territory, country or jurisdiction anywhere in the world, or otherwise any proceedings to assert or claim, any right, title, interest, ownership, use right or claim in, to or in connection with the



Work or Intellectual Property Rights. Assignor will not, and shall cause its affiliates not to, represent, allege or assert that Assignor or any of its affiliates has any right, title, interest, ownership, use right or claim in, to or in connection with the Work or Intellectual Property Rights, or use the Work or Intellectual Property Rights or any intellectual property confusingly similar to the Work or Intellectual Property Rights.

6. Representations, Warranties and Disclaimers. Assignor represents and warrants to Assignee (a) that it owns all the Work and Intellectual Property Rights relating thereto and that it has not assigned, transferred, pledged or otherwise transferred any interest in the Work and Intellectual Property Rights; (b) that Assignor has not been subject to any action, and to Assignor's knowledge no action is threatened, that alleges that the Work and the Intellectual Property infringes upon the intellectual property of any third person, and (c) that the Work and the Intellectual Property are assigned free and clear of any liens or encumbrances, and (d) that no other person has any right, title, interest or license to the Work or the Intellectual Property.

7. Delivery and Access. Within five days of the Effective Date, Assignor shall deliver any tangible items related to the Work and the Intellectual Property, as listed on Schedules A attached hereto. In addition, for a reasonable time after the Effective Date, Assignor will cause an employee familiar with the Work and the Intellectual Property to respond to Assignee's questions as sent by electronic mail in a commercially reasonable manner.

8. Further Assurances. Upon request of Assignee at any time or from time to time, Assignor shall, at Assignee's expense, promptly perform all reasonable acts, execute, acknowledge, deliver or cause to be delivered any letter of consent and any further assurances, instruments, affidavits, or documents, and provide any other assistance and cooperation as may be reasonably necessary or appropriate to cause and effectuate the assignment of the Work and Intellectual Property for the full benefit of Assignee and otherwise fulfill the terms and conditions of this Agreement.

9. Notices. Any notice to be given under this Agreement shall be in writing and delivered personally or sent by first class registered mail or by facsimile (with confirming copy sent simultaneously by first class registered mail) to the other party at its address stated above or such other person, address or facsimile number as shall have been duly notified by the other party. All notices to Assignee shall be marked for the attention of Chief Executive Officer and General Counsel.

10. General.

This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior negotiations, agreements, representations and undertakings relating to it, whether express or implied, written or oral and each party acknowledges that in entering into this Agreement it has not relied on any representation or warranty (except for any representation or warranty made fraudulently or as expressly set out in this Agreement). Except as expressly provided, this Agreement may only be added to or varied in writing signed by a director or person authorized in writing by an authorized signatory of each of the parties.

No failure or delay by either party in exercising or enforcing any right, power, or remedy which arises under this Agreement or from any breach of its provisions shall operate as or be deemed to be a waiver of that or any other right, power or remedy or of any subsequent exercise of such right, power, or remedy. It is agreed that any remedies provided for in this Agreement shall be cumulative and shall not be exclusive of any other remedies available hereunder, or at law or in equity. No waiver or modification of



any provision of this Agreement shall be effective unless in writing and signed by the party against whom such waiver or modification is sought to be enforced.

This Agreement shall be executed in any number of counterparts, each of which shall be deemed an original and which, when taken together, shall constitute one and the same instrument, but this Agreement shall not be binding upon the parties until it has been signed by both parties.

Should any provision of this Agreement be held to be void, invalid, or unenforceable, such provision shall be enforced to the extent possible consistent with the stated instructions of the parties or if incapable of such enforcement, shall be deemed to be deleted from this Agreement, but the remaining provisions hereof shall not be affected.

The validity, construction, interpretation and legal effect of this Agreement shall be governed by the laws and judicial decisions of the State of New York and the United States without giving effect to principles of conflicts of law. The parties hereto expressly agree that any action at law or in equity arising out of or relating to this Agreement shall be filed only and exclusively in the courts of the State of New York for the County of New York, or the United States District Court for the Southern District of New York. The parties hereby consent and submit to the exclusive jurisdiction and venue of such court for the purposes of litigating any such action. Both parties irrevocably waive any objection to such jurisdiction and irrevocably waive the right to seek dismissal or transfer on the grounds of lack of in personal jurisdiction, improper venue, forum non-convenience or similar grounds.



IN TESTIMONY WHEREOF, Assignor and Assignee has executed this Assignment by the undersigned Officers thereunto duly authorized, this 15<sup>th</sup> day of August, 2003

CAPCOM CO., LTD.

By: [Signature]

Its: President

[NOTARY OF EQUIVALENT REQUIRED]

ANGEL STUDIOS (D/B/A ROCKSTAR SAN DIEGO)

By: [Signature]

Its: PRESIDENT

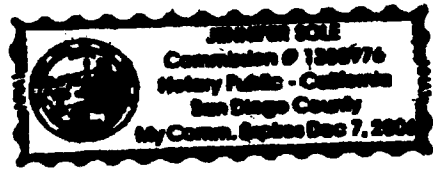
STATE OF )  
California ) SS  
COUNTY OF )  
San Diego )

Subscribed and sworn to before me this 30 day of 9, 2003.

[SEAL]

[Signature]  
Notary Public

My Commission Expires: Dec. 7, 2006



[Signature]

**SCHEDULE A**

Assignor's rights to all works of authorship and other work product relating to the proposed software game entitled Red Dead Revolver, including the motion capture data, source assets from movies, all character and location names, the main character and title, the music (to the extent not licensed, and, to the extent licensed, the licenses thereto), all drafts or preliminary versions of any of the foregoing and other software, source code, object code, documentation, text, screen designs, graphics, storyline, video and audio, creative works, drawings, prints, designs, original developments and related documentation, including disks, user and instruction manuals and marketing materials, relating in whole or in part thereto or contained therein, and character rights relating to any of the foregoing.

