

07-02-2007



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To the Director of the U. S. Patent

1 documents or the new address(es) below

1. Name of conveying party(ies):

REC ROOM, Inc.

- Individual(s)
- General Partnership
- Corporation- State: Deleware
- Other _____

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) February 6, 2007

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Square 1 Bank
 Internal
 Address: Jennifer Howard
 Street Address: 406 Blackwell St., suite 240
 City: Durham
 State: NC
 Country: _____ Zip: 27701

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other _____ Citizenship _____

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

SEE EXHIBIT C ATTACHED

B. Trademark Registration No.(s)

IL 048995 and Reg# 93517
IL 048996 and Reg# 93518

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

SEE EXHIBIT C ATTACHED

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

Name: Jennifer Howard

Internal Address: Square 1 Bank

Street Address: 406 Blackwell St.
Suite 240

City: Durham

State: NC Zip: 27701

Phone Number: 919-314-3123

Fax Number: 919-314-3110

Email Address: jhoward@square1bank.com

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 65.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____ Expiration Date _____

b. Deposit Account Number 50-3822
Authorized User Name Jennifer Howard

9. Signature:

Signature

6/8/07

Date

Jennifer Howard

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK

REEL: 003574 FRAME: 0202

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 503822
 00000166
 40.00 DA
 25.00 DA
 06/29/2007
 01 FC: 551
 02 FC: 552

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of May 31, 2007 by and between SQUARE 1 BANK ("Bank") and REC ROOM, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Grantor and Bank, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

1600 E. Algonquin Road
Route 62
Algonquin, IL 60102
Attn: Chief Executive Officer

REC ROOM, INC.

By: Charles K. Weber
Title: CEO

BANK:

Address of Bank:

406 Blackwell Street, Suite 240
Crowe Building
Durham, NC 27701

SQUARE 1 BANK

By: [Signature]
Title: VP

Attn: Manager

EXHIBIT A

Copyrights

	<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
	None.		

EXHIBIT B

Patents

Description

Patent Application
No./Issued Patent No.

Date

None.

EXHIBIT C

Trademarks

Description

Registration/
Application Number

Registration/
Application Date

None.

Schedule of Intellectual Property

FEDERAL REGISTERED TRADEMARKS

None.

STATE REGISTERED TRADEMARKS

State of Illinois:

REC ROOM FURNITURE AND GAMES – Illinois Document #: IL 048995 and Reg. #: 93517¹

REC ROOM FURNITURE AND GAMES (and Design) – IL Doc. #: IL 048996 and Reg #: 93518²

¹ Registrant is REC ROOM IL, L.L.C. DE LIMITED LIABILITY COMPANY/LLC

² Registrant is REC ROOM IL, L.L.C. DE LIMITED LIABILITY COMPANY/LLC

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