

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Image Metrics Limited		09/23/2010	CORPORATION: UNITED KINGDOM
RECEIVING PARTY DATA			
Name:	Rose-Marie Kahane		
Street Address:	Chesa Garla		
Internal Address:	Giassa de las Barrieras 17		
City:	7505 Celerina		
State/Country:	SWITZERLAND		
Entity Type:	INDIVIDUAL: AUSTRIA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	77043287	IMAGE METRICS	
CORRESPONDENCE DATA			
Fax Number:	(617)426-8810		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	617 426-5900		
Email:	kemp@casneredwards.com		
Correspondent Name:	Gary L Kemp		
Address Line 1:	Casner & Edwards, LLP		
Address Line 2:	303 Congress Street		
Address Line 4:	Boston, MASSACHUSETTS 02210		
ATTORNEY DOCKET NUMBER:	56674.0		
DOMESTIC REPRESENTATIVE			
Name:	Gary L. Kemp		
Address Line 1:	Casner & Edwards, LLP		

OP \$40.00 77043287

900173248

**TRADEMARK
 REEL: 004290 FRAME: 0721**

Address Line 2: 303 Congress Street
Address Line 4: Boston, MASSACHUSETTS 02210

NAME OF SUBMITTER:	Gary L Kemp
Signature:	/Gary L Kemp/
Date:	10/06/2010

Total Attachments: 12
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Dated 23. SEPTEMBER, 2010

(1) IMAGE METRICS LIMITED

(2) MARIE-ROSE KAHANE

DEBENTURE

This Debenture is subject to the terms of a Deed of Priority
(as defined herein)

THIS DEBENTURE IS MADE AS A DEED ON 23. SEPTEMBER 2010

BETWEEN:

- (1) **IMAGE METRICS LIMITED**, a company incorporated and registered in England and Wales with number 4098216 whose registered office is at 2nd Floor, Park Gate, 25 Milton Park, Oxford, OX14 4SH ("**IML**"); and
- (2) **MARIE-ROSE KAHANE** of Chesa Carla, Giassa de las Barrieras 17, 7505 Celerina, Switzerland (the "**Lender**").

IT IS AGREED AS FOLLOWS:

1. Interpretation

1.1 Definitions

In this Debenture, unless the context otherwise requires:

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Charged Property**" means all the assets for the time being subject to the security interests created by this Debenture (and references to the Charged Property include references to any part of it);

"**Deed of Priority**" means the deed of priority dated on or around the date hereof between ETV Capital SA as first lender, Marie-Rose Kahane as second lender and the Company.

"**Encumbrance**" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**Event of Default**" has the meaning given to that term in the Loan Agreement;

"**Guarantee**" means the guarantee given by IML in the Loan Agreement for the repayment by Image Metrics, Inc. of its obligations under the Loan Agreement;

"**Intellectual Property**" means (i) the intellectual property described in the schedule to this Debenture together with all other intellectual property now or in the future owned by IML in any jurisdiction, including, without limitation, subsisting patents, applications for patents and such rights, renewals, extensions, supplementary protection certificates and continuations of such applications for patents, registered and unregistered trademarks, registered and unregistered service marks, registered and unregistered designs, utility models (in each case for the full period and all extensions and renewals of them), (ii) applications for any of the foregoing and the right to apply for any of them in any jurisdiction, (iii) inventions, processes, software, formulae, technology (whether patentable or not) data, drawings, specifications, business or trade secrets, technical information, confidential information, know how, business names, trade names, brand names, domain names, database rights, copyright and rights in the nature of database rights and copyright, design rights, semiconductor topography rights, and any similar rights existing in any country in relation to any of the foregoing and all legal, equitable and other rights in any of them, (iv) the benefit (subject to the burden) of any and all agreements and licences (where such agreements and licences permit the creation of security and do not contain any form of negative pledge, third party consent requirement or any other prohibition or forfeiture or reversionary rights on charging; where such agreements and licences contain a third party consent requirement, IML shall utilize its best efforts to procure such consent) in connection with any of the foregoing and (v) all present and future rights and causes of action whenever and wherever accrued to IML in respect of the infringement of the foregoing intellectual property rights, including rights and causes of action arising out of the agreements, arrangements and licences in connection with the foregoing;

"Investments" all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by IML and all rights, dividends, interest or other property accruing, offered, issued or deriving by way of dividend, bonus, redemption, exchange, purchase, preference, option or otherwise attributable to such shares;

"Loan Agreement" means the loan agreement entered into between Image Metrics Inc. (the holding company of IML), IML and the Lender dated on or around 9 September 2010;

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed under this Debenture in respect of any of the Charged Property;

"Secured Liabilities" means all present and future moneys, obligations and liabilities owed by Image Metrics Inc to the Lender under the Loan Agreement and guaranteed by IML under the Guarantee;

"Security Interest" means any encumbrance or security interest of any kind including, without limitation, a mortgage, charge, pledge, lien, right of pre-emption, option, trust arrangement or any other kind of preferential agreement having similar effect or any other rights exercisable by third parties;

"Security Period" means the period starting on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 **Construction**

- (a) Clause headings are for ease of reference only.
- (b) Capitalised terms defined in the Loan Agreement have, unless expressly defined in this Debenture or the context otherwise requires, the same meaning in this Debenture.
- (c) This Debenture does not confer any rights on any person not a party to it pursuant to the Contracts (Rights of Third Parties) Acts 1999.

2. **Charge**

2.1 As continuing security for the payment and discharge of the Secured Liabilities on the terms of the Guarantee, IML hereby charges to the Lender with full title guarantee:-

- (a) by way of fixed charge:
 - (i) all book debts and other debts now and in the future due or owing to IML;
 - (ii) all the Intellectual Property;
 - (iii) all the Investments; and
 - (iv) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person.
- (b) by way of floating charge (to which paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies), all IML's present and future undertaking and assets, wherever and wherever, including (without limitation) all other property and assets not subject to a fixed charge under this Debenture.

3. **Representations, Warranties and Undertakings**

IML represents, warrants and undertakes to the Lender as follows:

3.1 IML is and will remain the sole beneficial owner of the Charged Property;

3.2 the Charged Property is and will remain free from any other Security Interest, whether prior to or after the date of this Deed, with the exception of the security created in favour of (i) The

- Royal Bank of Scotland plc under a debenture dated 17 January 2002, (ii) ETV Capital SA under a debenture dated 1 July 2008 and (iii) any security to which Lender may consent in writing;
- 3.3 IML has full power and authority to enter into this agreement and be bound by its terms; and
- 3.4 IML shall immediately notify the Lender upon becoming aware of the occurrence of an Event of Default.
4. **Covenants**
- 4.1 IML shall not, without the prior written consent of the Lender (such consent not to be unreasonably withheld):
- (a) except for any Security Interest: (a) created in favour of the Lender under or pursuant to this Debenture; (b) permitted by the terms of the Loan Agreement and the Deed of Priority; (c) created in favour of The Royal Bank of Scotland plc and ETV Capital SA prior to the date of this Debenture; or (d) otherwise approved by Lender in writing, create or permit to subsist any Security interest on any of its assets nor increase or extend any liabilities of IML secured on the Charged Property;
 - (b) except as permitted by the terms of the Loan Agreement and the Deed of Priority, sell, transfer or otherwise dispose of its undertaking and other assets or any part of them, except by getting in and realising them in the ordinary course of its business; or
 - (c) deal with its book or other debts or securities for money except by getting in and realising them in the ordinary course of its business, but so that this exception shall not permit the realisation of debts by means of block discounting or factoring, save where such arrangement is permitted by the Loan Agreement.
- 4.2 IML shall not knowingly do, or permit to be done, any act or thing which would or may materially diminish the value of any of the Charged Property or the effectiveness of the security created by this Debenture.
- 4.3 IML shall:
- (a) effect and maintain (with the Lender's interest noted thereon should the Lender so require) sufficient and appropriate policies of insurance of its business and assets and not knowingly do or permit anything to be done which may make void or voidable any insurance or material term thereof;
 - (b) duly and promptly pay when due all premiums and other moneys necessary for maintaining the insurances required under clause 4.3 (a) and on reasonable demand produce the insurance policies and premium receipts to the Lender;
 - (c) to the extent reasonable, procure that the Lender or her authorised representative be allowed upon reasonable notice and during normal business hours supervised access to IML's premises and other locations where the Charged Property is situated;
 - (d) promptly notify the Lender of any meeting to discuss, or any proposal or application for the appointment of an administrator, receiver, liquidator or similar official in respect of IML or any of its assets; and
 - (e) take all necessary and reasonable action to safeguard and maintain present and future rights, in or relating to the Intellectual Property including, without limitation, observing all covenants and stipulations relating thereto and paying all applicable renewal fees, licence fees and other outgoings.
- 4.4 IML shall, at the direction of the Lender on enforcement of this Debenture, immediately execute and deliver to the Lender all transfers and other documents, and do all such things as may be necessary or desirable to register all or any of the Investments in the names of the Lender.
- 4.5 Subject to the Deed of Priority, IML undertakes to:

- (a) procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any issuer that is not a public company or otherwise, for the transfer of the Investments to the Lender or to a purchaser on enforcement of this Debenture; and
- (b) procure the amendment of the share transfer provisions of the articles of association of each issuer that is not a public company in such manner as the Lender may require in order to permit such a transfer.

5. Enforcement

- 5.1 The security constituted by this Debenture shall become enforceable and the Lender may exercise all the powers conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Debenture), all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture without further notice to IML upon and at any time after the occurrence of an Event of Default that is continuing unremedied and unwaived.
- 5.2 Section 103 of the Law of Property Act 1925 will not apply to this Debenture but the statutory power of sale will (as between the Lender and a purchaser from the Lender) arise on and be exercisable at any time after the execution of this Debenture provided that the Lender will not exercise the power of sale until payment of all or any part of the Secured Liabilities has been demanded or a Receiver or administrator has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made.
- 5.3 Neither the Lender nor any Receiver shall be liable to account to IML as mortgagee in possession in respect of all or any of the Charged Property and shall not be liable to IML for any loss or damage arising from the exercise by the Lender or any Receiver of all or any of the powers conferred by this Debenture or the Law of Property Act 1925 save where caused by the gross negligence and/or the wilful default of the Lender and/or any Receiver.

6. Appointment of Receiver or Administrator

Subject to the Deed of Priority,

- 6.1 At any time after the security constituted by this Debenture has become enforceable, the Lender shall be entitled by instrument in writing to appoint any one or more persons as:-
 - (a) a Receiver of all or any of the Charged Property; and/or
 - (b) an administrator of IML,

In each case in accordance with and to the extent permitted by applicable laws, the Lender may not appoint a Receiver solely as a result of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000 except with the leave of the court.

- 6.2 Any appointment over part only of the Charged Property will not preclude the Lender from making any subsequent appointment of a Receiver over any part of the Charged Property over which an appointment has not previously been made by it.
- 6.3 the Lender may from time to time determine the remuneration of the Receiver and may (subject to Section 45 of the Insolvency Act 1986) remove the Receiver from all or any part of the Charged Property of which he is the Receiver and at any time after any Receiver has vacated office or ceased to act, appoint a further Receiver over all or any part of the Charged Property.
- 6.4 The Receiver will be the agent of IML (which will be solely liable for his acts, defaults and remuneration) and will have and be entitled to exercise in relation to IML all the powers set out in Schedule 1 to the Insolvency Act 1986 and all the powers conferred from time to time on

Receivers by statute and in particular by way of addition to but without prejudice to those powers (and those of the Lender) the Receiver will have power:-

- (a) to promote the formation of a subsidiary or subsidiaries of IML, including, without limitation, any company formed for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of IML;
- (b) to make any arrangement or compromise which the Lender or the Receiver may think fit; and
- (c) to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property.

6.5 No purchaser or other person dealing with the Lender, any Receiver or any agent or delegate thereof shall be obliged or concerned to enquire whether the right of the Lender or any Receiver to exercise any of the powers conferred by or referred to in this Debenture has arisen or become exercisable, whether any of the Secured Liabilities remain outstanding or be concerned with notice to the contrary or whether an event has occurred to authorise the Lender or any Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power.

7. Application of Security Proceeds

Subject to the Deed of Priority,

7.1 Any moneys received under this Debenture shall be applied:-

- (a) first, in satisfaction of all costs, charges and expenses properly incurred and payments properly made by the Lender or the Receiver under or in connection with this Debenture and of the remuneration of the Receiver under or in connection with this Debenture;
- (b) secondly, in or towards satisfaction of the Secured Liabilities in such order as the Lender shall determine; and
- (c) thirdly, the surplus (if any) shall be paid to IML or other person or persons entitled to it.

7.2 The Lender may, without prejudice to any other rights it may have at any time and from time to time, place and keep for such time as it may think prudent any monies received, recovered or realised under or by virtue of this Debenture to or at a separate or suspense account to the credit either of IML or of the Lender, as the Lender think fit, without any immediate obligation on the part of the Lender to apply such monies or any part of such monies in or towards the discharge of the Secured Liabilities, except that, subject to clause 8.2, the Lender shall apply such amounts immediately upon them being sufficient to discharge the Secured Liabilities in full.

7.3 Subject to clause 7.1, any monies received or realised by the Lender from IML or a Receiver under this Debenture or any administrator may be applied by the Lender to any time of account or liability or transaction in such order or manner as the Lender may determine.

8. Discharge of security

8.1 Subject to clause 8.2, at the end of the Security Period, the Lender shall, at the request and cost of IML, take whatever action is reasonably necessary to release the Charged Property from the security interests constituted by this Debenture.

8.2 If the Lender reasonably considers that any amount paid or credited to it under, or pursuant to this Debenture, is capable of being avoided or otherwise set aside on the winding-up of IML or any other person, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been paid.

9. **Indemnity**

9.1 The Lender, the Receiver and every attorney, manager, agent, employee or other person appointed by the Lender or the Receiver under or in connection with this Debenture shall be and is hereby indemnified by IML in respect of all liabilities, costs, losses and expenses incurred by them or him in the execution (or purported execution) of any of the powers, authorities or discretions vested in them or him pursuant to the terms of this Debenture (or by any law or regulation) and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in connection with or relating to all or any of the Charged Property and the Lender, the Receiver or any such other person may retain and pay all sums in respect of the same out of the moneys received under the powers conferred by this Debenture.

9.2 The indemnity under clause 9.1 shall not apply to the extent that any such liability, cost, loss and/or expense arise as a result of the wilful default or gross negligence of the Lender or the Receiver.

10. **Power of Attorney**

10.1 Subject to 10.2 below, by way of security, IML hereby irrevocably appoints the Lender and any Receiver jointly and severally as its attorney, with full power of delegation, for it and in its name and on its behalf to take any action which it is obliged to take under this Deed but which it has not taken.

10.2 This power of attorney is only exercisable in respect of actions which IML has been properly requested in writing by the Lender to do, but has failed to do so promptly following such request.

11. **Costs and Expenses**

IML shall pay or reimburse to the Lender on demand (on a full indemnity basis) all reasonable costs, charges and expenses (including legal fees) properly incurred or to be incurred by the Lender in the creation, registration, perfection, enforcement, discharge and/or assignment of this Debenture (including, without limitation, the costs of any proceedings in relation to this Debenture or the Secured Liabilities), which costs, charges and expenses shall form part of the Secured Liabilities.

12. **Severance**

If at any time any provision in this Debenture is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Debenture shall not be impaired.

13. **Notices**

13.1 A notice given under this Debenture shall be sent for the attention of the person, and to the address or e-mail address given in this clause (or such other address, or person as the relevant party may notify to the other party) and shall be:

- (a) delivered personally; or
- (b) sent by e-mail; or
- (c) sent by pre-paid first-class post or recorded delivery; or
- (d) (if the notice is to be served by post outside the country from which it is sent) sent by airmail.

13.2 The addresses for service of notice are:

- (a) **IML**

Address: 2nd Floor, Park Gate, 25 Milton Park, Oxford, OX14 4SH

For the attention of:

E-mail:

(b) **The Lender:**

Address: Chesa Carla, Giassa de las Barrieras 17, 7505 Celerina, Switzerland

For the attention of: Marie-Rose Kahane

E-mail:

- 13.3 A notice is deemed to have been received:
- (a) if delivered personally, at the time of delivery; or
 - (b) if delivered by e-mail, at the time of transmission; or
 - (c) if delivered by pre-paid first-class post or recorded delivery, 48 hours from the date of posting; or
 - (d) if delivered by airmail, five days from the date of posting; or
 - (e) if deemed receipt under the previous paragraphs of this clause is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is a Business Day), when business next starts in the place of deemed receipt.
- 13.4 To prove service, it is sufficient to prove that the notice was transmitted by e-mail to the correct e-mail address or, in the case of post, that the envelope containing the notice was properly addressed and posted.
14. **Miscellaneous**
- 14.1 Subject to the terms of this Debenture, by notice in writing to IML, the Lender may at any time convert the floating charge created by clause 2.1(b) into a specific charge over any assets specified in the notice if (a) an Event of Default has occurred and is outstanding, or (b) the Lender considers (acting reasonably) such asset to be in danger of being seized or sold under any form of distress, attachment or other legal process or to be otherwise in jeopardy. IML at its expense shall at any time on the Lender's request promptly execute and deliver to the Lender any other or further mortgage, charge or other instrument conferring a fixed charge on any of its assets or such other charge as the Lender may reasonably think fit for securing the Secured Liabilities.
- 14.2 This Debenture shall be:-
- (a) a continuing security to the Lender, notwithstanding any settlement of account or other matter or thing whatever;
 - (b) without prejudice and in addition to any other rights or security for the Secured Liabilities (whether by way of mortgage, equitable charge or otherwise) which the Lender may hold now or hereafter on all or any part of the Charged Property and will not merge with or prejudice or be prejudiced by any such rights or security or any offer contractual or legal rights of the Lender; and
 - (c) in addition to any rights, powers and remedies at law.
- 14.3 No failure or delay on the Lender's part in the exercise of any of her rights, powers and remedies under this Debenture or at law shall operate or be construed as a waiver. No waiver of any of the Lender's rights shall preclude any further or other exercise of that right or of any other right.
- 14.4 The Lender may give time or other indulgence or make any other arrangement, variation or release with any person in respect of the Secured Liabilities or any other security or guarantee

for the Secured Liabilities without derogating from IML's liabilities or the Lender's rights under this Debenture.

- 14.5 IML certifies that the charges created by this Debenture do not contravene any provision of its memorandum and articles of association or any agreement binding on it or any of the Charged Property.
- 14.6 IML shall, on demand by the Lender, execute and deliver all transfers, mandates, assignments, deeds or other documents as the Lender may properly and reasonably require to perfect her rights under the Debenture and to give effect to any sale or disposal of any of the Charged Property and otherwise give effect to the intent of this Debenture.
- 14.7 The Lender may at any time assign or otherwise transfer all or any part of her rights under this Debenture in accordance with and subject to the Loan Agreement.

15. **Third Party Rights**

A person that is not a party to this Deed (except for Image Metrics, Inc.) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefits of this Deed.

16. **Counterparts and Delivery**

This Deed may be executed in any number of Counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same agreement.

17. **Law**

This Debenture shall be governed by and construed in accordance with English law and the parties agree that the country of England and Wales will have exclusive jurisdiction to settle any dispute that may arise out of or in connection with this Debenture.

IN WITNESS WHEREOF the parties have executed this document as a deed and delivered it the day and year first above written.

SCHEDULE

Intellectual Property

Patents

Jurisdiction	Patent/Patent Application Number	Title
WO	PCT/US05/043959	Method for cleaning Motion Capture Data
US	60/634,488	Method and System for Cleaning Motion Capture Data
US	7,324,110	Method and System for Cleaning Motion Capture Data
US	60/675,251	Animating Graphical Objects using input Video
US	11/376,868	Method and system for characterisation of knee joint morphology
US	60/735,035	Replacement of faces in existing Video
US	2948/107	Development Tools for Animated Character Rigging

Trade Marks

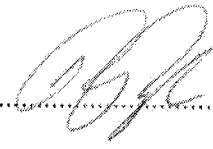
Jurisdiction	Trade mark	Number
US	Image Metrics	77043287
CTM	Image Metrics	5457932

Software

Title	Description
Internal Toolset for Facial Tracking	A software application used only by internal staff to semi-automatically locate key landmark points on various parts of the face. The software outputs landmark point positions for every frame in a loaded sequence.
Internal Toolset for Face Replacement	A set of script-based code used in the 'Matlab' and 'Adobe After Effects' software environments for replacing faces in video with reanimated faces – as used on our "Fred & Ethel" contract. The tools support the special effects processes associated with this task.
Internal Toolset for Retargeting Animation	A set of script-based code used in the 'Matlab' and 'Adobe After Effects' software environments for turning a video sequence into a set of abstract parameters which can then be applied to an animated character.

	<p>The code supports semi-automatic tracking of facial features, automatic coding of the facial features and semi-automatic mapping of the facial features to the animated character.</p> <p>The output of the process (supported by the software toolset) is a set of animation control curves in a number of major software packages including Maya, 3DStudioMax and Lightwave.</p>
Internal Toolset for facial Rigging	A set of script-based code used in the 'Matlab' and 'Maya' software environments for supporting the rigging of animated characters according to the process described in the corresponding patent application (Attorney Docket #2948/107).
Software module for face detection and recognition	A C++ library for face detection and recognition used in Sony's 'SpyToy' computer game. The library used internally to return the position of human faces and to classify their identity.
Faceware	Facial animation software.
Products in development, including FaceMail and Live Driver	Technologies enabling the near real time and real time animation of avatars.

EXECUTED as a DEED by)
.....)
For and on behalf of)
IMAGE METRICS LIMITED)


.....

In the presence of:

Ron Ryder, CFO
Image Metrics Ltd

Witness: 

Witness name: MIKE TRUNNELL

Witness address: 1918 MAIN ST.
SANTA MONICA CA 90405
Witness occupation: CONTROLLER

EXECUTED as a DEED by)
ROSI KAHANE)
.....)

In the presence of:

.....

Witness:

Witness name:

Witness address:

Witness occupation: