

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM369254

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Rant, Inc.		12/04/2015	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Barry Honig		
Street Address:	555 South Federal Highway #450		
City:	Boca Raton		
State/Country:	FLORIDA		
Postal Code:	33432		
Entity Type:	INDIVIDUAL: UNITED STATES		
PROPERTY NUMBERS Total: 12			
Property Type	Number	Word Mark	
Serial Number:	85777444	RANT SPORTS	
Serial Number:	86150634	RANTGIRLS	
Serial Number:	86358798	RANT	
Serial Number:	86359913	RANT	
Serial Number:	86150641	RANTLIFESTYLE	
Serial Number:	86150638	RANTCHIC	
Serial Number:	86359843	RANT	
Serial Number:	86167535	RANTSTORE	
Serial Number:	86167547	RANTSPORTS	
Serial Number:	86167543	RANTSPORTS KNOWS	
Serial Number:	86167540	RANTLIFESTYLE	
Serial Number:	86219223	RANTCOLLECTION	
CORRESPONDENCE DATA			
Fax Number:			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Email:	tguarneri-ferrara@srff.com		
Correspondent Name:	Tara Guarneri-Ferrara		
Address Line 1:	61 Broadway, 32nd Fl		
Address Line 4:	New York, NEW YORK 10006		
TRADEMARK			

OP \$315.00 85777444

NAME OF SUBMITTER:	Lijia Sanchez
SIGNATURE:	/Lijia Sanchez/
DATE SIGNED:	01/14/2016

Total Attachments: 67

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SECURITY AND PLEDGE AGREEMENT

This **SECURITY AND PLEDGE AGREEMENT**, dated as of December 14, 2015 (this "**Agreement**") is made by **RANT, INC.**, a Delaware corporation with offices located at 4 Park Plaza, Suite 950, Irvine, CA 92614 (the "**Company**"), and each of the undersigned direct and indirect subsidiaries of the Company from time to time, if any (each a "**Grantor**" and collectively and together with the Company the "**Grantors**"), in favor of the existing investors identified on the signature pages hereto (individually, "**Secured Party**," and collectively, "**Secured Parties**") and Barry Honig, as collateral agent for the Secured Parties (in such capacity as collateral agent, the "**Collateral Agent**").

RECITALS

A. The Company and Collateral Agent are parties to the Note Purchase Agreement dated as of the date first stated hereof (as amended, restated or otherwise modified from time to time, the "**Purchase Agreement**") pursuant to which the Company has agreed, upon the terms and subject to the conditions of the Purchase Agreement, to issue and sell to the Collateral Agent 8% senior secured convertible promissory notes in the aggregate principal amount of up to US\$4,000,000 (as such Note may be amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof, the "**Note**") and warrants to purchase shares of the Company's common stock (the "**Warrant**," and together with the Purchase Agreement, and all other closing documents delivered in connection with the transactions contemplated therein, including this Agreement, the "**Transaction Documents**").

B. It is a condition precedent to the Collateral Agent purchasing the Note issued pursuant to the Purchase Agreement that the Grantors shall have executed and delivered to the Collateral Agent this Agreement providing for the grant to the Collateral Agent, to secure all of the Company's obligations under the Transaction Documents and the Guarantors' obligations under any such Transaction Documents, as applicable, of a valid, enforceable, and perfected security interest in all personal property of each Grantor.

C. The Grantors have determined that the execution, delivery and performance of this Agreement directly benefits, and is in the best interest of, the Grantors.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Secured Parties to perform under the Purchase Agreement, each Grantor agrees with the Secured Parties, as follows:

SECTION 1. Definitions.

(a) Reference is hereby made to the Purchase Agreement and for a statement of the terms thereof. All terms used in this Agreement and the recitals hereto which are defined in the Purchase Agreement, the Note or in the Code, and which are not otherwise defined herein shall have the same meanings herein as set forth therein; provided that terms used herein which are defined in the Code as in effect in the State of Delaware on the date hereof shall continue to have

the same meaning notwithstanding any replacement or amendment of such statute except as the Secured Parties may otherwise determine.

(b) The following terms shall have the respective meanings provided for in the Code: “Accounts”, “Account Debtor”, “Cash Proceeds”, “Certificate of Title”, “Chattel Paper”, “Commercial Tort Claim”, “Commodity Account”, “Commodity Contracts”, “Deposit Account”, “Documents”, “Electronic Chattel Paper”, “Equipment”, “Fixtures”, “General Intangibles”, “Goods”, “Instruments”, “Inventory”, “Investment Property”, “Letter-of-Credit Rights”, “Payment Intangibles”, “Proceeds”, “Promissory Notes”, “Security”, “Record”, “Security Account”, “Software”, and “Supporting Obligations”.

(c) As used in this Agreement, the following terms shall have the respective meanings indicated below, such meanings to be applicable equally to both the singular and plural forms of such terms:

“**Affiliate**” of any Person means any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person and any officer or director of such Person. A Person shall be deemed to be “controlled by” any other Person if such Person possesses, directly or indirectly, power to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“**Assignment for Security**” means the form of assignment required to be delivered pursuant to Section 5(h)(i) of this Agreement, attached hereto as Exhibit A.

“**Bankruptcy Code**” means Chapter 11 of Title 11 of the United States Code, 11 U.S.C §§ 101 et seq. (or other applicable bankruptcy, insolvency or similar laws).

“**Business Day**” means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

“**Capital Stock**” means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, and (ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

“**Closing Date**” means the date the Company initially issues the Note pursuant to the terms of the Purchase Agreement.

“**Code**” means Articles 8 or 9 of the Uniform Commercial Code as in effect from time to time in the State of Delaware; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Delaware, “Code” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“Collateral” shall have the meaning set forth in Section 2 of this Agreement.

“Company” means Rant, Inc., a Delaware corporation.

“Controlled Account Agreement” means a control agreement with respect to a Pledged Account, in form and substance satisfactory to the Collateral Agent, as may be amended, restated, supplemented, or otherwise modified from time to time.

“Controlled Accounts” means the Deposit Accounts, Commodity Accounts, Securities Accounts, and/or Foreign Currency Controlled Account of the Grantors listed on Schedule IV attached hereto.

“Copyright Licenses” means all licenses, contracts or other agreements, whether written or oral, naming any Grantor as licensee or licensor and providing for the grant of any right to use or sell any works covered by any copyright (including, without limitation, all Copyright Licenses set forth in Schedule II hereto).

“Copyrights” means all domestic and foreign copyrights, whether registered or not, including, without limitation, all copyright rights throughout the universe (whether now or hereafter arising) in any and all media (whether now or hereafter developed), in and to all original works of authorship fixed in any tangible medium of expression, acquired or used by any Grantor (including, without limitation, all copyrights described in Schedule II hereto), all applications, registrations and recordings thereof (including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States or any other country or any political subdivision thereof), and all reissues, divisions, continuations, continuations in part and extensions or renewals thereof.

“Domestic Subsidiary” means any Subsidiary other than a Foreign Subsidiary.

“Event of Default” shall have the meaning set forth in Section 6(a) of the Note.

“Foreign Currency Controlled Accounts” means any account of the Company or its Subsidiaries holding non-United States dollar deposits.

“Foreign Subsidiary” means any Subsidiary of a Grantor organized under the laws of a jurisdiction other than the United States, any of the states thereof or the District of Columbia.

“GAAP” means generally accepted accounting principles consistently applied.

“Governmental Authority” means any nation or government, any Federal, state, city, town, municipality, county, local or other political subdivision thereof or thereto and any department, commission, board, bureau, instrumentality, agency or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantor” or **“Guarantors”** shall have the meaning set forth in the recitals hereto.

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, or extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“Intellectual Property” means the Copyrights, Trademarks and Patents.

“Licenses” means the Copyright Licenses, the Trademark Licenses and the Patent Licenses.

“Lien” means any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights).

“Material Adverse Effect” means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any Subsidiary, individually or taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company or any of its Subsidiaries to perform any of their respective obligations under any of the Transaction Documents.

“Note” shall have the meaning set forth in the recitals hereto.

“Obligations” shall have the meaning set forth in Section 3 of this Agreement.

“Paid in Full” or **“Payment in Full”** means the indefeasible payment in full in cash of all of the Obligations.

“Patent Licenses” means all licenses, contracts or other agreements, whether written or oral, naming any Grantor as licensee or licensor and providing for the grant of any right to manufacture, use or sell any invention covered by any Patent (including, without limitation, all Patent Licenses set forth in Schedule II hereto).

“Patents” means all domestic and foreign letters patent, design patents, utility patents, industrial designs, inventions, trade secrets, ideas, concepts, methods, techniques, processes, proprietary information, technology, know-how, formulae, rights of publicity and other general intangibles of like nature, now existing or hereafter acquired (including, without limitation, all domestic and foreign letters patent, design patents, utility patents, industrial designs, inventions, trade secrets, ideas, concepts, methods, techniques, processes, proprietary information, technology, know-how and formulae described in Schedule II hereto), all applications, registrations and recordings thereof (including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office, or in any similar office or agency of the United States or any other country or any political subdivision thereof), and all reissues, reexaminations, divisions, continuations, continuations in part and extensions or renewals thereof.

“Perfection Requirement” or “Perfection Requirements” shall have the meaning set forth in Section 4(i) of this Agreement.

“Person” means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other enterprise or entity or Governmental Authority.

“Pledged Accounts” means all of each Grantor’s right, title and interest in all of its Deposit Accounts, Commodity Accounts and Securities Accounts (in all cases, including, without limitation, all Controlled Accounts).

“Pledged Entity” means, each Person listed from time to time on Schedule IV hereto as a “Pledged Entity,” together with each other Person all or a portion of whose Capital Stock is acquired or otherwise owned by a Grantor after the date hereof.

“Pledged Equity” means all of each Grantor’s right, title and interest in and to all of the Securities and Capital Stock now or hereafter owned by such Grantor, regardless of class or designation, including all substitutions therefor and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Securities and/or Capital Stock, the right to receive any certificates representing any of the Securities and/or Capital Stock, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof, and the right to receive dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

“Pledged Operating Agreements” means all of each Grantor’s rights, powers, and remedies under the limited liability company operating agreements of each Pledged Entity that are limited liability companies, as may be amended, restated, supplemented, or otherwise modified from time to time.

“Pledged Partnership Agreements” means all of each Grantor’s rights, powers, and remedies under the partnership agreements of each Pledged Entity that are partnerships, as may be amended, restated, supplemented, or otherwise modified from time to time.

“Purchase Agreement” shall have the meaning set forth in the recitals hereto.

“Subsidiary” means any Person in which a Grantor directly or indirectly, (i) owns any of the outstanding Capital Stock or holds any equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person, and all of the foregoing, collectively, **“Subsidiaries”**.

“Trademark Licenses” means all licenses, contracts or other agreements, whether written or oral, naming any Grantor as licensor or licensee and providing for the grant of any right concerning any Trademark, together with any goodwill connected with and symbolized by any such trademark licenses, contracts or agreements and the right to prepare for sale or lease and sell or lease any and all Inventory now or hereafter owned by any Grantor and now or hereafter covered by such licenses (including, without limitation, all Trademark Licenses described in Schedule II hereto).

“Trademarks” means all domestic and foreign trademarks, service marks, collective marks, certification marks, trade names, business names, d/b/a’s, Internet domain names, trade styles, designs, logos and other source or business identifiers and all general intangibles of like nature, now or hereafter owned, adopted, acquired or used by any Grantor (including, without limitation, all domestic and foreign trademarks, service marks, collective marks, certification marks, trade names, business names, d/b/a’s, Internet domain names, trade styles, designs, logos and other source or business identifiers described in Schedule II hereto), all applications, registrations and recordings thereof (including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof), and all reissues, extensions or renewals thereof, together with all goodwill of the business symbolized by such marks and all customer lists, formulae and other Records of any Grantor relating to the distribution of products and services in connection with which any of such marks are used.

“Transaction Documents” shall have the meaning set forth in the recitals hereto.

SECTION 2. Grant of Security Interest. As collateral security for all of the Obligations, each Grantor hereby pledges and assigns to the Secured Parties, and grants to the Collateral Agent, a continuing security interest in all personal property and assets of such Grantor, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind and description, tangible or intangible (collectively, the **“Collateral”**), including, without limitation, the following:

- (a) all Accounts;
- (b) all Chattel Paper (whether tangible or electronic);
- (c) the Commercial Tort Claims specified on Schedule VI hereto;
- (d) all Documents;
- (e) all Equipment;
- (f) all Fixtures;
- (g) all General Intangibles (including, without limitation, all Payment Intangibles);
- (h) all Goods;
- (i) all Instruments (including, without limitation, Promissory Notes and each certificated Security);
- (j) all Inventory;
- (k) all Investment Property (and, regardless of whether classified as Investment Property under the Code, all Pledged Equity, Pledged Operating Agreements and Pledged Partnership Agreements);

(l) all Copyrights, Patents, Trademarks, and all Licenses;

(m) all Letter-of-Credit Rights;

(n) all Pledged Accounts, all cash and other property from time to time deposited in any of the foregoing and all monies and property in the possession or under the control of the Collateral Agent or any Affiliate, representative, agent or correspondent of the Collateral Agent;

(o) all Supporting Obligations;

(p) all other tangible and intangible personal property of each Grantor (whether or not subject to the Code), including, without limitation, all bank and other accounts and all cash and all investments therein, all proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property of any Grantor described in the preceding clauses of this Section 2 (including, without limitation, any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by each Grantor in respect of any of the items listed above), and all books, correspondence, files and other Records, including, without limitation, all tapes, desks, cards, Software, data and computer programs in the possession or under the control of any Grantor or any other Person from time to time acting for any Grantor, in each case, to the extent of such Grantor's rights therein, that at any time evidence or contain information relating to any of the property described in the preceding clauses of this Section 2 or are otherwise necessary or helpful in the collection or realization thereof; and

(q) all Proceeds, including all Cash Proceeds and noncash Proceeds, and products of any and all of the foregoing Collateral;

in each case howsoever any Grantor's interest therein may arise or appear (whether by ownership, security interest, claim or otherwise).

Each Grantor has agreed not to further encumber any of its Copyrights, Copyright applications, Copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any Licenses, Patents, Patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same, Trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, and the goodwill of the business of such Grantor connected with and symbolized thereby, know-how, operating manuals, trade secret rights, rights to unpatented inventions, and any claims for damage by way of any past, present, or future infringement of any of the foregoing, without the Collateral Agent's prior written consent (which consent may be withheld or given in the Collateral Agent's sole discretion).

The Grantors agree that the pledge of the shares of Capital Stock acquired by a Grantor of any and all Persons now or hereafter existing who is a Foreign Subsidiary may be supplemented by one or more separate pledge agreements, deeds of pledge, share charges, or other similar agreements or instruments, executed and delivered by the relevant Grantors in favor of the Collateral Agent, which pledge agreements will provide for the pledge of such shares of Capital Stock in accordance with the laws of the applicable foreign jurisdiction. With respect to such shares of Capital Stock, the Collateral Agent may, at any time and from time to time, in its sole

discretion, take actions in such foreign jurisdictions that will result in the perfection of the Lien created in such shares of Capital Stock.

In addition, to secure the prompt and complete payment, performance and observance of the Obligations and in order to induce the Collateral Agent as aforesaid, each Grantor hereby grants to the Collateral Agent, a right of set-off against the property of such Grantor held by Collateral Agent, consisting of property described above in Section 2 now or hereafter in the possession or custody of or in transit to the Collateral Agent, for any purpose, including safekeeping, collection or pledge, for the account of such Grantor, or as to which such Grantor may have any right or power; provided that such right shall only to be exercised after an Event of Default has occurred and is continuing.

SECTION 3. Security for Obligations. The security interest created hereby in the Collateral constitutes continuing collateral security for all of the following obligations, whether direct or indirect, absolute or contingent, and whether now existing or hereafter incurred (collectively, the “**Obligations**”):

(a) for so long as the Note is outstanding, (i) the payment by the Company, as and when due and payable (by scheduled maturity, required prepayment, acceleration, demand or otherwise), of all amounts from time to time owing by it in respect of the Purchase Agreement, this Agreement, the Note, and the other Transaction Documents, and (ii) in the case of any Guarantors, the payment by such Guarantors, as and when due and payable of all obligations under the Transaction Documents, as applicable, including, without limitation, in both cases, (A) all principal of and interest on the Note (including, without limitation, all interest that accrues after the commencement of any Insolvency Proceeding of any Grantor, whether or not the payment of such interest is unenforceable or is not allowable due to the existence of such Insolvency Proceeding), and (B) all fees, interest, premiums, penalties, contract causes of action, costs, commissions, expense reimbursements, indemnifications and all other amounts due or to become due under this Agreement or any of the Transaction Documents; and

(b) for so long as the Note is outstanding, the due performance and observance by each Grantor of all of its other obligations from time to time existing in respect of any of the Transaction Documents.

SECTION 4. Representations and Warranties. Each Grantor represents and warrants as of the date of this Agreement as follows:

(a) Schedule I hereto sets forth (i) the exact legal name of each Grantor, and (ii) the state of incorporation, organization or formation and the organizational identification number of each Grantor in such state. The information set forth in Schedule I hereto with respect to such Grantor is true and accurate in all respects. Such Grantor has not previously changed its name, jurisdiction of organization or organizational identification number from those set forth in Schedule I hereto except as disclosed in Schedule I hereto.

(b) There is no pending or, to its knowledge, written notice threatening any action, suit, proceeding or claim affecting any Grantor before any Governmental Authority or any arbitrator, or any order, judgment or award issued by any Governmental Authority or arbitrator,

in each case, that may adversely affect the grant by any Grantor, or the perfection, of the security interest purported to be created hereby in the Collateral, or the exercise by the Collateral Agent of any of its rights or remedies hereunder.

(c) All Federal, state and local tax returns and other reports required by applicable law to be filed by any Grantor have been filed, or extensions have been obtained, and all taxes, assessments and other governmental charges imposed upon any Grantor or any property of any Grantor (including, without limitation, all federal income and social security taxes on employees' wages) and which have become due and payable on or prior to the date hereof have been paid, except to the extent contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof.

(d) All Equipment, Fixtures, Goods and Inventory of each Grantor now existing are, and all Equipment, Fixtures, Goods and Inventory of each Grantor hereafter existing will be, located and/or based at the addresses specified therefor in Schedule III hereto, except that each Grantor will give the Collateral Agent written notice of any change in the location of any such Collateral within 20 days of such change, other than to locations set forth on Schedule III hereto (or a new Schedule III delivered by Grantors to the Collateral Agent from time to time) and with respect to which the Collateral Agent has filed financing statements and otherwise fully perfected its Liens thereon. Each Grantor's chief place of business and chief executive office, the place where each Grantor keeps its Records concerning Accounts and all originals of all Chattel Paper are located at the addresses specified therefor in Schedule III hereto. None of the Accounts is evidenced by Promissory Notes or other Instruments. Set forth in Schedule IV hereto is a complete and accurate list, as of the date of this Agreement, of (i) each Promissory Note, Security and other Instrument owned by each Grantor, (ii) each Pledged Account of each Grantor, together with the name and address of each institution at which each such account is maintained, the account number for each such account and a description of the purpose of each such account and (iii) the name of each Foreign Currency Controlled Account, together with the name and address of each institution at which each such account is maintained and the amount of cash or cash equivalents held in each such Foreign Currency Controlled Account. Set forth in Schedule II hereto is a complete and correct list of each trade name used by each Grantor and the name of, and each trade name used by, each person from which each Grantor has acquired any substantial part of the Collateral.

(e) Each Grantor has delivered to the Collateral Agent complete and correct copies of each License described in Schedule II hereto, including all schedules and exhibits thereto, which represent all of the Licenses existing on the date of this Agreement. Each such License sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral, relating to the matters covered thereby or the rights of such Grantor or any of its Affiliates in respect thereof. Each material License now existing is, and any material License entered into in the future will be, the legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with its terms. No default under any material License by any such party has occurred, nor does any defense, offset, deduction or counterclaim exist thereunder in favor of any such party.

(f) Each Grantor owns and controls, or otherwise possesses adequate rights to use, all Trademarks, Patents and Copyrights, which are the only trademarks, patents, copyrights, inventions, trade secrets, proprietary information and technology, know-how, formulae, and rights of publicity necessary to conduct its business in substantially the same manner as conducted as of the date hereof. Schedule II hereto sets forth a true and complete list of all registered Copyrights, issued Patents, Trademarks, and Licenses owned or used by each Grantor as of the date hereof, and applications for grant or registration of Patents, Trademarks, and Copyrights. To the knowledge of each Grantor, all such Intellectual Property of each Grantor is subsisting and in full force and effect, has not been adjudged invalid or unenforceable, is valid and enforceable and has not been abandoned in whole or in part. Except as set forth in Schedule II, no such Intellectual Property is the subject of any licensing or franchising agreement. Except as set forth in Schedule II, no Grantor has any knowledge of any infringement upon or conflict with the patent, trademark, copyright, trade secret rights of others and, each Grantor is not now infringing or in conflict with any patent, trademark, copyright, trade secret or similar rights of others, and to the knowledge of each Grantor, no other Person is now infringing or in conflict in any material respect with any such properties, assets and rights owned or used by each Grantor. No Grantor has received any notice that it is violating or has violated the trademarks, patents, copyrights, inventions, trade secrets, proprietary information and technology, know-how, formulae, rights of publicity or other intellectual property rights of any third party.

(g) Each Grantor is and will be at all times the sole and exclusive owner of the Collateral pledged by such Grantor hereunder free and clear of any Liens. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording or filing office except such as may have been filed in favor of the Collateral Agent relating to this Agreement or the other Transaction Documents.

(h) The exercise by the Collateral Agent of any of its rights and remedies hereunder will not contravene any law or any contractual restriction binding on or otherwise affecting each Grantor or any of its properties and will not result in or require the creation of any Lien, upon or with respect to any of its properties.

(i) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority, is required for (i) the grant by each Grantor, or the perfection, of the security interest purported to be created hereby in the Collateral, or (ii) the exercise by the Collateral Agent of any of its rights and remedies hereunder, except (A) for the filing under the Code as in effect in the applicable jurisdiction of the financing statements described in Schedule V hereto, all of which financing statements have been duly filed and are in full force and effect, (B) with respect to all Pledged Accounts, and all cash and other property from time to time deposited therein, for the execution of a Controlled Account Agreement with the depository or other institution with which such account is maintained, as provided in Section 5(h)(i), (C) with respect to Commodity Contracts, for the execution of a control agreement with the commodity intermediary with which such commodity contract is carried, as provided in Section 5(h)(i), (D) with respect to the perfection of the security interest created hereby in the United States Intellectual Property and Licenses, for the recording of the appropriate Assignment for Security, substantially in the form of Exhibit A hereto in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, (E) with respect to the perfection of the

security interest created hereby in foreign Intellectual Property and Licenses, for registrations and filings in jurisdictions located outside of the United States and covering rights in such jurisdictions relating to such foreign Intellectual Property and Licenses, (F) with respect to the perfection of the security interest created hereby in any Letter-of-Credit Rights, for the consent of the issuer of the applicable letter of credit to the assignment of proceeds as provided in the Code as in effect in the applicable jurisdiction, (G) with respect to Investment Property constituting uncertificated securities, for the applicable Grantor to cause the issuer thereof either (i) to register the Collateral Agent as the registered owner of such security or (ii) to agree in an authenticated record with such Grantor and the Collateral Agent that such issuer will comply with instructions with respect to such security originated by the Collateral Agent without further consent of such Grantor, such authenticated record to be in form and substance satisfactory to the Collateral Agent, (H) with respect to Investment Property constituting certificated securities or instruments, for such items to be delivered to and held by or on behalf of the Collateral Agent pursuant hereto in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Collateral Agent, (I) with respect to any action that may be necessary to obtain control of Collateral constituting Commodity Contracts, Electronic Chattel Paper, or Letter of Credit Rights, the taking of such actions, and (J) the Collateral Agent having possession of all Documents, Chattel Paper, Instruments and cash constituting Collateral (subclauses (A) through (J) each a "Perfection Requirement" and collectively, the "Perfection Requirements").

(j) This Agreement creates in favor of the Collateral Agent a legal, valid and enforceable security interest in the Collateral, as security for the Obligations. The performance of the Perfection Requirements results in the perfection of such security interest in the Collateral. Such security interest is (or in the case of Collateral in which each Grantor obtains rights after the date hereof, will be), subject only to the Perfection Requirements a first priority, valid, enforceable, and perfected security interests in all personal property of each Grantor. Such recordings and filings and all other action necessary to perfect and protect such security interest have been duly taken (and, in the case of Collateral in which any Grantor obtains rights after the date hereof, will be duly taken), except for the Collateral Agent's having possession of all Documents, Chattel Paper, Instruments and cash constituting Collateral after the date hereof and the other actions, filings and recordations described above, including the Perfection Requirements.

(k) As of the date hereof, no Grantor holds any Commercial Tort Claims or has knowledge of any pending Commercial Tort Claims, except for such Commercial Tort Claims described in Schedule VI.

(l) All of the Pledged Equity is presently owned by the applicable Grantor as set forth in Schedule IV, and is presently represented by the certificates listed on Schedule IV hereto. As of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to the Pledged Equity other than as contemplated and permitted by the Transaction Documents. Each Grantor is the sole holder of record and the sole beneficial owner of the Pledged Equity, as applicable. None of the Pledged Equity has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject. The Pledged Equity

constitutes 100% or such other percentage as set forth of Schedule IV of the issued and outstanding shares of Capital Stock of the applicable Pledged Entity.

(m) Each Grantor hereby represents and warrants as of the date first written above as follows:

(i) Such Grantor (A) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (B) has all requisite corporate, limited liability company or limited partnership power and authority to conduct its business as now conducted and as presently contemplated and to execute and deliver this Agreement and each other Transaction Document to which such Grantor is a party, and to consummate the transactions contemplated hereby and thereby and (C) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except where the failure to be so qualified would not result in a Material Adverse Effect.

(ii) The execution, delivery and performance by each Grantor of this Agreement and each other Transaction Document to which such Grantor is a party (A) have been duly authorized by all necessary corporate, limited liability company or limited partnership action, (B) do not and will not contravene its charter or by-laws, its limited liability company or operating agreement or its certificate of partnership or partnership agreement, as applicable, or any applicable law or any contractual restriction binding on such Grantor or its properties, (C) do not and will not result in or require the creation of any lien (other than pursuant to any Transaction Document) upon or with respect to any of its properties, and (D) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to it or its operations or any of its properties.

(iii) Each of this Agreement and the other Transaction Documents to which any Grantor is or will be a party, when delivered, will be, a legal, valid and binding obligation of the Grantor, enforceable against such Grantor in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, suretyship or other similar laws and equitable principles (regardless of whether enforcement is sought in equity or at law).

(iv) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

SECTION 5. Covenants as to the Collateral. So long as any of the Obligations shall remain outstanding, unless the Collateral Agent shall otherwise consent in writing:

(a) Further Assurances. Each Grantor will at its expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that the Collateral Agent may reasonably request in order to: (i) perfect and protect the security interest purported to be created hereby; (ii) enable the Collateral Agent to exercise and enforce its rights and remedies hereunder in respect of the Collateral, including, without

limitation, the Controlled Accounts; or (iii) otherwise effect the purposes of this Agreement, including, without limitation: (A) marking conspicuously all Chattel Paper and each License and, at the request of the Collateral Agent, each of its Records pertaining to the Collateral with a legend, in form and substance satisfactory to the Collateral Agent, indicating that such Chattel Paper, License or Collateral is subject to the security interest created hereby, (B) delivering and pledging to the Collateral Agent each Promissory Note, Security (subject to the limitations set forth in Section 2), Chattel Paper or other Instrument, now or hereafter owned by any Grantor, duly endorsed and accompanied by executed instruments of transfer or assignment, all in form and substance satisfactory to the Collateral Agent, (C) executing and filing (to the extent, if any, that any Grantor's signature is required thereon) or authenticating the filing of, such financing or continuation statements, or amendments thereto, as may be necessary or that the Collateral Agent may reasonably request in order to perfect and preserve the security interest purported to be created hereby, (D) furnishing to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral in each case as the Collateral Agent may reasonably request, all in reasonable detail, (E) if any Collateral shall be in the possession of a third party, notifying such Person of the Collateral Agent's security interest created hereby and obtaining a written acknowledgment from such Person that such Person holds possession of the Collateral for the benefit of the Collateral Agent, which such written acknowledgement shall be in form and substance reasonably satisfactory to the Collateral Agent, (F) if at any time after the date hereof, any Grantor acquires or holds any Commercial Tort Claim, promptly notifying the Collateral Agent in a writing signed by such Grantor setting forth a brief description of such Commercial Tort Claim and granting to the Collateral Agent a security interest therein and in the proceeds thereof, which writing shall incorporate the provisions hereof and shall be in form and substance satisfactory to the Collateral Agent, (G) upon the acquisition after the date hereof by any Grantor of any motor vehicle or other Equipment subject to a certificate of title or ownership (other than a Motor Vehicle or Equipment that is subject to a purchase money security interest), causing the Collateral Agent to be listed as the lienholder on such certificate of title or ownership and delivering evidence of the same to the Collateral Agent in accordance with Section 5(j) hereof; and (H) taking all actions required by the Code or by other law, as applicable, in any relevant Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

(b) Location of Collateral. Each Grantor will keep the Collateral (i) at the locations specified therefor on Schedule III hereto, or (ii) at such other locations set forth on Schedule III and with respect to which the Collateral Agent has filed financing statements and otherwise fully perfected its Liens thereon, or (iii) at such other locations in the United States, provided that 30 days prior to any change in the location of any Collateral to such other location, or upon the acquisition of Collateral to be kept at such other locations, the Grantors shall give the Collateral Agent written notice thereof and deliver to the Collateral Agent a new Schedule III indicating such new locations and such other written statements and schedules as the Collateral Agent may require.

(c) Condition of Equipment. Each Grantor will maintain or cause the Equipment (necessary or useful to its business) to be maintained and preserved in good condition, repair and working order, ordinary wear and tear excepted, and will forthwith, or in the case of any loss or damage to any Equipment of any Grantor within a commercially reasonable time after the occurrence thereof, make or cause to be made all repairs, replacements and other improvements

in connection therewith which are necessary or desirable, consistent with past practice, or which the Collateral Agent may request to such end. Any Grantor will promptly furnish to the Collateral Agent a statement describing in reasonable detail any such loss or damage in excess of \$25,000 per occurrence to any Equipment.

(d) Taxes, Etc. Each Grantor agrees to pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory, except to the extent the validity thereof is being contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves in accordance with GAAP have been set aside for the payment thereof.

(e) Insurance.

(i) Each Grantor will, at its own expense, maintain insurance (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any Governmental Authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

(ii) To the extent requested by the Collateral Agent at any time and from time to time, each such policy for liability insurance shall provide for all losses to be paid on behalf of the Collateral Agent and any Grantor as their respective interests may appear, and each policy for property damage insurance shall provide for all losses to be adjusted with, and paid directly to, the Collateral Agent. In addition to and without limiting the foregoing, to the extent requested by the Collateral Agent at any time and from time to time, each such policy shall in addition (A) name the Collateral Agent as an additional insured party and/or loss payee, as applicable, thereunder (without any representation or warranty by or obligation upon the Collateral Agent) as its interests may appear, (B) contain an agreement by the insurer that any loss thereunder shall be payable to the Collateral Agent on its own account notwithstanding any action, inaction or breach of representation or warranty by any Grantor, (C) provide that there shall be no recourse against the Collateral Agent for payment of premiums or other amounts with respect thereto, and (D) provide that at least 30 days' prior written notice of cancellation, lapse, expiration or other adverse change shall be given to the Collateral Agent by the insurer. Any Grantor will, if so requested by the Collateral Agent, deliver to the Collateral Agent original or duplicate policies of such insurance and, as often as the Collateral Agent may reasonably request, a report of a reputable insurance broker with respect to such insurance. Any Grantor will also, at the request of the Collateral Agent, execute and deliver instruments of assignment of such insurance policies and cause the respective insurers to acknowledge notice of such assignment.

(iii) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 5(e) may be paid directly to the Person who shall have incurred liability covered by such insurance. In the case of any loss involving damage to Equipment or Inventory, to the extent paragraph (iv) of this Section 5(e) is not applicable, any proceeds of insurance involving such damage shall be paid to the Collateral Agent, and any Grantor will make or cause to be

made the necessary repairs to or replacements of such Equipment or Inventory, and any proceeds of insurance maintained by any Grantor pursuant to this Section 5(e) (except as otherwise provided in paragraph (iv) in this Section 5(e)) shall be paid by the Collateral Agent to any Grantor as reimbursement for the costs of such repairs or replacements.

(iv) Notwithstanding anything to the contrary in subsection 5(e)(iii) above, following and during the continuance of an Event of Default, all insurance payments in respect of each Grantor's properties and business shall be paid to the Collateral Agent and applied as specified in Section 8(b) hereof.

(f) Provisions Concerning the Accounts and the Licenses.

(i) Each Grantor will (A) give the Collateral Agent at least 30 days' prior written notice of any change in such Grantor's name, identity or organizational structure, (B) maintain its jurisdiction of incorporation, organization or formation as set forth in Schedule I hereto, (C) immediately notify the Collateral Agent upon obtaining an organizational identification number, if on the date hereof such Grantor did not have such identification number, and (D) keep adequate records concerning the Accounts and Chattel Paper and permit representatives of the Collateral Agent during normal business hours on reasonable notice to such Grantor, to inspect and make abstracts from such Records and Chattel Paper.

(ii) Each Grantor will (except as otherwise provided in this subsection (f)), continue to collect, at its own expense, all amounts due or to become due under the Accounts. In connection with such collections, any Grantor may (and, at the Collateral Agent's direction, will) take such action as any Grantor or the Collateral Agent may deem necessary or advisable to enforce collection or performance of the Accounts; provided, however, that the Collateral Agent shall have the right at any time following the occurrence and during the continuance of an Event of Default to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Collateral Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to any Grantor thereunder directly to the Collateral Agent or its designated agent and, upon such notification and at the expense of any Grantor and to the extent permitted by applicable law, to enforce collection of any such Accounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as any Grantor might have done. After receipt by any Grantor of a notice from the Collateral Agent has notified, intends to notify, or has enforced or intends to enforce any Grantor's rights against the account debtors or obligors under any Accounts as referred to in the proviso to the immediately preceding sentence, (A) all amounts and proceeds (including Instruments) received by any Grantor in respect of the Accounts shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of any Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement) to be applied as specified in Section 8(b) hereof, and (B) no Grantor will adjust, settle or compromise the amount or payment of any Account or release wholly or partly any account debtor or obligor thereof or allow any credit or discount thereon. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may (in its sole and absolute discretion) direct any or all of the banks and financial institutions with which any Grantor either maintains a Deposit Account or a lockbox (including, without limitation, any Controlled Account) or deposits the proceeds of any Accounts to send

immediately to the Collateral Agent by wire transfer (to such account as the Collateral Agent shall specify, or in such other manner as the Collateral Agent shall direct) all or a portion of such securities, cash, investments and other items held by such institution. Any such securities, cash, investments and other items so received by the Collateral Agent shall be applied as specified in accordance with Section 8(b) hereof.

(iii) Upon the occurrence and during the continuance of any breach or default under any material License referred to in Schedule II hereto by any party thereto other than any Grantor, each Grantor party thereto will, promptly after obtaining knowledge thereof, give the Collateral Agent written notice of the nature and duration thereof, specifying what action, if any, it has taken and proposes to take with respect thereto and thereafter will take reasonable steps to protect and preserve its rights and remedies in respect of such breach or default, or will obtain or acquire an appropriate substitute License.

(iv) Each Grantor will, at its expense, promptly deliver to the Collateral Agent a copy of each notice or other communication received by it by which any other party to any material License referred to in Schedule II hereto purports to exercise any of its rights or affect any of its obligations thereunder, together with a copy of any reply by such Grantor thereto.

(v) Each Grantor will exercise promptly and diligently each and every right which it may have under each material License (other than any right of termination) and will duly perform and observe in all respects all of its obligations under each material License and will take all action reasonably necessary to maintain such Licenses in full force and effect. No Grantor will, without the prior written consent of the Collateral Agent, cancel, terminate, amend or otherwise modify in any respect, or waive any provision of, any material License referred to in Schedule II hereto.

(g) Transfers and Other Liens.

(i) No Grantor shall, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any Collateral whether in a single transaction or a series of related transactions, other than (A) sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by such Grantor in the ordinary course of business and (B) sales of Inventory and product in the ordinary course of business.

(ii) No Grantor shall, directly or indirectly, redeem, repurchase or declare or pay any cash dividend or distribution on any of its Capital Stock.

(iii) No Grantor shall, directly or indirectly, without the prior written consent of the holders of a majority in aggregate principal amount of the Note then outstanding, (A) issue any Note (other than as contemplated by the Purchase Agreement and the Note) or (B) issue any other securities that would cause a breach or default under the Note.

(iv) No Grantor shall enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any Affiliate, except in the ordinary course of business in a manner and to an extent consistent with past practice and necessary or desirable for the prudent operation of its business, for fair

consideration and on terms no less favorable to it than would be obtainable in a comparable arm's length transaction with a Person that is not an Affiliate thereof.

(v) No Grantor will create, suffer to exist or grant any Lien upon or with respect to any Collateral.

(h) Intellectual Property.

(i) If applicable, each Grantor shall duly execute and deliver the applicable Assignment for Security in the form attached hereto as Exhibit A. Each Grantor (either itself or through licensees) will, and will cause each licensee thereof to, take all action necessary to maintain all of the Intellectual Property in full force and effect, including, without limitation, using the proper statutory notices, numbers and markings (relating to patent, trademark and copyright rights) and using the Trademarks on each applicable trademark class of goods in order to so maintain the Trademarks in full force and free from any claim of abandonment for non-use, and each Grantor will not (nor permit any licensee thereof to) do any act or knowingly omit to do any act whereby any Intellectual Property may become abandoned, cancelled or invalidated; provided, however, that so long as no Event of Default has occurred and is continuing, no Grantor shall have an obligation to use or to maintain any Intellectual Property (A) that relates solely to any product or work, that has been, or is in the process of being, discontinued, abandoned or terminated in the ordinary course of business and consistent with the exercise of reasonable business judgment, (B) that is being replaced with Intellectual Property substantially similar to the Intellectual Property that may be abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the Lien created by this Agreement and does not have a material adverse effect on the business of any Grantor or (C) that is substantially the same as another Intellectual Property that is in full force, so long the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such other Intellectual Property is subject to the Lien and security interest created by this Agreement and does not have a material adverse effect on the business of any Grantor. Each Grantor will cause to be taken all necessary steps in any proceeding before the United States Patent and Trademark Office and the United States Copyright Office or any similar office or agency in any other country or political subdivision thereof to maintain each registration of the Intellectual Property and application for registration of Intellectual Property (other than the Intellectual Property described in the proviso to the immediately preceding sentence), including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and payment of maintenance fees, filing fees, taxes or other governmental fees. If any Intellectual Property (other than Intellectual Property described in the proviso to the second sentence of subsection (i) of this clause (h)) is infringed, misappropriated, diluted or otherwise violated in any material respect by a third party, each Grantor shall (x) upon learning of such infringement, misappropriation, dilution or other violation, promptly notify the Collateral Agent and (y) promptly sue for infringement, misappropriation, dilution or other violation, seek injunctive relief where appropriate and recover any and all damages for such infringement, misappropriation, dilution or other violation, or take such other actions as such Grantor shall deem appropriate under the circumstances to protect such Intellectual Property. Each Grantor

shall furnish to the Collateral Agent from time to time upon its request statements and schedules further identifying and describing the Intellectual Property and Licenses and such other reports in connection with the Intellectual Property and Licenses as the Collateral Agent may reasonably request, all in reasonable detail and promptly upon request of the Collateral Agent, following receipt by the Collateral Agent of any such statements, schedules or reports, each Grantor shall modify this Agreement by amending Schedule II hereto, as the case may be, to include any Intellectual Property and License, as the case may be, which is or hereafter becomes part of the Collateral under this Agreement and shall execute and authenticate such documents and do such acts as shall be necessary or, in the reasonable judgment of the Collateral Agent, desirable to subject such Intellectual Property and Licenses to the Lien and security interest created by this Agreement. Notwithstanding anything herein to the contrary, upon the occurrence and during the continuance of an Event of Default, no Grantor may abandon, surrender or otherwise permit any Intellectual Property to become abandoned, cancelled or invalid without the prior written consent of the Collateral Agent, and if any Intellectual Property is infringed, misappropriated, diluted or otherwise violated in any material respect by a third party, each Grantor will take such reasonable action as the Collateral Agent shall deem appropriate under the circumstances to protect such Intellectual Property.

(ii) In no event shall any Grantor, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright or the United States Copyright Office or the United States Patent and Trademark Office, as applicable, or in any similar office or agency of the United States or any country or any political subdivision thereof unless it gives the Collateral Agent prior written notice thereof. Upon request of the Collateral Agent, any Grantor shall execute, authenticate and deliver any and all assignments, agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interest hereunder in such Intellectual Property and the General Intangibles of any Grantor relating thereto or represented thereby, and each Grantor hereby appoints the Collateral Agent its attorney-in-fact to execute and/or authenticate and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power (being coupled with an interest) shall be irrevocable until all Obligations are Paid in Full.

(i) Pledged Accounts.

(A) Upon occurrence of an Event of Default, each Grantor shall cause each bank and other financial institution with a Controlled Account to execute and deliver to the Collateral Agent a Controlled Account Agreement with respect to such Controlled Account, in form and substance satisfactory to the Collateral Agent in its sole discretion, duly executed by each Grantor and such bank or financial institution, pursuant to which such institution shall irrevocably agree, with respect to each Controlled Account, that, inter alia (i) at any time an Event of Default has occurred or is continuing, such bank will comply with any and all instructions originated by the Collateral Agent directing the disposition of the funds in each Controlled Account without further consent by such Grantor, (ii) such bank shall waive, subordinate or agree not to exercise any rights of setoff or recoupment or any other claim against the applicable Controlled Account other than for payment of its service fees and other charges directly related to the administration of such Controlled Account and for returned checks or other items of payment, (iii) at any time an Event of Default has occurred or is continuing, with respect

to each such Controlled Account, such bank shall not comply with any instructions, directions or orders of any form with respect to such Controlled Accounts other than instructions, directions or orders originated by the Collateral Agent, (iv) all funds deposited by any Grantor with such bank shall be subject to a perfected, first priority security interest in favor of the Collateral Agent, and (v) upon receipt of written notice from the Collateral Agent during the continuance of an Event of Default, such bank or financial institution shall immediately send to the Collateral Agent by wire transfer (to such account as the Collateral Agent shall specify, or in such other manner as the Collateral Agent shall direct) all such funds and other items held by it. No Grantor shall create or maintain any Pledged Account without the prior written consent of the Collateral Agent and complying with the terms of this Agreement.

(B) If at any time after the Closing Date, the average daily balance of any Pledged Account of any Grantor that is not subject to a Controlled Account Agreement exceeds \$100,000 during any calendar month (including the calendar month in which the Closing Date occurs), such Grantor shall, within twenty-one (21) calendar days following the last day of such calendar month, deliver to the Collateral Agent a Controlled Account Agreement with respect to such Pledged Account, duly executed by such Grantor and the depository bank in which such Account is maintained.

(C) Notwithstanding anything to the contrary contained in Section 5(i)(B) above, and without limiting any of the foregoing, if at any time on or after the date that is twenty-one (21) calendar days following the Closing Date, the total aggregate amount of any Grantor's, in the aggregate, cash that is not held in a Controlled Account exceeds \$100,000 (the "**Maximum Free Cash Amount**"), such Grantor shall within two (2) business days following such date, transfer to a Controlled Account an amount sufficient to reduce the total aggregate amount of the Company's cash that is not held in a Controlled Account to an amount not in excess of the Maximum Free Cash Amount.

(j) Motor Vehicles.

(i) Upon the Collateral Agent's written request, each Grantor shall deliver to the Collateral Agent originals of the certificates of title or ownership for all motor vehicles with a value in excess of \$10,000, owned by it with the Collateral Agent listed as lienholder.

(ii) Each Grantor hereby appoints the Collateral Agent as its attorney-in-fact, effective the date hereof and terminating upon the termination of this Agreement, for the purpose of (A) executing on behalf of such Grantor title or ownership applications for filing with appropriate state agencies to enable motor vehicles now owned or hereafter acquired by such Grantor to be retitled and the Collateral Agent listed as lienholder thereof, (B) filing such applications with such state agencies, and (C) executing such other documents and instruments on behalf of, and taking such other action in the name of, such Grantor as the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof (including, without limitation, for the purpose of creating in favor of the Collateral Agent a perfected Lien on the motor vehicles and exercising the rights and remedies of the Collateral Agent hereunder). This appointment as attorney-in-fact is coupled with an interest and is irrevocable until all of the Obligations are Paid in Full.

(iii) Any certificates of title or ownership delivered pursuant to the terms hereof shall be accompanied by odometer statements for each motor vehicle covered thereby.

(iv) So long as no Event of Default shall have occurred and be continuing, upon the request of any Grantor, the Collateral Agent shall execute and deliver to any Grantor such instruments as such Grantor shall reasonably request to remove the notation of the Collateral Agent as lienholder on any certificate of title for any motor vehicle; provided, however, that any such instruments shall be delivered, and the release effective, only upon receipt by the Collateral Agent of a certificate from any Grantor stating that such motor vehicle is to be sold or has suffered a casualty loss (with title thereto in such case passing to the casualty insurance company therefor in settlement of the claim for such loss) and the amount that any Grantor will receive as sale proceeds or insurance proceeds. Any proceeds of such sale or casualty loss shall be paid to the Collateral Agent hereunder immediately upon receipt, to be applied to the Obligations then outstanding.

(k) Control. Each Grantor hereby agrees to take any or all action that may be necessary or that the Collateral Agent may reasonably request in order for the Collateral Agent to obtain control in accordance with Sections 9-105 – 9-107 of the Code with respect to the following Collateral: (i) Electronic Chattel Paper, (ii) Investment Property, and (iii) Letter-of-Credit Rights.

(l) Inspection and Reporting. Each Grantor shall permit the Collateral Agent, or any agent or representatives thereof or such professionals or other Persons as the Collateral Agent may designate (at Grantors' sole cost and expense) (i) to examine and make copies of and abstracts from any Grantor's records and books of account, (ii) to visit and inspect its properties, (iii) to verify materials, leases, Instruments, Accounts, Inventory and other assets of any Grantor from time to time, (iii) to conduct audits, physical counts, appraisals and/or valuations, examinations at the locations of any Grantor. Each Grantor shall also permit the Collateral Agent, or any agent or representatives thereof or such professionals or other Persons as the Collateral Agent may designate to discuss such Grantor's affairs, finances and accounts with any of its directors, officers, managerial employees, independent accountants or any of its other representatives. Without limiting the foregoing, the Collateral Agent may, at any time, in the Collateral Agent's own name, in the name of a nominee of the Collateral Agent, or in the name of any Grantor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of such Grantor, parties to contracts with such Grantor and/or obligors in respect of Instruments of such Grantor to verify with such Persons, to the Collateral Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other receivables.

(m) Future Subsidiaries. If any Grantor hereafter creates or acquires any Subsidiary, simultaneously with the creation or acquisition of such Subsidiary, such Grantor shall (i) cause such Subsidiary to become a party to this Agreement as an additional "Grantor" hereunder, (ii) deliver to the Collateral Agent revised Schedules to this Agreement, as appropriate (including, without limitation, a revised Schedule IV to reflect the grant by such Grantor of a lien on all Pledged Equity now or hereafter owned by such Grantor), (iii) cause such Subsidiary to duly execute and deliver a guaranty of the Obligations in favor of the Collateral Agent in form and substance acceptable to the Collateral Agent, (iv) deliver to the Collateral Agent each of the

physical stock certificates of such Subsidiary, along with undated stock powers for each such certificates, executed in blank (or, if any such shares of Capital Stock are uncertificated, confirmation and evidence reasonably satisfactory to the Collateral Agent that the security interest in such uncertificated securities has been transferred to and perfected by the Collateral Agent, in accordance with Sections 8-313, 8-321 and 9-115 of the Code or any other similar or local or foreign law that may be applicable), and (v) duly execute and/or cause to be delivered such opinions of counsel and other documents, in form and substance acceptable to the Collateral Agent, as the Collateral Agent shall request with respect thereto. Each Grantor hereby authorizes the Collateral Agent to attach such revised Schedules to this Agreement and agrees that all Pledged Equity listed on any revised Schedule delivered to the Collateral Agent shall for all purposes hereunder be considered Collateral. The Grantors agree that the pledge of the shares of Capital Stock acquired by a Grantor of Foreign Subsidiary may be supplemented by one or more separate pledge agreements, deeds of pledge, share charges, or other similar agreements or instruments, executed and delivered by the relevant Grantor in favor of the Collateral Agent, which pledge agreements will provide for the pledge of such shares of Capital Stock in accordance with the laws of the applicable foreign jurisdiction. With respect to such shares of Capital Stock, the Collateral Agent may, at any time and from time to time, in its sole discretion, take actions in such foreign jurisdictions that will result in the perfection of the Lien created in such shares of Capital Stock.

SECTION 6. Additional Provisions Concerning the Collateral.

(a) To the maximum extent permitted by applicable law, and for the purpose of taking any action that the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, each Grantor hereby (i) authorizes the Collateral Agent to execute any such agreements, instruments or other documents in such Grantor's name and to file such agreements, instruments or other documents in such Grantor's name and in any appropriate filing office, (ii) authorizes the Collateral Agent at any time and from time to time to file, one or more financing or continuation statements, and amendments thereto, relating to the Collateral (including, without limitation, any such financing statements that (A) describe the Collateral as "all assets" or "all personal property" (or words of similar effect) or that describe or identify the Collateral by type or in any other manner as the Collateral Agent may determine regardless of whether any particular asset of such Grantor falls within the scope of Article 9 of the Code or whether any particular asset of such Grantor constitutes part of the Collateral, and (B) contain any other information required by Part 5 of Article 9 of the Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including, without limitation, whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor) and (iii) ratifies such authorization to the extent that the Collateral Agent has filed any such financing or continuation statements, or amendments thereto, prior to the date hereof. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) Each Grantor hereby irrevocably appoints the Collateral Agent as its attorney-in-fact and proxy, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Collateral Agent's discretion, to take any action and to execute any instrument which the Collateral Agent may reasonably deem necessary or

advisable to accomplish the purposes of this Agreement, including, without limitation, (i) to obtain and adjust insurance required to be paid to the Collateral Agent pursuant to Section 5(e) hereof, (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any Collateral, (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with clause (i) or (ii) above, (iv) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any Collateral, (v) to execute assignments, licenses and other documents to enforce the rights of the Collateral Agent with respect to any Collateral and (vi) to verify any and all information with respect to any and all Accounts. This power is coupled with an interest and is irrevocable until all of the Obligations are Paid in Full.

(c) For the purpose of enabling the Collateral Agent to exercise rights and remedies hereunder, at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to any Grantor) to use, assign, license or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. Notwithstanding anything contained herein to the contrary, but subject to the provisions of the Purchase Agreement that limit the right of any Grantor to dispose of its property, and Section 5(g) and Section 5(h) hereof, so long as no Event of Default shall have occurred and be continuing, any Grantor may exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of its business. In furtherance of the foregoing, unless an Event of Default shall have occurred and be continuing, the Collateral Agent shall from time to time, upon the request of any Grantor, execute and deliver any instruments, certificates or other documents, in the form so requested, which such Grantor shall have certified are appropriate (in such Grantor's judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to this clause (c) as to any Intellectual Property). Further, upon the Payment in Full of all of the Obligations, the Collateral Agent (subject to Section 11(e) hereof) shall release and reassign to any Grantor all of the Collateral Agent's right, title and interest in and to the Intellectual Property, and the Licenses, all without recourse, representation or warranty whatsoever. The exercise of rights and remedies hereunder by the Collateral Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by each Grantor in accordance with the second sentence of this clause (c). Each Grantor hereby releases the Collateral Agent from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Collateral Agent under the powers of attorney granted herein other than actions taken or omitted to be taken through the Collateral Agent's gross negligence or willful misconduct, as determined by a final determination of a court of competent jurisdiction.

(d) If any Grantor fails to perform any agreement or obligation contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement or obligation, in the name of such Grantor or the Collateral Agent, and the expenses of the Collateral Agent

incurred in connection therewith shall be payable by such Grantor pursuant to Section 9 hereof and shall be secured by the Collateral.

(e) The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

(f) Anything herein to the contrary notwithstanding (i) each Grantor shall remain liable under the Licenses and otherwise with respect to any of the Collateral to the extent set forth therein to perform all of its obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its obligations under the Licenses or otherwise in respect of the Collateral, and (iii) the Collateral Agent shall not have any obligation or liability by reason of this Agreement under the Licenses or with respect to any of the other Collateral, nor shall the Collateral Agent be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(g) As long as no Event of Default shall have occurred and be continuing and until written notice shall be given to the applicable Grantor:

(i) Each Grantor shall have the right, from time to time, to vote and give consents with respect to the Pledged Equity, or any part thereof for all purposes not inconsistent with the provisions of this Agreement, the Purchase Agreement or any other Transaction Document; provided, however, that no vote shall be cast, and no consent shall be given or action taken, which would have the effect of impairing the position or interest of the Collateral Agent in respect of the Pledged Equity or which would authorize, effect or consent to (unless and to the extent expressly permitted by the Purchase Agreement):

- (A) the dissolution or liquidation, in whole or in part, of a Pledged Entity;
- (B) the consolidation or merger of a Pledged Entity with any other Person;
- (C) the sale, disposition or encumbrance of all or substantially all of the assets of a Pledged Entity, except for Liens in favor of the Collateral Agent;
- (D) any change in the authorized number of shares, the stated capital or the authorized share capital of a Pledged Entity or the issuance of any additional shares of its Capital Stock; or
- (E) the alteration of the voting rights with respect to the Capital Stock of a Pledged Entity.

(h) (i) Each Grantor shall be entitled, from time to time, to collect and receive for its own use all cash dividends and interest paid in respect of the Pledged Equity to the extent not in violation of the Purchase Agreement other than any and all: (A) dividends and interest paid or

payable other than in cash in respect of any Pledged Equity, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Equity; (B) dividends and other distributions paid or payable in cash in respect of any Pledged Equity in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of a Pledged Entity; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, any Pledged Equity; provided, however, that until actually paid all rights to such distributions shall remain subject to the Lien created by this Agreement; and

(ii) all dividends and interest (other than such cash dividends and interest as are permitted to be paid to any Grantor in accordance with clause (i) above) and all other distributions in respect of any of the Pledged Equity, whenever paid or made, shall be delivered to the Collateral Agent to hold as Pledged Equity and shall, if received by any Grantor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Grantor, and be forthwith delivered to the Collateral Agent as Pledged Equity in the same form as so received (with any necessary endorsement).

SECTION 7. Collateral Agent.

(a) Each of the Secured Parties hereby appoints Barry Honig as Collateral Agent to act for them as collateral agent, to hold any pledged collateral and any other collateral perfected by perfection or control for the benefit of the Secured Parties. Without limiting the foregoing, the Collateral Agent shall take direction from the Secured Parties that hold more than 50% of the aggregate outstanding Notes ("Majority Secured Parties") and shall distribute any proceeds of Collateral (net of its own expenses) to the Secured Parties to apply to the payment of the Notes.

(b) The Collateral Agent shall act at the instruction of the Majority Secured Parties with respect to providing any vote, consent or taking other action with respect to the Collateral.

(c) Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Security Agreement and other Transaction Documents; provided, Collateral Agent shall, after payment in full of all Obligations under the Note and the other Transaction Documents, exercise, or refrain from exercising, any remedies provided for herein in accordance with the instructions of the Majority Secured Parties. In furtherance of the foregoing provisions of this section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all powers, rights and remedies hereunder may be exercised solely by Collateral Agent for the benefit of Secured Parties in accordance with the terms of this section.

(d) The Collateral Agent may resign at any time by giving at least 30 days' prior written notice of its intention to do so to each of the other parties hereto and upon the appointment by the Majority Secured Parties of a successor Collateral Agent. If no successor

Collateral Agent shall have been so appointed and shall have accepted such appointment within 45 days after the retiring Collateral Agent's giving of such notice of resignation, then the retiring Collateral Agent may appoint a successor Collateral Agent, with the consent of the Majority Secured Parties. Upon the appointment of a new Collateral Agent hereunder, the term "Collateral Agent" shall for all purposes of this Security Agreement thereafter mean such successor. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, or the removal hereunder of any successor Collateral Agent, the provisions of this Security Agreement shall continue to inure to the benefit of such retiring or removed Collateral Agent as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Security Agreement.

(e) Concerning the Collateral Agent.

(i) The Collateral Agent shall be under no liability to any of the Secured Parties or to any future holder of any interest in the Obligations for any action or failure to act taken or suffered in the absence of gross negligence and willful misconduct, and any action or failure to act in accordance with an opinion of its counsel shall conclusively be deemed to be in the absence of gross negligence and willful misconduct.

(ii) The Collateral Agent shall have and may exercise such powers as are specifically delegated to the Collateral Agent under this Security Agreement together with all other powers incidental thereto. The Collateral Agent shall have no implied duties to any person or any obligation to take any action under this Security Agreement except for action specifically provided for in this Security Agreement to be taken by the Collateral Agent.

(iii) The Collateral Agent shall not be responsible to any other party or any future holder of any interest in the Obligations (a) for the legality, validity, enforceability or effectiveness of any Transaction Document, (b) for any recitals, reports, representations, warranties or statements contained in or made in connection with any Transaction Document, (c) for the existence or value of any assets included in any security for the Obligations, (d) for the effectiveness of any Lien purported to be included in the security for the Obligations, or (e) for the perfection of the security interests for the Obligations.

(iv) The Collateral Agent shall not be obligated to ascertain or inquire as to the performance or observance of any of the terms of this Security Agreement or any other Transaction Document.

(v) The Collateral Agent may execute any of its duties as Collateral Agent under this Security Agreement or the other Transaction Document by or through employees, agents and attorneys-in-fact and shall not be responsible to any of the parties hereto for the default or misconduct of any such employees, agents or attorneys-in-fact selected by the Collateral Agent acting in the absence of gross negligence and willful misconduct. The Collateral Agent shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder.

(vi) The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any affidavit, certificate, cablegram, consent, instrument, letter, notice,

order, document, statement, telecopy, telegram, telex or teletype message or writing reasonably believed in good faith by the Collateral Agent to be genuine and correct and to have been signed, sent or made by the person in question, including any telephonic or oral statement made by such person, and, with respect to legal matters, upon an opinion or the advice of counsel selected by the Collateral Agent.

(vii) The Secured Parties agree to indemnify the Collateral Agent for any losses arising from its appointment as the Collateral Agent or from the performance of its duties hereunder and to reimburse the Collateral Agent for any reasonable expenses; *provided, however*, that the Collateral Agent shall not be indemnified or reimbursed for liabilities or expenses to the extent resulting from its own gross negligence or willful misconduct.

(viii) Notwithstanding anything herein to the contrary, if at any time no person constitutes the Collateral Agent hereunder or the Collateral Agent fails to act upon written directions from the parties hereto, the Majority Secured Parties shall be entitled to exercise any power, right or privilege granted to the Collateral Agent and in so acting the Majority Secured Parties shall have the same rights, privileges, indemnities and protections provided to the Collateral Agent hereunder.

SECTION 8. Remedies Upon Event of Default. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to any other rights and remedies provided for herein or otherwise available to it, all of the rights and remedies of a secured party upon default under the Code (whether or not the Code applies to the affected Collateral), and also may (i) take absolute control of the Collateral, including, without limitation, transfer into the Collateral Agent's name or into the name of its nominee or nominees (to the extent the Collateral Agent has not theretofore done so) and thereafter receive, for the benefit of the Collateral Agent, all payments made thereon, give all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof, (ii) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Collateral Agent forthwith, assemble all or part of its respective Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place or places to be designated by the Collateral Agent that is reasonably convenient to both parties, and the Collateral Agent may enter into and occupy any premises owned or leased by any Grantor where the Collateral or any part thereof is located or assembled for a reasonable period in order to effectuate the Collateral Agent's rights and remedies hereunder or under law, without obligation to any Grantor in respect of such occupation, and (iii) without notice except as specified below and without any obligation to prepare or process the Collateral for sale, (A) sell the Collateral or any part thereof in one or more parcels at public or private sale (including, without limitation, by credit bid), at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable and/or (B) lease, license or dispose of the Collateral or any part thereof upon such terms as the Collateral Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale or any other disposition of its respective Collateral shall be required by law, at least ten (10) days'

notice to any Grantor of the time and place of any public sale or the time after which any private sale or other disposition of its respective Collateral is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale or other disposition of any Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which its respective Collateral may have been sold at a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree, and waives all rights that any Grantor may have to require that all or any part of such Collateral be marshaled upon any sale (public or private) thereof. Each Grantor hereby acknowledges that (i) any such sale of its respective Collateral by the Collateral Agent shall be made without warranty, (ii) the Collateral Agent may specifically disclaim any warranties of title, possession, quiet enjoyment or the like, and (iii) such actions set forth in clauses (i) and (ii) above shall not adversely affect the commercial reasonableness of any such sale of Collateral. In addition to the foregoing, (1) upon written notice to any Grantor from the Collateral Agent after and during the continuance of an Event of Default, such Grantor shall cease any use of the Intellectual Property or any trademark, patent or copyright similar thereto for any purpose described in such notice; (2) the Collateral Agent may, at any time and from time to time after and during the continuance of an Event of Default, upon 10 days' prior notice to such Grantor, license, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any of the Intellectual Property, throughout the universe for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (3) the Collateral Agent may, at any time, pursuant to the authority granted in Section 6 hereof or otherwise (such authority being effective upon the occurrence and during the continuance of an Event of Default), execute and deliver on behalf of such Grantor, one or more instruments of assignment of the Intellectual Property (or any application or registration thereof), in form suitable for filing, recording or registration in any country.

(b) Any cash held by the Collateral Agent as Collateral and all Cash Proceeds received by the Collateral Agent in respect of any sale of or collection from, or other realization upon, all or any part of the Collateral shall be applied (after payment of any amounts payable to the Collateral Agent pursuant to Section 9 hereof) by the Collateral Agent against, all or any part of the Obligations in such order as the Collateral Agent shall elect, consistent with the provisions of the Purchase Agreement. Any surplus of such cash or Cash Proceeds held by the Collateral Agent and remaining after the Payment in Full of all of the Obligations shall be paid over to whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction shall direct.

(c) In the event that the proceeds of any such sale, collection or realization are insufficient to pay all amounts to which the Collateral Agent are legally entitled, each Grantor shall be liable for the deficiency, together with interest thereon at the highest rate specified in the Note for interest on overdue principal thereof or such other rate as shall be fixed by applicable law, together with the costs of collection and the reasonable fees, costs, expenses and other client charges of any attorneys employed by the Collateral Agent to collect such deficiency.

(d) To the extent that applicable law imposes duties on the Collateral Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is commercially reasonable for the Collateral Agent (i) to fail to incur expenses deemed significant by the Collateral Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as any Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match Collateral Agents and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Collateral Agent against risks of loss, collection or disposition of Collateral or to provide to the Collateral Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Collateral Agent, to obtain the services of brokers, investment bankers, consultants, attorneys and other professionals to assist the Collateral Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this section is to provide non-exhaustive indications of what actions or omissions by the Collateral Agent would be commercially reasonable in the Collateral Agent's exercise of remedies against the Collateral and that other actions or omissions by the Collateral Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this section. Without limitation upon the foregoing, nothing contained in this section shall be construed to grant any rights to any Grantor or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this section.

(e) The Collateral Agent shall not be required to marshal any present or future collateral security (including, but not limited to, this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the Collateral Agent's rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that any Grantor lawfully may, each Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Collateral Agent's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

SECTION 9. Indemnity and Expenses.

(a) Each Grantor agrees, jointly and severally, to defend, protect, indemnify and hold the Collateral Agent, jointly and severally, harmless from and against any and all claims, damages, losses, liabilities, obligations, penalties, fees, costs and expenses (including, without limitation, reasonable legal fees, costs, expenses, and disbursements of such Person's counsel) to the extent that they arise out of or otherwise result from this Agreement (including, without limitation, enforcement of this Agreement), except to the extent resulting from such Person's gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction.

(b) Each Grantor agrees, jointly and severally, to pay to the Collateral Agent upon demand the amount of any and all costs and expenses, including the reasonable fees, costs, expenses and disbursements of counsel for the Collateral Agent and of any experts and agents (including, without limitation, any collateral trustee which may act as agent of the Collateral Agent), which the Collateral Agent may incur in connection with (i) the preparation, negotiation, execution, delivery, recordation, administration, amendment, waiver or other modification or termination of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent hereunder, or (iv) the failure by any Grantor to perform or observe any of the provisions hereof.

SECTION 10. Notices, Etc. All notices and other communications provided for hereunder shall be in writing and shall be mailed (by certified mail, postage prepaid and return receipt requested), telecopied, e-mailed or delivered, if to any Grantor, to the Company's address, or if to the Collateral Agent, to it at its respective address, each as set forth in Section 9(f) of the Purchase Agreement; or as to any such Person, at such other address as shall be designated by such Person in a written notice to all other parties hereto complying as to delivery with the terms of this Section 10. All such notices and other communications shall be effective (a) if sent by certified mail, return receipt requested, when received or three days after deposited in the mails, whichever occurs first, (b) if telecopied or e-mailed, when transmitted (during normal business hours) and confirmation is received, and otherwise, the day after the notice or communication was transmitted and confirmation is received, or (c) if delivered in person, upon delivery. For the avoidance of doubt, all Foreign Subsidiaries, as Grantors, hereby appoint the Company as its agent for receipt of service of process and all notices and other communications in the United States at the address specified below.

SECTION 11. Miscellaneous.

(a) No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by each Grantor and the Collateral Agent, and no waiver of any provision of this Agreement, and no consent to any departure by each Grantor therefrom, shall be effective unless it is in writing and signed by each Grantor and the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No failure on the part of the Collateral Agent to exercise, and no delay in exercising, any right hereunder or under any of the other Transaction Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Collateral Agent provided herein and in the other Transaction Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Collateral Agent under any of the other Transaction Documents against any party thereto are not conditional or contingent on any attempt by such Person to exercise any of its rights under any of the other Transaction Documents against such party or against any other Person, including but not limited to, any Grantor.

(c) Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until Payment in Full of the Obligations, and (ii) be binding on each Grantor and all other Persons who become bound as debtor to this Agreement in accordance with Section 9-203(d) of the Code and shall inure, together with all rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and their respective permitted successors, transferees and assigns. Without limiting the generality of clause (ii) of the immediately preceding sentence, without notice to any Grantor, the Collateral Agent may assign or otherwise transfer their rights and obligations under this Agreement and any of the other Transaction Documents, to any other Person and such other Person shall thereupon become vested with all of the benefits in respect thereof granted to the Collateral Agent herein or otherwise. Upon any such assignment or transfer, all references in this Agreement to the Collateral Agent shall mean the assignee of the Collateral Agent. None of the rights or obligations of any Grantor hereunder may be assigned or otherwise transferred without the prior written consent of the Collateral Agent, and any such assignment or transfer without the consent of the Collateral Agent shall be null and void.

(e) Upon the Payment in Full of the Obligations, (i) this Agreement and the security interests created hereby shall terminate and all rights to the Collateral shall revert to the respective Grantor that granted such security interests hereunder, and (ii) the Collateral Agent will, upon any Grantor's request and at such Grantor's expense, (A) return to such Grantor such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof and (B) execute and deliver to such Grantor such documents as such Grantor shall

reasonably request to evidence such termination, all without any representation, warranty or recourse whatsoever.

(f) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each Grantor hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or under any of the other Transaction Documents or with any transaction contemplated hereby or thereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under Section 7(h) of the Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Collateral Agent from bringing suit or taking other legal action against any Grantor in any other jurisdiction to collect on a Grantor's obligations or to enforce a judgment or other court ruling in favor of the Collateral Agent.

(g) WAIVER OF JURY TRIAL, ETC. EACH GRANTOR IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR UNDER ANY OTHER TRANSACTION DOCUMENT OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.

(h) Each Grantor irrevocably and unconditionally waives any right it may have to claim or recover in any legal action, suit or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

(i) Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(j) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together constitute one and the same Agreement. Delivery of any executed counterpart of a signature page of this Agreement by pdf, facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(k) This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Collateral Agent or any other Person (upon (i) the occurrence of any Insolvency

Proceeding of any of the Company or any Grantor or (ii) otherwise, in all cases as though such payment had not been made).

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

GRANTORS:

RANT, INC.

By:

A handwritten signature in black ink, appearing to read "Brett Ren", written over a horizontal line.


Name: Brett Ren

Title: CEO

[Signatures continue on following page]

ACCEPTED BY:

BARRY HONIG
as Collateral Agent



BARRY HONIG

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

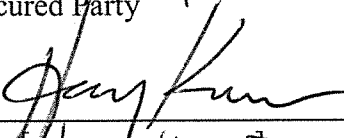
ACCEPTED BY:

BARRY HONIG


as Collateral Agent

BARRY HONIG

Paradox Capital Partners LLC
as Secured Party

By: 
Name: Harvey Kesner
Title: Manager

as Secured Party

By: 
Name: Mark Groussman
Title: Trustee

as Secured Party

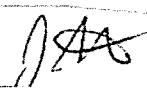
By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

FOUR KIDS INVESTMENT FUND LLC
as Secured Party

By: 
Name: Jonathan Honig
Title: Authorized Signatory

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG

as Collateral Agent

BARRY HONIG

ATG Capital LLC
as Secured Party

By: [Signature]
Name: [John O'Rourke]
Title: [Authorized Signatory]

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

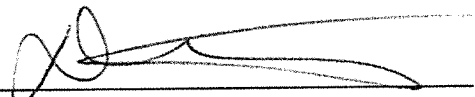
ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

David Baatov

as Secured Party

By: 
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

as Secured Party


By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

TECH OPPORTUNITIES LLC
as Secured Party

By: 
Name: YOAV ROTH
Title: AUTHORIZED SIGNATORY

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG

as Collateral Agent

BARRY HONIG

Stetson Capital Investments, Inc.
as Secured Party

By: John Stetson
Name: [John Stetson]
Title: [President]

as Secured Party

By: _____
Name: [_____]
Title: [_____]

as Secured Party

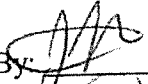
By: _____
Name: [_____]
Title: [_____]

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

Jonathan Hong C/F Jacob Hong UIMAF L
as Secured Party

By: 
Name: [Jonathan Hong]
Title: [C-5 holder]

as Secured Party

By: _____
Name: []
Title: []

as Secured Party


By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

Jonathan Honig C/F Cameron Honig UTMA FL
as Secured Party

By: 
Name: [Jonathan Honig]
Title: [Custodian]

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

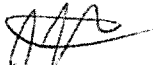
By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

Jonathan Honig CIF RYAN Honig UTMA FL
as Secured Party

By: 
Name: [Jonathan Honig]
Title: [Custodian]

as Secured Party

By: _____
Name: []
Title: []

as Secured Party


By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

Jonathan Honig C/P Harrison Honig UTMFL
as Secured Party

By: 
Name: [Jonathan Honig]
Title: [Customs]

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

ACCEPTED BY:

BARRY HONIG
as Collateral Agent

BARRY HONIG

Barry Honig
as Secured Party

By: BH
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

as Secured Party

By: _____
Name: []
Title: []

EXHIBIT A

Assignment For Security
Trademarks

WHEREAS, _____ (the “**Assignor**”) has adopted, used and is using, and holds all right, title and interest in and to, the trademarks and service marks listed on the annexed Schedule 1A, which trademarks and service marks are registered or applied for in the United States Patent and Trademark Office (the “**Trademarks**”);

WHEREAS, the Assignor has entered into a Security and Pledge Agreement, dated as of _____ [], 2015 (as amended, restated or otherwise modified from time to time the “**Security Agreement**”), in favor of Barry Honig (the “**Assignee**”);

WHEREAS, pursuant to the Security Agreement, the Assignor has assigned to the Assignee and granted to the Assignee for the benefit of the Collateral Agent (as defined in the Security Agreement) a continuing security interest in all right, title and interest of the Assignor in, to and under the Trademarks, together with, among other things, the good-will of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof and any and all damages arising from past, present and future violations thereof (the “**Collateral**”), to secure the payment, performance and observance of the “**Obligations**” (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby pledge, convey, sell, assign, transfer and set over unto the Assignee and grants to the Assignee for the benefit of the Collateral Agent a continuing security interest in the Collateral to secure the prompt payment, performance and for the benefit of the Collateral Agent observance of the Obligations.

The Assignor does hereby further acknowledge and affirm that the rights and remedies of the Assignee with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly executed by its officer thereunto duly authorized as of _____, 2015.

[GRANTORS]

By: _____
Name:
Title:

STATE OF _____

ss.:

COUNTY OF _____

On this ____ day of _____, 2015, before me personally came _____, to me known to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that s/he is the _____ of _____, a _____, and that s/he executed the foregoing instrument in the firm name of _____, and that s/he had authority to sign the same, and s/he acknowledged to me that he executed the same as the act and deed of said firm for the uses and purposes therein mentioned.

SCHEDULE 1A TO ASSIGNMENT FOR SECURITY

[Trademarks and Trademark Applications]

Owned by Rant, Inc

Intellectual Property

Patents

None.

Trademarks

“Rant Sports”, serial number 85777444, filed November 12, 2012 and registered July 1, 2014
“RantGirls”, serial number 86150634, filed December 23, 2013 and registered March 31, 2015
“Rant”, serial number 86358798, filed August 6, 2014 and registered March 17, 2015
“Rant”, serial number 86359913, filed August 7, 2014 and registered March 17, 2015
“RantLifestyle”, serial number 86150641, filed December 23, 2013 and registered May 19, 2015
“RantChic”, serial number 86150638, filed December 23, 2013 and registered May 19, 2015
Pending application for “Rant”, serial number 86359843, filed August 7, 2014
Pending application for “RantStore”, serial number 86167535, filed January 16, 2014
Pending application for “RantSports”, serial number 86167547, filed January 16, 2014
Pending application for “RantSports Knows”, serial number 86167543, filed January 16, 2014
Pending application for “RantCollection”, serial number 86167535, filed January 16, 2014
Pending application for “RantLifestyle”, serial number 86167540, filed January 16, 2014

Copyrights

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SCHEDULE I

Legal Names; Organizational Identification Numbers;
States or Jurisdiction of Organization

<u>Grantor's Name</u>	<u>State of Organization</u>	<u>Federal Employer I.D.</u>	<u>Organizational I.D.</u>
Rant, Inc	Delaware	32-0313434	5422513
Rant, Inc	California	32-0313434	017-9896-6
<u>Rant, Inc.</u>	<u>New York</u>	<u>32-0313434</u>	<u>5169372-9</u>

SCHEDULE II

Intellectual Property

Patents

None.

Trademarks

“Rant Sports”, serial number 85777444, filed November 12, 2012 and registered July 1, 2014
“RantGirls”, serial number 86150634, filed December 23, 2013 and registered March 31, 2015
“Rant”, serial number 86358798, filed August 6, 2014 and registered March 17, 2015
“Rant”, serial number 86359913, filed August 7, 2014 and registered March 17, 2015
“RantLifestyle”, serial number 86150641, filed December 23, 2013 and registered May 19, 2015
“RantChic”, serial number 86150638, filed December 23, 2013 and registered May 19, 2015
Pending application for “Rant”, serial number 86359843, filed August 7, 2014
Pending application for “RantStore”, serial number 86167535, filed January 16, 2014
Pending application for “RantSports”, serial number 86167547, filed January 16, 2014
Pending application for “RantSports Knows”, serial number 86167543, filed January 16, 2014
Pending application for “RantCollection”, serial number 86167535, filed January 16, 2014
Pending application for “RantLifestyle”, serial number 86167540, filed January 16, 2014

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SCHEDULE III

Locations

<u>Grantor's Name</u>	<u>Chief Executive Office</u>	<u>Chief Place of Business</u>	<u>Books and Records</u>	<u>Inventory, Equipment, Etc.</u>
Rant, Inc	Brett Rosin	<u>4 Park Plaza, Suite 950, Irvine, CA 92614</u>	Same	Same

SCHEDULE IV

Promissory Notes, Securities, Deposit Accounts,
Securities Accounts and Commodities Accounts

Securities

<u>Grantor</u>	<u>Name of Issuer / Pledged Entity</u>	<u>Number of Shares</u>	<u>Class</u>	<u>Certificate No.(s)</u>
Rant, Inc				

Deposit Accounts, Securities Accounts and Commodities Accounts

<u>Grantor</u>	<u>Name and Address of Institution</u>	<u>Purpose of the Account</u>	<u>Account No.</u>
Rant, Inc	JP Morgan Chase	Business Checking	888639630
Rant, Inc	JP Morgan Chase	Business Savings	2964124644
Rant, Inc	JP Morgan Chase	Business Checking	527685825
Rant, Inc	JP Morgan Chase	Business Savings	3037330432
Rant, Inc	American Chartered Bank	Business Checking	0010259489
Rant, Inc	American Chartered Bank	Business Checking	0010145668
Rant, Inc	Paypal	Business Checking	accounting@rantmn.com
Rant, Inc	Paypal	Business Checking	webmaster@rantsports.com

Foreign Currency Controlled Accounts

<u>Entity</u>	<u>Name and Address of Institution</u>	<u>Amount Held in Account</u>

<u>Entity</u>	<u>Name and Address of Institution</u>	<u>Amount Held in Account</u>

SCHEDULE V

Financing Statements

Grantors

Jurisdictions For Filing Financing Statements

SCHEDULE VI

Commercial Tort Claims

SCHEDULE VII

Effective Financing Statements

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "*Agreement*") is entered into as of December 4, 2015 (the "*Effective Date*"), by and between Rant, Inc., a Delaware corporation (the "*Company*" or the "*Grantor*"), and Barry Honig, in his capacity as collateral agent pursuant to the Security Agreement (in such capacity, the "*Collateral Agent*").

RECITALS:

WHEREAS, the Grantor, the Collateral Agent and certain investors ("*Secured Parties*," and collectively with the Grantor and Collateral Agent, the "*Parties*") have entered into a Note Purchase Agreement on the date first stated hereof (the "*Purchase Agreement*") pursuant to which the Company has issued 8% senior secured convertible promissory notes in the aggregate principal amount of up to US\$4,000,000 (the "*Note*") and warrants to purchase shares of the Company's common stock (the "*Warrant*") and a Security Agreement on the date first stated hereof ("*Security Agreement*," together with the Purchase Agreement, the Note, the Warrant and all other closing documents delivered in connection with the transactions contemplated therein, including this Agreement, the "*Transaction Documents*");

WHEREAS, the Grantor has agreed to secure its obligations to Secured Parties pursuant to the Transaction Documents, including, but not limitations, its obligations under the Notes (collectively, the "*Obligations*");

NOW IT IS THEREFORE RESOLVED, that in consideration for the mutual covenants contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as set forth herein.

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in Security Agreement, and if they are not defined therein, in the Purchase Agreement.

Section 2. Grant of Security Interest in Intellectual Property Collateral. The Grantor, as collateral security for the timely and complete payment and performance when due of the Obligations, hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a continuing first priority security interest in all of the Grantor's right, title and interest in, to and under the following collateral of the Grantor, now or hereafter existing, created, acquired or held (the "*Intellectual Property Collateral*"):

- (a) all of the Intellectual Properties (as defined in the Security Agreement);
- (b) all reissues, reexaminations, continuations, continuations-in-part, divisionals, amendments, renewals and extensions of the foregoing;
- (c) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof; and

(d) all goodwill of the business connected with the use of the foregoing.

Section 3. Perfection of Security Interests.

(a) The Company irrevocably authorize the Collateral Agent at any time and from time to time to file in any jurisdiction any financing statements and amendments or other similar documents or instruments that: (i) name Intellectual Property Collateral as collateral thereunder, regardless of whether any particular Intellectual Property Collateral falls within the scope of the Uniform Commercial Code as in effect in the State of Delaware, respectively (the “UCC”); (ii) contain any other information required by the UCC for sufficiency or filing office acceptance, including organization identification numbers; (iii) contain such language as the Collateral Agent determines helpful in protecting or preserving rights against third parties and (iv) are otherwise for the purpose of perfecting or continuing the perfection of the security interest in the Intellectual Property Collateral. The Grantor further authorizes the Collateral Agent at any time and from time to time to make filings with the U.S. Patent and Trademark Office and/or any other similar office in the United States to evidence the security interest in the Intellectual Property Collateral.

(b) The Grantor will faithfully preserve and protect the Secured Parties’ and Collateral Agent’s security interest in the Intellectual Property Collateral and shall take any other actions reasonably requested by the Collateral Agent from time to time to cause the attachment, perfection and first priority of, and the ability of the Collateral Agent to enforce the security interest of the Secured Parties and the Collateral Agent in any and all of the Intellectual Property Collateral, including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and amendments, documents and instruments relating thereto under the UCC or other applicable law, to the extent, if any, that the Grantor’s signature thereon is required therefor, (ii) causing the Collateral Agent’s name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Collateral Agent to enforce, the security interest of the Secured Parties in such Intellectual Property Collateral, (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Intellectual Property Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Collateral Agent to enforce, the security interest of the Secure Parties and the Collateral Agent in such Intellectual Property Collateral, (iv) obtaining the consents and approvals of any governmental authority or third party, including, without limitation, any consent of any licensor, lessor or other person obligated on any Intellectual Property Collateral, and taking all actions required by any earlier versions of the UCC or by other law, as applicable in any relevant jurisdiction, and (v) filing or recording any documentation or assignments of the Grantor’s intellectual property to the Collateral Agent with the United States Patent and Trademark Office and/or any other similar office in the United States.

Section 4. Representations, Warranties, Covenants. The Company hereby represents and warrants to the Collateral Agent and each Secured Party as of the Effective Date:

(a) The Company is duly organized, validly existing and in good standing under the laws of its jurisdictions of formation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Grantor. The Grantor represents

and warrants to the Collateral Agent and each Secured Party that (i) the Grantor has all requisite power and authority to enter into this Agreement and consummate the transactions contemplated hereby; (ii) this Agreement is a valid and binding obligation enforceable against the Grantor in accordance with its terms; and (iii) neither the execution, delivery and performance of this Agreement and the other agreements and instruments contemplated hereunder, nor the consummation of the transactions contemplated hereby will violate or conflict with or constitute a default under any contractual obligation applicable to the Grantor (including any licenses relating to the Intellectual Property Collateral).

(b) The Grantor covenants and agrees that it will keep accurate and complete books and records concerning the Intellectual Property Collateral owned by it in accordance with generally accepted accounting principles, consistently applied.

(c) The Collateral Agent shall have the right to review the books and records of the Grantor pertaining to the Intellectual Property Collateral and to copy and make excerpts therefrom, all at such times and as often as the Collateral Agent may reasonably request.

(d) The Grantor shall (i) maintain and keep (A) its principal place of business and its chief executive office and (B) the Intellectual Property Collateral and its records concerning the Intellectual Property Collateral, at 4 Park Plaza, Suite 950, Irvine, CA 92614 and at no other location, and (ii) not change its legal name, in each case, without providing thirty (30) days' prior written notice to the Collateral Agent.

(e) The Grantor has and will have good and marketable title to the Intellectual Property Collateral from time to time owned or acquired by it, free and clear of all liens, encumbrances and security interests. The Grantor will defend such title against the claims and demands of all persons.

(f) The Grantor will not, without the prior written consent of the Collateral Agent or as otherwise expressly provided in the Security Agreement or the Purchase Agreement: (i) borrow against the Intellectual Property Collateral from any person, firm or corporation other than the Collateral Agent, (ii) create, incur, assume or suffer to exist any mortgage, lien, charge or encumbrance on, or security interest in, or pledge of or conditional sale or other title retention agreement with respect to any of the Intellectual Property Collateral, except the security interest created hereunder, (iii) permit any levy or attachment to be made against any of the Intellectual Property Collateral except a levy or attachment relating to this Agreement, or (iv) permit any valid and effective financing statement to be on file with respect to any of the Intellectual Property Collateral, except financing statements in favor of the Collateral Agent and the Secured Parties or ranking junior to the Collateral Agent pursuant to a subordination agreement in form and substance reasonably satisfactory to Collateral Agent or (v) assert or comingle the Intellectual Property Collateral in connection with any other patents held or otherwise used by the Grantor.

Section 5. Events of Default.

If any event specified in this Section 5 shall have happened and be continuing beyond any applicable cure period (each, an "Event of Default"), the Collateral Agent, by written notice

to the Grantor, may declare the Obligations or any part of any of them (together with any other amounts accrued or payable under the Purchaser Agreement) to be, and the same shall thereupon become, immediately due and payable, without any further notice and without any presentment, demand, or protest of any kind, all of which are hereby expressly waived by the Grantor, and take any further action available at law or in equity:

(a) Either Grantor shall have failed to comply with the due observance or performance of any covenant contained in the Transaction Documents (other than the covenant described in (a) above), and such failure shall not have been cured by such Grantor within thirty (30) Business Days after receiving written notice of such failure from the Collateral Agent.

(b) Any representation or warranty made by either Grantor in any Transaction Document shall have been incorrect, false or misleading as of the date it was made.

(c) Grantor shall generally be unable to pay its debts as such debts become due, or shall admit in writing its inability to pay its debts as they come due or shall make a general assignment for the benefit of creditors; (ii) Grantor shall declare a moratorium on the payment of its debts; (iii) the commencement by Grantor of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the commencement of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization, intervention or other similar relief under any applicable law, or the consent by it to the filing of any such petition or to the appointment of an intervenor, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of all or substantially all of its assets; (iv) the commencement against Grantor of a proceeding in any court of competent jurisdiction under any bankruptcy or other applicable law (as now or hereafter in effect) seeking its liquidation, winding up, dissolution, reorganization, arrangement, adjustment, or the appointment of an intervenor, receiver, liquidator, assignee, trustee, sequestrator (or other similar official), and any such proceeding shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall continue unstayed or otherwise in effect, for a period of ninety (90) days; or (v) any other event shall have occurred which under any applicable law would have an effect analogous to any of those events listed above in this subsection.

(d) One or more judgments against Grantor or attachments against any of its property, which in the aggregate exceed \$50,000, or which could have a material adverse effect, remain(s) unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of thirty (30) days from the date of entry of such judgment.

(e) Any authorization necessary for the execution, delivery or performance of any Transaction Document or for the validity or enforceability of any of the Obligations is not given or is withdrawn or ceases to remain in full force or effect.

(f) The validity of any Transaction Document shall be contested by Grantor, or any treaty, law, regulation, communiqué, decree, ordinance or policy of any jurisdiction shall purport to render any material provision of any Transaction Document invalid or unenforceable or shall purport to prevent or materially delay the performance or observance by Grantor of the Obligations.

(g) There is a failure to perform in any agreement to which Grantor is a party with a third party or parties resulting in a right by such third party or parties to accelerate the maturity of any indebtedness for borrowed money in an amount in excess of \$50,000.

Section 6. Security Agreement; Rights on Default.

(a) The security interest granted pursuant to this Intellectual Property Security Agreement formalizes the security interest granted to the Collateral Agent pursuant to the Purchase Agreement and Security Agreement and shall in all respects be governed by the Uniform Commercial Code in effect in the State of Delaware, from time to time.

(b) The Collateral Agent may provide the Grantor with written notice upon the occurrence and during the continuance of any default under the Security Agreement with respect to the Obligations, any default of the Purchase Agreement, the Note or the Warrant or any default under this Agreement, and in addition to, and not in derogation of, any and all other rights which the Collateral Agent may have under the Purchase Agreement, the Security Agreement, the Note, the Warrant or this Agreement or applicable law:

(i) The Collateral Agent may declare all Obligations secured hereby immediately due and payable and shall have all of the rights and remedies of a secured party under all applicable law including, without limitation, the UCC.

(ii) The Collateral Agent may enforce, collect, foreclose, receive, appropriate, setoff and realize upon any and all Intellectual Property Collateral (and if the Collateral Agent shall commence any suit for such enforcement, the Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all proper documents required by the Collateral Agent in aid of such enforcement), may take over and perform any contract of the Grantor with respect to the Intellectual Property Collateral and to take control of any and all proceeds arising therefrom if the Grantor shall also be in default under any such contract and may endorse in the name of the Grantor any instrument, howsoever received by the Collateral Agent, representing proceeds of any of the Intellectual Property Collateral.

(iii) The Collateral Agent may sell, lease, transfer, assign, deliver, license or otherwise dispose of any and all Intellectual Property Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board), at any office of the Collateral Agent or elsewhere at such prices and on such terms as the Collateral Agent may deem reasonable, with the Collateral Agent having the right to purchase the whole or any part of the Intellectual Property Collateral at any such public sale.

(iv) At the request of the Collateral Agent, the Grantor shall cause the Intellectual Property Collateral, or such portion of the Intellectual Property Collateral as the Collateral Agent may direct, to be assembled for the Collateral Agent at such location (including, without limitation, the Grantor's business address) as the Collateral Agent may request.

(v) The Collateral Agent may exercise any one or more of the above rights and remedies or any other rights and remedies that they may have under the Purchase Agreement, the Security Agreement, the Note, the Warrant or applicable law, all of which rights and remedies shall, to the extent permitted by law, be cumulative.

(c) If notice of disposition of Intellectual Property Collateral is required by law, ten (10) days' prior notice by the Collateral Agent to the Grantor designating the time and place of any public sale or the time after which any private sale or other intended disposition of Intellectual Property Collateral is to be made, shall be deemed to be reasonable notice thereof and the Grantor waives any other notice. In the event the Collateral Agent institutes an action to recover any Intellectual Property Collateral or seeks recovery of any Intellectual Property Collateral by way of prejudgment remedy, the Grantor waives the posting of any bond which might otherwise be required. Any such sale may take place from the Grantor's location or such other location as the Collateral Agent may designate.

(d) The Grantor hereby irrevocably appoints the Collateral Agent as its true and lawful attorney-in-fact with full power of substitution, effective upon the occurrence and continuation of a default, to take any of the foregoing actions set forth in this Section in the name of the Grantor or the Collateral Agent to carry out the terms of this Agreement and to protect, enforce, preserve or perfect the Collateral Agent's rights hereunder and under the Security Agreement, Purchase Agreement or the Note. Such power of attorney is irrevocable and shall be deemed to be coupled with an interest.

(f) The Collateral Agent may apply the cash proceeds of Intellectual Property Collateral actually received by the Collateral Agent from any sale, lease, foreclosure or other disposition of the Intellectual Property Collateral to payment of the Obligations, in whole or in part and in such order or preference as the Collateral Agent may elect, whether or not then due.

Section 7. Waiver of Counterclaims. The Grantor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Purchase Agreement, the Security Agreement, the Obligations, the Intellectual Property Collateral or any matter arising therefrom or relating hereto or thereto.

Section 8. The Grantor Remains Liable. The Grantor hereby agrees that, anything herein to the contrary notwithstanding, such the Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Intellectual Property Collateral and licenses subject to a security interest hereunder unless Collateral Agent has asserted its rights upon default hereunder.

Section 9. Further Assurances. At any time and from time to time, the Grantor shall execute and deliver such further instruments and take such further action as the Collateral Agent may reasonably request to effect the intent and purposes hereof, to perfect and continue perfected and of first priority the Collateral Agent's security interests, in the Intellectual Property Collateral. The Collateral Agent may itself correct any manifest errors or omissions to this Agreement and upon the Collateral Agent's request, the Grantor will execute or re-execute this Agreement and any corrections thereof or any other instrument or document given to evidence, secure, guarantee or conform any Obligations of the Grantor to the Collateral Agent or any correction thereof. If the Grantor fails or refuses to execute or re-execute this Agreement or any correction thereof or any other instrument or document given to evidence, secure, guarantee or conform any Obligations of the Grantor to the Collateral Agent or any correction thereof within ten (10) days after the Collateral Agent's reasonable request thereof, a default shall be deemed to

exist under the Note, the Warrant, the Security Agreement and Purchase Agreement and the Collateral Agent may thereupon or at any time thereafter, declare any amounts owing to it from the Grantor immediately due and payable. The Collateral Agent shall have the right to bring suit to enforce the Obligations incurred in connection with the Security Agreement and this Agreement, and in the event any suit is brought to enforce the Security Agreement or this Agreement, the Collateral Agent shall be entitled to recover all costs and expenses incurred, including reasonable attorneys' fees.

Section 10. Termination. This Agreement and the security interests granted herein shall terminate upon full payment and performance of the Obligations. The Collateral Agent agrees to take such action reasonably requested by the Grantor to evidence the termination of the Collateral Agent's security interests upon the payment and performance of the Obligations in full, including, without limitation, filing of any UCC Termination Statements upon request. Upon acknowledgement by the Collateral Agent of satisfaction of the Obligations, Grantors shall be authorized to file UCC Termination Statements on behalf of Collateral Agent.

Section 11. Amendments in Writing; No Waiver; Cumulative Remedies. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and Collateral Agent. No failure or delay on the part of the Collateral Agent in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof or of any other right, remedy, power or privilege hereunder or under the Note, the Warrant, the Security Agreement, Purchase Agreement or any related agreement or other Transaction Document; nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or of any other right, remedy, power or privilege. The rights and remedies of the Collateral Agent herein are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

Section 12. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Collateral Agent and its successors and assigns; *provided that* the Grantor may not assign any of its rights or obligations under this Agreement without the consent of the Collateral Agent.

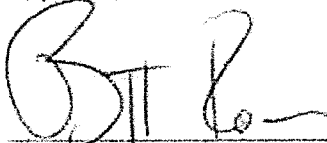
Section 13. Counterparts; Severability. This Intellectual Property Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. If any provision of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

Section 14. Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Intellectual Property Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York. The Grantor and the Collateral Agent hereby agree that any suit, action or proceeding against the other arising out of or based upon this Agreement may be instituted in or removed to

a federal or state court located in the State of New York, county of New York, and each party irrevocably submits to the exclusive jurisdiction of such courts in any suit, action or proceeding. The Grantor and the Collateral Agent waive service of process in New York and agree to be served by regular mail, return receipt requested, at their respective addresses, as set forth above. THE ACQUIRER AND THE COLLATERAL AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

IN WITNESS WHEREOF, each Party has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

RANT, INC.

By: 
Name: Brett Love
Title: CEO

COLLATERAL AGENT

Barry Honig

IN WITNESS WHEREOF, each Party has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

RANT, INC.

By: _____
Name:
Title:

COLLATERAL AGENT



Barry Honig