

From: Saul, Michael <msaul@riedc.com>
Sent: Friday, April 9, 2010 8:27 AM
To: Michael <mcorso@kingstoncap.com>
Cc: Stolzman, Rob <RStolzman@apslaw.com>; Hashway, Fred <fhashway@riedc.com>; Stokes, Keith <kstokes@riedc.com>
Subject: RE: Update

Michael,

Meeting with Wells went fine. We will need to get them on RT's approved underwriter list. I spoke with Maureen Gurchigian at First Southwest about this. Maureen does not see a problem.

Wells will present at the board meeting & we will firm up their presentation over the next couple of weeks. Wells understands they will need to convince the EDC board that 38 Studios' business model & projections are what will sell the bond vs. the credit enhancement. EDC board will need a high confidence moral obligation will never be called.

We will need to firm up the term sheet ASAP for Wells (i.e. excess cash flow recapture, etc.).

One issue that will remain a challenge is the amount of the bond moral obligation as a % of the total program. The amount is around \$85.0 million as a result of the gross up for the deferred P&I period, plus a reserve plus fees.

At today's meeting we needed to discuss remaining due diligence requirements and board presentation. Realistically, getting to the 4/26 board meeting will be a pull so we need to discuss consequences and options for that as well.

See you in a little while.

Mike

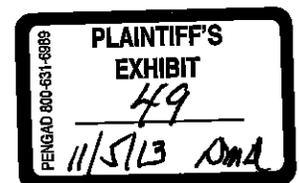
-----Original Message-----

From: Michael [mailto:mcorso@kingstoncap.com]
Sent: Thursday, April 08, 2010 9:50 PM
To: Saul, Michael
Subject: Update

Michael:

If you have a moment please call to let me know how things went. Also, we are all set for after the Governor's meeting to meet. 226-4081.

Michael



APS001994