

February 28, 2003

Before proceeding you will need to accept the Terms of Service (TOS) for joining the Second Life™ Closed Beta. It's a legal document and at times can feel very formal, but please take the time to read through it. The TOS explains your rights as a Second Life Resident and details the ground rules to help keep Second Life an exciting and dynamic destination. We have a legal obligation to enforce certain laws pertaining to your safety and the use of this software. These obligations are expressed in the TOS. Our goal is to support a diverse community which is respectful of each other.

LINDEN TERMS OF SERVICE AND END USER LICENSE AGREEMENT FOR CLOSED BETA PROGRAM

1. TERMS OF AGREEMENT

1.1 The Agreement. Linden Research, Inc. ("Linden") offers to allow you to play its multi-player online entertainment service Second Life, use the software provided to you by Linden and participate in the environments that support the entertainment service, including without limitation the websites located at www.lindenlab.com and www.secondlife.com, (collectively the "Service") solely for the limited purpose of testing the Service (the "Test") and conditioned on your agreement to all of the terms and conditions contained in this Agreement and your compliance with the posted Rules of Conduct on the Linden Lab website. Your use of the Service constitutes your agreement to all such terms and conditions and your agreement to comply with the Rules of Conduct. To confirm your agreement, you should accept this Agreement. If you do not so agree, you should decline this agreement, in which case you are prohibited from accessing or using the Service. Accessing or using the Service will be considered acceptance of this Agreement. If you have any questions regarding these terms and conditions or the Rules of Conduct, please contact a Linden customer service representative at Peter@lindenlab.com.

1.2 Changes to these Terms. Linden may amend this Agreement or modify the Rules of Conduct at any time in its sole discretion by posting the amended Agreement or modified Rules of Conduct at <http://www.lindenlab.com>, www.secondlife.com or communicating these changes through the primary contact methods you have established with us. Amendments to the Agreement will be effective after the amended Agreement is posted. Modifications to the Rules of Conduct will be effective immediately upon posting or receipt. Your use of the Service after the effective date of any amendments to this Agreement constitutes your agreement to the amendments. You agree to check this Agreement and the Rules of Conduct periodically so you will be familiar with their content as amended or

modified from time to time.

2. ACCOUNTS

2.1 Eligibility. You must establish an account with Linden (the "Account") to use the Service. Accounts are permitted only for adult individuals residing in the United States or Canada who are 18 years of age or older and have been specifically invited by Linden to Test the Service. Those who meet these standards, open an account and maintain their account in good standing are sometimes referred to in this Agreement as "Participants." By accepting this agreement you represent that you are an adult 18 years of age or older and reside in the United States. Linden reserves the right to change the URL address of its web site at any time for any reason or no reason.

2.2 Registration Obligations. You agree to provide true, accurate, current and complete information about yourself as prompted by the registration form ("Registration Data") and maintain and promptly update the Registration Data to keep it true, accurate, current and complete. Linden reserves all rights to vigorously pursue legal action against all persons who misrepresent personal information or are otherwise untruthful about their identity.

2.3 Account ID. You must choose an account name to identify yourself to Linden staff (your "Account ID") and choose character names for your characters in the Service (each a "Character Name"). You may not select as your Account ID or Character Name the name of another person, a name which violates any trademark right, copyright, or other proprietary right, a name which may mislead other Participants to believe you to be an employee of Linden, or a name which Linden deems in its discretion to be vulgar or otherwise offensive. Linden reserves the right to delete or change any Account ID or Character Name for any reason or no reason. You are fully responsible for all activities conducted through your Account or under your Account ID.

2.4 Passwords. At the time your Account is opened, you must select a password. You are responsible for maintaining the confidentiality of your password and are responsible for any harm resulting from your disclosure, or authorizing the disclosure of, your password or from use by any person of your password to gain access to your Account or Account ID. At no time should you respond to an online request for a password. Linden will never ask for your password offline or online, except that you will be required to enter your password as part of the log-on process. You are not allowed to ever disclose your password to another person.

2.5 Account. By using the Service you agree that even though you may control your characters in the Service, you do not own the account you use to access the Service, the characters Linden stores on Linden

servers, the items stored on these servers, anything you post to the game environment or any other data which reside on servers, in accounts, or anywhere in the Service.

2.6 No Internet Connection. Linden does not provide Internet access, and you are responsible for all fees associated with your Internet connection.

3. SERVICE TESTING LICENSE

3.1 License. Subject to the terms of this Agreement, Linden grants to you a non-exclusive, limited, fully revocable license to use the Service solely in connection with the Test for a length of time at Linden's sole discretion for the sole purpose of evaluating the Service and identifying Errors (as defined below). You may not sublicense, rent, lease, loan or otherwise transfer the software, modify, adapt, reverse engineer, decompile or attempt to discover the source code of the software, or create any derivative works of the software or the Service, or otherwise use the software except as expressly provided in this Agreement. You may not copy or distribute any of the written materials associated with the service. Nothing in this Agreement, or on Linden's site, shall be construed as granting you any rights or privileges of any kind with respect to the Service or related content. You acknowledge that your participation in the Test does not make you a Linden employee and that you do not expect to be compensated for such participation.

3.2 Internet Service. It is important to realize that Linden is not a traditional game provider; instead Linden acts as a venue and an Internet service provider that may allow people to interact virtually regarding almost any topic, at anytime, from anywhere, in a variety of formats. In addition, the Service may allow some users to alter the gaming environment on a real-time basis. Linden is not involved in actual communications between users or even in users' interactions with the virtual world of the Service. As a result, Linden has very limited control, if any, over the quality, safety, morality, legality, truthfulness or accuracy of various aspects of the Service. Because Linden is not involved in the communications in the Service, in the event you have a dispute with one or more users or their actions, you release Linden (and Linden's shareholders, partners, affiliates, directors, officers, subsidiaries, employees, agents, suppliers, licensees, distributors) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way connected with such disputes.

3.3 All Data Is Temporary. When using the Service, you may accumulate treasure, experience points, equipment, or other value or status indicators and contribute to the game environment ("Accumulated Status"). This data, and any other data residing on Linden's servers, may

be reset at any time for any or no reason. All player history and data may be erased in which case each player may be reset to novice status. You acknowledge that all Content (subject to its underlying rights) and Accumulated Status has no intrinsic cash value and that Linden does not endorse, and expressly disclaims (subject to any underlying rights in the Content), any value, cash or otherwise, attributed to Content or Accumulated Status.

4. HIGHLY CONFIDENTIAL. Your use of the Service is highly confidential. The Service, including any information related to or concerning the game and information regarding features, look and feel, gameplay and functionality of the Service (all of the above is collectively "Linden Information"), is confidential. You must use your best efforts to safeguard and to prevent unauthorized access to, copying, disclosure, and unauthorized use of Linden Information. You will carry out the testing personally on the CPU on which you initially install the Service and not provide access to the game, the Service or any Linden Information to any other person. You agree that breach of the above confidentiality obligations will cause irreparable harm to Linden, and Linden is entitled to (in addition to any other remedies available to it) ex parte injunctive relief without bond to prevent the breach or threatened breach of your obligations. Your obligation to keep Linden Information totally confidential will continue until further written notice from Linden indicating that information is no longer confidential.

5. USER OBLIGATIONS

5.1 Discovery of Errors. You agree to immediately disclose to Linden the knowledge or suspicion of any errors, glitches or bugs (collectively "Errors") in the game, along with an explanation of the Error, information to assist Linden with recreating the Error and any other information that Linden may request related to the Error. You also agree to make yourself available to discuss Errors with Linden.

5.2 Evaluation. From time to time Linden may request: (i) certain levels of participation in the Service; (ii) time commitments with regard to how often and for how long you will use the Service; (iii) completion of evaluation surveys; (iv) compliance with directions to perform certain actions in the Service, and (v) any other requests related to the testing of the Service. You agree to make your best efforts to comply with all such requests in a timely manner as a condition of being a Participant

6. USER CONDUCT

6.1 Participant Conduct. Linden may abridge or delete behavior

of any sort. You shall not: (i) upload, post, e-mail or otherwise transmit Content that infringes or violates any third party rights; (ii) impersonate any person or entity, including, but not limited to, a Linden employee, or falsely state or otherwise misrepresent your affiliation with a person or entity; (iii) upload, post, e-mail or otherwise transmit Content that violates any law or regulation; (iv) upload, post, e-mail or otherwise transmit Content as determined by Linden at its sole discretion that is harmful, threatening, abusive, harassing, causes tort, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, racially, ethnically or otherwise objectionable; (v) upload, post, e-mail or otherwise transmit Content that contains any viruses, Trojan horses, worms, time bombs, cancelbots or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information; (vi) upload, post, email or otherwise transmit any Content that would violate any right or duty under any law or under contractual or fiduciary relationships (such as inside information, proprietary and confidential information learned or disclosed as part of employment relationships or under nondisclosure agreements); (vii) upload, post, email or otherwise transmit any unsolicited or unauthorized advertising, promotional materials, "junk mail," "spam," "chain letters," "pyramid schemes," or any other form of solicitation; (viii) interfere with or disrupt the Service or servers or networks connected to the Service, or disobey any requirements, procedures, policies or regulations of networks connected to the Service; (ix) attempt to gain access to any other user's Account or password; or (x) "stalk" or otherwise harass another user.

6.2 Play as Provided. Linden has designed the Service for play only as offered by Linden at its web site. You agree to use the Service only as offered by Linden at its web site and not through any other means. You further agree not to create or provide any other means through which the Service may be accessed or used, as through server emulators. You acknowledge that you do not have the right to create, publish, distribute, create derivative works from or use any software programs, utilities, applications, emulators or tools derived from or created for the Service, except that you may use the software to the extent expressly permitted by this Agreement. You are prohibited from taking any action which imposes an unreasonable or disproportionately large load on Linden's infrastructure.

6.3 Participant Content. Participants can upload Content to Linden's servers in various forms. Unless specified otherwise in your transmission, by submitting your Content to any area, you automatically grant (or you warrant that the owner of such Content has expressly granted) to Linden the royalty-free, perpetual, irrevocable, non-exclusive right and license to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, perform and display such Content worldwide and incorporate it in other works in any form, media or technology now known

or later developed.

6.4 Age. Linden cannot absolutely control whether minors gain access to the Service, and makes no representation that users are not minors. Linden cannot ensure that other players will not provide Content or access to Content that parents or guardians may find inappropriate or that any user may find objectionable. Please keep this in mind. You are prohibited from conducting any activity that may harm minors.

7. CONTENT

7.1 Content. You acknowledge that: (i) by using the Service you may have access to graphics, sound effects, music, video, audio, animation, text and other creative output (collectively, "Content"), and (ii) Content may be provided under license by independent content providers, including contributions from other Participants (all such independent content providers, "Content Providers"). Linden does not pre-screen Content. Linden has the right, but not the obligation, to remove any Content in whole or in part at any time for any reason or no reason.

7.2 Rights in Content. You acknowledge that Linden and other Content Providers have rights in their respective Content under copyright and other applicable laws and treaty provisions, that they retain all such rights and that you accept full responsibility and liability for your use of any Content in violation of any such rights. You agree that you will not use any Content other than in connection with using the Service and that your creation of Content is not in any way based upon any expectation of compensation from Linden. You shall hold Linden harmless from any claims by third parties that your Content infringes upon, violates or misappropriates their intellectual property or proprietary rights.

8. INTERRUPTION OF SERVICE

8.1 Termination. Linden has the right at any time for any reason or no reason to suspend or terminate your Account, terminate this Agreement, or refuse any and all current or future use of the Service. Upon request from Linden, you agree to delete any electronic or printed copies of information or software programs that you received from Linden to conduct this Test.

8.2 Interruption. Linden reserves the right to interrupt the Service with or without prior notice for any reason or no reason. Linden will not be liable for any interruption of the Service, delay or failure to perform.

9. PRIVACY

9.1 Privacy Policy. The personal information you provide us during registration is used for Linden's internal purposes only. Linden uses the information it collects to learn what you like and to improve the Service. Except as otherwise expressly permitted by this Agreement or as otherwise authorized by you, Linden will not give any of your personal information to any third party without your express approval. Linden does not guarantee the security of any of your private transmissions against unauthorized or unlawful interception or access by third parties. Linden can (and you authorize Linden to) disclose any information about you to private entities, law enforcement agencies or government officials, as Linden, in its sole discretion, believe necessary or appropriate to investigate or resolve possible problems or inquiries, or as otherwise required by law. If Linden requests any technical support, you consent to Linden's remote accessing and review of the computer you load Linden software onto for purposes of support and debugging. You agree that Linden may communicate with you via email and any similar technology for any purpose relating to the Service, the software and any services or software which may in the future be provided by Linden or on Linden's behalf.

9.2 Linden Observation. You acknowledge and agree that Linden, in its sole discretion, may track, record, observe or follow any and all of your interactions within the Service.

10. NO WARRANTY AND DISCLAIMER

10.1 Disclaimer. LINDEN PROVIDES THE SERVICE, THE SOFTWARE, THE ACCOUNT AND ALL OTHER SERVICES ON AN "AS IS" BASIS, PROVIDED AT YOUR OWN RISK, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OR CONDITIONS OF ANY KIND, WRITTEN OR ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF TITLE, NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Without limiting the foregoing, Linden does not ensure continuous, error-free, secure or virus-free operation of the Service, the Software or your Account. Some states do not allow the disclaimer of implied warranties, and to that extent, the foregoing disclaimer may not apply to you.

10.2 No Prescreening. LINDEN DOES NOT PRE-SCREEN THE CONTENT OF THE MATERIALS OR COMMUNICATIONS TRANSMITTED BY EACH PLAYER.

11. LIMITATION OF LIABILITY. IN NO EVENT SHALL LINDEN OR ANY OF ITS SHAREHOLDERS, PARTNERS, AFFILIATES, DIRECTORS, OFFICERS, SUBSIDIARIES, EMPLOYEES, AGENTS OR SUPPLIERS, BE LIABLE TO YOU OR TO ANY THIRD PARTY FOR ANY DIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES FOR LOST PROFITS, ARISING (WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE) OUT OF OR IN CONNECTION WITH THE SERVICE, THE SOFTWARE, YOUR ACCOUNT OR THIS

AGREEMENT, WHETHER OR NOT LINDEN MAY HAVE BEEN ADVISED THAT ANY SUCH DAMAGES MIGHT OR COULD OCCUR. Some states do not allow the foregoing limitations of liability, so to the extent that it is impermissible, this limitation may not apply to you. You agree that Linden cannot be held responsible or liable for anything that occurs or results from accessing or subscribing to the Service.

12. INDEMNIFICATION. At Linden's request, you agree to defend, indemnify and hold harmless Linden, its shareholders, partners, affiliates, directors, officers, subsidiaries, employees, agents, suppliers, licensees, distributors, Content Providers, and other Participants of the Service, from all damages, liabilities, claims and expenses, including attorneys' fees and costs, arising from any breach of this Agreement by you.

13. GENERAL PROVISIONS. This Agreement is governed by and shall be construed and enforced under the laws of the State of California, without applying any conflict of law principles. The exclusive jurisdiction and venue of any action with respect to the subject matter of this agreement shall be the state courts of the State of California for the County of San Francisco or the United States District Court for the Northern District of California and each of us submits to the exclusive jurisdiction and venue of such courts for the purpose of any such action. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced. The UN Convention on Contracts for the International Sale of Goods is expressly disclaimed. Linden's failure to act with respect to a breach by you or others does not waive Linden's right to act with respect to that breach or subsequent or similar breaches. You may not assign or transfer this Agreement or your rights hereunder, and any attempt to do so is void. This Agreement sets forth the entire understanding and agreement between you and Linden with respect to the subject matter hereof. Notwithstanding anything else in this Agreement, no default, delay or failure to perform on the part of Linden shall be considered a breach of this Agreement if such default, delay or failure to perform is shown to be due to causes beyond the reasonable control of Linden. All notices given by you or required under this Agreement shall be faxed to (415) 243-9045 Attn.: Peter Alau or emailed to Peter@Lindenlab.com.