

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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: Chapter 11
In re: :
: Case No. 12-13398 (MFW)
THQ INC., *et al.*, :
: Jointly Administered
Debtors.¹ :
: RE: Docket No. 364
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SECOND ORDER, PURSUANT TO BANKRUPTCY CODE SECTIONS 105(a), 365(a) AND 554(a) AND BANKRUPTCY RULES 6006 AND 6007, AUTHORIZING THQI TO (I) REJECT CERTAIN UNEXPIRED NON-RESIDENTIAL REAL PROPERTY LEASES AND (II) ABANDON ANY PROPERTY THAT REMAINS ON THE PREMISES COVERED BY THE LEASES

Upon the Motion² of THQ Inc. (“THQI”), for entry of an order, pursuant to sections 105(a), 365(a) and 554(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6006 and 6007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), authorizing THQI to (i) reject certain unexpired non-residential real property leases for certain business locations (the “**Premises**”) set forth in **Exhibit 1** attached hereto (collectively, the “**Leases**”), effective as of January 31, 2013, and (ii) abandon any personal property that remains at the Premises as of the Rejection Date (defined below); and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and it appearing that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: THQ Inc. (1686); THQ Digital Studios Phoenix, Inc. (1056); THQ Wireless, Inc. (7991); Volition, Inc. (4944); and Vigil Games, Inc. (8651). The Debtors’ principal offices are located at 29903 Agoura Road, Agoura Hills, CA 91301.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and the Court having reviewed the Motion and determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that:

1. The Motion is GRANTED, as set forth herein.
2. Pursuant to 11 U.S.C. § 365(a), the Debtors' rejection of the Leases identified on **Exhibit 1** attached hereto is hereby approved.
3. The Leases indicated on **Exhibit 1**, hereto, other than the lease between Church Street Square, LLC ("CSS") and THQI (the "**Champaign Lease**"), are deemed rejected pursuant to 11 U.S.C. § 365(a), effective as of January 31, 2013 (the "**Rejection Date**"), and possession of the applicable properties shall be deemed returned to the applicable landlord immediately following the Rejection Date, to the extent not previously returned. The Champaign Lease shall be deemed rejected pursuant to 11 U.S.C. § 365(a) as of March 31, 2013 (the "**Champaign Lease Rejection Date**"), and possession of the applicable property shall be deemed returned to CSS immediately following the Champaign Lease Rejection Date, to the extent not previously returned.
4. The Debtors are authorized, but not required, pursuant to 11 U.S.C. § 554(a), to abandon any personal property remaining at the Premises as of the Rejection Date or the Champaign Lease Rejection Date, as applicable.

5. The non-Debtor counterparties to the Leases shall have the authority to remove any personal property remaining at the Premises after the Rejection Date or the Champaign Lease Rejection Date, as applicable, without liability to third parties.

6. Nothing herein shall prejudice the rights of the Debtors to argue that any claim for damages arising from the rejection of the Leases is limited to the remedies available under any applicable termination provision of such rejected lease. THQI does not waive any claims that it may have against the counterparties to the Leases, whether or not such claims arise under, are related to the rejection of, or are independent of the Leases.

7. Notwithstanding the relief granted herein, any actions taken hereunder, or any failure to act, nothing contained herein shall constitute, nor is it intended to constitute, an assumption of any lease or contract under section 365 of the Bankruptcy Code or the waiver by the Debtors of any of their rights pursuant to any agreement by operation of law or otherwise.

8. This Order shall be binding on THQI and all counterparties parties to the Leases.

9. The counterparties to the Leases shall have until the later of: (i) the date fixed by this Court pursuant to Bankruptcy Rule 3003(c)(3) to file any and all claims for damages arising from the rejection of the Leases; or (ii) within 30-days of notice of entry of the Order. Except for the time set to file such claims and paragraphs 10 and 11, nothing herein shall prejudice the rights of the counterparties to the Leases to assert a claim for damages arising from the rejection of an applicable Lease or request for payment of an administrative expense related to an applicable Lease. The Debtors reserve their right to object to any such claims for damages or requests for payments.

10. Titmouse, Inc. shall retain an allowed prepetition unsecured claim for rejection damages against THQI in the amount of \$57,500 (the “**Allowed Unsecured Claim**”) and waives

any and all other claims against the Debtors, including, without limitation, any claim arising from the rejection of the New York Lease and New York Sublease. Payment of the Allowed Unsecured Claim shall be made in accordance with a chapter 11 plan.

11. Within 10 business days of the entry of this Order, the Debtors shall pay to CSS \$22,400 (the “CSS Payment”). Upon receipt of the CSS Payment, CSS waives any and all administrative expense claims against the Debtors relating to or arising under the Champaign Lease, regardless of whether or when the subtenant, 004 Technologies USA, Inc., vacates the Champaign Location. For the avoidance of doubt, any claim CSS may have against the Debtors arising from the rejection of the Champaign Lease is expressly preserved.

12. Notwithstanding anything to the contrary in this Order, the Debtors shall scrub or remove any software licensed to the Debtors from Oracle America, Inc. (or any of its predecessors-in-interests) from any computers or other electronic data processing equipment remaining at the Premises that is abandoned by the Debtors pursuant to this Order.


13. THQI is authorized and empowered to take all actions necessary to implement the relief granted in this Order.

14. Notwithstanding anything to the contrary in this Order, any payment made or to be made under this Order, and any authorization contained in this Order, shall be subject to the requirements imposed on the Debtors under any Order(s) of this Court approving the Debtors’ debtor-in-possession financing facility and use of cash collateral and any budget in connection therewith.

15. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

16. This Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Dated: Feb. 19, 2013
Wilmington, Delaware



Mary F. Walrath
United States Bankruptcy Judge

EXHIBIT 1
REJECTED NON-RESIDENTIAL REAL PROPERTY LEASES

	Property Address	Debtor Counterparty	Lease/Sublease Counterparty & Notice Address	Name of Lease/Sublease	Expiration Date
1	125 West Church Street, 3rd Floor Champaign, IL 61820	THQ Inc.	<u>Landlord</u> Church Street Square, LLC 330 N. Neil Street Champaign, IL 61820 <u>Church Street Square, LLC</u> David Meyer 1205 Sandra Lane Monticello, IL 61856	Church Street Square Lease, dated as of November 16, 2007, between Church Street Square, LLC and THQ Inc.	5/31/2014
2	125 West Church Street, 3rd Floor Champaign, IL 61820	THQ Inc.	<u>Subtenant</u> 004 Technologies USA, Inc. Attn: Patrick MacKay 125 West Church Street, 3rd Floor Champaign, IL 61820 004 Technologies USA, Inc. 206 North Randolph Street, Suite 300 Champaign, IL 61820	Sublease, dated April 1, 2011, between 004 Technologies USA, Inc. and THQ Inc. Amendment to Sublease, dated April 1, 2011	5/15/2013
3	201 W. Church Street & 206-208 W. Hill Street Champaign, IL 61820	THQ Inc.	<u>Landlord</u> Champaign Parking, Inc. 330 N. Neil Street Champaign, IL 61820	Parking Lease, dated November 30, 2007, between Champaign Parking, Inc. and THQ Inc.	12/31/2013
4	129 W. 27th Street 7th & 8th Floors New York, NY 10001	THQ Inc.	<u>Landlord</u> Oxford Realty & Holdings LLC 57 West 38th Street 7th Floor New York, NY 10018 <u>Subtenant</u> Titmouse, Inc. 129 W. 27th Street New York, NY 10001 Titmouse, Inc. Shannon Prynosi 6616 Lexington Ave. Hollywood, CA 90038	Agreement of Sublease, dated June 5, 2005, between Oxford Realty & Holdings LLC and THQ Inc. Lease Extension and Modification Agreement, dated as of March 2, 2006	9/30/2013
5	129 W. 27th Street 7th & 8th Floors New York, NY 10001	THQ Inc.		Sublease, dated October 31, 2011, between Titmouse, Inc. and THQ Inc. Amendment to Sublease, dated December 1, 2011	9/30/2013

6	<p>Sach Business Center Av. Jesus del Monte No. 39 Piso 2 Jesus del Monte Huixquilucan 52764 Mexico</p>	<p>THQ Inc.</p>	<p><u>Landlord</u> Sach Corporativo Attn: Mauricio Savariego Braverman Av. Jesus del Monte No. 39 Piso 2 Jesus del Monte Huixquilucan 52764 Mexico</p>	<p>Services Agreement, dated 1/4/2011, between Centro de Negocios Interlomas, S.A. de C.V. and THQ Inc.</p>	<p>3/31/2013</p>
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