

EXHIBIT 2

Asset Purchase Agreement

ASSET PURCHASE AGREEMENT
DATED AS OF DECEMBER 19, 2012
BY AND AMONG
SPACE INVESTORS LLC,
THQ INC.,
THQ WIRELESS INC.,
VOLITION, INC.
AND
VIGIL GAMES, INC.

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made as of December 19, 2012 (the “**Execution Date**”), by and among Space Investors LLC, a Delaware limited liability company (“**Buyer**”), **THQ Inc.**, a Delaware corporation (“**THQ**”), **THQ Wireless Inc.**, a Delaware corporation (“**THQ Wireless**”), Volition, Inc., a Delaware corporation (“**Volition**”), and Vigil Games, Inc., a Texas corporation (“**Vigil**”) (collectively, THQ, THQ Wireless, Volition and Vigil are “**Sellers**” and each individually is a “**Seller**”). Capitalized terms used herein and not otherwise defined herein have the meanings set forth in Article I.

RECITALS

WHEREAS, Sellers are engaged in the business of developing, licensing and selling the Products (such business, as conducted as of the date hereof, the “**Business**”);

WHEREAS, THQ and each of the other Sellers intend to file a voluntary petition for relief commencing a case under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”) in the United States Bankruptcy Court for the Delaware (the “**Bankruptcy Court**”);

WHEREAS, Sellers believe, following consultation with their financial advisors and consideration of available alternatives, that, in light of the current circumstances, a sale of certain of Sellers’ assets as provided herein is necessary to preserve and maximize value and is in the best interest of Sellers, their creditors and equity holders;

WHEREAS, Sellers desire to sell to Buyer all of the Acquired Assets and transfer to Buyer the Assumed Liabilities and Buyer desires to purchase from Sellers the Acquired Assets and assume only the Assumed Liabilities, upon the terms and conditions hereinafter set forth;

WHEREAS, the execution and delivery of this Agreement and Sellers’ ability to consummate the transactions set forth in this Agreement are subject to, among other things, the entry of the Sale Order under, *inter alia*, Sections 363 and 365 of the Bankruptcy Code; and

WHEREAS, the Parties desire to consummate the proposed transaction as promptly as practicable after the Bankruptcy Court enters the Sale Order.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounts Receivable” means all of Sellers’ trade accounts receivable and other rights to payment from customers, licensees or other third parties to the extent arising out of the operation of the Business.

“Acquired Assets” shall have the meaning set forth in Section 2.1.

“Acquired Subsidiaries” shall have the meaning set forth in Section 5.6(a)(i).

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person. For purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have correlative meanings.

“Agreement” shall have the meaning set forth in the Preamble.

“Allocation Schedule” shall have the meaning set forth in Section 3.5.

“Alternative Transaction” means the sale, transfer or other disposition, directly or indirectly, including through an asset sale, share sale, merger, amalgamation or other similar transaction, including a plan of reorganization approved by the Bankruptcy Court, or resulting from the Auction, of a material portion of Sellers’ assets, in a transaction or series of transactions with one or more Persons other than Buyer.

“Assignment of Copyrights” shall have the meaning set forth in Section 4.3(b).

“Assignment of Domain Names” shall have the meaning set forth in Section 4.3(b).

“Assignment of Patents” shall have the meaning set forth in Section 4.3(b).

“Assignment of Trademarks” shall have the meaning set forth in Section 4.3(b).

“Assumed Contracts” shall have the meaning set forth in Section 2.1(f).

“Assumed Leases” shall have the meaning set forth in Section 2.1(g).

“Assumed Liabilities” shall have the meaning set forth in Section 2.3.

“Assumption Agreement” means the Assignment and Assumption Agreement substantially in the form of Exhibit 1.

“Auction” shall have the meaning set forth in the Sale Procedures.

“Audited Financial Statements” shall have the meaning set forth in Section 5.14.

“Avoidance Actions” means any and all claims for relief of Sellers under chapter 5 of the Bankruptcy Code, or state fraudulent conveyances, fraudulent transfer or other similar state laws.

“**Avoidance Actions Schedule**” means the schedule of Avoidance Actions to be negotiated and agreed upon in accordance with Section 7.9.

“**Bankruptcy Case**” means the bankruptcy cases to be commenced by Sellers under chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

“**Bankruptcy Code**” means Title 11 of the United States Code, Sections 101 *et seq.*

“**Bankruptcy Court**” shall have the meaning set forth in the Recitals.

“**Benefit Arrangements**” shall have the meaning set forth in Section 5.16(b).

“**Benefit Plan**” means, with respect to a Seller, any “employee benefit plan” (including “plans” as defined in ERISA § 3(3)); any material profit sharing, deferred compensation, bonus, stock option, stock purchase, vacation pay, holiday pay, pension, retirement plans, medical and any other material form of compensation or benefit plan, program or arrangement of any kind regardless of whether any such plan is written or oral or provided under an employment, collective bargaining or other similar arrangement.

“**Break-Up Fee**” shall have the meaning set forth in Section 7.5(a).

“**Business**” shall have the meaning set forth in the Recitals.

“**Business Day**” means any day of the year on which national banking institutions in New York, New York are open to the public for conducting business and are not required by Law to close.

“**Business Employee**” means any employee of any Seller whose primary responsibility is to provide services related to the Business.

“**Buyer**” shall have the meaning set forth in the Preamble.

“**Buyer Default Termination**” shall have the meaning set forth in Section 3.2.

“**Buyer Termination Notice**” shall have the meaning set forth in Section 11.1(b)(i).

“**Buyer’s Interim Access Manager**” shall have the meaning set forth in Section 7.1.

“**Cash and Cash Equivalents**” means all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit and other bank deposits, securities, securities entitlements, instruments and other investments of Sellers and all bank accounts and securities accounts, including any cash collateral that is collateralizing any letters of credit.

“**Cash Consideration**” means cash in U.S. dollars in the amount of Six Million Six Hundred Fifty Thousand United States Dollars (\$6,650,000).

“**Chapter 11 Cases**” shall have the meaning set forth in the Recitals.

“**Claims**” means all claims, causes of action, choses in action, rights of recovery and rights of set-off of whatever kind or description against any Person arising out of or relating to any Product, Acquired Asset or Assumed Liability.

“**Closing**” shall have the meaning set forth in Section 4.1.

“**Closing Date**” shall have the meaning set forth in Section 4.1.

“**Closing Date Sellers Payment**” shall have the meaning set forth in Section 3.3.

“**Closing Legal Impediment**” shall have the meaning set forth in Section 9.3.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commitment Letters**” shall have the meaning set forth in Section 7.8.

“**Contract**” means any contract, agreement, insurance policy, capitalized lease, license, sublicense, sales order, purchase order, instrument or other commitment, whether written or oral, that is binding on any Person or any part of its property under applicable Law.

“**Copyrights**” means: (a) the copyright registrations and applications for registration identified on Schedule 1.1(a); (b) works of authorship whether or not copyrightable; and (c) any other copyrights and works, together with all common law rights, and any applications and registrations therefor, owned by a Seller or which a Seller has the legal right to use (including any license or other rights of a Seller, whether as a licensor, a licensee or otherwise, relating to any of the foregoing).

“**Cure Costs**” means amounts that must be paid and obligations that otherwise must be satisfied, including pursuant to Sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and/or assignment of the Assumed Contracts and Assumed Leases.

“**Cure List**” shall have the meaning set forth in Section 8.8.

“**Deferred Compensation Plan Trust**” means the THQ Management Deferred Compensation Plan, effective January 1, 2005.

“**Deposit**” shall have the meaning set forth in Section 3.2.

“**Determined Cure Costs**” means, in the aggregate, all Cure Costs that have been determined pursuant to a Final Order or pursuant to an agreement between one or more of Sellers and the counterparty to the applicable Assumed Contract or the applicable Assumed Lease.

“**DIP Credit Agreement**” means that certain Debtor-in-Possession Credit Agreement by and among THQ, the Lenders party thereto (and as defined therein) and Wells Fargo, dated as of the Execution Date.

“Documents” means, with respect to the Business and Sellers all (a) books, records, manuals, files, invoices, inventory records, product specifications, customer lists, cost and pricing information, supplier lists, business plans, catalogs, customer literature, quality control records and customer records, (b) research, design and development files and records, (c) data relevant to the manufacturing of a Product and (d) Marketing Materials, in each case including all data and other information stored on discs, tapes or other media, but specifically excluding (i) any books, records, files, data or other information related to (A) Excluded Assets or (B) Excluded Liabilities and (ii) Sellers’ corporate or other entity organizational documents, minutes, stockholder registers and similar records.

“Domain Names” means any domain names and uniform resource locators owned or licensed by Sellers and used by Sellers in connection with any of the Products or the Business.

“Due Date” shall have the meaning set forth in Section 7.9(a)(ii)(4).

“Effective Date” means that date, if ever, on which the Bankruptcy Court shall have entered the Sale Procedures Order.

“Employees” means all individuals, as of the date hereof, who are employed by any Seller.

“Employment Offer” shall have the meaning set forth in Section 7.7(c).

“Encumbrance” means any charge, lien, interest, security interest, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, transfer restriction or other similar restriction of any kind.

“Environmental, Health and Safety Laws” shall have the meaning set forth in Section 5.4(a).

“Equipment” means all personal property to which a Seller holds title and currently used or held for use in the operation of the Business, including all machinery, equipment, replacement and component parts, spare parts, furniture, fixtures, office and other supplies, data processing equipment and peripheral equipment, vehicles, training materials, and videos and other similar personal property.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any entity that, together with any Seller, is:

(a) a member of a controlled group of corporations within the meaning of Section 414(b) of the Code;

(b) a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code;

(c) a member of an affiliated service group within the meaning of Section 414(m) of the Code; or

(d) a member of a group of organizations required to be aggregated under Section 414(o) of the Code.

“Escrow Agent” means Deutsche Bank Trust Seller Americas, a New York banking corporation.

“Escrow Agreement” shall have the meaning set forth in Section 3.2.

“Excluded Assets” shall have the meaning set forth in Section 2.2.

“Excluded Liabilities” shall have the meaning set forth in Section 2.4.

“Execution Date” shall have the meaning set forth in the Preamble.

“Expense Reimbursement Amount” shall have the meaning set forth in Section 7.5(b).

“Final Order” means an Order as to which the time to file an appeal, a motion for rehearing or reconsideration (excluding any motion under Section 60(b) of the Federal Rules of Civil Procedure) or a petition for writ of certiorari has expired and no such appeal, motion, or petition is pending.

“Financial Statements” shall have the meaning set forth in Section 5.14.

“Governmental Authority” means any United States federal, provincial, state, municipal or local or any foreign government, governmental agency or authority, or regulatory or administrative authority, or any court, tribunal or judicial body having jurisdiction, including the Bankruptcy Court.

“Hazardous Substance” means any “toxic substance,” “hazardous pollutant,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental, Health and Safety Laws.

“Hearing Date” means the date, if ever, on which the Sale Order is entered.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Inbound License Agreements” shall have the meaning set forth in Section 5.9(b).

“Intellectual Property” means, collectively, (a) all Copyrights, (b) all Patent Rights, (c) all Trademarks, (d) all Product Know-How, (e) all Domain Names, (f) all Inventions and (g) all other intellectual property owned by Sellers or which Sellers have the legal right to use, as the term intellectual property is defined in Section 101(35A) of the Bankruptcy Code.

“Interim Financial Statements” shall have the meaning set forth in Section 5.14.

“Inventions” means all inventions of Sellers and their Affiliates related to the Products and used by Sellers in connection with any of the Products and/or the Business, whether or not such inventions are the subject of a patent or patent application.

“Inventory” means all raw materials, work-in-process, finished goods, supplies, samples, components, packaging materials, and other inventories to which Sellers have title that are in the possession of Sellers or any Third Party and used or held for use in connection with any Product or Acquired Asset.

“IRS” means the Internal Revenue Service.

“Key Employee Retention Plan” means the Key Employee Retention Plan attached to the motion filed with the Bankruptcy Court on the Execution Date seeking authorization to implement an employee retention plan, as such Key Employee Retention Plan may be modified by mutual agreement of Buyer and Sellers.

“Knowledge” means, with respect to any matter in question, in the case of Sellers, the actual knowledge of the matter in question of those persons listed on Schedule 1.1(f), or that knowledge that would, in the normal course of such person’s services to Sellers, be obtained by such person on inquiry or investigation (with no obligation to make any inquiry or investigation of third parties).

“Law” means any foreign or domestic law, statute, code, ordinance, rule, regulation, order, judgment, writ, stipulation, award, injunction or decree by any Governmental Authority as in effect from time to time.

“Lease” means a lease, sublease, license, or other use or occupancy agreement with respect to the real property to which a Seller is a party as lessee, sublessee, tenant, subtenant or in a similar capacity.

“Legacy Bonus Plans Cap” shall have the meaning set forth in Section 2.3(h).

“Liability” means any debt, loss, claim, damage, demand, fine, judgment, penalty, liability or obligation (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due).

“Listed Agreements” shall have the meaning set forth in Section 2.1(g).

“Listed Contracts” shall have the meaning set forth in Section 2.1(f)(ii).

“Listed Executory Contracts” shall have the meaning set forth in Section 2.1(f)(ii).

“Listed General Contracts” shall have the meaning set forth in Section 2.1(f)(i).

“Listed Leases” shall have the meaning set forth in Section 2.1(g).

“Marketing Materials” means all marketing materials, marketing research data, customer and sales information, product literature, promotional materials and data, advertising

and display materials (including all underlying designs, samples, charts, diagrams, photos and electronic files related to the foregoing) and all training materials, in each case in whatever form or medium (e.g., audio, visual, digital or print) owned or used by a Seller and primarily related to any Product or Acquired Asset.

“Material Adverse Effect” means any effect, change, condition, circumstance, development or event that, individually or in the aggregate with all other effects, changes, conditions, circumstances, developments and events has had, or would reasonably be expected to have, a material adverse effect on the Business or the Acquired Assets (excluding the Excluded Assets and the Excluded Liabilities), taken as a whole, or would reasonably be expected to prevent or materially impair the ability of Sellers to consummate the transactions contemplated by this Agreement.

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

“Ordinary Course of Business” means the operation of the Business in the ordinary and usual course consistent with past practice and custom of Sellers, including taking any action in accordance with any Contract to which a Seller is a party.

“Outside Date” shall have the meaning set forth in Section 11.1(a)(iii).

“Patent Rights” means (a) any United States patent owned by Sellers, (b) the patents and patent applications identified on Schedule 1.1(b), (c) any other United States patents and patent applications owned by Sellers or licensed from a third party to any Seller and (d) any continuation, continuation-in-part and divisional United States patent applications based on any of the foregoing and any patents issuing therefrom.

“Party” or **“Parties”** means, individually or collectively, Buyer and Sellers.

“Permits” means all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals, clearances, Product Registrations and Orders that are necessary for Sellers to own, lease and operate their properties and assets or to carry on the Business as it is now being conducted.

“Permitted Encumbrances” means (a) Encumbrances for utilities and Taxes not yet due and payable or being contested in good faith; and (b) immaterial materialmans’, mechanics’, artisans’, shippers’, warehousemans’ or other similar common law or statutory liens incurred in the Ordinary Course of Business.

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Pre-Paid Expenses” means all deposits and prepaid charges and expenses of Sellers as of the Closing Date to the extent related to any Assumed Contract and Assumed Leases and after applying any such deposits, prepaid charges and expenses against any Determined Cure Costs payable to the third party to whom such deposits, prepaid charges and expenses were paid.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority, other than an Avoidance Action.

“Product Know-How” means all of Sellers’ know-how, trade secrets, technology and technical information and data related to the Products or the Business.

“Product Registrations” means the approvals, licenses, registrations, listings, franchises, permits, certificates, consents, clearances, or other authorizations and comparable regulatory filings required by any Governmental Authority held by a Seller, including those set forth on Schedule 1.1(c).

“Products” or **“Product”** means, collectively or individually, all interactive entertainment software products, owned by Sellers or any of their Subsidiaries, or which Sellers have the legal right to use, including the software set forth on Schedule 1.1(c), together with all software products in development owned by Sellers or which they have the legal right to use.

“Purchase Price” shall have the meaning set forth in Section 3.1.

“Put Date” shall have the meaning set forth in Section 7.9(a)(ii)(5).

“Qualified Bid” shall have the meaning set forth in the Sale Procedures.

“Real Property” means all real property owned by Sellers and all unexpired leases or other occupancy agreements for real property under which Sellers are a lessee (or the equivalent).

“Release” means any past or present spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of a Hazardous Substance into the environment.

“Representative” means, with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

“Sale Hearing” means the hearing conducted by the Bankruptcy Court to approve the transactions contemplated by this Agreement.

“Sale Motion” means the motion filed with the Bankruptcy Court seeking approval of the Sale Procedures Order and the Sale Order.

“Sale Order” means an Order of the Bankruptcy Court approving this Agreement and the transactions contemplated hereby, which Order shall be substantially in the form attached hereto as Exhibit 3.

“Sale Procedures” means the bidding procedures set forth in the Sale Procedures Order, to be entered by the Bankruptcy Court.

“**Sale Procedures Order**” means the Order of the Bankruptcy Court, which Order shall be substantially in the form attached hereto as Exhibit 2.

“**Sellers**” and “**Seller**” shall have the meaning set forth in the Preamble.

“**Sellers Termination Notice**” shall have the meaning set forth in Section 11.1(c).

“**Sellers’ Interim Access Manager**” shall have the meaning set forth in Section 7.1.

“**Software**” means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (e) documentation including user manuals and other training documentation related to any of the foregoing.

“**Subsidiary**” means any entity with respect to which a specified Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect a majority of the board of directors or similar managing body.

“**Subsidiary Shares**” means all equity securities held by any Seller in the following entities: (i) THQ Canada, Inc., (ii) THQ Montreal, Inc., and (iii) THQ International GmbH.

“**Successful Bidder**” shall have the meaning set forth in the Sale Procedures.

“**Tax**” or “**Taxes**” means any income, alternative, minimum, add-on minimum, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other similar tax, duty, levy, or other governmental charge in the nature of a tax, or assessment or deficiency thereof (including all interest and penalties thereon and additions thereto), in each case imposed by any Governmental Authority.

“**Tax Return**” means any return, declaration, report, claim for refund, information return, or other document (including any elections, schedules, statements, or supporting documents attached thereto) filed with or required to be filed with any Governmental Authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“**Third Party**” means a Person who or which is neither a Party hereto nor an Affiliate of a Party hereto.

“**THQ**” shall have the meaning set forth in the Preamble.

“**THQ Wireless**” shall have the meaning set forth in the Preamble.

“**Trademarks**” means all trade names, logos, slogans, designs, common law trademarks and service marks, trademark and service mark registrations and applications therefor, in each case owned by a Seller and related to the Products, the Business or the Acquired Assets, and all goodwill appurtenant to any or all of the foregoing, including all of the marks and names identified on Schedule 1.1(d) attached hereto.

“**Transaction Documents**” means this Agreement and any other agreements, instruments or documents entered into pursuant to this Agreement.

“**Transfer Consent**” shall have the meaning set forth in Section 5.5(d).

“**Transferred Employee**” shall have the meaning set forth in Section 7.7(c).

“**Transferred Employee List**” shall have the meaning set forth in Section 7.7(b).

“**Transferred Employee Plans**” means the Benefit Plans expressly assumed (in whole or in part) pursuant to this Agreement, set forth on Schedule 1.1(e).

“**Transfer Taxes**” shall have the meaning set forth in Section 8.1(a).

“**Treasury Regulations**” means the regulations promulgated by the U.S. Treasury Department pursuant to the Code.

“**Unsecured Note**” means the Subordinated Unsecured Note Agreement to be negotiated and agreed upon in accordance with Section 7.9 and to be entered as of the Closing Date by and between Buyer and one or more Sellers.

“**Vigil**” shall have the meaning set forth in the Preamble.

“**Volition**” shall have the meaning set forth in the Preamble.

“**WARN Act**” means the Worker Adjustment and Retraining Notification Act of 1988, as amended, any similar Law, and the rules and regulations thereunder.

“**Wells Fargo**” means Wells Fargo Capital Finance, LLC.

Section 1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise indicated to the contrary in this Agreement by the context or use thereof:

(i) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Any reference in this Agreement to \$ means U.S. dollars.

(iii) Unless the context otherwise requires, all capitalized terms used in the Exhibits and Schedules shall have the respective meanings assigned in this Agreement. No reference to or disclosure of any item or other matter in the Exhibits and Schedules shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in the Exhibits and Schedules. No disclosure in the Exhibits and Schedules relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. Any information, item or other disclosure set forth in any Schedule shall be deemed to have been set forth in all other applicable Schedules if the relevance of such disclosure to such other Schedule is reasonably apparent from the facts specified in such disclosure. All Exhibits and Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

(iv) Any reference in this Agreement to gender includes all genders, and words importing the singular number also include the plural and vice versa.

(v) The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any “**Section**” or “**Article**” are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Words such as “**herein**,” “**hereof**” and “**hereunder**” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) The word “**including**” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(b) No Strict Construction. Buyer, on the one hand, and Sellers, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Sellers, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

ARTICLE II PURCHASE AND SALE

Section 2.1 Purchase and Sale of the Acquired Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Sellers shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase, all right, title and interest of Sellers in, to or under all of the properties and assets of Sellers of every kind and description, wherever located, real, personal or mixed, tangible or intangible, to the extent owned, leased, licensed, used or held for use in or relating to the Business, as the same shall exist on the Closing Date (but excluding in each case, for the avoidance of doubt, any Excluded Assets) (collectively, the “**Acquired Assets**”), including all right, title and interest of Sellers in, to or under:

- (a) Cash and Cash Equivalents;
- (b) Accounts Receivable;
- (c) Inventory;
- (d) Equipment;
- (e) the owned Real Property listed on Schedule 2.1(e);
- (f) all Contracts related to the Business (the “**Assumed Contracts**”), including (i) those Contracts listed or described on Schedule 2.1(f) (the “**Listed General Contracts**”), (ii) those Contracts listed or described on the Cure List (the “**Listed Executory Contracts**” and, together with the Listed General Contracts, the “**Listed Contracts**”) (ii) all Inbound License Agreements and (iii) all Contracts pursuant to which Intellectual Property is transferred to the Business, as the Assumed Contracts may be amended pursuant to the last paragraph of this Section 2.1;
- (g) all Leases related to the Business (the “**Assumed Leases**”) including those Leases listed or described on Schedule 2.1(g) (the “**Listed Leases**” and, together with the Listed Contracts, the “**Listed Agreements**”), as the Assumed Leases may be amended pursuant to the last paragraph of this Section 2.1;
- (h) rights under any Transferred Employee Plan listed on Schedule 1.1(e) (other than as described in Section 2.2(e)), as Schedule 1.1(e) may be amended pursuant to the last paragraph of this Section 2.1;
- (i) Permits and pending applications therefor, in each case to the extent assignable;
- (j) Intellectual Property;
- (k) Products;
- (l) Pre-Paid Expenses (other than those described in Section 2.2(e));

(m) Tax refunds, Tax rebates or Tax credits of Sellers to the extent relating to the Acquired Assets or the Assumed Liabilities;

(n) goodwill associated with the Acquired Assets;

(o) Documents (other than those described in Section 2.2) to the extent available and permitted by applicable Laws;

(p) telephone, telex and telephonic facsimile numbers and other directory listings used in connection with the Business;

(q) Claims and Proceedings (including, for the avoidance of doubt, all claims for past infringement or misappropriation of Intellectual Property) of Sellers as of the Closing primarily related to or constituting any Acquired Asset or Assumed Liability, including Sellers' rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery, including insurance proceeds (regardless of whether such rights are currently exercisable) to the extent related to any Acquired Asset or any of the Assumed Liabilities;

(r) insurance policies and binders, all claims, refunds and credits from insurance policies or binders due or to become due with respect to such policies or binders and all rights to proceeds thereof (other than those policies set forth on Schedule 2.2(j));

(s) Avoidance Actions listed on the Avoidance Actions Schedule;

(t) the Subsidiary Shares; and

(u) rights under non-disclosure or confidentiality, non-compete, or non-solicitation agreements relating to the Business or any Product or Acquired Asset (or any portion thereof).

At any time at least five (5) Business Days prior to the Hearing Date, Buyer, in its discretion by written notice to Sellers, may (a) exclude from being assigned pursuant hereto any Contracts or Leases, and such Contracts or Leases shall not constitute Assumed Contracts or Assumed Leases, and Buyer shall not acquire any rights or assume any Liabilities with respect thereto, (b) add any Contracts or Leases as assigned Contracts or Leases pursuant hereto, and such Contracts or Leases shall constitute Assumed Contracts or Assumed Leases, (c) exclude from being assigned pursuant hereto any Transferred Employee Plan listed on Schedule 1.1(e) and Buyer shall not acquire any rights or assume any Liabilities with respect thereto and (d) add any Transferred Employee Plan to Schedule 1.1(e) as an assigned Transferred Employee Plan. Upon Buyer's reasonable request, Sellers shall provide additional detailed information as to the Liabilities under the Contracts or Leases sufficient for Buyer to make an informed assessment whether to accept an assignment and assumption of such Contract or Lease hereunder. At any time prior to three (3) Business Days prior to the Closing Date, Buyer may, in its discretion by written notice to Sellers, designate any of the Acquired Assets as additional Excluded Assets, which notice shall set forth in reasonable detail the Acquired Asset(s) so designated. Notwithstanding any other provision hereof, (i) any Acquired Asset excluded under this

paragraph shall on such exclusion become an Excluded Asset and the Liabilities of Sellers related thereto shall constitute Excluded Liabilities, and (ii) no addition or exclusion of a Contract or Lease under this paragraph shall affect the amount of the Cash Consideration payable by Buyer to Sellers, although it may impact the Determined Cure Costs that Buyer is obligated to pay in addition to the Cash Consideration.

Section 2.2 Excluded Assets. Notwithstanding anything herein to the contrary, the Acquired Assets shall not include any of the following (collectively, the “**Excluded Assets**”):

- (a) each Seller’s rights under this Agreement (including the right to receive the Purchase Price delivered to Sellers pursuant to this Agreement);
- (b) Documents prepared in connection with this Agreement or the transactions contemplated hereby or relating to the Bankruptcy Case, Tax Returns or Tax work papers or records, and other Documents not related to the Business or any Product or Acquired Asset;
- (c) any Contract or Lease that is not an Assumed Contract or Assumed Lease, respectively;
- (d) Claims and Proceedings of Sellers other than those described in Section 2.1(q);
- (e) security deposits or pre-paid expenses not associated with the Acquired Assets, including all deposits or pre-paid amounts related to any Excluded Asset, and any return of funds from the Deferred Compensation Plan Trust;
- (f) shares of capital stock or other equity interests of any Seller or securities convertible into or exchangeable or exercisable for shares of capital stock or other equity interests of any Seller;
- (g) assets, properties and rights of any Seller other than the Acquired Assets, specifically including those assets set forth on Schedule 2.2(g) and those excluded by Buyer pursuant to the last paragraph of Section 2.1;
- (h) the Deferred Compensation Plan Trust;
- (i) any interest in or right to any refunds, rebates or credits of Taxes not described in Section 2.1(m), and any interest in any tax loss or other tax attribute of Sellers;
- (j) insurance policies and binders set forth on Schedule 2.2(j), all claims, refunds and credits from such policies or binders due or to become due with respect to such policies or binders and all rights to proceeds thereof; and
- (k) Avoidance Actions not listed on the Avoidance Actions Schedule.

Section 2.3 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall assume and agree to perform and discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), only the following Liabilities of Sellers and no others (collectively, the “**Assumed Liabilities**”):

- (a) Liabilities arising from the ownership of the Acquired Assets or the sale of Products by Buyer, in each case on and after the Closing Date, it being understood that Liabilities arising from the ownership of the Acquired Assets or the operation of the Business prior to the Closing Date (including the sale of Products by Sellers and their Affiliates prior to the Closing Date) shall not constitute Assumed Liabilities regardless of when the obligation to pay such Liabilities arises, other than as set forth in Section 8.1;
- (b) Liabilities under the Assumed Contracts and Assumed Leases arising on and after the Closing;
- (c) the Determined Cure Costs;
- (d) postpetition trade payables owed to vendors with which Buyer intends to continue to do business;
- (e) Liabilities arising under the Key Employee Retention Plan pursuant to an Order entered by the Bankruptcy Court up to an amount equal to \$427,000; *provided, however*, that if such Order is entered on or prior to the Closing Date, then any Liability assumed pursuant to this Section 2.3(e) shall result in a dollar-for-dollar reduction of the Cash Consideration; *provided, further*, that if such Order is not entered on or prior to the Closing Date, then the Cash Consideration shall be reduced by \$427,000;
- (f) Liabilities to the Transferred Employees, including as set forth in Section 7.7, and Liabilities arising out of the Transferred Employee Plans;
- (g) Liabilities of the Sellers as debtors-in-possession in the Chapter 11 Cases to the Business Employees who are not Transferred Employees pursuant to allowed claims under Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code; and
- (h) Liabilities to the Business Employees who are not Transferred Employees
 - (i) under THQ’s sales incentive bonus plan for the quarter ending December 31, 2012 and
 - (ii) under THQ’s old profit sharing plan payable in the quarter ending March 31, 2013, up to an aggregate amount equal to (i) One Million Four Hundred Thousand United Stated Dollars (\$1,400,000) (the “**Legacy Bonus Plans Cap**”) less (ii) any bonuses Buyer is obligated to pay pursuant to Section 7.7(e).

Section 2.4 Excluded Liabilities. Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability that is not an Assumed Liability, and Sellers shall be solely and exclusively liable with respect to any Liability of Sellers that is not an Assumed Liability (such Liabilities, collectively, the “**Excluded Liabilities**”). For the avoidance of doubt, the Excluded Liabilities include the following:

- (a) all Claims or Liabilities of Sellers that relate to any of the Excluded Assets or the Contracts and Leases that are not Assumed Contracts or Assumed Leases;
- (b) other than the Assumed Liabilities, all Liabilities of Sellers;
- (c) any Liability arising out of any action or proceeding arising out of, or relating to, any occurrence or event happening prior to the Closing;
- (d) all Claims or Liabilities (whether known or unknown) with respect to current or former employees of Sellers, including payroll, paid or unpaid vacation, sick leave, worker's compensation, unemployment benefits, pension benefits, employee stock option or profit sharing plans, health care plans or benefits, or any other employee plans or benefits or other compensation of any kind to any employee, and obligations of any kind including any Liability pursuant to the WARN Act for any action or inaction, except to the extent specifically set forth in Section 7.7;
- (e) any Liability arising under any Benefit Plan of Sellers or any other employee benefit plan, program, or arrangement at any time maintained, sponsored or contributed to by Seller or any ERISA Affiliate, or with respect to which Sellers or any ERISA Affiliate has any liability;
- (f) any Liability under any employment, collective bargaining, severance, retention or termination agreement with any employee, independent contractor or contractor (or their representatives) of Sellers, except to the extent such Liabilities arise on or after Closing or arise under an Assumed Contract;
- (g) any Liability of Sellers to any shareholder or Affiliate of Sellers;
- (h) any Liability to indemnify, reimburse or advance amounts to any shareholder, officer, director, employee, or agent of Sellers;
- (i) any Liability to distribute to Sellers' shareholders or otherwise apply all or any part of the consideration received hereunder;
- (j) any Liability arising out of or resulting from non-compliance with any law, ordinance, regulation, or treaty of any Governmental Authority by Sellers;
- (k) any Liability of Sellers under this Agreement or any other document executed in connection herewith;
- (l) any Liability of Sellers resulting in any way from the Bankruptcy Case;
- (m) any Liability of Sellers for Taxes, including any Liability of Sellers in respect of any amount of federal, state, or other Taxes (including interest, penalties, and additions to such Taxes) and any Liabilities of Sellers for (i) Taxes arising (A) as a result of a Seller at any time being a member of an affiliated group (as defined in Section 1504(a) of the Code) prior to the Closing Date, (B) under any Tax allocation, sharing, indemnity, or similar agreement with any Person that is imposed on or measured

by the income of a Seller for any period (other than arising under an Assumed Contract on or after the Closing Date), or (C) as a result of such Seller's operation of the Business or ownership of the Acquired Assets on or prior to the Closing; and (ii) any transfer Taxes for which Sellers are liable as set forth in Section 8.1; *provided, however*, that Excluded Liabilities shall in no event include Taxes arising from the conduct of the Business, or otherwise attributable to periods on or following the Closing Date;

(n) any Liability arising out of or resulting from actions taken by a Seller prior to Closing related to the shutdown of any of its operations or facilities or the termination of any of its employees or independent contractors including any severance obligations;

(o) any Liability arising out of the Deferred Compensation Plan Trust; and

(p) any Liability arising out of or related to any violation by Sellers of Environmental, Health and Safety Laws.

Buyer and Sellers hereby acknowledge and agree that disclosure of any Liability on any Schedule to this Agreement shall not create an Assumed Liability or other Liability of Buyer, except where such disclosed obligation has been expressly assumed by Buyer as an Assumed Liability in accordance with the provisions of Section 2.3.

Section 2.5 Assignments; Determined Cure Costs. Sellers shall transfer and assign all Assumed Contracts and Assumed Leases to Buyer, and Buyer shall assume all Assumed Contracts and Assumed Leases from Sellers, as of the Closing Date pursuant to the Sale Order. In connection with such assignment and assumption, Buyer shall cure all monetary defaults under such Assumed Contracts and Assumed Leases to the extent required by Section 365(b) of the Bankruptcy Code. In consultation with and at the direction of Buyer, Sellers shall file and prosecute any pleadings with the Bankruptcy Court to determine the amount of any asserted Cure Cost. As and when an asserted Cure Cost becomes a Determined Cure Cost, the amount of such Determined Cure Costs shall be paid by the Buyer. In the case of licenses, certificates, approvals, authorizations, Leases, Contracts and other commitments included in the Acquired Assets (a) that cannot be transferred or assigned effectively without the consent of third parties, which consent has not been obtained prior to the Closing (after giving effect to the Sale Order and the Bankruptcy Code), Sellers shall, subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects to provide to Buyer the benefits thereof in some other manner, or (b) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Sellers shall, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Sellers thereunder).

Section 2.6 Further Actions and Assurances. At the Closing, Sellers shall execute and deliver to Buyer such other instruments of transfer as shall be reasonably necessary or appropriate to vest in Buyer good and indefeasible title to the Acquired Assets free and clear of all Encumbrances and to comply with the purposes and intent of this Agreement and such other instruments as shall be reasonably necessary or appropriate to evidence the assignment by Sellers and assumption by Buyer of the Assumed Contracts and Assumed Leases.

Each of Sellers, on the one hand, and Buyer, on the other hand, shall use its commercially reasonable efforts to take, or cause to be taken, all appropriate action, do or cause to be done all things necessary, proper or advisable under applicable Law, and execute and deliver such documents and other papers, as may be required to consummate the transactions contemplated by this Agreement at or after the Closing, including, subject to Section 2.5, assistance by Sellers with the transfer of the Inventory, Permits, Documents, Intellectual Property (including with respect to making all appropriate filings and submissions with the United States Patent and Trademark Office promptly after Closing, and in any event within thirty (30) days of Closing) and Product Registrations. In furtherance and not in limitation of the foregoing, in the event that any of the assets, properties, rights, titles and interests (tangible or intangible) used in connection with the Business, the Products and the Acquired Assets shall not have been conveyed at Closing, Sellers shall use commercially reasonable efforts to convey such assets, properties, rights, titles and interests to Buyer as promptly as practicable after the Closing, and pending such conveyance shall provide the applicable benefits thereof to Buyer in a manner consistent in all material respects with past practice. In all instances after Closing, if Seller will incur any out-of-pocket costs in complying with their obligations under this Section 2.6, such out-of-pocket costs shall be borne at the direction of Buyer by, or reimbursed to the applicable Seller by, Buyer. Prior to the Closing, the Parties shall cooperate in good faith to identify any assets, properties, rights, titles or interests that may not be able to be conveyed at Closing.

ARTICLE III PURCHASE PRICE

Section 3.1 Purchase Price. The purchase price (the “**Purchase Price**”) for the purchase, sale, assignment and conveyance of Sellers’ right, title and interest in, to and under the Acquired Assets shall consist of:

- (a) cash in an amount that will result in payment in full in cash of all outstanding Obligations (as defined in the DIP Credit Agreement) and Prepetition Obligations (as defined in the DIP Credit Agreement) related to the Revolver Commitment (as defined in the DIP Credit Agreement) including the cash collateralization or replacements of all letters of credit thereunder, in such amounts as are contemplated by the DIP Credit Agreement (collectively, the “**Revolver Payoff Amount**”); plus
- (b) a waiver of all outstanding Obligations (as defined in the DIP Credit Agreement) related to the Term Loan Commitment (as defined in the DIP Credit Agreement) (the “**Term Loan Waiver**”); plus
- (c) cash in the amount of the Cash Consideration; plus
- (d) the assumption of the Assumed Liabilities; plus
- (e) the Unsecured Note.

Section 3.2 Deposit. The Parties have executed an escrow agreement substantially in the form attached hereto as Exhibit 4 (the “**Escrow Agreement**”), and Buyer shall deposit into escrow with the Escrow Agent within two (2) Business Days of the Execution

Date an amount equal to 10% of the Cash Consideration (such amount, together with all interest and other earnings accrued thereon, the “**Deposit**”) by wire transfer of immediately available funds pursuant to the terms of the Escrow Agreement. The Deposit shall not be subject to any lien, attachment, trustee process or any other judicial process of any creditor of any Sellers or Buyer. The Deposit shall become payable to Sellers upon the Closing or in the event of the termination of this Agreement pursuant to Section 11.1(c), in accordance with Section 11.2 (a “**Buyer Default Termination**”). At the Closing, the Parties shall instruct the Escrow Agent to deliver the Deposit to an account designated by Sellers by wire transfer of immediately available funds as payment of a portion of the Cash Consideration.

Section 3.3 Closing Date Payments. At the Closing, Buyer shall pay (a) to Sellers in cash by wire transfer of immediately available funds an amount equal to the Cash Consideration, less the amount of the Deposit (such amount to be paid to Sellers at the Closing, the “**Closing Date Sellers Payment**”) and (b) to Wells Fargo (in favor of the Lenders (as defined therein) party to the DIP Credit Agreement) in cash by wire transfer of immediately available funds an amount equal to the Revolver Payoff Amount.

Section 3.4 Discharge of Assumed Liabilities After Closing. From and after the Closing, Buyer shall pay, perform or satisfy the Assumed Liabilities in accordance with their respective terms.

Section 3.5 Allocation of Purchase Price. The Purchase Price (as may be adjusted pursuant to the terms of this Agreement), including the Assumed Liabilities to the extent such Liabilities are required to be treated as part of the purchase price for Tax purposes, shall be allocated between and among the Acquired Assets of each Seller in accordance with Schedule 3.5 (the “**Allocation Schedule**”). In administering any Proceeding, the Bankruptcy Court shall not be required to apply the Allocation Schedule in determining the manner in which the Purchase Price should be allocated as between any Seller and its respective estates. Buyer and Sellers will each file all Tax Returns (including IRS Forms 8594) consistent with the Allocation Schedule. Sellers, on the one hand, and Buyer, on the other hand, each agree to provide the other promptly with any other information required to complete IRS Forms 8594. Neither Buyer nor any Sellers shall take any Tax position inconsistent with such Allocation Schedule and neither Buyer nor any Sellers shall agree to any proposed adjustment based upon or arising out of Allocation Schedule by any Governmental Authority without first giving the other Party prior written notice; *provided, however*, that nothing contained herein shall prevent Buyer or any Sellers from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Allocation Schedule, and neither Buyer nor any Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of such Allocation Schedule.

Section 3.6 Withholding. If Buyer is required by applicable Laws to withhold or deduct any amount of Tax from the payment of the Purchase Price hereunder, then Buyer shall withhold or deduct (and, to the extent required by applicable Laws, remit to the appropriate Governmental Authority) the amount of any such Tax and to the extent any amount of Tax is properly withheld and remitted to the proper Governmental Authority pursuant to this Section 3.6, such amount shall be treated for all purposes of this Agreement as having been paid to Sellers.

ARTICLE IV CLOSING

Section 4.1 Closing Date. Upon the terms and subject to the conditions hereof, the closing of the sale of the Acquired Assets and the assumption of the Assumed Liabilities contemplated hereby (the “**Closing**”) shall take place at the offices of DLA Piper LLP (US) at 2000 Avenue of the Stars, Suite 400 North Tower, Los Angeles, California 90067, no later than the first (1st) Business Day following the date on which the conditions set forth in Article IX and Article X have been satisfied or (if permissible) waived (other than the conditions which by their nature are to be satisfied by actions taken at the Closing, but subject to the satisfaction or (if permissible) waiver of such conditions), or at such other place or time as Buyer and Sellers may mutually agree. The date and time at which the Closing actually occurs is referred to as the “**Closing Date**.”

Section 4.2 Buyer’s Deliveries. At the Closing:

- (a) Buyer shall deliver to Sellers:
 - (i) the Closing Date Sellers Payment, in accordance with Section 3.3;
 - (ii) an instrument, in form reasonably satisfactory to Sellers, to effect the Term Loan Waiver;
 - (iii) the Assumption Agreement;
 - (iv) the Unsecured Note;
 - (v) each other Transaction Document to which Buyer is a party, duly executed by Buyer;
 - (vi) the certificates of Buyer to be received by Sellers pursuant to Sections 10.1 and 10.3; and
 - (vii) such other assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Sellers, as Sellers may reasonably request to transfer and assign the Acquired Assets and Assumed Liabilities to Buyer; and
- (b) Buyer shall deliver to Wells Fargo the Revolver Payoff Amount.

Section 4.3 Sellers’ Deliveries. At the Closing, Sellers shall deliver to Buyer:

- (a) the Assumption Agreement, and each other Transaction Document to which any Seller is a party, duly executed by each applicable Seller;
- (b) instruments of assignment of the Patents (the “**Assignment of Patents**”), Trademarks (the “**Assignment of Trademarks**”), Copyrights (the “**Assignment of**

Copyrights”) and Domain Names (the “**Assignment of Domain Names**”) that are included in the Acquired Assets, if any, duly executed by Sellers in a form appropriate for recordation with the appropriate Governmental Authorities in the form of Exhibits 4.3(a) through 4.3(d), respectively;

- (c) a copy of the Sale Order entered by the Bankruptcy Court;
- (d) the certificates of Sellers to be received by Buyer pursuant to Sections 9.1 and 9.2;
- (e) a certificate of non-foreign status executed by each Seller (or, if applicable, a direct or indirect owner of a Seller) that is not a disregarded entity for U.S. federal income tax purposes, prepared in accordance with Treasury Regulation Section 1.1445-2(b); and
- (f) such other bills of sale, special warranty deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to Buyer, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Sellers in, to or under any or all the Acquired Assets.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the corresponding sections or subsections of the Schedules attached hereto, Sellers hereby represent and warrant to Buyer that the statements contained in this Article V are true and correct:

Section 5.1 Organization and Good Standing. Each Seller is an entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization. Sellers have the requisite corporate or other power and authority to own or lease and to operate and use its properties and to carry on the Business as now conducted. Except as set forth on Schedule 5.1, each Seller is duly qualified or licensed to do business and in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except for such failures to be so qualified or licensed or in good standing as would not, individually or in the aggregate, have a Material Adverse Effect.

Section 5.2 Authority; Validity; Consents. Sellers have, subject to requisite Bankruptcy Court approval, the requisite corporate or other power and authority necessary to enter into and perform their respective obligations under this Agreement and the other Transaction Documents to which each Seller is a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by Sellers and each other Transaction Document required to be executed and delivered by Sellers at the Closing will be duly and validly executed and delivered by the requisite Sellers at the Closing. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, with respect to Sellers, the legal, valid and binding obligations of Sellers, enforceable against Sellers in accordance with their respective terms. Subject to requisite Bankruptcy Court approval, except (a) for entry of the Sale Order and (b) for

notices, filings and consents required in connection with the Bankruptcy Case, Sellers are not required to give any notice to, make any filing with or obtain any consent from any Person (including any Governmental Authority) in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby and thereby, except for (i) such notices, filings and consents, the failure of which to provide, make or obtain, would not, individually or in the aggregate, have a Material Adverse Effect, and (ii) the consent of third parties, if any, required for the assignment of any Assumed Contract or Assumed Lease, the failure of which to provide, make or obtain, would not, individually or in the aggregate, have a Material Adverse Effect.

Section 5.3 No Conflict. When the consents and other actions described in Section 5.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the material breach of any of the terms and provisions of, or constitute a material default under, or materially conflict with, or require consent or the giving of notice under, or cause any acceleration of any material obligation of Sellers under (a) any Order or (b) any Law.

Section 5.4 Environmental and Health and Safety Matters. Except as set forth on Schedule 5.4:

(a) To Sellers' Knowledge, the current operations of the Business comply in all material respects with all applicable Laws concerning environmental, health or safety matters ("**Environmental, Health and Safety Laws**"), and Sellers have not received written notice alleging that the activities of the Business are in violation of any Environmental Health and Safety Laws; and

(b) To Sellers' Knowledge, there has been no Release of any Hazardous Substances at, on or under any of the Real Property, and, to Sellers' Knowledge, none of such properties has been used by any Person as a landfill or storage, treatment or disposal site for any type of Hazardous Substance or non-hazardous solid wastes as defined under the Resource Conservation and Recovery Act of 1976, as amended.

Section 5.5 Title to Acquired Assets. Upon delivery to Buyer on the Closing Date of the instruments of transfer contemplated by Section 4.3, and subject to the terms of the Sale Order, Sellers will thereby transfer to Buyer, all of Sellers' right, title and interest in and to the Acquired Assets free and clear of all Encumbrances, except (a) as set forth on Schedule 5.5, (b) for the Assumed Liabilities, (c) for Permitted Encumbrances, and (d) subject to the limitation that certain transfers, assignments, licenses, sublicenses, leases and subleases, as the case may be, of Acquired Assets, Assumed Contracts, Assumed Leases and Permits, and any claim or right or benefit arising thereunder or resulting therefrom, may require consent of a third party or Governmental Authority (each, a "**Transfer Consent**"), which has not been obtained.

Section 5.6 Taxes. Except as set forth on Schedule 5.6, as would not result in a liability to Buyer or an Acquired Subsidiary (as hereinafter defined), or as would not have, individually or in the aggregate, a Material Adverse Effect:

(a) (i) all income and other material Tax Returns required to be filed by Sellers and their Subsidiaries the stock of which constitute Acquired Assets as of the Closing Date (the “**Acquired Subsidiaries**”), with respect to the Business have been timely filed (taking into account any extension of time to file granted, or to be obtained with respect thereto), and all such Tax Returns are complete and accurate in all material respects; (ii) to the Knowledge of Sellers, on the Execution Date no examination by any Governmental Authority of any such Tax Return is currently in progress; (iii) to the Knowledge of Sellers, no material Tax deficiencies are being claimed, proposed or assessed in writing by any Governmental Authority against Sellers or any Acquired Subsidiary; and (iv) all material amounts of Tax that are due and payable by Sellers and each Acquired Subsidiary (whether or not shown on any Tax Return) with respect to the Business have been duly and timely paid;

(b) each Acquired Subsidiary has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, shareholder or other party, filed all Tax Returns and reports with respect to employee Tax withholding and complied with all information reporting and backup withholding provisions of applicable Law;

(c) no claim has ever been made in writing by an authority in a jurisdiction where an Acquired Subsidiary does not file Tax Returns that such Acquired Subsidiary is or may be subject to taxation by that jurisdiction;

(d) no extensions or waivers of statutes of limitations with respect to the assessment of any Taxes of any Acquired Subsidiary is currently in effect;

(e) no Acquired Subsidiary of a Seller is a party to a Tax allocation, sharing, or indemnity agreement with any Person (other than agreements entered into in the Ordinary Course of Business or agreements the primary purpose of which is not sharing of Taxes);

(f) all deficiencies asserted, or assessments made, against any Acquired Subsidiary as a result of any examinations by any Governmental Authority have been fully paid or otherwise fully settled with no further amounts owed;

(g) no Acquired Subsidiary is a party to any action with respect to Taxes by any Governmental Authority. There are no pending or threatened actions with respect to Taxes by any Governmental Authority against any Acquired Subsidiary;

(h) there are no Encumbrances for Taxes upon any of the Acquired Assets, other than Permitted Encumbrances. To the Knowledge of Sellers, no taxing authority is in the process of imposing any Encumbrances for Taxes on any of the Acquired Assets (other than for current Taxes not yet delinquent);

(i) no Seller is a “foreign person” as that term is used in Treasury Regulations Section 1.1445-2; and

(j) no Acquired Subsidiary has ever been a party to a “listed transaction” within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

Section 5.7 Legal Proceedings. As of the date hereof, except for the Bankruptcy Case and as set forth on Schedule 5.7, there is no Proceeding or Order pending, outstanding or, to Sellers’ Knowledge, threatened against any Seller that (a) seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or (b) would have, individually or in the aggregate, a Material Adverse Effect, or a Material Adverse Effect on the ability of Sellers to consummate the transactions contemplated by this Agreement.

Section 5.8 Compliance with Laws; Permits. Except as set forth in Schedule 5.8, Sellers are not and have not been in violation in any material respect of any Law applicable to the operation of the Business and hold all material Permits required for Sellers to conduct the Business as it is currently conducted. Except as set forth in Schedule 5.8, there are no Proceedings pending, or to Sellers’ Knowledge threatened, regarding any of the Permits. Sellers are in compliance with the terms of all material Permits in all material respects.

Section 5.9 Intellectual Property.

(a) The Intellectual Property identified on Schedule 5.9(a) collectively constitutes all (i) Patent Rights, (ii) Copyright registrations and applications, (iii) Trademark registrations and applications, (iv) material common law Trademarks and (v) Domain Names, in each case used by Sellers and their Affiliates in connection with the operation of the Business and the manufacturing, marketing and sale of the Products. For each of the foregoing items, Schedule 5.9(a) also identifies the name of the record owner of the applicable patent, registration or application or Domain Name.

(b) Sellers own or hold valid licenses to all material Intellectual Property and, except as set forth on Schedule 5.9(b), such Intellectual Property is free and clear of any Encumbrances (other than (x) Encumbrances that will be removed at or prior to the Closing and (y) other than restrictions or limitations pursuant to written nonexclusive license agreements entered into in the Ordinary Course of Business). Schedule 5.9(b) lists each written contract, license, permission or other agreement pursuant to which Sellers or any of their Affiliates is granted any license or other right to use any Intellectual Property the loss of which would have a Material Adverse Effect (the “**Inbound License Agreements**”).

(c) To Sellers’ Knowledge, the Intellectual Property is valid and enforceable. Within the past three (3) years, none of the Intellectual Property has been or is the subject of (i) any pending or, to Sellers’ Knowledge, threatened adverse claim, judgment, injunction, order, decree or agreement restricting its use in connection with any of the Products or (ii) to Sellers’ Knowledge, except as noted on Schedule 5.9(c), any threatened litigation or claim of infringement.

Section 5.10 Assumed Contracts and Assumed Leases. Each Listed Agreement, respectively, is in full force and effect and is a valid and binding obligation of

Sellers and, to Sellers' Knowledge, the other parties thereto, in accordance with its terms and conditions, in each case except (a) as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity and (b) as set forth on Schedule 5.10. The copies of all Assumed Contracts and Assumed Leases made available to Buyer or its Affiliates are correct and complete. Upon entry of the Sale Order, payment of the Determined Cure Costs, as applicable, and receipt of Transfer Consents (if any), and except as set forth on Schedule 5.10, (i) no Seller will be in material breach or default of its obligations under any such Listed Agreement, (ii) no condition exists that with notice or lapse of time or both would constitute a material default by any Seller under any such Listed Agreement, (iii) to Sellers' Knowledge, no other party to any such Listed Agreement is in material breach or default thereunder and (iv) each such Listed Agreement may be enforced by Buyer against the other party thereto in accordance with its terms.

Section 5.11 Brokers or Finders. Except as set forth on Schedule 5.11 hereof, Sellers have not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer is or will become liable, and Sellers shall indemnify and hold harmless Buyer from any claims with respect to any such fees or commissions.

Section 5.12 Affiliate Transactions. Other than as set forth on Schedule 5.12 hereof or as otherwise expressly contemplated by this Agreement, there are no loans, leases or other continuing transactions between any Seller, on the one hand, and any present or former member, manager, stockholder, director or officer of any Seller, as applicable, on the other hand, that will be included in the Assumed Liabilities or the Assumed Assets.

Section 5.13 Insurance. The physical properties, assets, business, operations, employees, officers, directors and managers of Sellers are insured to the extent disclosed in Schedule 5.13 and (i) there is no claim by Sellers pending under any such policies as to which coverage has been questioned, denied or disputed by the insurer, (ii) such insurance policies and arrangements are in full force and effect, all premiums with respect thereto are currently paid, and Sellers are in compliance in all material respects with the terms thereof, and (iii) no notice of cancellation or termination has been received by Sellers with respect to any insurance policy described in Schedule 5.13.

Section 5.14 Financial Statements. Schedule 5.14 sets forth the (i) audited consolidated financial statements of Sellers as at and for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 (the "**Audited Financial Statements**") and (ii) audited consolidated financial statements of the Business as at and for the period ended September 30, 2012 (the "**Interim Financial Statements**"), including in each of clauses (i) and (ii) a balance sheet, statement of income and statements of cash flows and operations and for clause (i) a statement of retained earnings (the Audited Financial Statements and the Interim Financial Statements collectively, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with United States generally accepted accounting principles and practices in effect from time to time applied on a consistent basis throughout the periods indicated and present fairly, in all material respects, the financial condition of Sellers at their

respective dates, *provided, however*, that the financial statements were prepared on a going concern basis.

Section 5.15 Assets Necessary to Business. Except as set forth on Schedule 5.15, the Acquired Assets constitute all of the assets (real or personal), properties, licenses and Contracts (other than Excluded Assets) that are being used on the date hereof in the Business as conducted on the date hereof. None of the Excluded Assets as of the Execution Date is necessary to conduct the Business in substantially the same manner as the Business has been conducted prior to the date hereof.

Section 5.16 Employee Benefits. Schedule 5.16 sets forth:

(a) Each Benefit Plan, copies or descriptions of which have been made available to Buyer or its Affiliates.

(b) Each material plan or arrangement not subject to ERISA maintained or otherwise contributed to by Sellers providing for deferred compensation, bonuses, equity compensation, employee insurance coverage or any similar material compensation or welfare benefit arrangement (collectively, the “**Benefit Arrangements**”), copies or descriptions of which have been made available to Buyer or its Affiliates.

(c) Except as set forth on Schedule 5.16, each Benefit Plan and Benefit Arrangement has, to the Knowledge of Seller, been maintained and administered at all times in compliance in all material respects with its terms and all applicable laws, including ERISA and the Code, applicable to such Benefit Plan or Benefit Arrangement. Each Benefit Plan and Benefit Arrangement subject to Section 409A of the Code has complied, in all material respects, with the provisions of Section 409A of the Code and the IRS guidance issued thereunder.

(d) Each Benefit Plan intended to be “qualified” within the meaning of Section 401(a) of the Code has received a favorable determination letter from the IRS with respect to such qualified status. No Benefit Plan is subject to Section 412 of the Code or Title IV of ERISA.

Section 5.17 Subsidiaries. Except as set forth on Schedule 5.17, neither Sellers nor any of their Subsidiaries owns, directly or indirectly, any stock, partnership interest, limited liability company interest, joint venture interest or other security or interest in any other Person.

Section 5.18 No Changes. Except as set forth in Schedule 5.18, since March 31, 2012, Sellers: (a) Sellers have not sold, leased, transferred, or assigned any of the assets used in the Business, tangible or intangible, other than for fair consideration in the Ordinary Course of Business; (b) Sellers have neither entered into nor terminated any agreement, contract, lease or license (or series of related agreements, contracts, leases and licenses pertaining to the Business) involving more than \$100,000 and outside the Ordinary Course of Business; (c) Sellers have not made any capital expenditures (or series of related capital expenditures) with respect to the Business involving more than \$100,000 and outside the

Ordinary Course of Business; and (d) Sellers have not experienced any damage, destruction or loss (whether or not covered by insurance) to their properties included in the Acquired Assets.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers that the statements contained in this Article VI are true and correct:

Section 6.1 Organization and Good Standing. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware.

Section 6.2 Authority; Validity; Consents. Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite corporate actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a party will be duly and validly executed and delivered by Buyer at the Closing. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity. Buyer is not and will not be required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party or the consummation or performance of any of the transactions contemplated hereby or thereby.

Section 6.3 No Conflict. The execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture, or other instrument to which it is bound, (b) the organization documents of Buyer, (c) any Order or (d) any Law.

Section 6.4 Brokers or Finders. Neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the transactions contemplated by this Agreement for which Sellers are or will become liable, and Buyer shall hold harmless and indemnify Sellers from any claims with respect to any such fees or commissions.

ARTICLE VII
ACTION PRIOR TO THE CLOSING DATE

Section 7.1 Investigation of the Business by Buyer. After the Effective Date and prior to the Closing Date, Sellers shall, at Buyer's sole cost and expense and in accordance with reasonable procedures to be established in good faith by mutual agreement of Sellers' Interim Access Manager and Buyer's Interim Access Manager, (a) afford Buyer's authorized Representatives access during normal business hours to the offices, properties, key employees, outside accountants, agreements and other documentation and financial records (including computer files, retrieval programs and similar documentation) with respect to the Business to the extent Buyer reasonably deems necessary, and permit Buyer and its authorized Representatives to make copies of such materials, (b) furnish to Buyer or its authorized Representatives such additional information concerning the Business or the Acquired Assets as shall be reasonably requested by Buyer or its authorized Representatives and (c) use commercially reasonable efforts to cause their outside accountants and outside counsel to cooperate with Buyer in its investigation; provided that Buyer shall submit to Sellers requests for such access, information or cooperation, including reasonable detail regarding the requested access, information or cooperation, a reasonable period in advance of the time at which such access, information or cooperation is to be provided, and all such requests shall be submitted only to Jason Kay or Edward L. Kaufman, as Sellers' designated representative, or to such other individuals as THQ may designate from time to time to receive such requests ("**Sellers' Interim Access Manager**"). Such requests of Buyer shall be submitted only by Behdad Eghbali or Prashant Mehrotra or another individual reasonably acceptable to Sellers' Interim Access Manager as successor, as Buyer's designated representative ("**Buyer's Interim Access Manager**"). Notwithstanding anything herein to the contrary, no such access, information or cooperation shall be permitted or required to the extent that it would require Sellers to disclose information subject to attorney-client privilege or would be prohibited by Law or would otherwise contravene any antitrust or competition Law.

Section 7.2 Operations Prior to the Closing Date. Sellers covenant and agree that, except (i) as expressly contemplated by this Agreement, (ii) as disclosed in Schedule 7.2 or any other Schedule as of the date hereof, (iii) with the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), (iv) as required by, arising out of, relating to or resulting from the Bankruptcy Case or otherwise approved by the Bankruptcy Court and (v) as otherwise required by Laws, after the Execution Date and prior to the Closing Date:

(a) Sellers shall use commercially reasonable efforts, taking into account THQ's status as a debtor-in-possession in the Bankruptcy Case, to carry on in the Ordinary Course of Business (including by paying all fees due to any regulatory authority in the Ordinary Course of Business), to maintain in full force and effect the Permits, to maintain and preserve the Acquired Assets in their present condition, reasonable wear and tear excepted, and to keep intact the business relationships relating to the Acquired Assets; and, without limiting the generality of the forgoing,

(b) Sellers shall not:

(i) other than pursuant to any debtor-in-possession financing or cash collateral agreement or order, sell, lease (as lessor), transfer or otherwise dispose of, or mortgage or pledge, or voluntarily impose or suffer to be imposed, any Encumbrance (other than Assumed Liabilities and Permitted Encumbrances) on any Acquired Asset;

(ii) issue, deliver or sell or authorize the issuance, delivery or sale of, any shares of capital stock or membership or other equity interests of Sellers;

(iii) fail to pay any maintenance or similar fees in connection with the prosecution and maintenance of Intellectual Property, or otherwise fail to protect and maintain Intellectual Property consistent with past practice in any material respect;

(iv) amend any of the Contracts or Leases other than non-material amendments made in the Ordinary Course of Business;

(v) other than in the Ordinary Course of Business, enter into any new, or amend any existing, license or other similar agreement concerning any Intellectual Property;

(vi) except in the Ordinary Course of Business, cancel or compromise any Claim or waive or release any right, in each case, that is a Claim or right related to an Acquired Asset; or

(vii) enter into any agreement or commitment to take any action prohibited by this Section 7.2.

Without in any way limiting any Party's rights or obligations under this Agreement, the Parties understand and agree that (i) nothing contained in this Agreement shall give Buyer, directly or indirectly, the right to control or direct the operations of Sellers, or the Business prior to the Closing and (ii) prior to the Closing, Sellers shall exercise, consistent with, and subject to, the terms and conditions of this Agreement, complete control and supervision over the Business and their operations.

Section 7.3 Reasonable Efforts.

(a) Sellers, on the one hand, and Buyer, on the other hand, shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including using best efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article IX and Article X to be satisfied, (ii) the obtaining of all necessary consents and approvals of any Governmental Authority and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all steps as may be necessary to avoid any Proceeding by any Governmental Authority, (iii) the defending of

any Proceedings challenging this Agreement or the consummation of the transaction contemplated hereby, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Authority vacated or reversed, and (iv) the execution or delivery of any additional instruments necessary to consummate the transactions contemplated hereby and to fully carry out the intents and purposes of this Agreement.

(b) Sellers, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto and shall discuss and attempt to reasonably account for any comments or suggestions of the other Party. In addition, none of Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Parties in advance and, to the extent not prohibited by any such Governmental Authority, gives the other Parties the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable laws, rules or regulations, Buyer, on the one hand, and Sellers, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and their respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting confidentiality agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. In carrying out their obligations under this Section 7.3, subject to applicable Law, each of the Parties shall not submit or otherwise provide any information to such Governmental Authority without first having provided a reasonable opportunity to the other Party and its counsel to comment upon such information. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval. Any Party may, as it deems advisable and necessary, reasonably designate any sensitive material provided to the other Party under this Section 7.3, or otherwise pursuant to this Agreement, as "outside counsel only." Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and will not be disclosed by such outside counsel to the directors, officers or employees of the recipient, unless express written permission is obtained in advance from the source of the materials.

(c) Neither Buyer nor Sellers shall, after the entry of the Sale Order, enter into any agreement that would have the effect of delaying the consummation of any action contemplated by this Agreement without the written consent of the other Party.

(d) Neither Buyer nor any of its controlled Affiliates shall take any action or acquire any assets or securities of any other Person or agree to acquire assets or securities of any other Person if such action, acquisition or agreement would reasonably be expected to impair Buyer's ability to consummate the transactions contemplated hereby.

Section 7.4 Bankruptcy Court Filings and Approval.

(a) Sellers shall file with the Bankruptcy Court, on or prior to the end of December 20, 2012, the Sale Motion.

(b) Sellers shall use all reasonable efforts to cause the Bankruptcy Court to enter (i) the Sale Procedures Order on or prior to December 28, 2012 and (ii) the Sale Order on or prior to January 11, 2013, which Sale Order shall approve a sale to the successful bidder at any auction conducted under the Sale Procedures Order or to Buyer if there are no other qualified bidders.

(c) Buyer agrees that it will promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Procedures Order and the Sale Order and, consistent with Section 8.3(a) below, a finding by the Bankruptcy Court of adequate assurance of future performance by Buyer.

(d) Sellers have provided Buyer or its Affiliate a draft of the Sale Motion prior to the Execution Date. If Sellers desire to materially revise such draft Sale Motion prior to the filing of the Sale Motion, Sellers shall (i) provide a copy thereof (including the related forms of order and notice and supporting materials) to Buyer and its counsel, (ii) provide Buyer and its counsel a reasonable opportunity to review and comment on such document, and any supplement thereto and (iii) incorporate any reasonable comments of Buyer and its counsel into such document and any amendment or supplement thereto.

(e) Sellers and Buyer acknowledge that this Agreement and the sale of the Acquired Assets and the assumption and assignment of the Assumed Contracts and Assumed Leases are subject to Bankruptcy Court approval. Sellers and Buyer acknowledge that (i) to obtain such approval, Sellers must demonstrate that they have taken reasonable steps to obtain the highest, best or otherwise financially superior offer possible for the Acquired Assets and (ii) Buyer must provide adequate assurance of future performance under the Assumed Contracts and Assumed Leases to be assigned by Sellers.

(f) Sellers shall give appropriate notice, and provide appropriate opportunity for hearing, to all Persons entitled thereto, of all motions, orders, hearings and other proceedings relating to this Agreement and the transactions contemplated hereby and thereby and such additional notice as ordered by the Bankruptcy Court or as Buyer may reasonably request.

(g) In the event an appeal is taken or a stay pending appeal is requested from the Sale Procedures Order or Sale Order, Sellers shall immediately notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of

appeal or order of stay. Sellers shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from or stay request in respect of either of such orders. Sellers and Buyer shall use their respective commercially reasonable efforts to defend such appeal or stay request and obtain an expedited resolution of such appeal.

(h) After entry of the Sale Order, to the extent Buyer is the Successful Bidder at the Auction, Sellers shall not take any action which is intended to, or fail to take any action the intent of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order.

Section 7.5 Break-Up Fee; Expense Reimbursement Amount.

(a) If this Agreement is terminated after the Effective Date pursuant to Sections 11.1(b)(v) or 11.1(b)(vi), then Sellers, jointly and severally, shall pay in cash to Buyer, a break-up fee in the amount of One Million Seven Hundred Fifty Thousand United States Dollars (\$1,750,000) (the “**Break-Up Fee**”) by wire transfer of immediately available funds to the account specified by Buyer to Sellers in writing.

(b) If this Agreement is terminated after the Effective Date pursuant to Section 11.1(b)(ii), 11.1(b)(v), 11.1(b)(vi), or 11.1(b)(vii), then Sellers, jointly and severally, shall pay in cash to Buyer, within five (5) Business Days of such termination, an amount equal to the reasonable out-of-pocket costs, fees and expenses incurred by Buyer and its Affiliates (including fees and expenses of legal, accounting and financial advisors) in connection with this Agreement and the transactions contemplated hereby up to a maximum of Five Hundred Thousand United States Dollars (\$500,000) (the “**Expense Reimbursement Amount**”), in each case by wire transfer of immediately available funds to the account specified by Buyer to Sellers in writing.

(c) The obligations of Sellers to pay the Break-Up Fee and the Expense Reimbursement Amount as provided herein shall be entitled to superpriority administrative expense status pursuant to Sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, senior to all other administrative expenses claims, in the Bankruptcy Case.

(d) Sellers agree and acknowledge that Buyer’s due diligence, efforts, negotiation and execution of this Agreement have involved substantial investment of management time and have required significant commitment of financial, legal and other resources by Buyer and its Affiliates and that such due diligence, efforts, negotiation and execution have provided value to Sellers. The provision of the Break-Up Fee and Expense Reimbursement Amount is an integral part of this Agreement, without which Buyer would not have entered into this Agreement. Sellers’ obligation to pay the Break-Up Fee and Expense Reimbursement Amount shall be joint and several among Sellers and shall survive the termination of this Agreement.

Section 7.6 Communications with Customers and Suppliers. Prior to the Closing, Buyer and its Affiliates and Representatives may contact, or engage in any

discussions or otherwise communicate with, any of Sellers' landlords, employees, clients, suppliers and other Persons with which Sellers have commercial dealings with the prior consent of Sellers, which consent shall not be unreasonably withheld, conditioned or delayed. Nothing herein shall in any way restrict or limit Buyer or its Affiliates from contacting, or engaging in discussions or otherwise communicating with, any Person in the ordinary course of the business of Buyer and its Affiliates as conducted on or prior to the date hereof.

Section 7.7 Employee Matters.

(a) With respect to each Business Employee, not later than December 28, 2012, Sellers shall provide Buyer with a list setting forth, to the extent such information is permitted to be disclosed under applicable law: (i) title or job/position, (ii) job designation (i.e., salaried or hourly), (iii) location of employment and Seller employer, (iv) employment status (active, on leave or on unpaid leave), and (v) annual base rate of compensation for all salaried employees and any bonus amount that he or she has received for the fiscal year ended March 31, 2012.

(b) Not later than January 7, 2013, Buyer shall provide a list to Sellers of those Business Employees who will be offered employment by Buyer or a Subsidiary of Buyer effective as of the Closing Date (the "**Transferred Employee List**"). No Seller shall preclude Buyer from offering employment to any Business Employee or solicit any such Business Employee to refuse such offer of employment.

(c) Prior to the Closing, Buyer shall provide (or cause one of its Subsidiaries to provide) to substantially all Business Employees on the Transferred Employee List an offer (the "**Employment Offer**") of employment, each on terms (with respects to wage level and benefits) which are substantially similar in the aggregate to the terms such Business Employee was subject to prior to the date hereof. Each Business Employee who accepts Buyer's offer of employment and who becomes an employee of Buyer or of one of its Subsidiaries shall be a "**Transferred Employee.**" Sellers shall cooperate with Buyer in effecting the Transferred Employees' transfer of employment from Sellers to Buyer or a Buyer Subsidiary as contemplated hereby.

(d) Unless prohibited by Law or otherwise provided for in an Employment Offer, all unused vacation and paid time off of the Transferred Employees accrued as of the Closing Date shall, effective as of the Closing Date or, if later, the date on which such Transferred Employee becomes an employee of Buyer, be transferred to and assumed by Buyer.

(e) As to any Transferred Employee (i) who earns a bonus under THQ's sales incentive bonus plan for the quarter ending December 31, 2012 or (ii) to whom a bonus is payable in the quarter ending March 31, 2013 under THQ's old profit sharing plan, the obligation to pay such bonuses shall be transferred to and assumed by Buyer, and Buyer shall pay such bonuses no later than March 31, 2013, provided that Buyer's aggregate obligation under this Section 7.7(e) shall not exceed, together with the Assumed Liabilities described in Section 2.3(h), the Legacy Bonus Plans Cap.

(f) From and after the Closing Date, Sellers shall retain all (i) employment obligations with regard to those employees and former employees of Sellers (or who are otherwise related to the Business) who are not Transferred Employees, and (ii) any liabilities related to any Transferred Employees to the extent not expressly assumed by Buyer in this Section 7.7 or under Section 2.3.

(g) Without limitation of Section 12.10, nothing in this Section 7.7 shall (a) be treated as an amendment of, or undertaking to amend, any Benefit Plan, (b) obligate Buyer, Seller or any of their respective Affiliates to retain the employment of any particular employee, or (c) confer any rights or benefits on any person, including any Transferred Employee, other than the Parties to this Agreement.

Section 7.8 Financing. On or prior to the date the Sale Procedures Order is entered, Buyer shall provide THQ with a commitment letter substantially in the form delivered to Sellers prior to the Execution Date evidencing Buyer's possession of, or ability to obtain, sufficient funds to consummate the transactions contemplated by this Agreement (the "**Commitment Letter**"). Subject to the receipt by Buyer of funds contemplated by the Commitment Letter, Buyer has access to sufficient funds to permit Buyer to consummate the transactions contemplated by this Agreement.

Section 7.9 Unsecured Note; Avoidance Actions Schedule.

(a) Sellers and Buyer agree to negotiate the following documents in good faith prior to December 28, 2012:

- (i) the Avoidance Actions Schedule; and
- (ii) the Unsecured Note; *provided, however*, that the Unsecured Note shall provide for, among other things:
 - (1) principal in the amount of Ten Million United States Dollars (\$10,000,000);
 - (2) 2% per annum interest will accrue and be payable on a semi-annual basis;
 - (3) principal will be payable upon the earlier of the Due Date and the Put Date;
 - (4) no anti-layering provisions;
 - (5) no limitation on the creation of any securities, including senior or pari passu securities;
 - (6) no limitation on the distributions by Buyer or its Subsidiaries to holders of junior securities;

(7) no limitation on the creation of security interests on assets of Buyer or its Subsidiaries;

(8) “**Due Date**” means the seventh (7th) anniversary of the Closing Date; and

(9) “**Put Date**” means at any time following any two-fiscal year period (ending no earlier than March 31, 2015) during which Buyer and its Subsidiaries have average annual modified operating income in excess of Fifty Eight Million United States Dollars (\$58,000,000) per each year, the date of delivery by the holder(s) of the Unsecured Note of written notice to Buyer requesting payment of the entire outstanding principal payable on the Unsecured Note.

(b) In the event that Sellers or their Affiliates, on the one hand, or Buyer or its Affiliates, on the other hand, breach this Section 7.9, the non-breaching Party shall be entitled, to specific performance of this Section 7.9 and to injunctive relief against further violations pursuant to and in accordance with Section 12.13.

ARTICLE VIII ADDITIONAL AGREEMENTS

Section 8.1 Taxes.

(a) Any sales, use, property transfer or gains, documentary, stamp, registration, recording or similar Tax (including, for certainty, goods and services tax, harmonized sales tax and land transfer tax) payable solely as a result of the sale or transfer of the Acquired Assets pursuant to this Agreement (“**Transfer Taxes**”) shall (to the extent not subject to an exemption under the Bankruptcy Code) be borne by Sellers. Sellers and Buyer shall use reasonable efforts and cooperate in good faith to exempt the sale and transfer of the Acquired Assets from any such Transfer Taxes. Buyer shall prepare and file all necessary Tax Returns or other documents with respect to all such Transfer Taxes. In the event any such Tax Return requires execution by Sellers, Buyer shall prepare and deliver to Sellers for their review, comment and approval, which approval shall not be unreasonably withheld, a copy of such Tax Return at least ten (10) Business Days before the due date thereof, and upon Sellers’ approval thereof, Sellers shall promptly execute such Tax Return and deliver it to Buyer, which shall cause it to be filed.

(b) Buyer and Sellers agree to furnish or cause to be furnished to each other, upon reasonable request, as promptly as practicable, such information and assistance relating to the Business and the Acquired Assets (including access to Documents) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any Governmental Authority and the prosecution or defense of any claims, suit or proceeding relating to any Tax; *provided, however,* that neither Buyer nor any Seller shall be required to disclose the contents of its income tax returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(b) shall be borne by the Party requesting it.

(c) Notwithstanding any other provisions in this Agreement, Buyer and Sellers hereby waive compliance with all “bulk sales,” “bulk transfer” and similar laws that may be applicable with respect to the sale and transfer of any or all of the Acquired Assets to Buyer.

(d) Buyer shall not make or permit its Affiliates to make any Tax-related elections with respect to the Acquired Assets (including any election under Section 338 of the Code) that could have an adverse impact on Sellers without the advance written consent of Sellers.

(e) Any agreement between any Seller and any Subsidiaries regarding allocation or payment of Taxes or amounts in lieu of Taxes shall be deemed terminated at and as of the Closing.

(f) Buyer and Sellers agree to use the “alternate procedure” described in Section 5 of Internal Revenue Service Revenue Procedure 2004-53 with respect to Sellers’ tax filing and payment obligations relating to the Business (unless Buyer does not have the information necessary to comply with such filings or obligations and Buyer provides written notice to Sellers of this fact within a reasonable time prior to the due date of any such filings or obligations). Except as provided in the preceding sentence, the Parties agree to comply with their respective obligations as set forth in such section of such revenue procedure.

Section 8.2 Payments Received. Sellers, on the one hand, and Buyer, on the other hand, each agree that, after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that they may receive on or after the Closing which properly belongs to the other and will account to the other for all such receipts.

Section 8.3 Assumed Contracts; Adequate Assurance of Future Performance.

(a) Buyer and Sellers agree that they will promptly take all actions reasonably required to provide the evidence required to establish that Buyer can provide adequate assurance of future performance under the Assumed Contracts and Assumed Leases, including such affidavits, non-confidential financial information and other documents or information as may be necessary or desirable for filing with the Bankruptcy Court and making Buyer’s and Sellers’ Representatives available to testify before the Bankruptcy Court.

(b) Subject to the other terms and conditions of this Agreement, Buyer shall, from and after the Closing Date, (i) assume all Liabilities of Sellers under the Assumed Contracts and Assumed Leases, including all Determined Cure Costs, and (ii) satisfy and perform all of the Liabilities related to each of the Assumed Contracts and Assumed Leases when the same are due thereunder.

Section 8.4 Confidentiality. Sellers agree not to, and shall use commercially reasonable efforts to cause its employees not to, divulge to any Person (other than Buyer or its Affiliates or any persons employed or designated by such entities), publish or make use of any information of any type whatsoever of a confidential nature relating to the Business, the Products or the Acquired Assets, including all types of trade secrets, client lists or information, information regarding product development, marketing plans, management organization information, operating policies or manuals, performance results, packaging design or other financial, commercial, business or technical information, except (a) such knowledge or information that is in the public domain through no wrongful act by any Seller or any of its employees or Representatives without the prior written consent of Buyer or its Affiliates (as the case may be), (b) for disclosure made pursuant to and in accordance with any Contract to which any Seller or any Affiliate of Seller is a party, (c) for disclosures made to facilitate the Auction in accordance with the Sale Procedures, and (d) as required by applicable law, by an order of a court having competent jurisdiction or under subpoena from an appropriate government agency. This confidentiality provision has no temporal or geographical limitation.

Section 8.5 Acquired Assets "AS IS"; Buyer's Acknowledgment Regarding Same. Buyer agrees, warrants and represents that (a) Buyer is purchasing the Acquired Assets on an "AS IS" and "WITH ALL FAULTS" basis based solely on Buyer's own investigation of the Acquired Assets and (b) except as set forth in this Agreement, neither Sellers nor any Representative of Sellers have made any warranties, representations or guarantees, express, implied or statutory, written or oral, respecting the Acquired Assets, any part of the Acquired Assets, the financial performance of the Acquired Assets or the Business, or the physical condition of the Acquired Assets. Buyer further acknowledges that the consideration for the Acquired Assets specified in this Agreement has been agreed upon by Sellers and Buyer after good-faith arms'-length negotiation in light of Buyer's agreement to purchase the Acquired Assets "AS IS" and "WITH ALL FAULTS." Buyer agrees, warrants and represents that, except as set forth in this Agreement, Buyer has relied, and shall rely, solely upon its own investigation of all such matters, and that Buyer assumes all risks with respect thereto. EXCEPT AS SET FORTH IN THIS AGREEMENT, SELLERS HEREBY DISCLAIM ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO BUYER OR ITS AFFILIATES OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO BUYER BY ANY DIRECTOR, OFFICER, MANAGER, EMPLOYEE, AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLERS OR ANY OF THEIR AFFILIATES). SELLER MAKES NO REPRESENTATIONS OR WARRANTIES TO BUYER REGARDING THE PROBABLE SUCCESS, PROFITABILITY OR VALUE OF ANY OF THE ACQUIRED ASSETS.

Section 8.6 Nonsurvival of Representations and Warranties. None of the representations and warranties in any Transaction Document or in any certificate or other instrument delivered pursuant to any Transaction Document shall survive the Closing. The terms of Articles I and II, as well as the covenants and other agreements set forth in Section 7.7, Articles VIII, XI and XII that by their terms apply, or that are to be performed in whole or in part after the Closing shall survive the consummation of the transactions contemplated hereby.

Section 8.7 Post-Closing Access. After the Closing the Buyer and its Affiliates shall use reasonable efforts to provide assistance to Sellers with respect to any Claims related to the Business and to make available to Sellers, upon written request and reasonable advance notice:

(a) (i) such employees who have expertise or knowledge with respect to the Business or matters involved in any such Claims, for the purpose of consultation and/or as a witness; and (ii) its directors, officers, other employees and agents, as witnesses, in each case to the extent that Sellers believes any such person may reasonably be useful or required in connection with any such Claim in which Sellers may from time to time be involved; *provided, however*, that Sellers agree to cooperate with Buyer and its Affiliates in giving consideration to business demands of such persons and Buyer and its Affiliates shall not be obligated to comply with this Section 8.7 to the extent compliance unreasonably interferes with the operation of its business; and

(b) access to make copies of any of the Documents.

Buyer, shall maintain such Documents and provide the access described above for a period which is the longer of (x) five (5) years, (y) the pendency of any Claim, and (z) the pendency of any tax audit or investigation by any Governmental Authority commenced during the first five (5) years after the Closing. Sellers shall pay for reasonable out-of-pocket expenses actually incurred by Buyer or its Affiliates in connection with this Section 8.7.

Section 8.8 Cure List. Sellers shall deliver to Buyer, no later than December 28, a list of all Contracts or Contract counterparties related to the Business having, in Sellers' good faith estimation, Cure Costs in excess of \$10,000, which list shall include Sellers' good faith estimate of the Cure Costs in respect of each such Contract or counterparty (the "**Cure List**").

ARTICLE IX CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

Section 9.1 Accuracy of Representations. The representations and warranties of Sellers contained in Article V shall be true and correct as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties which address matters only as of a particular date need only be true and correct as of such date). Buyer shall have received a certificate of Sellers, signed by a duly authorized officer of Sellers, to that effect.

Section 9.2 Sellers' Performance. Sellers shall have performed and complied with in all material respects the covenants and agreements that Sellers are required to perform or comply with pursuant to this Agreement at or prior to the Closing, and Buyer shall have received a certificate of Sellers to such effect signed by a duly authorized officer thereof.

Section 9.3 No Order. No Governmental Authority shall have enacted, issued, promulgated or entered any Order which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement (a “**Closing Legal Impediment**”).

Section 9.4 Sellers’ Deliveries. Each of the deliveries required to be made to Buyer pursuant to Section 4.3 shall have been so delivered.

Section 9.5 Effective Date and Sale Order; Final Orders. The Effective Date shall have occurred, the Bankruptcy Court shall have entered the Sale Order in form and substance satisfactory to Buyer, and the Sale Procedures Order and Sale Order shall have become Final Orders.

Section 9.6 Assumed Contract and Assumed Leases. The Bankruptcy Court shall have approved and authorized the assumption and assignment of the Assumed Contracts and Assumed Leases.

Section 9.7 Break-Up Fee and Expense Reimbursement. The Bankruptcy Court shall have approved the Break-Up Fee and the Expense Reimbursement Amount.

Section 9.8 Antitrust Clearances. The requisite filings, if any, required under the HSR Act shall have been made, and the waiting period shall have expired (if a filing under the HSR Act is required) and all other material filings, consents, approvals and actions required by any Governmental Authority under any non-U.S. antitrust or competition Law related to the transactions contemplated hereby shall have been made, obtained or taken.

Section 9.9 Consents. All filings, notices, licenses, permits and other consents of, to or with, any Governmental Authority or any Person that are required: (i) to permit Sellers to perform the transactions contemplated by this Agreement; or (ii) in order to prevent a material breach of or material default under or a right of termination or material modification of any Assumed Contract and 2.1(g), shall have been duly made or obtained and, in the case of Governmental Authorities, shall no longer be subject to administrative or judicial appeal, review or reconsideration, if any. No consent to the assumption or assignment of any Assumed Contract shall be required if the Sale Order expressly provides that Sellers have the power to assume and assign such Assumed Contract under Section 365 of the Bankruptcy Code without such consent.

ARTICLE X

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLERS TO CLOSE

Sellers’ obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

Section 10.1 Accuracy of Representations. The representations and warranties of Buyer contained in this Agreement shall be true and correct as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties

which address matters only as of a particular date need only be true and correct as of such date). Sellers shall have received a certificate of Buyer, signed by a duly authorized officer of Buyer, to that effect.

Section 10.2 Buyer's Performance. Buyer shall have performed and complied with in all material respects the material covenants and agreements that Buyer is required to perform or comply with pursuant to this Agreement at or prior to the Closing, and Sellers shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

Section 10.3 Effective Date. The Effective Date shall have occurred.

Section 10.4 No Order. No Closing Legal Impediment shall be in effect.

Section 10.5 Buyer's Deliveries. Each of the deliveries required to be made to Sellers pursuant to Section 4.2 shall have been so delivered.

Section 10.6 Antitrust Clearances. The requisite filings, if any, required under the HSR Act shall have been made, and the waiting period shall have expired (if a filing under the HSR Act is required) and all other material filings, consents, approvals and actions required by any Governmental Authority under any non-U.S. antitrust or competition Law related to the transactions contemplated hereby shall have been made, obtained or taken.

ARTICLE XI TERMINATION

Section 11.1 Termination Events. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by either THQ or Buyer:

(i) if the Effective Date does not occur for any reason by December 28, 2012, or if a Governmental Authority issues a final, non-appealable ruling or Order permanently prohibiting the transactions contemplated hereby, *provided, however,* that the right to terminate this Agreement pursuant to this Section 11.1(a)(i) shall not be available to any Party whose breach of any of its representations, warranties, covenants or agreements contained herein results in such ruling or Order;

(ii) by mutual written consent of THQ and Buyer; or

(iii) if the Closing shall not have occurred by the close of business on January 14, 2013 (the "**Outside Date**"); *provided, however,* that (A) Buyer shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if (x) Buyer is not in breach of any of its representations, warranties, covenants or agreements contained herein in such a way that would result in the failure of a condition set forth in Section 10.1 or Section 10.2 to be satisfied and (y) Buyer

has provided written notice to Sellers of its intention to exercise its rights under this Section 11.1(a)(iii) and Sellers have not taken all actions necessary to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (B) Sellers shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if (x) Sellers are not themselves in breach of any of their representations, warranties, covenants or agreements contained herein in such a way that would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied and (y) Sellers have provided written notice to Buyer of their intention to exercise their rights under this Section 11.1(a)(iii) and Buyer has not taken all actions necessary to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Sellers; or

(b) by Buyer:

(i) in the event of any breach by any Seller of any of its agreements, covenants, representations or warranties contained herein (provided such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied), and the failure of Sellers to cure such breach by the earlier of (A) the Outside Date and (B) the date that is five (5) days after receipt of the Buyer Termination Notice; *provided, however*, that (1) Buyer is not in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Sale Procedures Order or the Sale Order, (2) Buyer notifies Sellers in writing (the “**Buyer Termination Notice**”) of its intention to exercise its rights under this Section 11.1(b)(i) as a result of the breach, and (3) Buyer specifies in the Buyer Termination Notice the representation, warranty, covenant or agreement contained herein of which Sellers are allegedly in breach;

(ii) if the Bankruptcy Case is dismissed or converted to a case under chapter 7 of the Bankruptcy Code and neither such dismissal nor conversion expressly contemplates the transactions provided for in this Agreement;

(iii) if (A) the Sale Motion is not filed on or before December 20, 2012, (B) the Bankruptcy Court has not approved the Sale Procedures Order in form and substance satisfactory to Buyer on or before December 28, 2012, (C) the Auction is not held on or before January 9, 2013, (D) the Sale Hearing is not held on or before January 10, 2013, (E) the Bankruptcy Court has not approved the Sale Order in form and substance satisfactory to Buyer on or before January 11 or (F) the Closing Date has not occurred on or before January 14, 2013;

(iv) if either the Sale Procedures Order or Sale Order is vacated or stayed;

(v) if Sellers consummate an Alternative Transaction (either because Buyer is not the successful bidder at the Auction or otherwise);

(vi) if Sellers withdraw or seek authority to withdraw the Sale Motion, or announce any stand-alone plan of reorganization or liquidation (or support any such plan filed by any other Party);

(vii) if the Bankruptcy Court shall not have entered (A) an interim order authorizing the use of cash collateral and debtor-in-possession financing on or before December 21, 2012, and (B) a Final Order authorizing the use of cash collateral and debtor-in-possession financing on or before January 14, 2013; or

(viii) if any conditions to the obligations of Buyer set forth in Article IX shall have become incapable of fulfillment other than as a result of a breach by Buyer of any covenant or agreement contained in this Agreement; or

(c) by THQ: in the event of any material breach by Buyer of any of its agreements, covenants, representations or warranties contained herein (provided such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.2 to be satisfied), and the failure of Buyer to cure such breach by the earlier of (A) the Outside Date and (B) the date that is thirty (30) days after receipt of Sellers Termination Notice; *provided, however*, that Sellers (1) are not themselves in material breach of any of their representations, warranties, covenants or agreements contained herein or in the Sale Procedures Order or the Sale Order, (2) notify Buyer in writing (the “**Sellers Termination Notice**”) of their intention to exercise their rights under this Section 11.1(c) as a result of the breach, and (3) specify in Sellers Termination Notice the representation, warranty, covenant or agreement contained herein of which Buyer is allegedly in breach.

For the avoidance of doubt, the Parties acknowledge and agree, that in the event that Sellers determine, in their reasonable discretion, that the last Overbid (as defined in the Sale Procedures) submitted by Buyer is better than all other Qualified Bids (as defined in the Sale Procedures) as such Qualified Bids may be amended by an Overbid submitted at the Auction, then Sellers and Buyer shall enter into an amendment to this Agreement to reflect Buyer’s last Overbid; it being acknowledged and agreed that this Agreement shall not be deemed to have terminated by virtue of Buyer’s having submitted the winning bid at the Auction.

Section 11.2 Effect of Termination.

(a) In the event of a termination of this Agreement pursuant to Section 11.1(c), Sellers and Buyer shall instruct the Escrow Agent to, and the Escrow Agent shall, within two (2) Business Days after receiving joint instruction and notice of the Buyer Default Termination from Sellers and Buyer, disburse the Deposit to an account designated by Sellers by wire transfer of immediately available funds to be retained by Sellers for their own account; provided that disbursement of the Deposit shall constitute liquidated damages and the sole and exclusive remedy of Seller in the event of a termination hereunder and shall limit Sellers’ remedies against Buyer in any respect of any claim against Buyer arising under this Agreement or otherwise.

(b) In the event of any termination of this Agreement pursuant to this Article XI (other than a permitted termination of this Agreement by Sellers pursuant to Section

11.1(c)), Sellers and Buyer shall instruct the Escrow Agent to, and the Escrow Agent shall, promptly (but in any event within two (2) Business Days of such instruction) return to Buyer the Deposit by wire transfer of immediately available funds and the return thereof shall, except as specified in Section 11.2(c), below, constitute the sole and exclusive remedy of Buyer in the event of a termination hereunder.

(c) If the Effective Date has occurred and this Agreement is terminated in the circumstances set forth in Section 7.5(a), then Sellers, jointly and severally, shall pay to Buyer the Break-Up Fee and the Expense Reimbursement Amount in accordance with Section 7.5(a).

ARTICLE XII GENERAL PROVISIONS

Section 12.1 Public Announcements. The initial press release relating to this Agreement shall be a joint press release, the text of which shall be agreed to by Buyer, on the one hand, and THQ, on the other hand. Buyer, on the one hand, and THQ, on the other hand, shall consult with each other before issuing any other press release or otherwise making any public statement with respect to this Agreement, the transactions contemplated hereby or the activities and operations of the other and shall not issue any such release or make any such statement without the prior written consent of the other (such consent not to be unreasonably withheld or delayed).

Section 12.2 Notices. All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses, representatives (if applicable) and facsimile numbers set forth below (or to such other addresses, representatives and facsimile numbers as a Party may designate by notice to the other Parties):

(a) If to Sellers, then to:

THQ Inc.
29903 Agoura Road
Agoura Hills, CA 91301
Attn: Edward L. Kaufman, EVP, Business and Legal Affairs
Facsimile: 818.871.7593

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
2029 Century Park E., Suite 4000
Los Angeles, CA 90067
Attn: Jonathan Layne
Facsimile: 310.552.7053

(b) If to Buyer:

Clearlake Capital Group, L.P.
233 Wilshire Boulevard, Suite 800
Santa Monica, California 90401
Attn: Behdad Eghbali
Facsimile: 310.552.7053

with a copy (which shall not constitute notice) to:

DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020
Attn: Gregg M. Galardi
Facsimile: 212.884.8540

-and-

DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, IL 60601
Attn: Matt Murphy
Facsimile: 213.251.2177

Section 12.3 Waiver. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand.

Section 12.4 Entire Agreement; Amendment. This Agreement (including the Schedules and the Exhibits) and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Sellers, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Sellers, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

Section 12.5 Assignment. This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party); *provided, however*, that Buyer shall be

permitted, upon prior notice to Sellers, to assign all or part of its rights or obligations hereunder to an Affiliate or to any third party which at any time provides debt financing to Buyer or its Affiliates, whether in connection with the transactions contemplated hereby or otherwise, but no such assignment shall relieve Buyer of its obligations under this Agreement, and Sellers shall be permitted to assign all or part of their rights or obligations hereunder pursuant to a plan of reorganization or liquidation approved by the Bankruptcy Court.

Section 12.6 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

Section 12.7 Expenses. Whether or not the transactions contemplated by this Agreement are consummated, the Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby (except as otherwise specified herein).

Section 12.8 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except to the extent the mandatory provisions of the Bankruptcy Code, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Proceedings arising out of or relating to this Agreement shall be heard and determined in a Delaware state court or a federal court sitting in the State of Delaware, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Proceeding. The Parties consent to service of process by mail (in accordance with Section 12.2) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLERS OR BUYER OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

Section 12.9 Counterparts. This Agreement and any amendment hereto may be executed in one or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall be deemed to constitute one and the same instrument. Notwithstanding anything to the contrary in Section 12.2, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by facsimile or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

Section 12.10 Parties in Interest; No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind.

Section 12.11 Non-Recourse. No past, present or future director, manager, officer, employee, incorporator, member, unitholder, partner or equityholder of any Party hereto shall have any liability for any obligations or liabilities of the Parties under this Agreement or any other Transaction Document, for any claim based on, in respect of, or by reason of the transactions contemplated hereby and thereby, and each Party hereby covenants, on behalf of itself and its Affiliates, not to sue any past, present or future director, manager, officer, employee, incorporator, member, unitholder, partner or equityholder of any other Party for any such claim.

Section 12.12 Schedules; Materiality. The inclusion of any matter in any Schedule shall be deemed to be an inclusion for all purposes of this Agreement, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in any Schedule shall not be deemed an admission as to whether the fact or item is "material" or would constitute a "Material Adverse Effect."

Section 12.13 Specific Performance. The Parties acknowledge and agree that (a) irreparable injury, for which monetary damages, even if available, would not be an adequate remedy, will occur in the event that any of the provisions of this Agreement are not performed in accordance with the specific terms hereof or are otherwise breached, and (b) the non-breaching Party or Parties shall therefore be entitled, in addition to any other remedies that may be available, to obtain (without the posting of any bond) specific performance of the terms of this Agreement. If any Proceeding is brought by the non-breaching Party or Parties to enforce this Agreement, the Party in breach shall waive the defense that there is an adequate remedy at law.

Section 12.14 Survival. All covenants and agreements contained herein which by their terms are to be performed in whole or in part, or which prohibit actions, subsequent to the Closing shall survive the Closing in accordance with their terms. All other covenants and agreements contained herein, and all representations and warranties contained herein or in any certificated deliveries hereunder, shall not survive the Closing and shall thereupon terminate.

Signature pages follow.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the Execution Date.

Space Investors LLC

By: _____
Name:
Title:

THQ Inc.

By: _____
Name:
Title:

THQ Wireless Inc.

By: _____
Name:
Title:

Volition, Inc.

By: _____
Name:
Title:

Vigil Games, Inc.

By: _____
Name:
Title: