

EXHIBIT 6

SECURITY AGREEMENT

among

ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.

and

ATARI, INC.

ATARI INTERACTIVE, INC.

CALIFORNIA U.S. HOLDINGS, INC.

AND

HUMONGOUS, INC.

dated as of

December 24, 2013

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SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of December 24, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this “**Agreement**”) made by and among ATARI, INC., a Delaware corporation, ATARI INTERACTIVE, INC., a Delaware corporation, CALIFORNIA U.S. HOLDINGS, INC., a California corporation (“**California**”), and HUMONGOUS, INC., a Delaware corporation (collectively, the “**U.S. Subsidiaries**”) and the other parties from time to time party hereto by execution of a joinder agreement, as grantors, pledgors, and assignors (in such capacities and together with any successors in such capacities, the “**Grantors**”, and each, a “**Grantor**”), in favor of ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P., in its capacity as security agent for the Lenders (as defined below) pursuant to the Credit Agreement (as defined below), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the “**Security Agent**”).

RECITALS

Atari Europe SAS (the “**Borrower**”), Atari SA, the Security Agent and the lending institutions listed therein (the “**Lenders**”) have, in connection with the execution and delivery of this Agreement, entered into that certain Amendment No. 16, dated as of the date hereof (the “**Amendment**”), to the Credit Facility Agreement originally dated as of April 21, 2006 (as the Credit Facility Agreement has been, and may be, further amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”); capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Grantors will receive substantial direct and indirect benefits from the execution, delivery and performance of the obligations under the Finance Documents and each is, therefore, willing to enter into this Agreement.

This Agreement is given by each Grantor in favor of the Security Agent for the ratable benefit of the Secured Parties (as defined below) to secure the payment and performance of all of the Secured Obligations (defined below) pursuant to the terms and conditions of the Amendment.

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor and the Security Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(b) The following terms shall have the following meanings:

“**Agreement**” has the meaning set forth in the Preamble hereof.

“**Alden**” means Alden Global Value Recovery Master Fund, L.P. and its affiliates.

“**Borrower**” has the meaning set forth in the first Recital hereof.

“**California**” has the meaning set forth in the Preamble hereof.

“**Claims**” means any and all property and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's liens and other claims arising by operation of law against, all or any portion of the Pledged Collateral.

“**Contested Liens**” means, collectively, any liens incurred in respect of any Claims to the extent that the amounts owing in respect thereof are not yet delinquent or are being contested in good faith and otherwise comply with the provisions of **Section 4.13** hereof; *provided, however*, that such liens shall in all respects be subject and subordinate in priority to the lien and security interest created by this Agreement, except if and to the extent that the law or regulation creating, permitting or authorizing such lien provides that such lien must be superior to the lien and security interest created and evidenced hereby.

“**Credit Agreement**” has the meaning set forth in the first Recital hereof.

“**Deferred Professional Fees**” has the meaning set forth in the Deferred Payment Agreement.

“**Deferred Payment Agreement**” means the Deferred Payment Agreement, dated as of December 24, 2013, by and among Alden Global Value Recovery Master Fund, L.P., Akin Gump Strauss Hauer & Feld LLP, Cooley LLP, Duff and Phelps Corporation, Perella Weinberg Partners L.P., Protiviti Inc. and accepted by Atari S.A. and the Grantors as amended, amended and restated, supplemented or otherwise modified from time to time.

“**Distributions**” means, collectively, with respect to each Grantor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Grantor in respect of or in exchange for any or all of the Pledged Securities or Pledged Debt.

“Excluded Equity” means, any voting stock of any direct Subsidiary of any Grantor that is a controlled foreign corporation (as defined in Section 957 of the Internal Revenue Code (a "CFC")) in excess of 65% of the total combined voting power of all classes of stock of such CFC that are entitled to vote (within the meaning of Section 1.956-2(c)(2) of the Treasury Regulations.

“Excluded Property” means, collectively, the following assets: (a) goods securing purchase money indebtedness or capital lease obligations to the extent such purchase money indebtedness or capital lease obligations prohibit the granting of a security interest on such assets; (b) voting capital stock of controlled foreign corporation (as defined in the Internal Revenue Code) in excess of sixty-five percent of the voting rights of such corporations; (c) any assets, including any account, note, contract, lease, financing arrangements, general intangible, equity investment, interests in joint ventures or other agreement to the extent that the grant of a security interest therein would violate applicable requirements of laws, results in the invalidation thereof or provide any party thereto with a right of termination or default with respect thereto (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC or any other applicable law (including, without limitation, Title 11 of the United States Code) or principles of equity), (d) any trademark applications filed in the United States Patent and Trademark Office or any other intellectual property offices worldwide on the basis of such issuer’s “intent-to-use” such trademark to the extent that granting a lien in such trademark application would adversely affect the enforceability of validity of such trademark application, (e) any vehicle covered by a certificate of title or ownership, (f) any letter-of-credit rights to the extent any issuer is required by applicable law to apply the proceeds of a drawing of such letter of credit for a specified purpose, and (g) Excluded Equity.

“First Priority” means, with respect to any lien purported to be created in any Pledged Collateral pursuant to this Agreement, such lien is the most senior lien to which such Pledged Collateral is subject (subject only to liens arising under the GUC Note and for liens mandatorily preferred by law).

“Grantor” has the meaning set forth in the Preamble hereof.

“Intellectual Property Collateral” means, collectively, the following as such may exist or be created in any jurisdiction worldwide: (i) patents, patent applications and statutory invention registrations, including continuations, continuations-in-part, divisions, provisionals, non-provisionals, reexaminations, reissues and extensions; (ii) trademarks, service marks, trade names, brands, brand names, logos and corporate names and other distinctive identification and indicia of source of origin, including characters, symbols, emblems, insignia slogans, trade dress and designs, collective membership marks, certification marks, slogans, 800 numbers, social media pages, hash tags, whether or not registered, including all common law rights thereto and all goodwill associated therewith, and registrations and applications for registration thereof; (iii) works of authorship, author’s rights, mask-works, copyrights, whether registered or unregistered, and

registrations and applications for registration thereof; (iv) trade secrets, confidential information, know-how and show-how; (v) domain names and registrations and applications therefor; (vi) rights of publicity and privacy, rights to personal information and moral rights; (vii) shop rights; (viii) inventions (whether patentable or unpatentable), improvements, modifications, invention disclosures, industrial design rights, discoveries, ideas, developments, data, Software, confidential or proprietary technical, business and other information, including processes, techniques, methods, formulae, recipes, drawings, specifications, designs, molds, algorithms, prospect lists, customer lists, customer information, personal data, supplier lists, sales and customer information (e.g., presentations and brand awareness charts and research, etc.), research records, test information, market surveys, projections, analyses, and market studies, and all rights therein and thereto; (ix) advertising, marketing and promotional materials, publicity, displays (e.g., showroom, graphics, point-of-sale, etc.), collateral materials, and other forms of identification (whether distributed or made available via any manner, means, platform or method, now known or hereafter developed), and all rights therein and thereto; (x) rights in databases and data collections (including design databases, knowledge databases and customer databases) (xi) websites, apps and other internet connected platforms (including the layout, design, information, look and feel and contents of the pages and underlying programming code) and all rights therein and thereto; (xii) all other proprietary information and intellectual property, in all forms and media, and all goodwill associated therewith, and whether or not subject to patent, copyright, trademark, design or other intellectual property registration or classification, now known or hereafter recognized in any jurisdiction worldwide; (xiii) all rights pertaining to any of the foregoing arising under international treaties and convention rights; (xiv) the right and power to assert, defend and recover title to any of the foregoing; (xv) all rights to assert, defend, sue, and recover damages for any past, present and future infringement, misuse, misappropriation, impairment, unauthorized use or other violation of any rights in or to any of the foregoing; (xvi) all proceeds, income, royalties, damages and payments now and/or hereafter due and payable under and/or in respect of all of the foregoing; and (xvii) all administrative rights arising from the foregoing, including the right to prosecute applications and oppose, interfere with or challenge the applications of others, the rights to obtain renewals, continuations, divisions, and extensions of legal protection pertaining to any of the foregoing.

“**Joinder Agreement**” means an agreement substantially in the form of Exhibit A hereto.

“**Ker Ventures**” means Ker Ventures, LLC, a limited liability company organized under the laws of Delaware.

“**Lenders**” has the meaning set forth in the first Recital hereof.

“**Material Adverse Effect**” means, any effect which is materially adverse to the ability of any Grantor to comply with its obligations under any of the Finance Documents.

“**Organizational Documents**” means the certificate of incorporation and by-laws or any comparable organizational documents of any corporate entity (including limited liability companies and partnerships).

“**Pledged Collateral**” has the meaning set forth in **Section 2.01**.

“**Pledged Debt**” means, with respect to each Grantor, all Financial Indebtedness (including intercompany notes) from time to time owed to such Grantor by any obligor, including the Financial Indebtedness described in Schedule 2 hereof and issued by the obligors named therein, and all interest, cash, instruments and other property, assets or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Debt and all certificates, instruments or agreements evidencing such Debt, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

“**Pledged Securities**” means, collectively, with respect to each Grantor, (i) all issued and outstanding equity interests of each Consolidated Subsidiary that are owned by such Grantor and all options, warrants, rights, agreements and additional equity interests of whatever class of any such Consolidated Subsidiary acquired by such Grantor in any manner, together with all claims, rights, privileges, authority and powers of such Grantor relating to such equity interests in each such Consolidated Subsidiary or under any Organizational Document of each such Consolidated Subsidiary, and the certificates, instruments and agreements representing such equity interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such equity interests, including the equity interests listed in Schedule 2 hereof, (ii) all additional equity interests of any Consolidated Subsidiary from time to time acquired by or issued to such Grantor and all options, warrants, rights, agreements and additional equity interests of whatever class of any such Consolidated Subsidiary from time to time acquired by such Grantor in any manner, together with all claims, rights, privileges, authority and powers of such Grantor relating to such equity interests or under any Organizational Document of any such Consolidated Subsidiary, and the certificates, instruments and agreements representing such equity interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such equity interests, from time to time acquired by such Grantor in any manner, and (iii) all equity interests issued in respect of the equity interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such equity interests of any successor Consolidated Subsidiary owned by such Grantor (unless such Grantor is the surviving entity) formed by or resulting from any consolidation or merger in which any person listed in Schedule 2 hereof is not the surviving entity; *provided, however*, that Pledged Securities shall not include any Excluded Property.

“**Professional**” or “**Professionals**” has the meaning set forth in the Deferred Payment Agreement.

“**Related Parties**” means, with respect to any person, such person's affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its affiliates.

“**Secured Obligations**” means (i) obligations of the Borrower and the other Obligors from time to time arising under the Credit Agreement, any other Finance Document or otherwise with respect to the due and prompt payment of (A) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) each payment required to be made by the Borrower and any other Obligors under the Credit Agreement or any other Finance Document in respect of any Letter of Credit, when and as due, including payments in respect of Reimbursement Obligations, interest thereon and obligations to provide cash collateral and (C) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrower and the other Obligors under or in respect of any Finance Document, and (ii) the due and prompt performance of all other covenants, duties, debts, obligations and liabilities of any kind of the Borrower, the other Obligors and the Grantors, individually or collectively, under or in respect of the Credit Agreement, this Agreement, the other Finance Documents or any other document made, delivered or given in connection with any of the foregoing, in each case whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise.

“**Secured Parties**” means, collectively, the Facility Agent, Security Agent and the Lenders.

“**Securities Collateral**” means, collectively, the Pledged Securities, the Pledged Debt and the Distributions.

“**Security Agent**” has the meaning set forth in the Preamble hereof.

“**UCC**” means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided, however*, that if by reason of mandatory provisions of law, any or all of the perfection or priority of the Security Agent's security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for

purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

Section 1.02 Interpretation. The rules of interpretation specified in the Credit Agreement (including Section 1.2 thereof) shall be applicable to this Agreement. All references in this Agreement to Sections are references to Sections of this Agreement unless otherwise specified.

Section 1.03 Resolution of Drafting Ambiguities. Each Grantor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of this Agreement, that it and its counsel reviewed and participated in the preparation and negotiation of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Security Agent) shall not be employed in the interpretation of this Agreement.

Section 1.04 Schedules. The Security Agent and each Grantor agree that the Schedules hereof and all descriptions of Pledged Collateral contained in the Schedules and all amendments and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II GRANT OF SECURITY INTEREST

Section 2.01 Grant of Security Interest. As collateral security for the payment and performance in full of all the Secured Obligations, each Grantor hereby pledges, collaterally assigns and grants to the Security Agent for the ratable benefit of the Secured Parties a security interest in all of its right, title and interest in, to and under the following personal property, whether now owned by or owing to, or thereafter acquired by or arising in favor of such Grantor (collectively, the “**Pledged Collateral**”):

- (i) Accounts;
- (ii) Chattel Paper;
- (iii) Goods (including Equipment, Inventory and Fixtures);
- (iv) Instruments (including Promissory Notes);
- (v) Investment Property (including, but not limited to the Pledged Securities);
- (vi) Documents;
- (vii) Money, Deposit Accounts and Securities Accounts;

- (viii) Letters of Credit (as defined in the UCC), Letter-of-Credit Rights and Supporting Obligations;
- (ix) General Intangibles (including Payment Intangibles);
- (x) Intellectual Property Collateral;
- (xi) the Commercial Tort Claims described on Schedule 9 as supplemented by any written notification given by a Grantor to the Security Agent pursuant to **Section 3.04(f)**;
- (xii) all books and records of each Grantor pertaining to any of the Pledged Collateral;
- (xiii) the Pledged Debt;
- (xiv) the Distributions; and
- (xv) to the extent not otherwise included, all Proceeds of, accessions to, substitutions or replacements for, profits and products of, any and all of the foregoing and all collateral security and guarantees given by any person with respect to the foregoing.

Notwithstanding anything herein to the contrary, the Pledged Collateral described above shall not include Excluded Property; *provided that*, if any Excluded Property would have otherwise constituted Pledged Collateral, when such property shall cease to be Excluded Property, such property shall be deemed at all times from and after the date hereof to constitute Pledged Collateral.

The Grantors shall from time to time at the request of the Security Agent give written notice to the Security Agent identifying in reasonable detail the Excluded Property (and stating in such notice that such Excluded Property constitutes “Excluded Property”) and shall provide to the Security Agent such other information regarding the Excluded Property as the Security Agent may reasonably request.

Until such time as all Secured Obligations have been paid in full in cash and this Agreement has been terminated, the Grantors hereby covenant and agree with the Security Agent that the Grantors shall not enter into any agreement, document, instrument or other arrangement with any person that would create, incur, or allow any lien on their right, title and interest in any of the Intellectual Property Collateral, or assign or convey any right to receive any proceeds of the Intellectual Property Collateral, senior to the lien of the Security Agent under this Agreement, other than the lien arising under the GUC Note or liens mandatorily preferred by law. For the avoidance of doubt, nothing in this Agreement shall prohibit any Grantor from licensing or sublicensing its Intellectual Property Collateral in its ordinary course of business.

Section 2.02 Filings. Each Grantor hereby irrevocably authorizes the Security Agent at any time and from time to time to file in any relevant jurisdiction any financing statements with respect to the Pledged Collateral or any part thereof and amendments thereto that contain the information required by the UCC for filing of any financing statement, amendment thereto or continuation thereof, including (i) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor, and (ii) a description of collateral that describes such property in any other manner as the Security Agent may reasonably determine is necessary or advisable to ensure the perfection, confirmation, continuation, enforcement or protection of the security interest in the Pledged Collateral, including describing such property as “all assets” or “all property”. Each Grantor agrees to provide such information to the Security Agent promptly upon request. The Security Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office and any intellectual property offices worldwide such documents as may be reasonably necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by each Grantor, without the signature of such Grantor, and naming such Grantor or the Grantors as debtors and the Security Agent as secured party. Notwithstanding anything to the contrary, no Grantor shall be required to enter into any deposit account control agreement or securities account control agreement with respect to any cash, Deposit Account or Securities Account. Notwithstanding anything to the contrary, so long as no Event of Default shall have occurred and be continuing, no Grantor shall be obligated to reimburse the Security Agent for filings in intellectual property offices outside the United States of America.

ARTICLE III

PERFECTION AND FURTHER ASSURANCES

Section 3.01 Perfection of Certificated Securities Collateral. Each Grantor represents and warrants that, unless otherwise agreed to by the Security Agent, all certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the Security Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that (assuming continuing possession by the Security Agent of any such Securities Collateral) the Security Agent has a perfected First Priority security interest therein. Each Grantor hereby agrees that all certificates, agreements or instruments representing or evidencing the Securities Collateral acquired by such Grantor after the date hereof, shall immediately upon receipt thereof by such Grantor be held by or on behalf of and delivered to the Security Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Security Agent.

The Security Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Security Agent or any of its nominees or endorse for

negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, the Security Agent shall have the right to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

Section 3.02 Perfection of Uncertificated Securities Collateral. Each Grantor represents and warrants that the Security Agent has a perfected First Priority security interest in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof. Each Grantor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, such Grantor will cause the issuer thereof either (a) to register the Security Agent as the registered owner of such securities or (b) to agree in an authenticated record with such Grantor and the Security Agent that such issuer will comply with instructions with respect to such securities originated by the Security Agent without further consent of such Grantor, such authenticated record to be in form and substance satisfactory to the Security Agent, (c) upon request by the Security Agent, provide to the Security Agent an opinion of counsel, in form and substance satisfactory to the Security Agent, confirming such pledge and perfection thereof, (d) request the issuer of such Pledged Securities to cause such Pledged Securities to become certificated and in the event such Pledged Securities become certificated, to deliver such Pledged Securities to the Security Agent in accordance with the provisions of **Section 3.01**. Each Grantor hereby agrees, with respect to Pledged Securities that are partnership interests or limited liability company interests, that after the occurrence and during the continuance of any Event of Default, upon request by the Security Agent, such Grantor will (A) cause the Organizational Documents of each issuer that is a Subsidiary of the Borrower to be amended to provide that such Pledged Securities shall be treated as “securities” for purposes of the UCC and (B) cause such Pledged Securities to become certificated and delivered to the Security Agent in accordance with the provisions of **Section 3.01**.

Section 3.03 Maintenance of Perfected Security Interest. Each Grantor represents and warrants that on the date hereof all financing statements, agreements, instruments and other documents necessary to perfect the security interest granted by it to the Security Agent in respect of the Pledged Collateral have been delivered to the Security Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office specified in Schedule 3 hereof. Each Grantor agrees that at its sole cost and expense, such Grantor will maintain the security interest created by this Agreement in the Pledged Collateral as a perfected First Priority security interest.

Section 3.04 Other Actions for Perfection. In order to further insure the attachment, perfection and priority of, and the ability of the Security Agent to enforce, the Security Agent's security interest in the Pledged Collateral, each Grantor represents and

warrants (as to itself) as follows and agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Pledged Collateral:

(a) **Instruments, Tangible Chattel Paper, Electronic Chattel Paper and Transferable Records.** (i) As of the date hereof, no amounts payable to such Grantor under or in connection with any of the Pledged Collateral are evidenced by any Instrument, Tangible Chattel Paper, Electronic Chattel Paper or any "transferable record" (as defined Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than Instruments and Tangible Chattel Paper listed on Schedule 4 hereof and (ii) each Instrument and each item of Tangible Chattel Paper listed on Schedule 4 hereof has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by instruments of transfer or assignment duly executed in blank. If any amount then payable under or in connection with any of the Pledged Collateral shall be evidenced by any Instrument or Tangible Chattel Paper, the Grantor acquiring such Instrument or Tangible Chattel Paper shall, promptly endorse, assign and deliver the same to the Security Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Security Agent may from time to time specify.

(b) **Deposit Accounts.** As of the date hereof, no Grantor has opened or maintains any Deposit Accounts other than the accounts listed in Schedule 7 hereof. No Grantor shall hereafter establish or maintain any new Deposit Accounts unless such Grantor immediately notifies the Security Agent thereof in writing in connection with the establishment or maintenance thereof, except as permitted under the Credit Agreement. No Grantor shall grant Control of any Deposit Account to any person, except as permitted under the Credit Agreement.

(c) **Investment Property.**

(i) As of the date hereof, no Grantor has any Securities Accounts other than those listed in Schedule 7 hereof. No Grantor shall hereafter establish or maintain any new Securities Accounts unless such Grantor immediately notifies the Security Agent thereof in writing in connection with the establishment or maintenance thereof, except as permitted under the Credit Agreement. No Grantor shall grant Control of any Securities Account to any person, except as permitted under the Credit Agreement.

(ii) As of the date hereof, no Grantor holds, owns or has any interest in any certificated securities or uncertificated securities other than those constituting Pledged Securities.

(iii) If any Grantor shall at any time hold or acquire any certificated securities constituting Investment Property, such Grantor shall immediately endorse, assign and deliver the same to the Security Agent, accompanied by such instruments of transfer or assignment duly executed in blank, all in form and substance satisfactory to the Security Agent.

(iv) If any securities now or hereafter acquired by any Grantor constituting Investment Property are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Security Agent thereof and arrange for the Security Agent to become the registered owner of such securities.

(d) **Letter-of-Credit Rights.** If any Grantor is at any time a beneficiary under a Letter of Credit now or hereafter issued in favor of such Grantor, such Grantor shall promptly notify the Security Agent thereof and such Grantor shall, maintain all Letter-of-Credit Rights assigned to the Security Agent so that the Security Agent has control of the Letter-of-Credit Rights in the manner specified in Section 9-107 of the UCC.

(e) **Commercial Tort Claims.** On the date hereof, no Grantor holds any Commercial Tort Claim, which might reasonably result in material awarded damages that is not listed on Schedule 9. Each Grantor will immediately give notice to the Security Agent of any Commercial Tort Claim that is commenced in the future and will immediately execute or otherwise authenticate a supplement to this Agreement, and otherwise take all necessary action, to subject such Commercial Tort Claim to the First Priority security interest created under this Agreement.

Section 3.05 Joinder of Additional Grantors. To the extent required under the Credit Agreement, each Consolidated Subsidiary organized in the United States shall execute and deliver to the Security Agent a Joinder Agreement on the date on which it was acquired or created and, upon such execution and delivery, such Consolidated Subsidiary shall constitute a “Grantor” for all purposes hereunder with the same force and effect as if originally named as a Grantor herein. Upon the execution and delivery by any Consolidated Subsidiary of a Joinder Agreement, the supplemental schedules attached to such Joinder Agreement shall be incorporated into and become part of and supplement the Schedules to this Agreement and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant to each Joinder Agreement and from time to time. The execution and delivery of such Joinder Agreement shall not require the consent of any Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

Section 3.06 Further Assurances. Each Grantor shall take such further actions, and execute and/or deliver to the Security Agent such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, as the Security Agent may in its judgment deem necessary or appropriate in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to the Security Agent hereunder, and enable the Security Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Pledged Collateral, including the filing of any financing statements, continuation statements and other documents under the UCC (or other similar laws) in effect in any

jurisdiction with respect to the security interest created hereby, the filing of this Agreement and joinders or supplements to this Agreement with the United States Patent and Trademark Office and the United States Copyright Office and any intellectual property offices worldwide, all in form satisfactory to the Security Agent and in such offices wherever required by law to perfect, continue and maintain a valid, enforceable, First Priority security interest in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to the Security Agent hereunder, as against third parties, with respect to the Pledged Collateral. Without limiting the generality of the foregoing, but subject to applicable law, each Grantor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Security Agent from time to time upon request by the Security Agent such lists, schedules, descriptions and designations of the Pledged Collateral, statements, copies of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Security Agent shall reasonably request. If an Event of Default has occurred and is continuing, the Security Agent may institute and maintain, in its own name or in the name of any Grantor, such suits and proceedings as the Security Agent may deem to be, or be advised by counsel to be, necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Pledged Collateral, at the sole cost and expense of the Grantors. Notwithstanding anything to the contrary, so long as no Event of Default shall have occurred and be continuing, no Grantor shall be obligated to reimburse the Security Agent for filings in intellectual property offices outside the United States of America.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Grantor represents, warrants and covenants as follows:

Section 4.01 Representations and Warranties.

(a) **Credit Agreement Representations.** Each Grantor makes the representations and warranties set forth in Sections 19.9(b), 19.14, 19.15 and 19.19 of the Credit Agreement (the provisions of which referring to an “Obligor” are applied *mutatis mutandis* herein to such Grantor), and the Security Agent and the Secured Parties shall be entitled to rely on each of them as if they were fully set forth herein.

(b) **Existence.** Each Grantor (i) is duly organized, validly existing and, other than California, in good standing under the laws of the jurisdiction of its formation, (ii) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except to the extent that the failure to qualify in such jurisdiction could not reasonably be expected to have a Material Adverse

Effect and (iii) is in compliance with all requirements of law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) **Power and Authorization.** Each Grantor has the power and authority, and the legal right, to own or lease and operate its property, and to carry on the business as now conducted and as proposed to be conducted, and to execute, deliver and perform the Finance Documents to which it is a party. Each Grantor has taken all necessary organizational action to authorize the execution, delivery and performance of the Finance Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Finance Documents, except the filings referred to in Schedule 3. Each Finance Document has been duly executed and delivered by each Grantor thereto.

(d) **Enforceability.** This Agreement constitutes, and each other Finance Document when delivered hereunder will constitute, a legal, valid and binding obligation of each Grantor thereto, enforceable against each such Grantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(e) **No Contravention.** The execution, delivery and performance of this Agreement and the other Finance Documents will not violate (a) any law or regulation applicable to it, (b) its and each of its Subsidiaries' Organizational Documents or (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets.

(f) **No Litigation.** No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

Section 4.02 Ownership of Property and No Other Liens. Each Grantor (i) has good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted, and (ii) is the sole owner with full power of disposal of the respective assets over which it purports to grant Security. No person other than the Security Agent has control or possession of all or any part of the Pledged Collateral, except as permitted by the Credit Agreement.

Section 4.03 Perfected First Priority Security Interest. This Agreement is effective to create in favor of the Security Agent for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Pledged Collateral and the

proceeds thereof. In the case of the certificated Pledged Securities, when stock certificates representing such Pledged Securities are delivered to the Security Agent and in the case of the other Pledged Collateral, when financing statements and other filings specified on Schedule 3 hereof in appropriate form are filed in the offices specified on Schedule 3 hereof and other actions described in Schedule 3 hereof are taken, this Agreement shall constitute, and will at all times constitute, a fully perfected First Priority lien on, and security interest in, all rights, title and interest of the Grantors in such Pledged Collateral and the proceeds thereof, as security for the Secured Obligations.

Section 4.04 No Transfer of Pledged Collateral; No Corporate Changes; Licensees. No Grantor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose (including by way of lease or sale and lease-back) of all or part of its assets except as permitted by the Credit Agreement. No Grantor shall grant, create, permit or suffer to exist any lien on any of the Pledged Collateral pledged by it hereunder or any interest therein except as permitted by the Credit Agreement. No Grantor shall enter into any amalgamation, demerger, merger or corporate reconstruction except as permitted by the Credit Agreement. Each Grantor hereby agrees not to remove or materially alter the obligation of any licensee of any Pledged Collateral to preserve, protect or defend the Pledged Collateral or the interests of such Grantor therein, as in effect as of the date hereof, and each Grantor shall continue to include such language in all new license agreements of Pledged Collateral, consistent with past practices.

Section 4.05 Claims Against Pledged Collateral; No Other Financial Indebtedness. Each Grantor shall, at its own cost and expense, defend title to the Pledged Collateral and the First Priority security interest and lien granted to the Security Agent with respect thereto against all claims and demands of all persons at any time claiming any interest therein adverse to the Security Agent other than liens permitted under the Credit Agreement. No Grantor shall create or permit to subsist any Security (including a counter guarantee in relation to a guarantee granted by any member of the Group) over any of its, or any Group member's, present or future assets or present or future revenues except as permitted by the Credit Agreement. No Grantor shall commit or accept any undertaking restricting its ability to grant any Security. No Grantor shall incur or allow to remain outstanding any Financial Indebtedness except as permitted by the Credit Agreement. The provisions of this **Section 4.05** shall not apply to (i) any Security mandatorily preferred by law, and (ii) the GUC Note.

Section 4.06 Other Financing Statements. No valid financing statement or other instrument similar in effect covering all or any part of the Pledged Collateral or listing such Grantor as debtor is on file in any recording office, except such as have been filed (i) in favor of the Security Agent pursuant to this Agreement or as permitted under the Credit Agreement, and (ii) with respect to equipment financed or acquired in the

ordinary course of a Grantor's business securing purchase money indebtedness or capital lease obligations that are permitted under the Credit Agreement.

No Grantor shall execute, authorize or permit to be filed in any recording office any financing statement or other instrument similar in effect covering all or any part of the Pledged Collateral or listing such Grantor as debtor with respect to all or any part of the Pledged Collateral, except financing statements and other instruments filed in respect of Security permitted under the Credit Agreement.

Section 4.07 Changes in Name, Jurisdiction of Organization, Etc. On the date hereof, such Grantor's type of organization, jurisdiction of organization, legal name, Federal Taxpayer Identification Number, organizational identification number (if any) and chief executive office or principal place of business are indicated next to its name in Schedule 5 hereof. Schedule 5 also lists all of such Grantor's jurisdictions and types or organization, legal names and locations of chief executive office or principal place of business at any time during the four months preceding the date hereof, if different from those referred to in the preceding sentence.

Such Grantor shall not, except upon not less than 10 days' prior written notice to the Security Agent, and delivery to the Security Agent of all additional financing statements, information and other documents reasonably requested by the Security Agent or the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein:

- (a) change its legal name, identity, type of organization or corporate structure;
- (b) change the location of its chief executive office or its principal place of business;
- (c) change its Federal Taxpayer Identification Number or organizational identification number (if any); or
- (d) change its jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, organizing, dissolving, liquidating, reincorporating or incorporating in any other jurisdiction).

Such Grantor shall, prior to any change described in the preceding sentence, take all actions requested by the Security Agent to maintain the perfection and priority of the security interest of the Security Agent for the ratable benefit of the Secured Parties in the Pledged Collateral intended to be granted hereunder.

Each Grantor agrees to promptly provide the Security Agent with certified Organizational Documents reflecting any of the changes described in this **Section 4.07**. Each Grantor also agrees to promptly notify the Security Agent of any change in the

location of any office in which it maintains books or records relating to Pledged Collateral owned by it or any office or facility at which Pledged Collateral is located (including the establishment of any such new office or facility).

Section 4.08 Location of Inventory and Equipment. On the date hereof, the Inventory and the Equipment (other than mobile goods and goods in transit) of such Grantor are kept at locations listed in Schedule 5 hereof. Schedule 5 also lists the locations of such Grantor's Inventory and the Equipment (other than mobile goods and goods in transit) for the four months preceding the date hereof, if different from those referred in the preceding sentence.

Such Grantor shall not move any Equipment or Inventory to any location, other any location that is listed in Schedule 5 hereof except upon not less than 10 days' prior written notice to the Security Agent, of its intention so to do, clearly describing such new location and providing such other information and documents to the Security Agent reasonably requested by the Security Agent to maintain the validity, perfection and priority of the security interests provided for herein.

Such Grantor shall, prior to any change described in the preceding sentence, take all actions requested by the Security Agent to maintain the perfection and priority of the security interest of the Security Agent for the ratable benefit of the Secured Parties in the Pledged Collateral.

Section 4.09 Pledged Securities and Pledged Debt. Schedule 2 sets forth a complete and accurate list of all Pledged Securities and Pledged Debt held by such Grantor as of the date hereof. The Pledged Securities pledged by such Grantor hereunder constitute all of the issued and outstanding equity interests of each Consolidated Subsidiary owned by such Grantor. Such equity interests represent all of the outstanding equity interests of each such issuer which is a Consolidated Subsidiary except as noted in such Schedule. All of the Pledged Securities existing on the date hereof have been, and to the extent any Pledged Securities are hereafter issued, such Pledged Securities will be, upon such issuance, duly authorized, validly issued, fully paid and non-assessable. There is no amount or other obligation owing by any Grantor to any issuer of the Pledged Securities in exchange for or in connection with the issuance of the Pledged Securities or any Grantor's status as a partner or a member of any issuer of the Pledged Securities. No Grantor is in default or violation of any provisions of any agreement to which such Grantor is a party relating to the Pledged Securities.

All of the Pledged Debt described on Schedule 2 has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof, enforceable in accordance with their respective terms (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable

principles (whether considered in a proceeding in equity or at law)) and is not in default. The Pledged Debt constitutes all of the issued and outstanding intercompany Financial Indebtedness owing to such Grantor and if evidenced by promissory notes, such notes have been delivered to the Security Agent.

No Securities Collateral pledged by such Grantor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Grantor by any person with respect thereto, and there are no certificates, instruments, documents or other writings (other than the Organizational Documents and certificates representing such Pledged Securities or Pledged Debt, if any, that have been delivered to the Security Agent) which evidence any Pledged Securities or Pledged Debt of such Grantor.

Each Grantor shall, upon obtaining any Pledged Securities or Pledged Debt of any person, accept the same in trust for the benefit of the Security Agent and immediately deliver to the Security Agent an updated Schedule 2, and the certificates and other documents required under **Section 3.01** and **Section 3.02** hereof in respect of the additional Pledged Securities or Pledged Debt which are to be pledged pursuant to this Agreement, and confirming the lien hereby created on such additional Pledged Securities or Pledged Debt.

Section 4.10 Approvals. In the event that the Security Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other person therefor, then, upon the request of the Security Agent, such Grantor agrees to assist the Security Agent in obtaining as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

Section 4.11 Pledged Collateral Information. All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to the Security Agent in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects. The Pledged Collateral described on the schedules hereof constitutes all of the property of such type of Pledged Collateral owned or held by the Grantors.

Section 4.12 Insurance. In the event that the proceeds of any insurance claim are paid to any Grantor after the Security Agent has exercised its right to foreclose on all or any part of the Pledged Collateral during the existence of an Event of Default, such proceeds shall be held in trust for the benefit of the Security Agent and immediately after receipt thereof shall be paid to the Security Agent for application in accordance with the Credit Agreement.

Section 4.13 Compliance With Laws. Each Grantor shall pay promptly when due all Claims upon the Pledged Collateral or incurred in connection with the use or operation of the Pledged Collateral or incurred in connection with this Agreement. All Claims imposed upon or assessed against the Pledged Collateral have been paid and discharged except to the extent such Claims constitute a lien not yet due and payable, which is a Contested Lien or a lien permitted by the Credit Agreement . In the event any Grantor shall fail to make such payment contemplated in the immediately preceding sentence, the Security Agent may (following notice to the Grantor, to the extent practicable) do so for the account of such Grantor and the Grantors shall promptly reimburse and indemnify the Security Agent for all costs and expenses incurred by the Security Agent under this **Section 4.13** in accordance with **Section 9.08**. Each Grantor shall comply with all requirements of law applicable to the Pledged Collateral the failure to comply with which could reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

Section 4.14 Intellectual Property. (a) Schedule 6 lists all patents and pending applications, registered trademarks and pending applications, registered domain names, registered copyrights and pending applications and material Intellectual Property Licenses owned by such Grantor; (b) all material Intellectual Property Collateral is valid, subsisting, unexpired and enforceable and has not been abandoned; (c) except as described on Schedule 6, such Grantor is the exclusive owner of all right, title and interest in and to, or has the right to use, all such Intellectual Property Collateral; (d) consummation and performance of this Agreement will not result in the invalidity, unenforceability or impairment of any such Intellectual Property Collateral, or in default or termination of any material intellectual property license; (e) except as described on Schedule 6, there are no outstanding holdings, decisions, consents, settlements, decrees, orders, injunctions, rulings or judgments that would limit, cancel or question the validity or enforceability of any such Intellectual Property Collateral or such Grantor's rights therein or use thereof; (f) to such Grantor's knowledge, except as described on Schedule 6, the operation of such Grantor's business and such Grantor's use of Intellectual Property Collateral in connection therewith, does not infringe or misappropriate the intellectual property rights of any other person; and (g) except as described in Schedule 6, no action or proceeding is pending or, to such Grantor's knowledge, threatened (i) seeking to limit, cancel or question the validity of any Intellectual Property Collateral or such Grantor's ownership interest or rights therein, (ii) which, if adversely determined, could have a Material Adverse Effect on the value of any such Intellectual Property Collateral or (iii) alleging that any such Intellectual Property Collateral, or such Grantor's use thereof in the operation of its business, infringes or misappropriates the intellectual property rights of any person.

Section 4.15 Inspection of Pledged Collateral Each Grantor shall keep the Pledged Collateral in good order and repair and will not use the same in violation of law

or any policy of insurance thereon. Each Grantor shall permit the Security Agent, or its designee, to inspect the Pledged Collateral at any reasonable time, wherever located.

Section 4.16 Credit Agreement Covenants Each Grantor agrees to abide by the covenants set forth in Sections 20.7(d), 22.7, 22.9, 22.10 and 22.11 of the Credit Agreement (the provisions of which referring to an “Obligor” or “Additional Obligor” are applied *mutatis mutandis* herein to such Grantor), and the Security Agent shall be entitled to rely on each of them as if they were fully set forth herein. Failure to comply with such covenants shall be an Event of Default.

Section 4.17 Pari Passu Ranking. Each Grantor shall ensure at all times that its respective obligations under the Finance Documents rank senior over the claims of all its creditors, except for the liens under the GUC Note and for obligations mandatorily preferred by law.

Section 4.18 Post-Closing Obligations. Each Grantor hereby agrees to: (i) no later than thirty (30) days after the date hereof, cause California to be in good standing in its jurisdiction of incorporation and file California’s amended and restated certificate of incorporation in its jurisdiction of incorporation pursuant to that certain Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code filed on September 20, 2013 by the Grantors, and (ii) no later than five (5) Business Days after the filing of California’s amended and restated certificate of incorporation, deliver a duly executed Secretary’s Certificate to the Security Agent, attaching and certifying California’s organizational documents then in effect and a certificate of good standing from its jurisdiction of incorporation, together with any other documentation related to California that the Security Agent shall reasonably request, all in form and substance reasonably satisfactory to Security Agent.

Section 4.19 Financial Statements; Inspection Rights. Each Grantor shall provide the Security Agent and the Lenders and their respective counsel, financial advisors, lenders, auditors, and other authorized representatives with (i) the quarterly financial statements of the Grantors prepared in accordance with “Group Accounting Policies” and (ii) reasonable access to the books, financial statements, and other business and corporate records of the Grantors; *provided* that any such access shall not be provided more than once during any consecutive thirty (30) day period.

ARTICLE V SECURITIES COLLATERAL

Section 5.01 Existing Voting Rights and Distributions.

- (a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other Finance Document; *provided, however*, that no Grantor shall in any event exercise such rights in any manner which could reasonably be expected to have a Material Adverse Effect.

(ii) Each Grantor shall be entitled to receive and retain, and to utilize free and clear of the lien hereof, any and all Distributions, if and to the extent made in accordance with the provisions of the Credit Agreement; *provided, however*, that any and all such Distributions consisting of rights or interests in the form of securities shall be immediately delivered to the Security Agent to hold as Pledged Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Security Agent, be segregated from the other property or funds of such Grantor and be immediately delivered to the Security Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(b) The Security Agent shall be deemed without further action to have granted to each Grantor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Grantor and at the sole cost and expense of such Grantor, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to **Section 5.01(a)(i)** hereof and to receive the Distributions which it is authorized to receive and retain pursuant to **Section 5.01(a)(ii)** hereof.

(c) Upon the occurrence and during the continuance of any Event of Default:

(i) All rights of each Grantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to **Section 5.01(a)(i)** hereof shall immediately cease, and all such rights shall thereupon become vested in the Security Agent, which shall have the sole right to exercise such voting and other consensual rights.

(ii) All rights of each Grantor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to **Section 5.01(a)(ii)** hereof shall immediately cease and all such rights shall thereupon become vested in the Security Agent, which shall have the sole right to receive and hold such Distributions as Pledged Collateral.

(d) Each Grantor shall, at its sole cost and expense, from time to time execute and deliver to the Security Agent appropriate instruments as the Security Agent may request in order to permit the Security Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to **Section 5.01(c)(i)** hereof and to receive all Distributions which it may be entitled to receive under **Section 5.01(c)(ii)** hereof.

(e) All Distributions which are received by any Grantor contrary to the provisions of **Section 5.01(a)(ii)** or **Section 5.01(c)** hereof shall be received in trust for the benefit of the Security Agent, shall be segregated from other funds of such Grantor and shall immediately be paid over to the Security Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

Section 5.02 Certain Agreements of Grantors.

(a) In the case of each Grantor which is an issuer of Securities Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(b) In the case of each Grantor which is a partner, shareholder or member, as the case may be, in a partnership, limited liability company or other entity, such Grantor hereby (i) consents to the extent required by the applicable Organizational Document to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Security Agent or its nominee and to the substitution of the Security Agent or its nominee as a substituted partner, shareholder or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, limited partner, shareholder or member, as the case may be and (ii) irrevocably waives any and all provisions of the applicable Organizational Documents that conflict with the terms of this Agreement or prohibit, restrict, condition or otherwise affect the grant hereunder of any lien on any of the Pledged Collateral or any enforcement action which may be taken in respect of any such lien.

ARTICLE VI

INTELLECTUAL PROPERTY COLLATERAL

Section 6.01 Intellectual Property License. For the purpose of enabling the Security Agent, during the continuance of an Event of Default, to exercise rights and remedies under **Article VIII** hereof at such time as the Security Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Security Agent, to the extent of such Grantor's rights and effective only during the continuance of an Event of Default, an irrevocable, non-exclusive license to use and sublicense any of the Intellectual Property Collateral then owned by or licensed to such Grantor. Such license shall include access to all devices, products and media in which any of the Intellectual Property Collateral is embodied, embedded, recorded or stored and to all computer programs used for the compilation or printout hereof.

Section 6.02 Dealing With Intellectual Property. On a continuing basis, each Grantor shall, at its sole cost and expense,

(a) promptly following its becoming aware thereof, notify the Security Agent of any adverse determination in any proceeding or the institution of any proceeding in any federal, state or local court or administrative body or in the United States Patent and Trademark Office or the United States Copyright Office or any intellectual property offices worldwide regarding such Grantor's claim of ownership in or right to use any of the Intellectual Property Collateral, such Grantor's right to register such Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect,

(b) maintain and protect the Intellectual Property Collateral as presently used and operated,

(c) not permit to lapse or become abandoned any Intellectual Property Collateral as presently used and operated, and not settle or compromise any pending or future litigation or administrative proceeding with respect to such Intellectual Property Collateral, in each case except as shall be consistent with commercially reasonable business judgment,

(d) upon such Grantor obtaining knowledge thereof, promptly notify the Security Agent in writing of any event which may be reasonably expected to materially and adversely affect the value or utility of any of the Intellectual Property Collateral or the rights and remedies of the Security Agent in relation thereto including a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof,

(e) not license the Intellectual Property Collateral other than licenses entered into by such Grantor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that could materially impair the value of the Intellectual Property Collateral or the lien on and security interest in the Intellectual Property Collateral created therein hereby, without the consent of the Security Agent,

(f) diligently keep adequate records respecting its Intellectual Property Collateral, and

(g) furnish to the Security Agent from time to time upon the Security Agent's reasonable request therefor reasonably detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as the Security Agent may from time to time reasonably request.

Section 6.03 Additional Intellectual Property. If any Grantor shall at any time after the date hereof (a) obtain any rights to any additional Intellectual Property Collateral or (b) become entitled to the benefit of any additional Intellectual Property Collateral or any registration, renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property Collateral, or any improvement on any Intellectual Property Collateral, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (a) or (b) of this **Section 6.03** with respect to such Grantor shall automatically constitute Intellectual Property Collateral as if such would have constituted Intellectual Property Collateral at the time of execution hereof and be subject to the lien and security interest created by this Agreement without further action by any party. Each Grantor shall promptly (i) provide to the Security Agent written notice of any of the foregoing and (ii) confirm the attachment of the lien and security interest created by this Agreement to any rights described in clauses (a) and (b) of the immediately preceding sentence of this **Section 6.03** by execution of an instrument in form reasonably acceptable to the Security Agent and the filing of any instruments or statements as shall be reasonably necessary to create, preserve, protect or perfect the Security Agent's security interest in such Intellectual Property Collateral. Further, each Grantor authorizes the Security Agent to modify this Agreement by amending Schedule 6 hereof to include any such Intellectual Property Collateral of such Grantor.

Section 6.04 Intellectual Property Litigation. Unless there shall occur and be continuing any Event of Default, each Grantor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Grantors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, misappropriation, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Upon the occurrence and during the continuance of any Event of Default, the Security Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Grantor, the Security Agent to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Grantor shall, at the reasonable request of the Security Agent, do any and all lawful acts and execute any and all documents reasonably requested by the Security Agent in aid of such enforcement and the Grantors shall promptly reimburse and indemnify the Security Agent for all reasonable costs and expenses incurred by the Security Agent in the exercise of its rights under this **Section 6.04** in accordance with **Section 9.08**. In the event that the Security Agent shall elect not to bring suit to enforce the Intellectual Property Collateral as permitted by this **Section 6.04** and an Event of Default has occurred and is continuing, each Grantor agrees, at the reasonable request of the Security Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, misappropriation, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any

of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any person so infringing necessary to prevent such infringement.

**ARTICLE VII
RESERVED.**

**ARTICLE VIII
REMEDIES**

Section 8.01 Remedies. If any Event of Default shall have occurred and be continuing :

(a) The Security Agent may exercise, without any other notice to or demand upon any Grantor, in addition to the other rights and remedies provided for herein or in any other Finance Document or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Pledged Collateral) and also may:

(i) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Security Agent immediately, assemble the Pledged Collateral or any part thereof, as directed by the Security Agent and make it available to the Security Agent at a place and time to be designated by the Security Agent;

(ii) without notice except as specified below, sell, resell, assign and deliver or grant a license to use or otherwise dispose of the Pledged Collateral or any part thereof, in one or more parcels at public or private sale, at any of the Security Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Security Agent may deem commercially reasonable;

(iii) occupy any premises owned or leased by any of the Grantors where the Pledged Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation; and

(iv) exercise any and all rights and remedies of any of the Grantors under or in connection with the Pledged Collateral, or otherwise in respect of the Pledged Collateral, including without limitation, (A) any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Pledged Collateral and (B) exercise any and all voting, consensual and other rights with respect to any Pledged Collateral.

Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. At any sale of the Pledged Collateral, if permitted by applicable law, the Security Agent may be the

purchaser, licensee, assignee or recipient of the Pledged Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Pledged Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Security Agent arising out of the exercise by it of any rights hereunder. Each Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Pledged Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Pledged Collateral and any other security for the Secured Obligations or otherwise. The Security Agent shall not be liable for failure to collect or realize upon any or all of the Pledged Collateral or for any delay in so doing nor shall it be under any obligation to take any action with regard thereto. The Security Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Security Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefore, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Security Agent shall not be obligated to clean-up or otherwise prepare the Pledged Collateral for sale.

(b) All payments received by any Grantor in respect of the Pledged Collateral shall be received in trust for the benefit of the Security Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over the Security Agent in the same form as so received (with any necessary endorsement), unless otherwise required to be paid over to the holders of the GUC Note.

(c) The Security Agent may, without notice to any Grantor except as required by law and at any time or from time to time, charge, set off and otherwise apply all or part of the Secured Obligations against any funds deposited with it or held by it.

(d) Upon the written demand of the Security Agent, each Grantor shall execute and deliver to the Security Agent an assignment or assignments of any or all of the Intellectual Property Collateral and such other documents and take such other actions as are necessary or appropriate to carry out the intent and purposes hereof. Within five days of written notice thereafter from the Security Agent, each Grantor shall make available to the Security Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of the Event of Default as the Security Agent may reasonably designate to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Grantor under the Intellectual Property Collateral, and such persons shall be available to perform their prior functions on the Security Agent's behalf.

(e) If the Security Agent shall determine to exercise its right to sell all or any of the Securities Collateral of any Grantor pursuant to this **Section 8.01**, each Grantor agrees that, upon request of the Security Agent, such Grantor will, at its own expense:

(i) provide the Security Agent with such information and projections as may be necessary or, in the opinion of the Security Agent, advisable to enable the Security Agent to effect the sale of such Securities Collateral;

(ii) cause any registration, qualification under or compliance with any Federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Grantors. Each Grantor will cause such registration to be effected (and be kept effective) and will cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under applicable securities laws of the United States (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority; and

(iii) do or cause to be done all such other acts and things as may be necessary to make such sale of such Securities Collateral or any part thereof valid and binding and in compliance with applicable law.

(f) The Security Agent is authorized, in connection with any sale of the Securities Collateral pursuant to this **Section 8.01**, to deliver or otherwise disclose to any prospective purchaser of the Securities Collateral: (i) any registration statement or prospectus, and all supplements and amendments thereto, prepared pursuant to **Section 8.01(e)**; (ii) any information and projections provided to it pursuant to **Section 8.01(e)**, and (iii) any other information in its possession relating to such Securities Collateral.

(g) Each Grantor acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Security Agent and the Secured Parties by reason of the failure of such Grantor to perform any of the covenants contained in **Section 8.01(e)**; and consequently, agrees that, if such Grantor shall fail to perform any of such covenants, it will pay, as liquidated damages and not as a penalty, an amount equal to the value of the Securities Collateral on the date the Security Agent demands compliance with **Section 8.01(e)** above.

Section 8.02 No Waiver and Cumulative Remedies. The Security Agent shall not by any act (except by a written instrument pursuant to **Section 9.06**), delay, indulgence or omission, or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure on the part of the Security Agent to exercise, no course of dealing with respect to, and no delay on the part of the Security Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; no single or partial exercise of any such right, power, privilege or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; and the Security Agent shall not be required to look first to, enforce or exhaust any other security, collateral or guaranties.

All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

Section 8.03 Application of Proceeds. (a) Upon the exercise by the Security Agent of its remedies hereunder, any net proceeds received by the Security Agent in respect of any realization upon any Pledged Collateral (other than equity interests of Atari, Inc. and any Distributions related thereto) shall be applied, together with any other sums then held by the Security Agent pursuant to this Agreement, *first* to any amounts then due and payable under the GUC Note until paid in full, *second*, to the extent required under the Deferred Payment Agreement, to the outstanding Deferred Professional Fees, and thereafter, to the obligations under, and in accordance with, the Finance Documents. Each Grantor and the Security Agent agree that the application of the proceeds from the disposition of Pledged Collateral (other than the equity interests of Atari, Inc. and any Distributions related thereto) by the Security Agent, are subject to the Deferred Payment Agreement. This **Section 8.03(a)** shall not be amended in any manner adverse to the interests of the Professionals under the Deferred Payment Agreement. In the event of any express conflict or inconsistency between the provisions of this **Section 8.03(a)** and the Deferred Payment Agreement, the provisions of the Deferred Payment Agreement shall control. The parties agree that each Professional is intended to be a third party beneficiary of this **Section 8.03(a)**.

(b) Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Pledged Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Security Agent to collect such deficiency.

ARTICLE IX MISCELLANEOUS

Section 9.01 Concerning Security Agent.

(a) **Appointment.** The Security Agent has been appointed as security agent in the Credit Agreement and shall act in accordance with the terms of the Credit Agreement. The Security Agent may exercise or refrain from exercising any rights (including making demands and giving notices) and take or refrain from taking any action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Credit Agreement. The Security Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Security Agent may resign and a successor Security Agent may be appointed in the manner provided in the Credit Agreement. On the acceptance of appointment as the successor Security Agent, that successor Security Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Security Agent under this Agreement,

and the retiring Security Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Security Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken, or omitted to be taken, by it under this Agreement while it was the Security Agent.

(b) **Duty of care.** The Security Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Pledged Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Security Agent deals with its own property consisting of similar instruments or interests. The Security Agent shall not have responsibility for (i) ascertaining or taking action whatsoever with regard to any Pledged Collateral (including matters relating to the Pledged Securities, whether or not the Security Agent has or is deemed to have knowledge of such matters) or (ii) taking any necessary steps to preserve rights against any person with respect to any Pledged Collateral.

(c) **Reliance.** The Security Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder.

Section 9.02 Performance By Security Agent. If any Grantor shall fail to perform any covenants contained in this Agreement or if any representation or warranty on the part of any Grantor contained herein shall be breached, the Security Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may make payments for such purpose; *provided, however*, that the Security Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Grantor fails to pay or perform as and when required hereby and which such Grantor does not contest in accordance with the provisions of the Credit Agreement. Any and all amounts so paid by the Security Agent shall be reimbursed by the Grantors in accordance with the provisions of **Section 9.08**. Neither the provisions of this **Section 9.02**, nor any action taken by the Security Agent pursuant to the provisions of this **Section 9.02** shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default.

Section 9.03 Power of Attorney. Each Grantor hereby appoints the Security Agent its attorney-in-fact, with full power and authority in the place and stead of such Grantor and in the name of such Grantor, or otherwise, from time to time during the existence of a Default in the Security Agent's discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement and the other Finance Documents which the Security Agent may deem necessary or advisable to accomplish the purposes hereof (but the Security Agent shall not be obligated to and shall have no liability to such Grantor or any third party for failure to so do or take action). The

foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 9.04 Continuing Security Interest and Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) be binding upon the Grantors, their respective successors and assigns and (b) inure, together with the rights and remedies of the Security Agent hereunder, to the benefit of the Security Agent and each of their respective permitted successors, transferees and assigns and their respective officers, directors, employees, affiliates, agents, advisors and controlling persons; *provided that*, no Grantor shall assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Security Agent and any attempted assignment or transfer without such consent shall be null and void.

Section 9.05 Termination and Release.

(a) At such time as the Loans and the other Secured Obligations shall have been paid in full (other than contingent indemnification obligations in which no claim has been made or is reasonably foreseeable) and the Commitments have been terminated, and all Letters of Credit have been terminated or cash collateralized in a manner satisfactory to the Issuer, the Pledged Collateral shall be released from the liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Security Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or any further action by any party, and all rights to the Pledged Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Security Agent shall deliver to such Grantor any Pledged Collateral held by the Security Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Pledged Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the lien created pursuant to this Agreement in such Pledged Collateral shall be released, and the Security Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases and other documents reasonably necessary or advisable for the release of the liens created hereby on such Pledged Collateral.

Section 9.06 Modification in Writing. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by any Grantor therefrom shall be effective, except by a written instrument signed by the Security Agent in accordance with the terms of the Credit Agreement. Any amendment, modification or supplement of any provision hereof, any waiver of any provision hereof and any consent to any departure by any Grantor from the

terms of any provision hereof in each case shall be effective only in the specific instance and for the specific purpose for which made or given. This Agreement shall be construed as a separate agreement with respect to each Grantor and may be amended, modified, supplemented, terminated or waived with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

Section 9.07 Notices. Unless otherwise provided herein, any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Credit Agreement, and, as to any Grantor, addressed to it at the address of the Grantor set forth in Schedule 1 hereof and as to the Security Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party.

Section 9.08 Indemnity and Expenses.

(a) Each Grantor hereby agrees to indemnify and hold harmless the Security Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing persons (each such person being called an “**Indemnitee**”) from any losses, damages, liabilities, claims and related expenses (including the fees and expenses of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees, expenses and time charges for attorneys who are employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any person (including any Grantor or Obligor) other than such Indemnitee and its Related Parties arising out of, in connection with or resulting from this Agreement (including, without limitation, enforcement of this Agreement) or any failure of any Secured Obligations to be the legal, valid, and binding obligations of any Grantor or Obligor enforceable against such person in accordance with their terms, whether brought by a third party or by such Grantor or any Obligor, and regardless of whether any Indemnitee is a party thereto; *provided that* such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (ii) result from a claim brought by any Grantor or any Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Finance Document, if such Grantor or such Obligor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(b) To the fullest extent permitted by applicable law, each Grantor hereby agrees not to assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Finance Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any extension of credit or the use of

proceeds thereof. No Indemnitee shall be liable for any damages arising from the use of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Finance Documents or the transactions contemplated hereby or thereby by unintended recipients.

(c) Each Grantor agrees to pay or reimburse the Security Agent for all its costs and expenses incurred in collecting against such Grantor its Secured Obligations or otherwise enforcing or preserving any rights under this Agreement and the other Finance Documents to which such Grantor is a party, including the fees and other charges of counsel (including the allocated fees and expenses of internal counsel) to the Security Agent.

(d) All amounts due under this Section shall be payable promptly after demand therefor, shall constitute Secured Obligations and shall bear interest until paid at a rate per annum equal to the highest rate per annum at which interest would then be payable on any past due Loan under the Credit Agreement.

(e) Without prejudice to the survival of any other agreement of any Grantor under this Agreement or any other Finance Documents, the agreements and obligations of each Grantor contained in this Section shall survive termination of the Finance Documents and payment in full of the Obligations and all other amounts payable under this Agreement.

Section 9.09 Governing Law, Consent to Jurisdiction and Waiver of Jury Trial. This Agreement and the other Finance Documents (except, as to any other Finance Document, as expressly set forth therein) and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Finance Document (except, as to any other Finance Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the State of New York. The other provisions of Section 37 of the Credit Agreement are incorporated herein, *mutatis mutandis*, as if a part hereof.

Section 9.10 Severability of Provisions. Any provision hereof which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

Section 9.11 Counterparts; Integration; Effectiveness. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. This Agreement and the other Finance Documents, and any separate letter agreements with

respect to fees payable to the Security Agent, constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. This Agreement shall become effective when it shall have been executed by the Security Agent and when the Security Agent shall have received counterparts hereof signed by each of the other parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.12 No Release. Nothing set forth in this Agreement or any other Finance Document, nor the exercise by the Security Agent of any of the rights or remedies hereunder, shall relieve any Grantor from the performance of any term, covenant, condition or agreement on such Grantor's part to be performed or observed in respect of any of the Pledged Collateral or from any liability to any person in respect of any of the Pledged Collateral or shall impose any obligation on the Security Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Grantor's part to be so performed or observed or shall impose any liability on the Security Agent or any other Secured Party for any act or omission on the part of such Grantor relating thereto or for any breach of any representation or warranty on the part of such Grantor contained in this Agreement, the Credit Agreement or the other Finance Documents, or in respect of the Pledged Collateral or made in connection herewith or therewith. Anything herein to the contrary notwithstanding, neither the Security Agent nor any other Secured Party shall have any obligation or liability under any contracts, agreements and other documents included in the Pledged Collateral by reason of this Agreement, and neither the Security Agent nor any other Secured Party shall be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Pledged Collateral. The obligations of each Grantor contained in this **Section 9.12** shall survive the termination hereof and the discharge of such Grantor's other obligations under this Agreement, the Credit Agreement and the other Finance Documents.

Section 9.13 Obligations Absolute. Each Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Pledged Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All obligations of each Grantor hereunder shall be absolute and unconditional irrespective of:

(a) any illegality or lack of validity or enforceability of any Secured Obligation or any Finance Document or any related agreement or instrument;

(b) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations or any other obligation of any Grantor or Obligor under any Finance Document, or any rescission, waiver, amendment or other modification of

any Finance Document or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;

(c) any taking, exchange, substitution, release, impairment or non-perfection of any Pledged Collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for the Secured Obligations;

(d) any manner of sale, disposition or application of proceeds of any Pledged Collateral or any other collateral or other assets to all or part of the Secured Obligations;

(e) any default, failure or delay, wilful or otherwise, in the performance of the Secured Obligations;

(f) any change, restructuring or termination of the corporate structure, ownership or existence of any Grantor or Obligor or any of their respective Subsidiaries or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or its assets or any resulting release or discharge of any Secured Obligations;

(g) any failure of any Secured Party to disclose to any Grantor or Obligor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Grantor or Obligor now or hereafter known to such Secured Party; each Grantor waiving any duty of the Secured Parties to disclose such information;

(h) the failure of any other person to execute or deliver this Agreement, any Joinder Agreement or any other agreement or the release or reduction of liability of any Grantor or other grantor or surety with respect to the Secured Obligations;

(i) the failure of any Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Finance Document or otherwise;

(j) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Borrower against any Secured Party; or

(k) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Loans or any existence of or reliance on any representation by any Secured Party that might vary the risk of any Grantor or Obligor or otherwise operate as a defense available to, or a legal or equitable discharge of, any Grantor or Obligor or any other guarantor or surety.

Section 9.14 Disclosure. The parties hereto acknowledge that on the date hereof, both Alden and Ker Ventures are Lenders and that the Security Agent is acting on their behalf under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ATARI, INC.

By: KJ Keller
Name: Kristen J. Keller
Title: SVP + General Counsel

ATARI INTERACTIVE, INC.

By: KJ Keller
Name: Kristen J Keller
Title: SVP + General Counsel

CALIFORNIA U.S. HOLDINGS, INC.

By: KJ Keller
Name: Kristen J Keller
Title: SVP + General Counsel

HUMONGOUS, INC.

By: KJ Keller
Name: Kristen J Keller
Title: SVP + General Counsel

ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.

By: Alden Global Capital Limited, its investment adviser

By: Alden Global Capital LLC, its sub-adviser

By: 

Name: Jason Pecora

Title: Managing Director