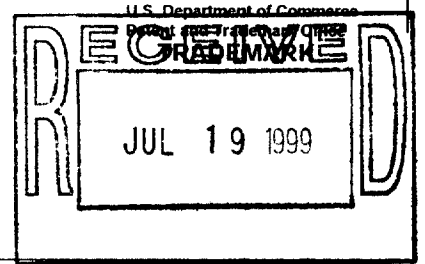


07-20-1999



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7-19-99

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

#### Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

#### Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

#### Conveying Party

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

#### Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual  General Partnership  Limited Partnership  Corporation  Association
  - Other
  - Citizenship/State of Incorporation/Organization
- If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

07/19/1999 MTHAI1 00000257 75478891

#### FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
02 FC:482 125.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, DC 20231

REEL: 001930 FRAME: 0188

**Domestic Representative Name and Address** Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address** Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**  Mark if additional numbers attached  
Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75/478,891"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,013,994"/>	<input type="text" value="2,012,122"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,001,197"/>	<input type="text" value="2,139,931"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,017,842"/>	<input type="text"/>	<input type="text"/>

**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) #

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Cathleen M. Calkins  07/13/99

Name of Person Signing Signature Date Signed

## SECURITY AGREEMENT

SECURITY AGREEMENT dated as of June 21, 1999, among ACTIVISION, INC., a Delaware corporation ("*Activision*"), HEAD GAMES PUBLISHING, INC., a Minnesota corporation ("*Head*") and, following the Merger, Expert Software, Inc., a Delaware corporation ("*Expert*"; each of Activision, Head and Expert, a "*Borrower*" and collectively, "*Borrowers*"), each subsidiary of Activision listed on Schedule I hereto (each such subsidiary individually a "*Subsidiary Guarantor*" and collectively, the "*Subsidiary Guarantors*"; the Subsidiary Guarantors and the Borrowers are referred to collectively herein as the "*Grantors*") and PNC BANK, NATIONAL ASSOCIATION, a national banking association ("*PNC*"), as collateral agent (in such capacity, the "*Collateral Agent*") for the Secured Parties (as defined herein).

Reference is made to (a) the Credit Agreement dated as of June 21, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among the Borrowers, the lenders from time to time party thereto (the "*Lenders*"), PNC, as administrative agent (in such capacity, the "*Administrative Agent*"), issuing bank (in such capacity, the "*Issuing Bank*") and Collateral Agent for the Lenders and Credit Suisse First Boston, a bank organized under the laws of Switzerland, acting through its New York branch, as syndication agent; (b) the Borrower Guarantee Agreement dated as of June 21, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Borrower Guarantee Agreement*"); and (c) the Subsidiary Guarantee Agreement dated as of June 21, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Subsidiary Guarantee Agreement*"), among the Subsidiary Guarantors and the Collateral Agent.

The Lenders have agreed to make Loans to the Borrowers, and the Issuing Bank has agreed to issue Letters of Credit for the account of the Borrowers, pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. Each of the Subsidiary Guarantors has agreed to guarantee, among other things, all the obligations of the Borrowers under the Credit Agreement. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit are conditioned upon, among other things, the execution and delivery by the Grantors of an agreement in the form hereof to secure (a) the due and punctual payment by the Borrowers of (i) 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, (ii) each payment required to be made by the Borrowers under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, 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 Borrowers to the Secured Parties under this Agreement, the Credit Agreement and the other Loan Documents, (b) the due and punctual performance of all covenants, agreements, obligations

and liabilities of the Borrowers under or pursuant to this Agreement, the Credit Agreement and the other Loan Documents, and (c) the due and punctual payment and performance of all the covenants, agreements, obligations and liabilities of each other Loan Party under or pursuant to this Agreement, the Credit Agreement and the other Loan Documents (all the monetary and other obligations referred to in the preceding lettered clauses of this paragraph being referred to collectively as the “*Obligations*”).

Accordingly, the Grantors and the Collateral Agent, on behalf of itself and each Secured Party (and each of their respective successors or assigns), hereby agree as follows:

## ARTICLE I

### Definitions

SECTION 1.01. *Definition of Terms Used Herein.* Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

SECTION 1.02. *Definition of Certain Terms Used Herein.* As used herein, the following terms shall have the following meanings:

“*Account Debtor*” shall mean any person who is or who may become obligated to any Grantor under, with respect to or on account of a Receivable.

“*Blocked Account*” shall mean a lock box account of a Grantor maintained for the benefit of the Secured Parties with the Collateral Agent or with a depository bank pursuant to a Lock Box Agreement.

“*Collateral*” shall mean all (a) Receivables, (b) Documents, (c) Equipment, (d) General Intangibles, (e) Inventory, (f) Investment Property, (g) cash and cash accounts and deposit accounts (including the Collection Account, the Investment Account, the Controlled Disbursement Account, the Blocked Accounts and the Funding Account), (h) the Intercompany Note, (i) all Master Notes, and (j) Proceeds, together, in each case, with all accessions thereto and products and replacements thereof.

“*Collection Account*” shall mean the cash collateral account established at the office of PNC, Account No. 8012372174.

“*Controlled Disbursement Account*” shall mean the cash collateral account established at the office of PNC, Account No. 1014772006.

“*Copyright License*” shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Grantor or which such Grantor otherwise has the right to license, or granting any right to such Grantor

under any Copyright now or hereafter owned by any third party, and all rights of such Grantor under any such agreement.

“*Copyrights*” shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule II, and (c) all copyrightable material whether registered or unregistered.

“*Credit Agreement*” shall have the meaning assigned to such term in the preliminary statement of this Agreement.

“*Documents*” shall mean all instruments, files, records, ledger sheets, ledger cards, books of account, computers, computer software (owned by any Grantor or in which it has an interest), computer programs, disks and documents covering or relating to any of the Collateral.

“*Equipment*” shall mean all equipment, furniture and furnishings, and all tangible personal property similar to any of the foregoing, including tools, parts and supplies of every kind and description, and all improvements, accessions or appurtenances thereto, that are now or hereafter owned by any Grantor. The term Equipment shall include Fixtures.

“*Fixtures*” shall mean all items of Equipment, whether now owned or hereafter acquired, of any Grantor that become so related to particular real estate that an interest in them arises under any real estate law applicable thereto.

“*Funding Account*” shall mean the general fund account established at the office of PNC, Account No. 8013095244.

“*General Intangibles*” shall mean all choses in action and causes of action and all other assignable intangible personal property of any Grantor of every kind and nature (other than Receivables) now owned or hereafter acquired by any Grantor, including corporate or other business records, computer software programs, tapes and discs, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, interest rate protection agreements, consignment agreements, and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Receivables.

“*Intellectual Property*” shall mean all intellectual and similar property of any Grantor of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations

and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

*“Inventory”* shall mean all goods of any Grantor, whether now owned or hereafter acquired, held for sale or lease, or furnished or to be furnished by any Grantor under contracts of service, or consumed in any Grantor’s business, including raw materials, intermediates, work in process, packaging materials, finished goods, semi-finished inventory, scrap inventory, manufacturing supplies and spare parts, and all such goods that have been returned to or repossessed by or on behalf of any Grantor.

*“Investment Account”* shall mean the account established at the office of PNC, Account No. 8013095252.

*“Investment Property”* shall mean all securities, whether certificated or uncertificated, securities entitlements, securities accounts, commodity contracts and commodity accounts, as such terms are defined in the New York Uniform Commercial Code.

*“License”* shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is or becomes a party, (other than those license agreements, which are not assignable or capable of being encumbered as a matter of law or by their terms prohibit assignment or a grant of a security interest by such Grantor as licensee thereunder, but solely to the extent that such restriction shall be enforceable under applicable law).

*“Lock Box Agreement”* shall mean a Lock Box Agreement substantially in the form of Annex 1 hereto among a Grantor, the Collateral Agent and a depository bank.

*“Lock Box System”* shall have the meaning assigned to such term in Section 5.01.

*“Obligations”* shall have the meaning assigned to such term in the preliminary statement of this Agreement.

*“Patent License”* shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or which any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

*“Patents”* shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule III, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or

extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“*Perfection Certificate*” shall mean a certificate substantially in the form of Annex 2 hereto, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer and the chief legal officer of Activision.

“*Proceeds*” shall mean any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer (including under any casualty or credit insurance) or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Collateral Agent pursuant to the Lock Box System (as defined below), (b) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by any Grantor or licensed under a Copyright License and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“*Receivables*” shall mean and include all of the Grantor’s accounts, contract rights, instruments (including those evidencing indebtedness owed to it by its Affiliates), documents, chattel paper, general intangibles relating to accounts, drafts and acceptances, and all other forms of obligations owing to such person arising out of or in connection with the sale or lease of Inventory or the rendition of services, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to the Collateral Agent hereunder.

“*Secured Parties*” shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) the Issuing Bank, (e) the beneficiaries of each indemnification obligation undertaken by any Grantor under any Loan Document and (f) the successors and assigns of each of the foregoing.

“*Security Interest*” shall have the meaning assigned to such term in Section 2.01.

“*Sub-Agent*” shall mean a financial institution which shall have delivered to the Collateral Agent an executed Lock Box Agreement.

“*Trademark License*” shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any

Grantor or which any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

“*Trademarks*” shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule IV, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

SECTION 1.03. *Rules of Interpretation.* The rules of interpretation specified in Section 1.02 of the Credit Agreement shall be applicable to this Agreement.

## ARTICLE II

### Security Interest

SECTION 2.01. *Security Interest.* As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of such Grantor’s right, title and interest in, to and under the Collateral (the “*Security Interest*”). Without limiting the foregoing, the Collateral Agent is hereby authorized to file one or more financing statements (including fixture filings), continuation statements, filings with the United States Patent and Trademark Office and United States Copyright Office (or any successor office or any similar office in any other country) or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Collateral Agent as secured party. Each Grantor shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect the Collateral Agent’s security interest and shall cause its financial statements to reflect such security interest.

SECTION 2.02. *No Assumption of Liability.* The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.



## ARTICLE III

### Representations and Warranties

The Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

SECTION 3.01. *Title and Authority.* Each Grantor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent the Security Interest in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person other than any consent or approval which has been obtained and the performance of this Agreement does not conflict with or result in a material breach of any agreement to which any Grantor is a party.

SECTION 3.02. *Filings.* (a) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein is correct and complete. Fully executed Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Collateral have been delivered to the Collateral Agent for filing in each governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate, which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(b) Each Grantor represents and warrants that fully executed security agreements in the form hereof and containing a description of all Collateral consisting of Intellectual Property with respect to United States Patents and United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights have been delivered to the Collateral Agent for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. ' 261, 15 U.S.C. ' 1060 or 17 U.S.C. ' 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Collateral consisting of Patents, Trademarks and Copyrights in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and

possessions, or in any other necessary jurisdiction, and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Collateral consisting of Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

SECTION 3.03. *Validity of Security Interest.* The Security Interest constitutes (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Obligations, (b) subject to the filings described in Section 3.02 above, a perfected security interest in all Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (c) a security interest that shall be perfected in all Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Collateral, other than Liens expressly permitted to be prior to the Security Interest pursuant to Section 6.02 of the Credit Agreement.

SECTION 3.04. *Absence of Other Liens.* The Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. The Grantor has not filed or consented to the filing of (a) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Collateral, (b) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (c) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement.

## ARTICLE IV

### Covenants

SECTION 4.01. *Change of Name; Location of Collateral; Records; Place of Business.* (a) Each Grantor agrees to give the Collateral Agent 30 days' prior written notice of any change (i) in its corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in its identity or corporate structure or (iv) in its Federal Taxpayer Identification Number. Each Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Collateral. Each Grantor agrees promptly to notify the Collateral Agent if any material portion of the Collateral owned or held by such Grantor is damaged or destroyed.

(b) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Collateral, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Collateral.

SECTION 4.02. *Periodic Certification.* Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.04 of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Financial Officer and the chief legal officer of the Borrower setting forth the information required pursuant to Section 2 of the Perfection Certificate or confirming that there has been no change in such information since the date of such certificate or the date of the most recent certificate delivered pursuant to this Section 4.02. Each certificate delivered pursuant to this Section 4.02 shall identify in the format of Schedule II, III or IV, as applicable, all Intellectual Property of any Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent.

SECTION 4.03. *Protection of Security.* Each Grantor shall, at its own cost and expense, take any and all actions necessary to defend title to the Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

SECTION 4.04. *Further Assurances.* Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith. The Collateral Agent is authorized to file financing statements signed by the Collateral Agent instead of any Grantors in accordance with Section 9-402(2) of the Uniform Commercial Code as adopted in the State of New York. All charges, expenses and fees Collateral Agent may incur in filing such financing statements shall be charged to the Grantors' account and added to the Obligations, or, at the Collateral Agent's option, shall be paid to Collateral Agent for the ratable benefit of Lenders immediately upon demand. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Grantors, to supplement this Agreement by supplementing Schedule II, III or IV hereto or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents or Trademarks; provided, however, that any Grantor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral; *provided, however* if such action cannot be completed within said 30 days, such Grantor shall have commenced such action within said 30 days and shall diligently pursue same.

SECTION 4.05. *Inspection and Verification.* The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, in accordance with Section 5.04(j) and 5.11 of the Credit Agreement, to inspect the Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Collateral is located, to discuss the Grantors' affairs with the officers of the Grantors and their independent accountants and to verify under reasonable procedures, the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral, including, in the case of Receivables or Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Collateral for the purpose of making such a verification. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party (it being understood that any such information shall be deemed to be "Information" subject to the provisions of Section 9.16 of the Credit Agreement).

SECTION 4.06. *Taxes; Encumbrances.* At its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and not permitted pursuant to Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this Section 4.06 shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

SECTION 4.07. *Assignment of Security Interest.* If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other person to secure payment and performance of a Receivable, or other obligation or right, such Grantor shall promptly assign such security interest to the Collateral Agent. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other person granting the security interest.

SECTION 4.08. *Continuing Obligations of the Grantors.* Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

SECTION 4.09. *Use and Disposition of Collateral.* None of the Grantors shall make or permit to be made an assignment, pledge or hypothecation of the Collateral or shall grant any other Lien in respect of the Collateral, except as expressly permitted by Section 6.02 of the Credit Agreement. None of the Grantors shall make or permit to be made any transfer of the Collateral and except as required by any of the Loan Documents, each Grantor, to the extent possible, shall remain at all times in possession of the Collateral owned by it, except that (a) Inventory may be sold in the ordinary course of business and (b) unless and until the Collateral Agent shall notify the Grantors that an Event of Default shall have occurred and be continuing and that during the continuance thereof the Grantors shall not sell, convey, lease, assign, transfer or otherwise dispose of any Collateral (which notice may be given by telephone if promptly confirmed in writing), the Grantors may use and dispose of the Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document.

SECTION 4.10. *Limitation on Modification of Accounts.* None of the Grantors will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any of the Receivables, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof or allow any credit or

discount whatsoever thereon, other than extensions, credits, releases, discounts, compromises or settlements, in whole or in part, granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged.

SECTION 4.11. *Insurance.* The Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with Section 5.02 of the Credit Agreement. Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this Section 4.11, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

SECTION 4.12. *Legend.* Each Grantor shall legend, in form and manner satisfactory to the Collateral Agent, its Receivables and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Receivables have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

SECTION 4.13. *Covenants Regarding Patent, Trademark and Copyright Collateral.* (a) Each Grantor agrees that it will not, nor will it permit any of its licensees to, do any act, or omit to do any act, whereby any Patent which is material to the conduct of such Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Grantor's business, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Grantor (either itself or through licensees) will, for each work covered by a material Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws.

(d) Each Grantor shall notify the Collateral Agent immediately if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of its business may become abandoned, lost or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) Each Grantor shall use its best efforts to monitor its production of work product that may become copyrightable material. When such work product becomes copyrightable, the Grantor owning the copyrights to such material shall promptly file a registration application with the United States Copyright Office with respect to such material or amend a previous registration, if applicable. Each month Borrowers shall deliver to the Collateral Agent a written report in the form of Exhibit A attached hereto describing any copyrightable material acquired or created by any Grantor during the prior calendar month or certifying that there has been no change in such information since the date of the previous written report delivered pursuant to this Section 4.13(e).

(f) In no event shall any Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Collateral Agent, and, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(g) Each Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(h) In the event that any Grantor has reason to believe that any Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral.

(i) Each Grantor shall use its best efforts to ensure that any future license entered into by such Grantor shall either (i) contain an express provision that such license is assignable without the consent of any other party thereto; or (ii) contain an express provision acknowledging the Collateral Agent's security interest in the proceeds or Inventory arising from such license and agreeing that any party thereto shall not interfere with the Collateral Agent's rights under this Security Agreement, including the right to sell Inventory following an Event of Default. .

(j) Upon and during the continuance of an Event of Default, each Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all of such Grantor's right, title and interest thereunder to the Collateral Agent or its designee.

## ARTICLE V

### Collections

SECTION 5.01. *System.* (a) The Grantors have established in the name of the Collateral Agent, and subject to the control of the Collateral Agent pursuant to the Agreements, for the ratable benefit of the Collateral Agent and the other Secured Parties, a system of lock boxes and related deposit accounts (the "Lock Box System") with one or more financial institutions that are reasonably satisfactory to the Collateral Agent into which the Proceeds of all Receivables and Inventory shall be deposited and forwarded to the Collateral Agent in accordance with the Lock Box Agreements.

(b) All remittances, including all Proceeds of Inventory and Receivables that have been received on any Business Day through the Lock Box System will be transferred into the Collection Account on such Business Day to the extent required by the applicable Lock Box Agreement. All Proceeds stemming from the sale of a substantial portion of the Collateral (other than Proceeds of Inventory or Receivables) that have been received by a Grantor on any Business Day will be transferred into the Collection Account on such Business Day. All Proceeds received on any Business Day by the Collateral Agent pursuant to Section 5.02 will be transferred into the Collection Account on such Business Day.

(c) The Collection Account and the Investment Account are, and shall remain, under the sole dominion and control of the Collateral Agent. Each Grantor acknowledges and agrees that



(i) such Grantor has no right of withdrawal from the Collection Account [others], or, except as provided in the Credit Agreement, the Investment Account (ii) the funds on deposit in the Collection Account [others] and the Investment Account shall continue to be Cash Collateral for all of the Obligations and (iii) upon the occurrence and during the continuance of an Event of Default, at the Collateral Agent's election, the funds on deposit in the Collection Account [others] and the Investment Account shall be applied as provided in Section 6.02.

SECTION 5.02. *Collections.* (a) Each Grantor agrees (i) to notify and direct promptly each Account Debtor and every other person obligated to make payments on Receivables or in respect of any Inventory to make all such payments directly to the Lock Box System established in accordance with Section 5.01, (ii) to use all reasonable efforts to cause each Account Debtor and every other person identified in clause (i) above to make all payments with respect to Receivables and Inventory directly to such Lock Box System and (iii) promptly to deposit all payments received by it on account of Receivables and Inventory, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, in the Lock Box System in precisely the form in which received (but with any endorsements of such Grantor necessary for deposit or collection), and until they are so deposited such payments shall be held in trust by such Grantor for and as the property of the Collateral Agent.

(b) Without the prior written consent of the Collateral Agent, no Grantor shall, in a manner adverse to the Lenders, change the general instructions given to Account Debtors in respect of payment on Receivables to be deposited in the Lock Box System. Until the Collateral Agent shall have advised the Grantors to the contrary, each Grantor shall, and the Collateral Agent hereby authorizes each Grantor to, enforce and collect all amounts owing on the Inventory and Receivables, for the benefit and on behalf of the Collateral Agent and the other Secured Parties; provided, however, that such privilege may at the option of the Collateral Agent be terminated upon the occurrence and during the continuance of any Event of Default.

SECTION 5.03. *Power of Attorney.* Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent and attorney-in-fact, and in such capacity the Collateral Agent shall have the right, with power of substitution for each Grantor and in each Grantor's name or otherwise, for the use and benefit of the Collateral Agent and the Secured Parties, (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) after the occurrence of an Event of Default to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Receivables to any Account Debtor; (e) after the occurrence of an Event of Default to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) after the occurrence of an Event of Default to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent; and (h) after the

occurrence of an Event of Default to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; *provided, however*, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent or any Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent or any Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Collateral Agent or any Secured Party with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Grantor or to any claim or action against the Collateral Agent or any Secured Party, except for action or inaction constitute gross negligence or willful misconduct. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Grantors for the purposes set forth above is coupled with an interest and is irrevocable. The provisions of this Section shall in no event relieve any Grantor of any of its obligations hereunder or under any other Loan Document with respect to the Collateral or any part thereof or impose any obligation on the Collateral Agent or any Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Collateral Agent or any Secured Party of any other or further right which it may have on the date of this Agreement or hereafter, whether hereunder, under any other Loan Document, by law or otherwise.

## ARTICLE VI

### Remedies

SECTION 6.01. *Remedies upon Default.* Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral capable of physical delivery to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Collateral by the applicable Grantors to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and without liability to Grantors for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Each Grantor hereby irrevocably appoints the Collateral Agent its agent for purposes of disposing of any Collateral and agrees that the Collateral Agent shall have the right

to appoint a designee to act as such agent. This appointment is coupled with an interest and may not be revoked. Without limiting the generality of the foregoing, each Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Grantors 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor

therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

SECTION 6.02. *Application of Proceeds.* Following an Event of Default, and exercise of remedies hereunder, the Collateral Agent shall apply the proceeds of any collection or sale of the Collateral, as well as any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in its capacity as such hereunder or under any other Loan Document) in connection with such collection or sale or otherwise in connection with this Agreement or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution) or to Cash Collateralize Letters of Credit; and

THIRD, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall promptly pay any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 6.03. *Grant of License to Use Intellectual Property.* For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent or its designee an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or

sub-license any of the Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent or its designee shall be exercised, at the option of the Collateral Agent or its designee, upon the occurrence and during the continuation of an Event of Default; *provided* that any license, sub-license or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

## ARTICLE VII

### Miscellaneous

SECTION 7.01. *Notices.* All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it at its address or fax number set forth on Schedule I, with a copy to the Borrowing Agent.

SECTION 7.02. *Security Interest Absolute.* All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement.

SECTION 7.03. *Survival of Agreement.* All covenants, agreements, representations and warranties made by any Grantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the making by the Lenders of the Loans, and the execution and delivery to the Lenders of any notes evidencing such Loans, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect until this Agreement shall terminate.

SECTION 7.04. *Binding Effect; Several Agreement.* This Agreement shall become effective as to any Grantor when a counterpart hereof executed on behalf of such Grantor shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on

behalf of the Collateral Agent, and thereafter shall be binding upon such Grantor and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of such Grantor, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Grantor shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Grantor and may be amended, modified, supplemented, waived or released with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

SECTION 7.05. *Successors and Assigns.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.06. *Collateral Agent's Fees and Expenses; Indemnification.* (a) Each Grantor jointly and severally agrees to pay upon demand to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel and of any experts or agents, which the Collateral Agent may incur in connection with (i) the administration of this Agreement (including the customary fees and charges of the Collateral Agent for any audits conducted by it or on its behalf with respect to the Receivables or Inventory), (ii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Collateral Agent hereunder or (iv) the failure of any Grantor to perform or observe any of the provisions hereof.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Grantor jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees against, and hold each of them harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable fees, disbursements and other charges of counsel, incurred by or asserted against any of them arising out of, in any way connected with, or as a result of, the execution, delivery or performance of this Agreement or any claim, litigation, investigation or proceeding relating hereto or to the Collateral, whether or not 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 are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision

of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any Lender. All amounts due under this Section 7.06 shall be payable on written demand therefor and shall bear interest at the rate specified in Section 2.10 of the Credit Agreement.

SECTION 7.07. *GOVERNING LAW.* THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.08. *Waivers; Amendment.* (a) No failure or delay of the Collateral Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent hereunder and of the Collateral Agent, the Issuing Bank, the Administrative Agent and the Lenders under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Agreement or any other Loan Document or consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Grantor in any case shall entitle such Grantor or any other Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Grantor or Grantors with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.08 of the Credit Agreement.

SECTION 7.09. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.09.

SECTION 7.10. *Severability.* In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be

affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.11 *Counterparts*. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract (subject to Section 7.04), and shall become effective as provided in Section 7.04. Delivery of an executed signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 7.12. *Headings*. Article and Section headings used herein are for the purpose of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.13. *Jurisdiction; Consent to Service of Process*. (a) Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Collateral Agent, the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Grantor or its properties in the courts of any jurisdiction.

(b) Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.14. *Termination*. This Agreement and the Security Interest shall terminate when all the Obligations have been indefeasibly paid in full, the Lenders have no further commitment to lend, the L/C Exposure has been reduced to zero and the Issuing Bank has no



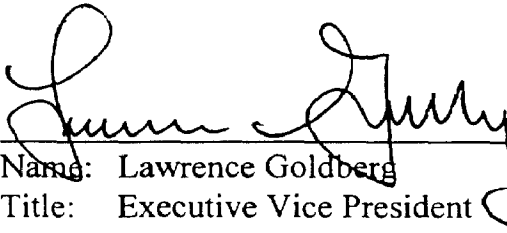
further commitment to issue Letters of Credit under the Credit Agreement, at which time the Collateral Agent shall execute and deliver to the Grantors, at the Grantors' expense, all Uniform Commercial Code termination statements and similar documents which the Grantors shall reasonably request to evidence such termination. Any execution and delivery of termination statements or documents pursuant to this Section 7.14 shall be without recourse to or warranty by the Collateral Agent. A Subsidiary Guarantor shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Guarantor shall be automatically released in the event that all the capital stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of to a person that is not an Affiliate of the Borrower in accordance with the terms of the Credit Agreement; provided that the Required Lenders shall have consented to such sale, transfer or other disposition (to the extent required by the Credit Agreement) and the terms of such consent did not provide otherwise.

SECTION 7.15. *Additional Grantors.* Upon execution and delivery by the Collateral Agent and a Domestic Subsidiary of an instrument in accordance with the Credit Agreement, substantially in the form of Annex 3 hereto, such Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any such instrument 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.

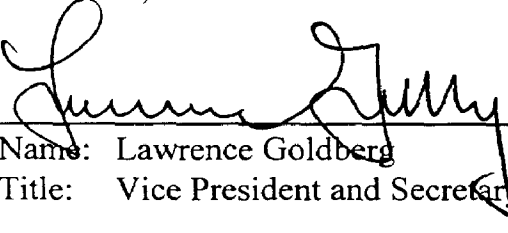
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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

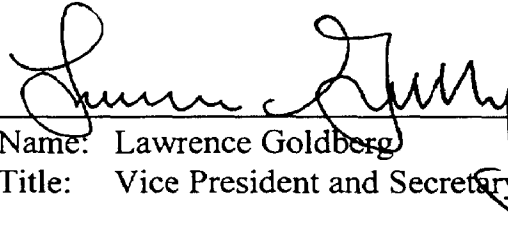
ACTIVISION, INC.

By:   
Name: Lawrence Goldberg  
Title: Executive Vice President  
and General Counsel

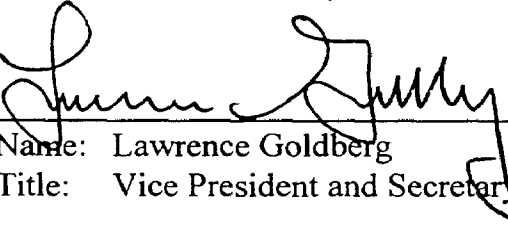
HEAD GAMES  
PUBLISHING, INC.

By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

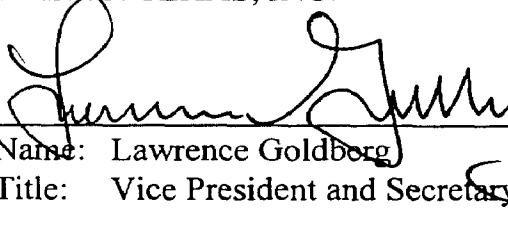
ACTIVISION ILLINOIS, INC.

By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

ACTIVISION NEW YORK, INC.

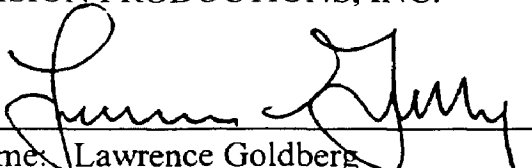
By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

ACTIVISION TEXAS, INC.


By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

[Signature Page to Security Agreement]

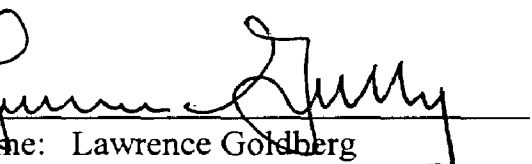
ACTIVISION PRODUCTIONS, INC.

By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary


THE DISC COMPANY INTERNATIONAL, INC.

By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

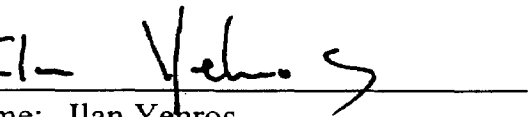
TDC GROUP, INC.

By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

RAVEN SOFTWARE CORPORATION

By:   
Name: Lawrence Goldberg  
Title: Vice President and Secretary

PNC BANK, NATIONAL ASSOCIATION,  
as Collateral Agent,

By:   
Name: Ilan Yehros  
Title: Vice President

[Signature Page to Security Agreement]

**SCHEDULE  
SECURITY AGREEMENT**

**SUBSIDIARY GUARANTORS**

<b>Entity</b>	<b>Address</b>
Activision Illinois, Inc.	CT Corporation System 208 S. LaSalle Street Chicago, IL 60604
Activision New York, Inc.	CT Corporation System 1633 Broadway New York, NY 10019
Activision Texas, Inc.	Corporation Service Company d/b/a CSC - Lawyers Incorporation Service Company 800 Brazos Austin, TX 78701
Activision Productions, Inc.	3100 Ocean Park Boulevard Santa Monica, CA 90405
The Disc Company International, Inc.	Professional Corporate Service Group, Inc. P.O. Box 3627 #1A Gallows Bay Christiansted, St. Croix U.S. Virgin Islands 00822
TDC Group, Inc.	Prentice-Hall Corporation System, Inc. 32 Loockerman Square Ste. L-100 Dover, DE
Raven Software Corporation	3 Point Place, Suite 1 Madison, Wisconsin 53719

**SCHEDULE II  
SECURITY AGREEMENT**

**Copyrights**

Copyrights Since 1994 Only (For older works, see list below)

<b>Work (Bold = Registered)</b>	<b>Description</b>	<b>Territory</b>	<b>Certificate #</b>	<b>Status</b>	<b>Status Date</b>
<b>Activision</b>					
Activision Classics	PSX	US		Application Filed	12/15/98
<b>Apocalypse</b>	PSX	US	PA 926-813	Registered	12/16/98
<b>Atari 2600 Action Pack 1</b>	PC 3.5" HD	US	PA 768-408	Registered	7/10/95
<b>Atari 2600 Action Pack 2</b>	PC CD / 3.5" HD	US	PA 768-409	Registered	7/11/95
<b>Battlezone</b>	PC	US	PA 886-148	Registered	3/19/98
<b>Blast Chamber</b>	PC	US	PA 829-470	Registered	11/25/96
<b>Dark Reign: The Future of War</b>	PC	US	PA 868-859	Registered	10/24/97
<b>Dark Reign Expansion: Rise of the Shadowhand</b>	PC	US	PA 903-413	Registered	5/12/98
<b>Elk Moon Murder, The</b>	PC	US	PA 817-425	Registered	7/11/96
<b>Heavy Gear</b>	PC	US	TX 4-640-461	Registered	1/9/98
<b>HyperBlade</b>	PC	US	PA 826-715	Registered	1/25/96
<b>HyperBlade</b>	Design Document	US	TXu 710-654	Registered	7/13/95
<b>Interstate '76</b>	PC	US	PA 835-903	Registered	4/7/97
<b>Interstate '76: Arsenal</b>	PC	US	PA 892-338	Registered	3/19/98
<b>Lost Treasures of Infocom I</b>	artwork, maps and text	US	VA 644-331	Registered	4/25/94
<b>Lost Treasures of Infocom II</b>	artwork, maps and text	US	VA 644-330	Registered	4/25/94
<b>MechWarrior II DOS</b>	DOS text of program only	US	TX 4-465-104	Registered	9/10/97
<b>MechWarrior II Win 95</b>	Win 95 text only	US	TX 4-465-103	Registered	9/16/97
<b>MechWarrior II: Mercenaries</b>	Win 95 text only	US		Application Filed	12/15/98
<b>Muppet Treasure Island</b>	Design Document	US	TXu 684-473	Registered	1/25/95
<b>NetStorm</b>	PC	US	PA 886-466	Registered	1/9/98
<b>Pitfall 3D: Beyond the Jungle</b>	PSX	US	PA 912-102	Registered	5/12/98
<b>Pitfall: The Mayan Adventure</b>	Sega CD	US	PA 726-189	Registered	2/21/95
<b>Pitfall: The Mayan Adventure</b>	Genesis	US	PA 658-194	Registered	2/21/95
<b>Pitfall: The Mayan Adventure</b>	SNES	US	PA 658-193	Registered	2/21/95
<b>Return to Zork</b>	CD-ROM version	US	PA 629-435	Registered	4/5/94
<b>Return to Zork</b>	PC version	US	PA 712-166	Registered	4/5/94
<b>Sacred Ground</b>	PC	US	PA 784-343	Registered	3/21/97
<b>Shanghai 1.0</b>	Mac	US	PA 720-207	Registered	7/7/95
<b>Shanghai Dynasty</b>	PC	US	PA 885-853	Registered	1/9/98
<b>Shanghai: Great Moments</b>	Design Document	US	Txu 710-655	Registered	7/13/95
<b>Shanghai: Great Moments</b>	PC CD-ROM	US	PA 820-115	Registered	4/10/96
<b>Spycraft: The Great Game</b>	PC CD-ROM	US	PA 820-111	Registered	3/12/96
<b>Spycraft: The Great Game</b>	Design Document	US	TXu 684-469	Registered	1/25/95
<b>Vigilante 8</b>	PC	US	PA 905-162	Registered	6/30/98
<b>Zork Grand Inquisitor</b>	PC	US	PA 886-467	Registered	1/9/98
<b>Zork Nemesis</b>	PC CD-ROM	US	PA 707-027	Registered	4/8/96

Work ( <b>Bold = Registered</b> )	Description	Territory	Certificate #	Status	Status Date
<b>Head Games</b>					
None					
<b>Raven</b>					
Heretic	PC	US	PA 817-440	Registered	7/15/96
Heretic	PC	Canada	454374	Registered	NA
Hexen	PC	US	PA 817-447	Registered	7/15/96
Hexen	PC	Canada	454373	Registered	NA
Hexen II	PC	US	PA 868-856	Registered	10/24/97
Hexen II: Portal of Praevus	PC	US	PA 910-301	Registered	6/30/98

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3. PA-161-109: Skiing. CLNA: acActivision, Inc.
4. PA-161-110: Kaboom]. CLNA: acActivision, Inc.
5. PA-188-571: Chopper command. CLNA: acActivision, Inc.
6. PA-188-572: Pitfall. CLNA: acActivision, Inc.
7. PA-188-573: River Raid. CLNA: acActivision, Inc.
8. PA-189-208: Enduro. CLNA: acActivision, Inc.
9. PA-189-209: Keystone Kapers. CLNA: acActivision, Inc.
10. PA-189-210: Robot Tank. CLNA: acActivision, Inc.
11. PA-189-211: Crackpots. CLNA: acActivision, Inc.
12. PA-189-212: MegaMania. CLNA: Activision, Inc.
13. PA-189-213: Decathlon. CLNA: Activision, Inc.
14. PA-189-214: Pressure Cooker. CLNA: Activision, Inc.
15. PA-191-031: Worm Whomper. CLNA: Activision, Inc.
16. PA-191-032: Kaboom. CLNA: Activision, Inc.
17. PA-191-033: River Raid. CLNA: Activision, Inc.
18. PA-191-034: Frostbite. CLNA: Activision, Inc.
19. PA-194-050: Space Shuttle--a Journey into Space. CLNA: acActivision, Inc.
20. PA-195-516: Beamrider. CLNA: acActivision, Inc.
21. PA-267-382: Enduro; for use with Atari video computer system. By Activision, Inc. CLNA: acActivision, Inc.
22. PA-267-383: Keystone Kapers; for use with Atari video computer system. By Activision, Inc. CLNA: acActivision, Inc.
23. PA-267-384: Robot Tank; for use with Atari video computer system. By Activision, Inc. CLNA: acActivision, Inc.
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27. PA-270-112: Zone Ranger / by Dan Thompson. CLNA: acActivision, Inc.
28. PA-270-113: Zenji / by Matthew Hubbard. CLNA: acActivision, Inc.
29. PA-270-114: Zenji / by Matthew Hubbard. CLNA: acActivision, Inc.
30. PA-270-115: Zenji / by Matthew Hubbard. CLNA: acActivision, Inc.
31. PA-270-116: Beamrider / by Dave Rolfe. CLNA: acActivision, Inc.
32. PA-270-117: The Dreadnaught factor / by Tom Loughry. CLNA: acActivision, Inc.

33. PA-270-118: Zone Ranger / by Dan Thompson. CLNA: acActivision, Inc.
34. PA-270-119: Private Eye (2600) / by Bob Whitehead . CLNA: acActivision, Inc.
35. PA-270-120: Happy Trails / conceived and designed by Carol Shaw . CLNA: acActivision, Inc.
36. PA-276-113: Pitfall II--Lost Caverns. CLNA: acActivision, Inc.
37. PA-276-114: H. E. R. O. CLNA: acActivision, Inc.
38. PA-277-562: Countdown to Shutdown. CLNA: on audiovisual work, artwork & printed text; acActivision, Inc.
39. PA-278-160: Hacker / by Steve Cartwright . CLNA: acActivision, Inc.
40. PA-278-161: Ghostbusters / by David Crane . CLNA: acActivision, Inc.
41. PA-290-819: Park Patrol. CLNA: acActivision, Inc.
42. PA-290-820: Mindshadow. CLNA: acActivision, Inc.
43. PA-290-821: The Designer's pencil. CLNA: acActivision, Inc.
44. PA-290-822: The Tracer sanction. CLNA: acActivision, Inc.
45. PA-290-823: Pastfinder. CLNA: acActivision, Inc.
46. PA-290-824: Ghostbusters. CLNA: acActivision, Inc.
47. PA-290-833: Space Shuttle--a Journey Into Space. CLNA: acActivision, Inc.
48. PA-301-865: Alcazar--the Forgotten Fortress. CLNA: acActivision, Inc.
49. PA-301-866: Master of the Lamps. CLNA: acActivision, Inc.
50. PA-301-867: Mindshadow. CLNA: acActivision, Inc.
51. PA-301-868: The Complete Computer Fireworks Celebration Kit. CLNA: acActivision, Inc.
52. PA-301-869: Alcazar--the Forgotten Fortress. CLNA: acActivision, Inc.
53. PA-301-870: Web Dimension. CLNA: acActivision, Inc.
54. PA-301-872: Master of the Lamps. CLNA: acActivision, Inc.
55. PA-301-873: Master of the Lamps. CLNA: acActivision, Inc.
56. PA-301-874: Little Computer People. CLNA: acActivision, Inc.
57. PA-301-878: The Great American Cross-Country Road Race. CLNA: acActivision, Inc.
58. PA-301-880: Little Computer People. CLNA: acActivision, Inc.
59. PA-301-881: The Great American Cross-Country Road Race. CLNA: acActivision, Inc.
60. PA-306-204: Hacker (I B M). CLNA: acActivision, Inc.
61. PA-306-205: Hacker (Atari XL/XE). CLNA: acActivision, Inc.
62. PA-306-206: Hacker (Apple). CLNA: acActivision, Inc.
63. PA-629-435: Return to Zork. CLNA: acActivision, Inc., employer for hire.
64. PA-658-193: Pitfall : the Mayan adventure. CLNA: acActivision, Inc.
65. PA-658-194: Pitfall : the Mayan adventure. CLNA: acActivision, Inc.
66. PA-707-027: Zork nemesis. CLNA: acActivision, Inc.
67. PA-712-166: Return to Zork. CLNA: acActivision, Inc.
68. PA-720-207: Shanghai 1.0 (for Macintosh) CLNA: Activision, Inc.
69. PA-726-189: Pitfall: the Mayan adventure. CLNA: acActivision, Inc.
70. PA-768-408: Atari 2600 action pack : for Windows : 15 games for your PC. CLNA: acActivision, Inc.
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84. PA-892-338: The Interstate '76 arsenal. CLNA: acActivision, Inc.
85. TX-1-041-442: Laser Blast. CLNA: acActivision, Inc.
86. TX-1-041-443: Tennis. CLNA: acActivision, Inc.
87. TX-1-041-444: Kaboom]. CLNA: acActivision, Inc.
88. TX-1-041-445: Skiing. CLNA: acActivision, Inc.
89. TX-1-259-027: Frostbite for the VCS / written by Steve Cartwright. CLNA: acActivision, Inc.
90. TX-1-259-028: Kaboom] For the 400/800 / adapted by Paul Willson from the Larry Kaplan original VCS game. CLNA: acActivision, Inc.
91. TX-1-259-029: River Raid for 400/800. CLNA: acActivision, Inc.
92. TX-1-259-030: Worm Whomper. CLNA: acActivision, Inc.
93. TX-1-283-993: Space shuttle program CLNA: acActivision, Inc.
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95. TX-1-534-128: Beamrider. CLNA: acActivision, Inc.
96. TX-1-534-129: Dreadnaught. CLNA: acActivision, Inc.
97. TX-1-534-130: Happy Trails. CLNA: acActivision, Inc.
98. TX-1-534-131: Private Eye. CLNA: acActivision, Inc.
99. TX-1-534-132: Zenji. CLNA: acActivision, Inc.
100. TX-1-534-133: Zenji. CLNA: acActivision, Inc.
101. TX-1-534-134: Zenji. CLNA: acActivision, Inc.
102. TX-1-534-135: Zone Ranger. CLNA: acActivision, Inc.
103. TX-1-534-136: Zone Ranger. CLNA: acActivision, Inc.
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108. TX-1-710-566: Megamania. CLNA: acActivision, Inc.
109. TX-1-710-567: Pressure Cooker. CLNA: acActivision, Inc.
110. TX-1-710-568: Robot Tank. CLNA: acActivision, Inc.
111. TX-1-710-569: Enduro. CLNA: acActivision, Inc.
112. TX-1-751-919: Countdown to Shutdown. CLNA: on computer program text; acActivision, Inc.
113. TX-1-769-449: Ghostbusters (for use with I B M computer) CLNA: acActivision, Inc.
114. TX-1-778-408: Hacker C64. CLNA: acActivision, Inc.
115. TX-1-788-356: Space Shuttle-A Journey Into Space (for use with Atari home computers) CLNA: acActivision, Inc.
116. TX-1-811-963: Ghostbusters (for use with Commodore 64). CLNA: acActivision, Inc.
117. TX-1-811-964: Pastfinder (for use with Commodore 64) CLNA: acActivision, Inc.
118. TX-1-811-965: Mindshadow (for use with Commodore 64) CLNA: acActivision, Inc.
119. TX-1-811-966: Park Patrol (for use with Commodore 64) CLNA: acActivision, Inc.



120. TX-1-811-967: The Designer's Pencil (for use with Commodore 64)  
CLNA: acActivision, Inc.
121. TX-1-811-968: Tracer Sanction (for use with Commodore 64) CLNA:  
acActivision, Inc.
122. TX-1-887-135: Great American Cross-Country Road Race (AHC) CLNA:  
acActivision, Inc.
123. TX-1-887-136: Activision Home Computer Software presents Master of the  
Lamps / conceived by Russell Lieblich ; designed by Peter  
Kaminski. CLNA: acActivision, Inc.
124. TX-1-887-137: Master of the Lamps (Apple) / translated by Dan  
Thompson. CLNA: acActivision, Inc.
125. TX-1-887-138: Master of the Lamps (AHC) CLNA: acActivision, Inc.
126. TX-1-887-139: Alcazar-the Forgotten Fortress (C64) CLNA:  
acActivision, Inc.
127. TX-1-887-140: Alcazar-the Forgotten Fortress (Apple II) CLNA:  
acActivision, Inc.
128. TX-1-887-141: Mindshadow (AHC) CLNA: acActivision, Inc.
129. TX-1-887-142: The Complete Computer Fireworks Celebration Kit (C64) :  
object code. CLNA: acActivision, Inc.
130. TX-1-887-143: Web Dimension C64-disk & cassette : object code. CLNA:  
acActivision, Inc.
131. TX-1-887-144: Little Computer People (Apple) CLNA: acActivision,  
Inc.
132. TX-1-887-145: Great American Cross-Country Road Race (C64) : object  
code. CLNA: acActivision, Inc.
133. TX-1-888-940: Little Computer People. CLNA: acActivision, Inc.
134. TX-1-928-709: Hacker (Atari XE/XL) CLNA: acActivision, Inc.
135. TX-1-950-322: Hacker. CLNA: acActivision, Inc.
136. TX-1-952-633: Hacker (Apple) CLNA: acActivision, Inc.
137. TX-4-465-103: MechWarrior II Windows 95. CLNA: acActivision, Inc.
138. TX-4-465-104: MechWarrior II DOS simulation. CLNA: acActivision,  
Inc.
139. TX-4-640-461: Heavy Gear. CLNA: acActiVision, Inc.
140. TXu-684-469: The great game. CLNA: acActivision, Inc.
141. TXu-684-473: Activision Studios presents Muppet treasure island :  
CD-ROM adventure game treatment / written by Larry Kay, with a  
shipload of help from Cheryl Weiner, Mark Loparco, Nicholas  
Koenig, Bill Prady. CLNA: acActivision, Inc. (employer  
for hire)
142. TXu-710-654: HockeyDrome : design document. CLNA: acActivision,  
Inc.
143. TXu-710-655: Shanghai : great moments : design document. CLNA:  
acActivision, Inc.
144. VA-144-423: Pitfall] : No. 4339. CLNA: Activision, Inc. &  
Saturday Supercade Ruby-Spears Enterprises, Inc.
145. VA-148-882: Worm whomper. CLNA: acActivision, Inc.
146. VA-148-883: Frostbite. CLNA: acActivision, Inc.
147. VA-148-884: River raid. CLNA: acActivision, Inc.
148. VA-148-885: Kaboom] CLNA: acActivision, Inc.
149. VA-150-604: Beamrider / conceived and designed by Dave Rolfe.  
CLNA: on pictorial material & text; acActivision, Inc.
150. VA-163-000: Pitfall] : A coloring book : no. 1046-51. CLNA:  
acActivision, Inc.
151. VA-169-355: Pitfall] : ages 3 to 7 : no. 4643. CLNA:  
acActivision, Inc.
152. VA-176-450: Danger, quicksand. CLNA: acActivision, Inc.

153. VA-176-503: Pitfall] jigsaw puzzle : 99 pieces, fully interlocking : ages 6 to 12 : no. 4660. CLNA:  
acActivision, Inc.
154. VA-182-589: Pitfall] Magic slate : no. 4442C-42. CLNA:  
acActivision, Inc.
155. VA-182-597: Pitfall] Magic slate : no. 4441C-42/4454C-42. CLNA:  
acActivision, Inc.
156. VA-644-330: The lost treasures of Infocom II : manual / maual and  
software-rework aKelley Zmak ; QA aKelly Rodgers. CLNA: on  
compilation of prev. pub. material with additional introd. &  
instructions; acActivision, Inc. (employer for hire)
157. VA-644-331: The lost treasures of Infocom / shell programming &  
re-mastering aKevin Cheung ; manual & Hint book re-mastering  
aKelly Zmak and aPat Zmak ; software QA aKelly Rodgers &  
aMike Coustier. CLNA: on compilation of prev. pub. material  
with additional introd. & instructions; acActivision, Inc.  
(employer for hire)

SCHEDULE III  
SECURITY AGREEMENT

Patents

1. "Video memory system"

Patent Number: 4,644,495, issued 2/17/87

Serial Number: 06568078, Filed 1/4/84

Recordation date: 2/5/97

Reel/Frame: 8334/0944

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United States Patent 4,644,495 Crane Feb. 17, 1987  
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Video memory system

Abstract

An improved video memory system includes a program memory, a display data memory, and a plurality of data fetchers. The data fetchers are used to indirectly address the display data in the display data memory. The data fetchers are programmed during vertical blanking so that selected display data is fetched at selected vertical display positions. During each scan line each data fetcher is "read" by: (1) decrementing a counter in the data fetcher; (2) comparing the counter value against preselected top and bottom values; and (3) using the counter value to indirectly address display data that is to be displayed on the current scan line if the counter value is between the top and bottom values. This relieves the host computer of having to keep track of the current vertical display position, thereby freeing it to use the saved computer cycles to produce more interesting video games with more complex display graphics. In addition there are provided data fetchers that can be programmed to periodically issue signals usable either for drawing a line with a predefined slope or modulating the amplitude of a sound generator.

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Inventors: Crane; David P. (Menlo Park, CA). Assignee: Activision, Inc. (Mountain View, CA). Appl. No.: 568,078 Filed: Jan. 4, 1984 Intl. Cl.: G06F 3/14, G09G 1/02 Current U.S. Cl.: 345/516; 364/916.5; 364/920.7; 364/926; 364/927; 364/927.2; 364/927.66; 364/927.7; 364/927.8; 364/927.83; 364/929.2; 364/929.3; 364/933.2; 364/942.8; 364/947; 364/947.2; 364/947.4; 364/948.1; 364/949; 364/949.2; 364/957; 364/959; 364/960; 364/960.2; 364/964; 364/964.1; 364/965; 364/965.5; 364/DIG 2 Field of Search: 364/200 MS File, 900 MS File; 340/721, 723, 750, 799, 801, 802; 273/1 E, DIG. 28  
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References Cited | [Referenced By]

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U.S. Patent Documents

4,165,072 Aug., 1979 Stubben 340/799 X4,189,728 Feb., 1980 Stubben 340/721 X4,232,374 Nov., 1980 Chung et al. 340/799 X4,296,476 Oct., 1981 Mayer 364/9004,418,344 Nov., 1983 Brown 340/750 X4,471,464 Sept., 1984 Mayer et al. 364/900

Primary Examiner: Zache; Raulfe B.

Assistant Examiner: Munteanu; Florin

Attorney, Agent or Firm: Flehr, Hohbach, Test, Albritton & Herbert

20 Claims, 16 Drawing Figures

**SCHEDULE IV  
SECURITY AGREEMENT**

**Trademarks**

<b>Mark</b> (Regular = Pending) (Bold = Registered)	<b>Country</b>	<b>Status</b>	<b>Filing Serial No.</b>	<b>Date of Filing, Publication, or Status</b>	<b>TM Reg. No.</b>	<b>Date Issued</b>
<b>Activision, Inc.</b>						
1. <b>A Mind Forever Voyaging</b>	US	Registered	73-608142	7/7/86	1428599	02/10/87
2. <b>Activision (Stylized Letters)</b>	US	Registered	73-277758	9/15/80	1207377	09/7/82
3. <b>Activision (Words Only)</b>	California	Registered			64432	09/18/81
4. <b>Activision (Words Only), Class 28</b>	US	Registered	73-277756	9/15/80	1183958	12/29/81
5. <b>Activision (Words Only), Class 9</b>	US	Registered	73-517928	1/17/85	1350487	07/23/85
6. <b>Apocalypse Design and Word</b>	US	Filed	75-292831	5/15/97		
7. <b>Beneath</b>	US	Filed	75-423489	1/26/98		
8. <b>Blast Chamber</b>	US	Registered	75-078460	3/25/96	2080286	07/15/97
9. <b>Call to Power</b>	US	Filed	75-489557	5/22/98		
10. <b>Dark Reign</b>	US	Filed	75-170411	9/23/96	2244898	05/11/99
11. <b>Deadline</b>	US	Registered	75-083480	4/8/96	2037254	02/11/97
12. <b>Digital Diva</b>	US	Filed	75-559044	9/24/98		
13. <b>Freeway</b>	US	Registered	73-328837	9/21/81	1198971	06/22/82
14. <b>Game Vault</b>	US	Registered	75-361454	9/22/98	2210725	12/15/98
15. <b>Grand Tour Racing</b>	US	Registered	75-281182	7/31/98	2205066	11/24/98
16. <b>Guardian Crusade</b>	US	Filed	75-595748	11/25/98		
17. <b>Infocom</b>	US	Registered	74-010572	12/13/89	1642637	04/30/91
18. <b>Interstate '76</b>	US	Registered	75-090087	4/12/96	2080306	07/15/97
19. <b>Kaboom!</b>	US	Registered	75-099324	5/6/96	2066953	06/3/97
20. <b>Laser Blast</b>	US	Registered	73-305627	4/13/81	1208648	09/14/82
21. <b>Leather Goddesses Of Phobos</b>	US	Registered	73-640839	1/21/87	1453326	08/18/87
22. <b>Mob Rules</b>	US	Filed		5/11/99		
23. <b>Pitfall - The Mayan Adventure</b>	US	Registered	74-573049	4/15/94	1947528	01/9/96
24. <b>Pitfall 3D: Beyond The Jungle</b>	US	Filed	75-281184	5/26/98		
25. <b>Pitfall!</b>	US	Registered	73-388848	9/24/82	1289150	08/7/84
26. <b>Planetfall</b>	US	Registered	75-083479	4/8/96	2037253	02/11/97
27. <b>Pool Hustler</b>	US	Filed	75-559045	9/24/98		
28. <b>Power Move Pro Wrestling</b>	US	Registered	75-148951	3/17/98	2189776	09/15/98
29. <b>Return To Zork</b>	US	Registered	74-468337	12/10/93	1908632	08/1/95
30. <b>River Raid</b>	US	Registered	73-407502	12/27/82	1282626	06/19/84
31. <b>Sacred Ground</b>	US	Registered	75-072397	3/21/96	2080274	07/15/97
32. <b>Shanghai</b>	US	Registered	74-468336	12/10/93	1904528	07/11/95
33. <b>Sorcerer</b>	US	Registered	73-486750	6/25/84	1429416	02/17/87
34. <b>Spellbreaker</b>	US	Registered	73-608176	7/7/86	1428601	02/10/87
35. <b>Spycraft</b>	US	Registered	75-071821	3/13/96	2037102	02/11/97
36. <b>Spycraft: The Great Game</b>	US	Registered	75-071822	3/13/96	2037103	02/11/97
37. <b>Teen Digital Diva</b>	US	Filed	75-559049	9/24/98		
38. <b>The Elk Moon Murder</b>	US	Registered	75-072393	3/7/96	2037111	02/11/97
39. <b>Top Shot</b>	US	Filed	75-563865	9/30/98		
40. <b>Trinity</b>	US	Registered	73-620523	9/17/86	1440053	05/19/87
41. <b>Vigilante 8</b>	US	Filed	75-394036	11/21/97		
42. <b>Xtinction</b>	US	Filed	75-227190	1/20/98		
43. <b>Young Guns</b>	US	Filed	75-447074	3/9/98		
44. <b>Zork</b>	US	Registered	73-320511	7/24/81	1227668	02/15/83
45. <b>Zork Grand Inquisitor</b>	US	Registered	75-387280	9/4/98	2214524	12/29/98

**Head Games Publishing, Inc.**

1.	Big Game Hunter	US	Filed		5/11/99		
2.	Big Game Photoshoot	US	Filed	75-610905	12/23/98		
3.	Duckhunter Pro 3D	US	Filed	75-447262	3/9/98		
4.	Extreme Boards and Blades	US	Filed	75-645737	2/22/99		
5.	Extreme Bullrider	US	Filed	75-645738	2/22/99		
6.	Extreme Mountain Biking	US	Filed	75-645734	2/22/99		
7.	Extreme Rock Climbing	US	Filed	75-645739	2/22/99		
8.	Extreme Rodeo	US	Filed	75-645735	2/22/99		
9.	Extreme Watersports	US	Filed	75-472752	4/23/98		
10.	Extreme Whitewater	US	Filed	75-645736	2/22/99		
11.	Head Games Publishing	US	Filed		6/2/99		
12.	Paintbrawl	US	Filed	75-447263	3/9/98		
13.	ProBowl 3D	US	Filed	75-447265	3/9/98		
14.	Profishing 3D	US	Filed	75-447264	3/9/98		
15.	Sportsman's Challenge	US	Filed		5/21/99		
16.	Upland Game Hunter	US	Filed	75-472751	4/23/98		

**Raven Software Corporation**

1.	Heretic (Design)	US	Registered	75-080628	3/29/96	2013994	11/5/96
2.	Heretic (Words Only)	US	Registered	74-721116	8/25/95	2001197	09/17/96
3.	Hexen (Design)	US	Registered	75-039835	1/3/96	2017842	11/19/96
4.	Hexen (Words Only)	US	Registered	75-039933	1/3/96	2012122	10/29/96
5.	Portal of Praevus	US	Filed	75-478891	5/4/98		
6.	Raven Software (logo)	US	Registered	74-646599	3/14/95	2139931	03/3/98
7.	Heretic	France	Registered			95596400	
8.	Heretic	Benelux	Registered			585915	
9.	Heretic	Spain	Registered			2001504	
10.	Heretic	U.K.	Registered			2041803	
11.	Heretic	Australia	Registered			676245	
12.	Hexen	EC	Filed	267,450			
13.	Heretic	Italy	Filed	T096C00080	1/11/96		

**CentreSoft Limited**

1.	Centresoft	UK	Registered			1226497	09/15/84
2.	Softdirect	UK	Registered			2025417	
3.	Centresite	UK	Filed				

**CD-Contact Data GmbH**

1.	Blaze	Germany	Registered			398-04-685	03/20/98
2.	Blaze	UK	Filed	2168000	-		
3.	Piranha Xtreme	Germany	Registered			398-21-289	07/23/98

**NBG EDV Handels und Verlags GmbH & Co. KG**

1.	Romside	Germany	Registered			2091167	02/3/95
2.	Bootsoccer	Germany	Registered			39638694	10/4/96

Activision, Inc. International Trademarks

	Mark	Country	Status	Serial/Registration No.	Date Issued
1.	Activision	Argentina	Registered	1,533,857	08/09/84
2.	Activision	Austria	Registered	103,402	08/16/83
3.	Activision	Australia	Registered	356,097	09/15/80
4.	Activision	B.V.I.	Registered	2,069	07/11/84
5.	Activision	Benelux	Registered	381,432	03/25/82
6.	Activision	Brazil	Registered	810,923,521	12/13/83
7.	Activision	Canada	Registered	271,887	08/20/82
8.	Activision	Chile	Registered	420,713	12/01/83
9.	Activision	China	Registered	208,139	05/14/94
10.	Activision	Columbia	Registered	333,592	11/18/94
11.	Activision	Denmark	Registered	4417/1982	12/17/82
12.	Activision	Dominican Republic	Registered	35,519	05/30/83
13.	Activision	Finland	Registered	89,515	08/06/84
14.	Activision	France	Registered	267,540	02/14/81
15.	Activision	Germany	Registered	1,055,089	02/06/91
16.	Activision	Germany	Registered	944,106	08/18/89
17.	Activision	Great Britain	Registered	1,148,580	09/15/80
18.	Activision	Greece	Registered	72,149	06/16/82
19.	Activision	Guatemala	Registered	85164	09/19/97
20.	Activision	Japan	Registered	1,772,445	05/30/85
21.	Activision	Iceland	Registered	360/1982	11/12/82
22.	Activision	Indonesia	Registered	174,044	07/14/93
23.	Activision	India	Registered	404,210B	04/13/97
24.	Activision	Ireland	Registered	106,188	05/12/82
25.	Activision	Israel	Registered	54,986	03/24/89
26.	Activision	Italy	Registered	397,255	09/25/81
27.	Activision	Korea	Registered	5672/83	11/30/83
28.	Activision	Malaysia(Sabah)	Registered	S/030093	06/18/89
29.	Activision	Mexico	Registered	387,378	08/21/90
30.	Activision	Monaco	Registered	829,243	06/28/82
31.	Activision	Netherlands Antilles	Registered	12686	11/25/82
32.	Activision	New Zealand	Registered	141,270	03/24/82
33.	Activision	Norway	Registered	133,728	10/06/98
34.	Activision	Panama	Registered	030,799	05/30/98
35.	Activision	Peru	Registered	79,691	01/27/94
36.	Activision	Philippines	Registered	38,536	04/06/88
37.	Activision	Portugal	Registered	220,781D	06/27/89
38.	Activision	Singapore	Registered	1566/82	03/29/89
39.	Activision	South Africa	Registered	81/4423	06/25/91
40.	Activision	South Africa	Registered	81/6710	09/11/91
41.	Activision	Spain	Registered	1,569,580	05/23/90
42.	Activision	Sweden	Registered	187,586	05/08/83
43.	Activision	Switzerland	Registered	319,053	05/26/82
44.	Activision	Taiwan	Registered	621,389	11/16/93
45.	Activision	Taiwan	Registered	203,942	02/01/83
46.	Activision	Thailand	Registered	TM1153	07/16/82
47.	Activision	Turkey	Registered	81,589	06/05/84
48.	Activision	Venezuela	Registered	115,123F	10/02/85
49.	Dark Reign	European Union	Filed	928910	09/18/98
50.	Interstate '76	European Union	Filed	938944	09/18/98
51.	Mediagenic	Canada	Registered	380,236	02/22/91
52.	Mediagenic	France	Registered	1,464,699	05/11/88
53.	Mediagenic	Great Britain	Registered	1,343,884	05/10/88
54.	Mediagenic	Germany	Registered	1,148,168	05/10/88
55.	River Raid	France	Registered	1,233,093	03/16/93
56.	Electric Dreams	France	Registered	1,326,874	10/15/85

**SCHEDULE V  
SECURITY AGREEMENT  
COLLATERAL**

**COLLATERAL LOCATIONS**

<u>Name</u>	<u>Address</u>	<u>City/State/Zip</u>	<u>Country</u>
Alternatives-Synergy Graphics*	5101 Industrial Blvd NE	Minneapolis, MN 55421	USA
Ditan Atlanta	5446 Old Dixie Rd.	Forest Park, GA 30050	USA
Ditan Indiana	4555 W. Bradbury Suite 4	Indianapolis, IN 46241	USA
Ditan Hayward	3335 Arden Rd. 26551 Danti Court	Hayward, CA 94545	USA
JVC Disc America	2750 Barrett Lakes Blvd.	Kennesaw, GA 30144	USA
JVC Disc America	2 JVC Road	Tuscaloosa, AL 35405	USA
JVC Disc America	3443 Laguna Blvd.	Elk Grove, CA 95758-7435	USA
Zomax, Inc.*	5353 Nathan Lane	Plymouth, MN 55442	USA
Zomax, Inc.*	800 Corporate Way	Freemont, CA 94539	USA
Sony Disc Manufacturing	3181 N. Fruitridge Ave.	Terre Haute, IN 47804	USA

\* minimal amount - under \$40,000

Form of Lock Box Agreement

(See Attached)



Treasury Management Services - Implementation Worksheet  
 Funds Transfer - Automatic Standing Transfer Instructions - Change

**A** Add/Change/Delete (A/C/D) to \_\_\_\_\_

Section I - Instructions

Add/Change/Delete	Originating Party	Receiving Party
AST Code	AC = Account Number 1891151548	AC = Account Number 196039957830
Receiving Bank :	ORG = Originating Party	BNF = Receiving Party
PNC Bank	Activision, Inc	PNC Bank, Nat'l Assoc Activision, Inc
Bank	Name	
031207607	3100 Ocean Park Blvd	Two Tower Center Boulevard 4th Floor
ABA#	Address	
East Brunswick, New Jersey	Santa Monica, Ca	East Brunswick, New Jersey
City/State	City/State	
Additional Message:		

Section II - RULES

Miscellaneous Instructions

TRANSFER AMOUNT Daily Collected Balances \_\_\_\_\_  
 IN EXCESS OF \_\_\_\_\_  
 IN INCREMENTS OF \_\_\_\_\_

Section III - Calendar

Day of Week:  Monday  Tuesday  Wednesday  Thursday  Friday  ALL

Day of Month: (CIRCLE or Bold)

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	ALL			

Business Day of Month: (CIRCLE or Bold)

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	ALL				

Start Date \_\_\_\_\_ Expiration Date \_\_\_\_\_

Section IV - Authorization

Authorized Signor:

Signature \_\_\_\_\_

Print or Type Name \_\_\_\_\_

INTERNAL USE ONLY			
Shortname		Date Received	
Affiliate Code	Processed by:	Processed Date	
Verified (Circle) Sig Card	Approved by:	Approved Date	

Treasury Management Service Agreement  
Wholesale Lockbox Service

DESCRIPTION OF SERVICE:

The Wholesale Lockbox service accelerates the conversion of receivables into available funds by reducing mail processing and deposit float. Remittances to a corporate customer are sent by check to a specially numbered post office box using a unique zip code, accessed only by Comerica's Lockbox Department. Bank collects the mail, processes the remittances and deposits the funds to the customer's account. Invoices, remittance information and correspondence are forwarded to the customer.

AGREEMENT:

Customer agrees to receive the Rapid Remittance/Lockbox service (the "Service") offered by Bank, and Bank agrees to provide Service to Customer. Customer agrees that Service provided by Bank and its affiliates shall be governed by, and acknowledges receipt of, the Comerica Treasury Management Services Master Agreement (publication date as set forth below) and all applicable implementation documents and user guides as such documents are amended from time to time.

Bank and Customer agree to the following terms in addition to those set forth in the aforementioned documents and agreements, with respect to the Rapid Remittance/Lockbox Service.

1. Customer agrees to provide the Bank with correct and timely service implementation information as requested by Bank.
2. Customer agrees that Service changes requested by an authorized representative of Customer may be executed without requiring a new Service Agreement.
3. By initiating the Service(s) referenced above, the Customer agrees to the terms of this Agreement.

CUSTOMER

Activision, Inc.  
Customer Name  
3100 Ocean Park Blvd.  
Street Address  
Santa Monica, Ca. 90405-3032  
City, State  
Authorized Signature  
Name  
Title  
Telephone No.  
Date

Authorized Signature  
Joy Bridges  
Name  
Vice President  
Title  
714-435-3932  
Telephone No.  
Date  
May, 1997  
Publication date of Treasury Management Services  
Master Agreement

**TREASURY MANAGEMENT SERVICES  
CONTROLLED LOCKBOX AND COLLATERAL ACCOUNT SERVICE AGREEMENT**

(lbximmedwir.coco2b)

This Treasury Management Lockbox and Collateral Account Agreement ("Agreement") is entered into by the Bank designated below (herein called "Bank"), the Customer designated below (herein called "Customer") and the Secured Party or Agent for Secured Party Lenders designated below (herein called "Secured Party").

Definitions. For purposes of this Agreement the following terms will have the following meanings:

**Collected Balance**-is the balance in the Collateral Account that reflects deposits to the account, posted withdrawals, other debits, less deposited items in the process of collection.

**Controlled Collateral Account ("Collateral Account")**-is the account at Bank whose number is set forth in the Information Document attached hereto.

**Funds Transfer Business Day**- is each day the Bank is open for purposes of conducting wire transfers excluding Saturdays, Sunday and Federal holidays.

**Information Document**- is the document attached hereto identifying the Collateral Account number and Lockbox number assigned by Bank, the beneficiary bank and account, addresses for notices and other operational information.

**1. Relationship of the Parties.**

(a) Pursuant to a Credit Agreement dated as of June 21, 1999 entered into by Customer, Secured Party and the financial institutions designated this Lockbox and Collateral Account service arrangement is being established with Bank. The parties understand and agree that Bank is not a party to the financing arrangement between Customer and Secured Party and therefore is not subject to the terms of such arrangement except as specifically set forth in this Agreement.

(b) Customer has granted and Bank recognizes Secured Party's security interest and control in and over the funds and other items received and/or deposited in the Lockbox and Collateral Account. The Secured Party shall have the absolute and exclusive right and authority to effect and direct transfers and withdrawals to and from the Collateral Account without limitations, except as otherwise set forth in this Agreement. Notwithstanding the foregoing, Secured Party's rights may be limited by the terms of the Credit Agreement described in Section 1(a) above, however, such terms shall be construed and enforced separately and apart from this Agreement.

(c) The Collateral Account will be registered on Bank's records as, "Customer for the benefit of Secured Party," and the Customer's EIN will be used for all reporting purposes. Customer shall certify its EIN on Bank's Signature Card.

(d) No Authorized Signer as defined in the Bank's Business and Personal Deposit Account Contract ("Account Contract") shall be listed on the Bank's Signature Card, and no withdrawals or transfers of any kind except as specifically set forth in this Agreement shall be authorized.

(e) In addition to the terms contained in this Agreement, the parties agree that the Collateral Account will be subject to the terms contained in the Account Contract ("Account Contract"). To the extent any term of the Account Contract conflicts with any term of this Agreement, the terms of this Agreement shall prevail.

(f) Customer and Secured Party agree that Bank shall be fully protected and indemnified in acting on any order or direction given by Secured Party pursuant to and in accordance with this Agreement. Bank shall have no duty to notify Customer or make any inquiry whatsoever as to Secured Party's right or authority to give such orders or directions.

**2. Representations and Warranties.**

(a) Customer represents that it will notify its accounts that remittance checks payable to Customer shall be mailed to the Lockbox.

(b) Each of the undersigned parties warrants for itself that it is authorized to enter into this Agreement.

**3. Lockbox Services.** The services and procedures for processing items received in the Lockbox will be those as set forth below, except as otherwise stated in the Information Document or User Manual:

- (i) Bank will credit all checks received in the Lockbox to the Collateral Account.
- (ii) Bank will maintain a microfilm, image or other similar record of each remittance check processed and deposited under the terms of this Agreement for six years.
- (iii) Bank will process checks received in the Lockbox in accordance with the Lockbox User Guide, a copy of which has been provided to Customer and/or Secured Party. In addition, checks will be processed as follows:
  - a. Foreign items will be processed according to Bank's usual operating procedures. These procedures may be obtained upon written request.
  - b. Any check containing a variance of any kind between the numerical and written amount will be processed, on the basis of (i) the invoice/statement amount returned with the item, provided that it matches either the numerical or written amount, or (ii) the written amount, if no invoice or statement was returned with the item or the invoice amount does not match either the written or numeric amount on the item.
  - c. Undated checks will be dated with either the processing date or postmark date.
  - d. Any item processed and credited to the Collateral Account that is later returned unpaid for any reason, will be debited from the Collateral Account.
  - e. All writing on checks or other correspondence such as, "payment in full," "disputed amount," "paid under protest," "final payment" or other language indicating a dispute or instruction regarding the amount tendered, will be disregarded and the item will be processed in the same manner as if it contained no such writing or correspondence.

**4. Collateral Account Service.**

- (a) Bank will deposit all funds received through the Lockbox to the Collateral Account.
- (b) The Customer will make or direct all deposits, ACH credits and wire credits to the Collateral Account. Secured Party understands and agrees that it is not the Bank's duty to oversee that the Customer complies with this provision.
- (c) Customer shall have no access to and shall make no attempt directly or indirectly to debit, have debited or otherwise access the funds in the Collateral Account.
- (d) At the close of each Funds Transfer Business day, the Bank will transfer from the Collateral Account the Collected Balance less returned items and fees authorized under Section 5 below to the beneficiary bank and designated account described in the Information Document. All such transfers shall be effected by federal wire or other means as Bank may choose. Any changes in regard to the transfer must be given by Secured Party to the Bank on the Secured Party Notice Form (Exhibit A) attached hereto.

Except as stated in this Section 4, no withdrawals or transfers shall be authorized from the Collateral Account.

**5. Fees, charges, costs and returned items.** Fees and charges for the Services described in this Agreement are those listed in Exhibit B attached hereto and incorporated herein and the fees and charges set forth in the Business Account Service Charge and Interest Information brochure, as such fees and charges may be amended. All fees, service charges, costs, adjustments for any deposit errors, returned or dishonored items, uncollected funds or any other deficiency for other charges and claims for any liability, loss, damage cost or expense of Bank relating to the Lockbox Services and the Collateral Account will be charged to the Collateral Account. In the event Bank is unable to recover all amounts authorized under this Agreement, Bank may, until such amounts are paid in full, (i) debit any other account of Customer, (ii) debit any other account in the name of Customer for the benefit of Secured Party, and/or (iii) make demand on Customer and/or Secured Party and such party(ies) shall remit payment in good and collected funds within two (2) Funds Transfer Business Days of Bank's demand. Customer and Secured Party shall be jointly and severally liable to Bank for the amounts Bank is authorized to receive under this Agreement.

Except as set forth in this Section 5, Bank shall not exercise any right of set-off it may have by contract or law in the funds received in the Lockbox and those deposited to the Collateral Account, however, Bank shall have the right to assert all other remedies authorized under this Agreement, the Account Contract or allowed by law against Customer and/or Secured Party for payment of any fees or obligations owing to Bank or to enforce any indemnifications provided in this Agreement.

6. **Limitation of Liability.** Customer and Secured Party understand and agree that for the purpose of accepting and processing the items that are received in the Lockbox and/or deposited to the Collateral Account, Bank is acting as the agent of the Customer for the benefit of Secured Party. Customer agrees to and does hereby indemnify and hold the Bank harmless from and against any and all expenses, costs, claims, causes of action, and liabilities resulting from claims by third parties which directly or indirectly arise from the handling of and credit given for remittance items processed and/or deposited under this Agreement.

In acting or performing under this Agreement, the Bank shall be entitled to rely on any paper or document reasonably believed by Bank to be genuine, correct and signed or sent by an authorized representative of Customer or Secured Party, as appropriate.

The parties agree that Bank shall not be liable to Customer or Secured Party for any loss directly or indirectly resulting from Bank's improper processing of items received in the Lockbox except for loss resulting directly from the Bank's own gross negligence or willful misconduct. The parties agree that substantial compliance by Bank with the terms of this Agreement, the Bank's Lockbox User Manual and the Account Contract, as they may be amended from time to time, shall be deemed to constitute the exercise of ordinary and reasonable care. In the event that Bank is liable to Customer or Secured Party under this Agreement, Bank's liability shall be limited to the actual direct and provable amount of money damages suffered by the claiming party.

Notwithstanding the foregoing, in no event will the Bank be liable for (i) any special, consequential or exemplary damages, or for lost profits, (ii) any failure to perform the Bank's responsibilities under this Agreement if such failure is due to strikes, lockouts or other labor disturbances, riots or civil commotions, fire or other casualty, earthquakes, floods, windstorms, lightning or other acts of God, epidemics, sabotage, insurrection, war, disorders, hostilities, expropriation or confiscation of properties, equipment malfunctions, power failures, failures of or delays by carriers or other third parties, interference by civil or military authorities, or any other cause or condition beyond the Bank's control, (iii) any act or failure to act by Customer or Secured Party and (iv) acting pursuant to a court order, subpoena, garnishment, tax levy or similar process in regard to any account or Service covered by this Agreement.

7. **Termination.** This Agreement may not be terminated by Customer. Either Secured Party or Bank may terminate this Agreement upon giving the other parties 10 days prior written notice. In the event of a breach of this Agreement or if Bank is no longer authorized by law or advised by counsel that performance of any of the Services described herein is prohibited, either Secured Party or Bank may terminate this Agreement without prior notice by giving written notice of termination for cause to the other parties. Any termination of this Agreement shall not affect in any way the obligations or liabilities of any party which arose prior to the effective date of the termination.

(a) **Termination by Secured Party.** If the Secured Party terminates this Agreement any security interest which the Secured Party had in the Collateral Account and Lockbox shall be deemed terminated effective as of 12:01 a.m. Detroit, Michigan time on the first Funds Transfer Business Day following the effective day of termination. Customer shall be solely liable to Bank for any fees and returned items which were credited or incurred after the Secured Party's termination of this Agreement. Customer may request in writing that on the effective date of termination of this Agreement by Secured Party that Bank close the Lockbox and Collateral Account or Customer may execute in a form satisfactory to Bank new lockbox service and account agreements for the Lockbox and a new account for future deposits. If Bank does not receive and accept such new agreements from Customer by the Secured Party's effective termination date of this Agreement, Bank will close the Lockbox and Collateral Account and any items sent to the Lockbox will be returned in accordance with Post Office policy/procedures and Bank's duties under this Agreement shall be terminated.

(b) **Termination by Bank.** If Bank terminates this Agreement, Bank shall, on the effective date of termination, close the Collateral Account and within five (5) Funds Transfer Business Days thereafter transfer to the Secured Party the balance in the Collateral Account, less fees and returned items owed to Bank. Unless otherwise directed in writing by Secured Party, Bank shall at Secured Party's expense, (including but not limited to packaging costs, delivery costs, and special processing costs), return to the Secured Party all unprocessed items or other property received in the Lockbox. The Bank may,

however, close the Lockbox at anytime on or after the effective date of its termination of this Agreement and any items sent to the Lockbox will be returned according to Post Office policies/procedures and Bank's duties under this Agreement shall be terminated.

8. **Notices.** Notices and other communications required under Sections 4(d) and 7 of this Agreement shall be in writing directed to the appropriate party as set forth in the Information Document, and be delivered by certified mail, return receipt requested, postage and certification charges prepaid. Notices authorized or required under other Sections of this Agreement shall be in writing, addressed to the appropriate parties and mailed postage pre-paid, regular US mail. Unless otherwise stated in this Agreement notices shall be deemed received on the earlier of the third business day following mailing or when actually received and shall be effective no earlier than two (2) Funds Transfer Business Days after receipt. Secured Party must use the Secured Party Notice to exercise its rights under Section 4 (d) and to change beneficiary bank and account information.

9. **Entire Agreement.** This Agreement, the Bank's Lockbox User Manual and Account Contract constitute the entire agreement between the parties regarding the Lockbox and Collateral Account Services described in this Agreement. This contract supersedes any existing Agreement between Bank, and Customer and/or Secured Party for the Lockbox.

10. **Amendments.** This Agreement may not be amended unless such amendment is in writing and executed by Customer, Secured Party and Bank. Notwithstanding the foregoing, any change of address for receipt of notices, changes to beneficiary bank/account, amendments allowed under the terms of the Account Contract and changes to fees and charges are not deemed amendments requiring the signatures of all of the parties to this Agreement.

11. **Governing Law.** This Agreement shall be subject to and construed in accordance with the laws of the State of New York. The parties consent to the personal jurisdiction of the courts of that State where the Bank's principal place of business is located.

12. **Waiver of Jury Trial.** EACH PARTY ACKNOWLEDGES AND AGREES FOR ITSELF THAT THE RIGHT TO A JURY TRIAL IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO REVIEW THIS WITH COUNSEL, THE PARTIES WAIVE THEIR RIGHT TO A TRIAL BY JURY IN THE EVENT OF ANY DISPUTE ARISING UNDER THIS AGREEMENT.

13. **Miscellaneous.**  
(a) In the event that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.  
(b) This Agreement may be executed in two or more counterparts, but all of which when taken together shall constitute a single agreement binding on all of the parties.  
(c) Customer and Secured Party authorize Bank to communicate freely with each of them and with Bank's affiliates, parent, subsidiaries and service providers and each waives any and all present or future claims against Bank for breach of confidential relationship in connection with such matters.  
(d) This Agreement shall not become effective until executed by all of the parties and accepted by Bank.

**ACTIVISION, INC.**  
CUSTOMER

**PNC BANK, NATIONAL ASSOCIATION as Agent for Lenders**  
SECURED PARTY

(1) \_\_\_\_\_

Signature

(1) \_\_\_\_\_

Signature

Print Name

Print Name

Title

Title

(2) \_\_\_\_\_

Signature

(2) \_\_\_\_\_  
Signature

Title

Title \_\_\_\_\_

Date

Date \_\_\_\_\_

Comerica Bank California  
BANK

Bonnie E. Kehe  
Signature

Bonnie E. Kehe

Name

Vice President / Regional Manager  
Print Title

6/21/99  
Date

(Coco2b October, 1998)

**Controlled Lockbox and Collateral Account Information Document**

Lockbox Number 3558  
Collateral Account # 1891151548  
Customer's designated general account 1890692856

All fees will be charged to the Collateral Account.

Upon receipt of notice from Secured Party that Customer is no longer authorized to have access to the funds in the Collateral Account, Bank shall make wire transfers of funds deposited to the Collateral Account to the location below unless a subsequent location is provided to Bank:

**Beneficiary Bank**

**PNC Bank, National Association  
PNC Business Credit  
Two Tower Center Boulevard -8<sup>th</sup> Flr.  
East Brunswick, New Jersey 08816**

**ABA No  
For Credit to Account no.  
Reference:**

**031-207607  
196039957830  
Attn: Mr. Ryan Peak**

**Addresses for Notices:**

**Secured Party:**

**PNC Bank, National Association  
PNC Business Credit  
Two Tower Center Blvd-8<sup>th</sup> Flr.  
East Brunswick, New Jersey 08816  
Att: Mr. Ryan Peak  
Phone: 732-228-4315**

**Customer:**

**Activision, Inc.  
3100 Ocean Park Blvd.  
Santa Monica, CA 90405**

**Att: \_\_\_\_\_**

**Phone: \_\_\_\_\_**

**Comerica Bank-**

**Att: \_\_\_\_\_**

**Phone: \_\_\_\_\_**



**EXHIBIT A**

**SECURED PARTY NOTICE**

Pursuant to the Treasury management Lockbox and Collateral Account Services Agreement entered into by Comerica ("Bank"), Activision, Inc. ("Customer") and the undersigned Secured Party on June 21, 1999, the Secured Party hereby notifies Bank as follows:

**NOTICE OF CHANGE OF BENEFICIARY BANK INFORMATION:**

The following notification is a change to the Beneficiary Bank information and supersedes any such other Beneficiary Bank information the Bank may have on record. Receiving Account for Bank transfers:

Beneficiary Bank	PNC Bank, National Association PNC Business Credit Two Tower Center Boulevard-8th Flr. East Brunswick, New Jersey 08816
ABA No	031-207607
For Credit to Account no.	196039957830
Reference:	Attn: Mr. Ryan Peak

**Secured Party:**

By: \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**For Bank Purposes Only:**

Received by Comerica on \_\_\_\_\_

Received By: \_\_\_\_\_

(coco2b October, 1998)

714 424 3824 TO 912138918763 P.03/03

JUN 21 1999 13:22 FR COMERICA BANK

TRADEMARK  
REEL: 001930 FRAME: 0236

**EXHIBIT B**

**Fees In Addition to Standard Charges In Business Account Service Charge and Interest Information Brochure.**

Set Up Fee (one time only): \_\_\_\_\_

Monthly Controlled Collateral Account Fee: \$100

Lockbox Fees:

Standard procedures include photocopy of check, deposit advice, and forwarding of invoice and correspondence.

Monthly Maintenance:

Per item charge:

Additional lockbox services:

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Other Services and Fees:

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**[Form Of]**  
**PERFECTION CERTIFICATE**

Reference is made to the Security Agreement dated as of July 21, 1999, the among ACTIVISION, INC., a Delaware corporation ("*Activision*"), HEAD GAMES PUBLISHING, INC., a Minnesota corporation ("*Head*") and, following the Merger, Expert Software, Inc., a Delaware corporation ("*Expert*"; each of Activision, Head and Expert, a "*Borrower*" and collectively, "*Borrowers*"), each subsidiary of Activision listed on Schedule I thereto (each such subsidiary individually a "*Subsidiary Guarantor*" and collectively, the "*Subsidiary Guarantors*"; the Subsidiary Guarantors and the Borrowers are referred to collectively herein as the "*Grantors*") and PNC BANK, NATIONAL ASSOCIATION, a national banking association ("*PNC*"), as collateral agent (in such capacity, the "*Collateral Agent*") for the Secured Parties (as defined therein).

The undersigned, a Financial Officer and the general counsel, respectively, of Activision, hereby certify to the Collateral Agent and each other Secured Party as follows:

1. Names.

Set forth on Schedule I hereto is:

- (a) The exact corporate name of each Grantor, as such name appears in its respective certificate of incorporation;
- (b) Each other corporate name each Grantor has had in the past five years, if applicable, together with the date of the relevant change;
- (c) A list of all other names (including trade names or similar appellations) used by each Grantor or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years; and
- (d) The Federal Taxpayer Identification Number of each Grantor.

Except as set forth in Schedule 1A hereto, no Grantor has changed its identity or corporate structure in any way within the past five years. Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of corporate organization. If any such change has occurred, include in Schedule 1A the information required by clauses (a), (b), (c) and (d) above as to each acquiree or constituent party to a merger or consolidation.

2. Current Locations.

Set forth on Schedule II hereto is:

(a) The chief executive office of each Grantor;

(b) All locations where each Grantor maintains any books or records relating to any Receivables (with each location at which chattel paper, if any, is kept being indicated by an "\*"); and

(c) All locations where each Grantor maintains any Collateral not identified in clause (b) above.

3. Places of Business. Set forth on Schedule III hereto is the name of each Grantor having places of business not identified in Section 2 above and opposite the name of each such Grantor are all the locations where each such Grantor maintains any Collateral not identified above.

4. Third Party Possession. Set forth on Schedule IV hereto is the name of each Grantor and the names and addresses of all persons other than such Grantor that have possession of any of the Collateral of such Grantor.

5. Unusual Transactions. All Receivables have been originated by the Grantors and all Inventory has been acquired by the Grantors in the ordinary course of business.

6. Schedule of Filings. Attached hereto as Schedule 6 is a schedule setting forth each Uniform Commercial Code filing office in each jurisdiction where a Grantor has Collateral as identified in Section 2, 3 and 4 hereof where filings described in Section 3.19 of the Credit Agreement are to be made.

7. Filing Fees. All filing fees and taxes payable in connection with the filings described in Section 6 above have been paid.

8. Stock Ownership. Attached hereto as Schedule 8 is a true and correct list of all the duly authorized, issued and outstanding stock of the Borrower and each Subsidiary and the record and beneficial owners of such stock. Also set forth on Schedule 8 is each equity investment of Borrower and each Subsidiary that represents 50% or less of the equity of the entity in which such investment was made.

9. Notes. Attached hereto as Schedule 9 is a true and correct list of all notes held by the Borrower and each Subsidiary and all intercompany notes between the Borrower and each Subsidiary and between each Subsidiary and each other Subsidiary.

10. Advances. Attached hereto as Schedule 10 is (a) a true and correct list of all advances made by Borrower or any Subsidiary to the Borrower or any Subsidiary, which

advances will be on and after the date hereof evidenced by one or more intercompany notes pledged to the Collateral Agent under the Pledge Agreement, and (b) a true and correct list of all unpaid intercompany transfers of goods sold and delivered by or to the Borrower or any Subsidiary.

IN WITNESS WHEREOF, the undersigned have duly executed this certificate on this \_\_\_ day of June, 1999.

ACTIVISION, INC.,

By: \_\_\_\_\_

Name:

Title: [Financial Officer]

By: \_\_\_\_\_

Name:

Title: [Legal Officer]

[Signature Page to Perfection Certificate]

SUPPLEMENT NO. \_\_\_ dated as of [\_\_\_\_\_], to the Security Agreement dated as of June 21, 1999, among ACTIVISION, INC., a Delaware corporation ("*Activision*"), HEAD GAMES PUBLISHING, INC., a Minnesota corporation, and any other subsidiary of Activision which has become a borrower under, and pursuant to, the Credit Agreement (as hereinafter defined) (collectively the "*Borrowers*"), each subsidiary of Activision listed on Schedule I hereto (each such subsidiary individually a "*Subsidiary Guarantor*" and collectively, the "*Subsidiary Guarantors*"; the Subsidiary Guarantors and the Borrowers are referred to collectively herein as the "*Grantors*") and PNC BANK, NATIONAL ASSOCIATION, a national banking association ("*PNC*"), as collateral agent (in such capacity, the "*Collateral Agent*") for the Secured Parties (as defined therein).

A. Reference is made to (a) the Credit Agreement dated as of June 21, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among the Borrowers, the lenders from time to time party thereto (the "*Lenders*"), PNC, as administrative agent, issuing bank (in such capacity, the "*Issuing Bank*") and Collateral Agent for the Lenders, and Credit Suisse First Boston, a bank chartered under the laws of Switzerland, acting through its New York branch, as syndication agent; (b) the Subsidiary Guarantee Agreement dated as of June 21, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Subsidiary Guarantee Agreement*"), among the Subsidiary Guarantors and the Collateral Agent; and (c) the Borrower Guarantee Agreement dated June 21, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Borrower Guarantee Agreement*") among the Borrowers and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement or the Credit Agreement, as applicable.

C. The Grantors have entered into the Security Agreement in order to induce the Lenders to make Loans and the Issuing Bank to issue Letters of Credit. Section 7.15 of Security Agreement provides that Material Subsidiaries of the Borrower may become Grantors under the Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "*New Grantor*") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Grantor under the Security Agreement in order to induce the Lenders to make additional Loans and the Issuing Bank to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 7.15 of the Security Agreement, the New Grantor by its signature below becomes a Grantor under the Security Agreement with the same force and effect as if originally named therein as a Grantor and the New Grantor hereby (a)

Annex 3-1

agrees to all the terms and provisions of the Security Agreement applicable to it as a Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Grantor, as security for the payment and performance in full of the Obligations (as defined in the Security Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Grantor's right, title and interest in and to the Collateral (as defined in the Security Agreement) of the New Grantor. Each reference to a "Grantor" in the Security Agreement shall be deemed to include the New Grantor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Grantor and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Grantor hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of the location of any and all Collateral of the New Grantor; (b) set forth on Schedule II attached hereto is a true and correct schedule of the Copyrights of the New Grantor; (c) set forth on Schedule III attached hereto is a true and correct schedule of the Patents of the New Grantor; (d) set forth on Schedule IV attached hereto is a true and correct schedule of the Trademarks of the New Grantor; and (e) set forth under its signature hereto, is the true and correct location of the chief executive office of the New Grantor.

SECTION 5. In no event shall the New Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Collateral Agent, and, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and the New Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

Annex 3-2



SECTION 6. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 7. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9. All communications and notices hereunder shall be in writing and given as provided in Section 7.01 of the Security Agreement. All communications and notices hereunder to the New Grantor shall be given to it at the address set forth under its signature below.

SECTION 10. The New Grantor agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

[Remainder of Page Intentionally Left Blank]

Annex 3-3

IN WITNESS WHEREOF, the New Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

[Name of New Grantor]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

PNC BANK, NATIONAL ASSOCIATION, as  
Collateral Agent,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

[Signature Page to Supplement to Security Agreement]

SCHEDULE I  
to Supplement No. \_\_\_ to the  
Security Agreement

LOCATION OF COLLATERAL

Description

Location

Schedule 1-1

SCHEDULE II  
COPYRIGHTS

Schedule II-1

SCHEDULE III  
PATENTS

Schedule III-1

LA\_DOCS382429.5

TRADEMARK  
REEL: 001930 FRAME: 0248

SCHEDULE IV  
TRADEMARKS

Schedule IV-1

LA\_DOCS\382429.5

TRADEMARK  
REEL: 001930 FRAME: 0249

EXHIBIT A  
COPYRIGHTABLE MATERIAL

Title and/or Description  
of Copyrightable Material

Owner