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01-26-1999



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Patent and Trademark Office, Office of the Patent Commissioner of Patents and Trademarks

Please record the attached original documents or copy thereof.

1. Name of conveying party:

2. Name and address of receiving party:

Bad Boy Records, a New York general partnership
6 West 57th Street
New York, NY 10019

Arista Good Girls, Inc.
6 West 57th Street
New York, NY 10019

Name of conveyance:

Grant of Trademark Security Interest

Execution Date: July 1, 1998

Application numbers and trademark numbers:

A. Trademark Application Nos.

B. Trademark Registration Nos.

None.

74-476166

Name and address of party to whom correspondence concerning document should be mailed:

Denise M. Clolery, Esq.
O'Melveny & Myers LLP
153 E. 53rd Street
New York, New York 10022

6. Total number of applications and registrations involved:

1

7. Total fee:

\$ 40.00 (Enclosed) E

8. Deposit Account Number:

N/A

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.

Denise M. Clolery
Name of Person Signing

Denise Clolery
Signature

January 21, 1999
Date

TOTAL NUMBER OF PAGES COMPRISING COVER SHEET: 1

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GRANT OF TRADEMARK SECURITY INTEREST

WHEREAS, BAD BOY RECORDS, a New York general partnership (**"Grantor"**), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Trademark Collateral (as defined below); and

WHEREAS, Grantor and Arista Good Girls, Inc. (**"Secured Party"**) are parties to that certain Note and Security Agreement dated July 1, 1996 (such agreement, as it may hereafter be amended, amended and restated, supplemented, modified, renewed, replaced or refinanced from time to time, the **"Note and Security Agreement"**) pursuant to which Grantor, among other things, granted a first priority security interest to Secured Party in certain collateral described therein to secure the payment and performance of Grantor's obligations from time to time outstanding thereunder;

WHEREAS, Bad Boy Entertainment Inc., a Delaware Corporation (**"Company"**), and Secured Party are parties to that certain Loan Agreement dated as of the date hereof (such agreement, as it may hereafter be amended, amended and restated, supplemented, modified, renewed, replaced or refinanced from time to time, the **"Loan Agreement"**; capitalized terms used herein without definition shall have the respective meanings given to those terms in the Loan Agreement) pursuant to which Secured Party shall make, subject to the terms and conditions of the Loan Agreement the Loan to Company as more particularly described therein;

WHEREAS, Grantor has executed and delivered that certain Guaranty dated as of July 1, 1998 (said Guaranty, as it may hereafter be amended, supplemented or otherwise modified from time to time being the **"Guaranty"**) in favor of Secured Party, pursuant to which Grantor has guaranteed the prompt payment and performance when due of all obligations of Company under the Loan Agreement and the other Loan Documents;

WHEREAS, pursuant to the terms of a Security Agreement dated as of July 1, 1998 (as amended, supplemented or otherwise modified from time to time, the **"Security Agreement"**), between Grantor and Secured Party, Grantor has agreed to create, reaffirm and ratify in favor of Secured Party a secured and protected interest in, and Secured Party has agreed to become a secured creditor with respect to the Trademark Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Security Agreement, Grantor hereby grants, reaffirms and ratifies to Secured Party a

security interest in all of Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located (the "**Trademark Collateral**"):

(i) all rights, title and interest (including rights acquired pursuant to a license or otherwise but only to the extent permitted by agreements governing such license or other use) in and to all trademarks, service marks, designs, logos, indicia, tradenames, trade dress, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto, owned by Grantor or hereafter adopted and used, in its business (including, without limitation, the trademarks specifically identified in Schedule A) (collectively, the "**Trademarks**"), all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries (including, without limitation, the registrations and applications specifically identified in Schedule A) (the "**Trademark Registrations**"), all common law and other rights (but in no event any of the obligations) in and to the Trademarks in the United States and any state thereof and in foreign countries (the "**Trademark Rights**"), and all goodwill of Grantor's business symbolized by the Trademarks and associated therewith (the "**Associated Goodwill**"); and

(ii) all proceeds, products, rents and profits of or from any and all of the foregoing Trademark Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Trademark Collateral. For purposes of this Grant of Trademark Security Interest, the term "**proceeds**" includes whatever is receivable or received when Trademark Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

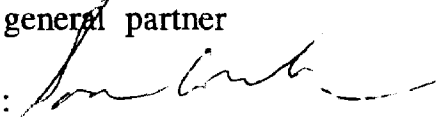
Notwithstanding anything herein to the contrary, in no event shall the Trademark Collateral include, and Grantor shall be not deemed to have granted a security interest in, any of Grantor's rights or interests in any license, contract or agreement to which Grantor is a party or any of its rights or interests thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement or otherwise, result in a breach of the terms of, or constitute a default under any license, contract or agreement to which Grantor is a party; provided, that immediately upon the ineffectiveness, lapse or termination of any such provision, the Trademark Collateral shall include, and Grantor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted, reaffirmed and ratified hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Grant of Trademark Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the 1st day of July, 1998.

BAD BOY RECORDS, a New York general partnership

By: **BAD BOY ENTERTAINMENT, INC.**
as general partner

By:  _____

Name:

Title:

**SCHEDULE A
TO
GRANT OF TRADEMARK SECURITY INTEREST**

Trademarks:

<u>Registered Owner/ Applicant</u>	<u>Trademark Description</u>	<u>Registration Number/ Serial Number</u>	<u>Registration Date/ Filing Date</u>
Bad Boy Records	The mark comprises the words "Bad Boy Entertainment" and the depiction of a baby.	74-476166	1/4/94

4. sunny days
5. tears away (interlude)
6. my first love
7. anything you need
8. no way
9. life will pass you by
10. keep the faith
11. special place (interlude)
12. never gonna let you go
13. stay (interlude)
14. caramel kisses (feat. 112)
15. lately i

executive producers: sean "puffy" combs
for bad boy entertainment, inc. & faith evans
associate executive producers: cheryl flowers
for flowers management, todd russaw for bozak management
& deric "d-dot" angelettie for crazy cat catalog, inc./
bad boy entertainment, inc.



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