

10-25-2000



FRONT SHEET ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents and Trademarks, Department of Commerce, Washington, DC 20514, and to the attached and transmitting offices, for recording the attached original documents or copy thereof.

101496705

1. Name of conveying party(ies):

UNIVERSAL CONCERT COMPANY
6255 SUNSET BOULEVARD, 16th Floor
Hollywood, CA 90028

9-28-00

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: September 10, 1999

2. Name and address of receiving party(ies)

Name: BANK OF AMERICA, NATIONAL ASSOCIATION AS
ADMINISTRATIVE AGENT AND COLLATERAL AGENT

Internal Address:

Street Address: 555 South Flower Street, 11th Fl.

City: Los Angeles State: CA ZIP: 90071

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State CA
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

SEE ATTACHED SCHEDULE

Additional numbers attached? Yes No

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

Name: Penelope Agodoa

Internal Address: Suite 101

Street Address: 400 Seventh St. NW

City: Washington State: DC ZIP: 20004

6. Total number of applications and registrations involved: 14

7. Total fee (37 CFR 3.41).....\$ 365.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

10/23/2000 MTHAI1 00000173 75428963

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
02 FC:4829 325.00 OP
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.

Pierre Giudice
Name of Person Signing

Pierre Giudice
Signature

10/27/00
Date

Total number of pages including cover sheet, attachments, and document: 4

Mail documents to be recorded with required cover sheet information to:

TRADEMARK

REEL: 002160 FRAME: 0224

Pending Trademarks
Held by Universal Concert Company

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP. NO.</u>	<u>REG. NO.</u>	<u>REG. DATE</u>
THE DENVER DREAM	25	75/428,963		
THE DENVER DREAM	41	75/728,713		
GRASS PASS	25	75/428,494		
GRASS PASS	41	75/428,525		
LUNCH AND A LAUGH	25	75/428,962		
LUNCH AND A LAUGH	41	75/433,511		
RAINBOW MUSIC HALL	25	75/428,712		
RAINBOW MUSIC HALL	41	75/428,564		
RAGGAE ON THE ROCKS	25	75/419,291		
RAGGAE ON THE ROCKS	41	75/422,334		
SUMMER OF STARS	25	75/428,508		
SUMMER OF STARS	41	75/428,492		
CLUBSEATS	41	75/681,548		
BOXSUITES	41	75/681,788		

SECURITY AGREEMENT dated as of September 10, 1999, among HOB ENTERTAINMENT, INC., a Delaware corporation (the "Borrower"), each subsidiary of the Borrower listed on Schedule I hereto (each such subsidiary individually a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors"; the Subsidiary Guarantors and the Borrower are referred to collectively herein as the "Grantors") and BANK OF AMERICA, NATIONAL ASSOCIATION ("Bank of America"), 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 September 10, 1999 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders from time to time party thereto (the "Lenders"), The Chase Manhattan Bank, as syndication agent, ING Bank as documentation agent and Bank of America, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and Collateral Agent and Bank of America, as issuing bank (in such capacity, the "Issuing Bank") and (b) the Guarantee Agreement dated as of September 10, 1999 (as amended, supplemented or otherwise modified from time to time, the "Guarantee Agreement"), among the Subsidiary Guarantors and the Collateral Agent.

The Lenders have agreed to make Loans to the Borrower, and the Issuing Bank has agreed to issue Letters of Credit for the account of the Borrower, 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 Borrower under the Credit Agreement; provided, that HOB Chicago, Inc, and House of Blues Orlando Restaurant Corp. will issue unsecured guarantees. 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 Borrower 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 Borrower 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 Borrower to the Secured Parties under the Credit Agreement and the other Loan Documents, (b) the due and punctual payment and performance of all the covenants, agreements, obligations and liabilities of the Borrower and each other Loan Party 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 obligations of the Borrower under each Hedging Agreement entered into with any counterparty that was a Lender or an Affiliate of a Lender at the time such Hedging Protection Agreement was entered into (all the monetary and other obligations described in the preceding clauses (a) through (c) being collectively called 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 and all references to the Uniform Commercial Code shall mean the Uniform Commercial Code in effect in the State of New York as of the date hereof.

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 an Account.

“*Accounts*” shall mean any and all right, title and interest of any Grantor to payment for goods and services sold or leased, including any such right evidenced by chattel paper, whether due or to become due, whether or not it has been earned by performance, and whether now or hereafter acquired or arising in the future, including accounts receivable from Affiliates of the Grantors.

“*Accounts Receivable*” shall mean all Accounts and all right, title and interest in any returned goods, together with all rights, titles, securities and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

“*Collateral*” shall mean all (a) Accounts Receivable, (b) Documents, (c) Equipment, (d) General Intangibles, (e) Inventory, (f) cash and cash accounts (including the Escrow Account), (g) Investment Property and (h) Proceeds; provided, that the term “Collateral” shall not include any Excluded Collateral.

“*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; provided, that such term shall not include any Excluded Intellectual Property.

“*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, and (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; provided, that such term shall not include any Excluded Intellectual Property.

“*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 and documents covering or relating to any of the Collateral.

“*Entitlement Holder*” shall mean a person identified in the records of a Securities Intermediary as the person having a Security Entitlement against the Securities Intermediary. If a person acquires a Security Entitlement by virtue of Section 8-501(b)(2) or (3) of the Uniform Commercial Code, such person is the Entitlement Holder.

“*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.

"Escrow Account" shall mean the cash collateral account to be established at the office of Bank of America located at 555 South Flower Street, 11th Floor, mail code CA9-706-11-03, Los Angeles, CA 90071.

"Excluded Collateral" means (a) all Excluded Intellectual Property, (b) all Excluded Equity Interests, (c) the Canada Newco Note, (d) any licenses or permits that if included in the Collateral would violate any requirements of applicable law prohibiting the creation of a security interest therein, (e) inventory consisting of beer, wine or liquor, (f) wood for milling and flooring and leased equipment located at 3918 Gravier Street, New Orleans, Louisiana, (g) all leases relating to equipment supplied by Micros Systems Inc., (h) personal property of HOB New Orleans Restaurant Corp. ("**HOB New Orleans**") to the extent related to the building owned by HOB New Orleans in fee simple which has been mortgaged to First Bank & Trust Company (other than personal property related to the business conducted by HOB New Orleans therein) and (i) the following agreements relating to the Marina City Hotel Project: (i) Service Mark License Agreement between House of Blues Brands Corp. and Marina City Hotel Enterprises, LLC providing for a royalty-free license of certain marks and (ii) Service Mark License Agreement between House of Blues Brands Corp. and Loews Hotel, Inc. providing for a royalty-free license of certain marks.

"Excluded Equity Interests" means the Equity Interests in Foreign Subsidiaries not required to be pledged pursuant to the Collateral and Guarantee Requirement and all Equity Interests in (a) Excluded Subsidiaries, (b) Non-Pledging Subsidiary Loan Parties, (c) Non-Guaranteeing Subsidiary Loan Parties (other than Universal/PACE) and (d) Inactive Subsidiaries; provided that pursuant to Section 5.12 of the Credit Agreement, if any Inactive Subsidiary ceases to be an Inactive Subsidiary at any time, the Equity Interests in such subsidiaries shall be pledged pursuant to the Pledge Agreement and shall be part of the Collateral as defined hereunder.

"Excluded Intellectual Property" means all rights of Grantors under the Licensing Agreement dated February 18, 1992 among Isaac B. Tigrett, Daniel E. Aykroyd and Judith Belushi Pisano, as assigned to House of Blues Brands Corp. and as amended and supplemented from time to time, and under any sublicenses pertaining to the trademarks owned by Daniel E. Aykroyd and Judith Belushi Pisano.

"Financial Asset" shall mean (a) a Security, (b) an obligation of a person or a share, participation or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt with in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment or (c) any property that is held by a Securities Intermediary for another person in a Securities Account if the Securities Intermediary has expressly agreed with the other person that the property is to be treated as a Financial Asset under Article 8 of the Uniform Commercial Code; provided, that such term shall not include any Excluded Equity Interests. As the context requires, the term Financial Asset shall mean either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated Security, a certificate representing a Security or a Security Entitlement.

"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, except for such Equipment that is subject or will be subject to the Liens of lessors pursuant to the terms of existing and future leases permitted by the Credit Agreement.

"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 Accounts Receivable) now owned or hereafter acquired by any Grantor, including all rights and interests in partnerships, limited partnerships, limited liability companies and other unincorporated entities, corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging 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 Accounts Receivable; provided, that such term shall not include any Excluded Collateral.

“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; provided, that such term shall not include any Excluded Intellectual Property.

“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 Property” shall mean all Securities (whether certificated or uncertificated), Security Entitlements and Securities Accounts of any Grantor, whether now owned or hereafter acquired by any Grantor.

“License” shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is a party, including those listed on Schedule III (other than (i) any Excluded Intellectual Property, (ii) those license agreements in existence on the date hereof and listed on Schedule III and (iii) those license agreements entered into after the date hereof, which by their terms prohibit assignment or a grant of a security interest by such Grantor as licensee thereunder).

“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; provided, that such term shall not include any Excluded Intellectual Property.

“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 IV, 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; provided, that such term shall not include any Excluded Intellectual Property.

“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 the Borrower.

“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 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 this Agreement, (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.

“Secured Parties” shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) the Issuing Bank, (e) each counterparty to a Hedging Agreement entered into with the Borrower if such counterparty was a Lender at the time the Hedging Protection Agreement was entered into, (f) the beneficiaries of each indemnification obligation undertaken by any Grantor under any Loan Document and (g) the successors and assigns of each of the foregoing.

“Securities” shall mean any obligations of an issuer or any shares, participations or other interests in an issuer or in property or an enterprise of an issuer which (a) are represented by a certificate representing a security in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer, (b) are one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations and (c)(i) are, or are of a type, dealt with or trade on securities exchanges or securities markets or (ii) are a medium for investment and by their terms expressly provide that they are a security governed by Article 8 of the Uniform Commercial Code; provided, that such term shall not include any Excluded Equity Interests.

“Securities Account” shall mean an account to which a Financial Asset is or may be credited in accordance with an agreement under which the person maintaining the account undertakes to treat the person for whom the account is maintained as entitled to exercise rights that comprise the Financial Asset.

“Security Entitlements” shall mean the rights and property interests of an Entitlement Holder with respect to a Financial Asset; provided, that such term shall not include any Excluded Equity Interests.

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

“Securities Intermediary” shall mean (a) a clearing corporation or (b) a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

“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; provided, that such term shall not include any Excluded Intellectual Property.

“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 V, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill; provided, that such term shall not include any Excluded Intellectual Property.

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 or 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.

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.

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 in all material respects. Fully executed Uniform Commercial Code financing statements 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, refiling, 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 shall ensure that fully executed security agreements in the form hereof and containing a description of all Collateral in existence as of the date hereof 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 existence as of the date hereof 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, refiling, 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 by recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable, within the three month period (commencing as of the date hereof) pursuant to 35 U.S.C. § 261 or 15 U.S.C. § 1060 or the one month period (commencing as of the date hereof) pursuant to 17 U.S.C. § 205 and otherwise as may be required pursuant to the laws of any other necessary jurisdiction. The Security Interest is and shall be prior to any other Lien on any of the Collateral, other than Liens expressly permitted 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 and with respect to Liens that will be released in connection with the execution of the Credit Agreement.

ARTICLE IV

Covenants

SECTION 4.01. *Change of Name; Location of Collateral; Records; Place of Business.* (a) Each Grantor agrees promptly to notify the Collateral Agent in writing 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 or other organizational 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; provided that in the case of name changes with respect to the UCI Entities and their subsidiaries contemplated by the Stock Purchase Agreement (as each such term is defined in the Credit Agreement), the Borrower may make such filings within 90 days after effecting such name changes. 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 5.01 of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Financial Officer (a) 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 Section 4.02 and (b) certifying that all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (a) above to the extent necessary to protect and perfect the Security Interest for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period). Each certificate delivered pursuant to this Section 4.02 shall identify in the format of Schedule II, III, IV or V, as applicable, all material Intellectual Property and Intellectual Property otherwise covered by Section 3.02(b) and which is registered 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 better 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. 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 in a principal amount in excess of \$100,000, 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, IV or V 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.

SECTION 4.05. *Inspection and Verification.* The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, upon prior notice and at reasonable intervals and times, at the Grantors' own cost and expense, 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, in accordance with Section 5.09 of the Credit Agreement, the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral, including, in the case of Accounts 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 9.17).

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 material Account, 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. Except as permitted under the Credit Agreement of the Grantors shall make or permit to be made any transfer of the Collateral and each Grantor 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. Without limiting the generality of the foregoing, each Grantor agrees that it shall not permit any material portion of any Inventory to be in the possession or control of any warehouseman, bailee, agent or processor at any time unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and shall have agreed in writing to hold the Inventory subject to the Security Interest and the instructions of the Collateral Agent and to waive and release any Lien held by it with respect to such Inventory, whether arising by operation of law or otherwise.

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 Accounts Receivable, 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, discounts, compromises or settlements granted or made in the ordinary course of business 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 5.07 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.* Upon request by the Collateral Agent upon or during the continuance of an Event of Default, each Grantor shall legend, in form and manner satisfactory to the Collateral Agent, its Accounts Receivable and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts Receivable 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, except as would not reasonably be expected to have a material adverse effect, (i) 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 irrevocably dedicated to the public and (ii) 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 (other than such rights where the Grantor reasonably determines that the cost will outweigh any material benefit) under applicable patent laws.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, except as would not reasonably be expected to have a material adverse effect, for each Trademark material to the conduct of such Grantor's business, (i) maintain such Trademark in full force free from 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 (other than such rights where the Grantor reasonably determines that the cost will outweigh any material benefit) 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 material Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) 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, upon reasonable request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably 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.

(f) 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 as determined in good faith by the Grantor, to initiate opposition, interference and cancellation proceedings against third parties.

(g) 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 in a manner that would reasonably be expected to have a material adverse effect, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment as determined in good faith by the Grantor, 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.

(h) 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

Power of Attorney

SECTION 5.01. *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, upon the occurrence and during the continuance of an Event of Default (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) 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 Accounts Receivable to any Account Debtor; (e) 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) 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) 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. 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 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); provided that the rights of the Collateral Agent under this clause (a) shall not be exercisable until such Event of Default shall continue unremedied for a period of 30 days, 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 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. 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.* 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); and

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

The Collateral Agent shall have absolute discretion as to the time of application of 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 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 shall be exercised, at the option of the Collateral Agent, 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 telecopy number set forth on Schedule I, with a copy to the Borrower.

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 with the consent of such Grantor but 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 reasonable out-of-pocket expenses of the Collateral Agent for any audits conducted by it or on its behalf with respect to the Accounts Receivable 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 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 Loans, 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 2.12(c) 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 EXCEPT TO THE EXTENT THAT MANDATORY PROVISIONS OF APPLICABLE LAW REGARDING THE PERFECTION AND EFFECT OF PERFECTION OR NON-PERFECTION OF SECURITY INTERESTS IN THE COLLATERAL REQUIRE THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION.

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 9.02 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.

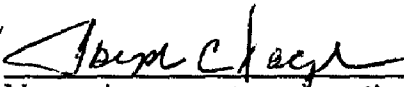
(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement will affected the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.14. *Termination.* This Agreement and the Security Interest shall terminate when all the Obligations have been 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.

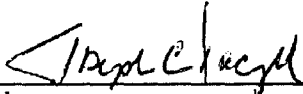
SECTION 7.15. *Additional Grantors.* Upon execution and delivery by the Collateral Agent and a subsidiary of the Borrower of an instrument in the form of Annex 3 hereto, such subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution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

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

HOB ENTERTAINMENT, INC., a
DELAWARE CORPORATION,

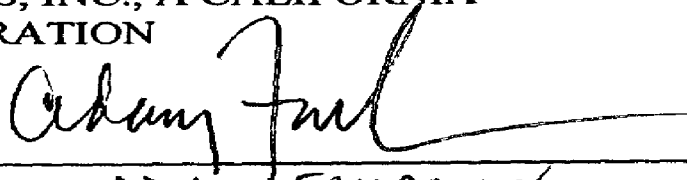
by 
Name: Joseph C. Kaczmarewski
Title: EVP CFO

HOUSE OF BLUES CAMBRIDGE
RESTAURANT CORP., A DELAWARE
CORPORATION, HOUSE OF BLUES LOS
ANGELES RESTAURANT CORP., A
DELAWARE CORPORATION, HOUSE OF
BLUES NEW ORLEANS RESTAURANT
CORP., A DELAWARE CORPORATION,
HOUSE OF BLUES LAS VEGAS
RESTAURANT CORP., A DELAWARE
CORPORATION, HOUSE OF BLUES
BRANDS CORP., A DELAWARE
CORPORATION, HOUSE OF BLUES MUSIC,
INC., A DELAWARE CORPORATION,
HOUSE OF BLUES PUBLISHING, INC., A
DELAWARE CORPORATION, HOUSE OF
BLUES RECORDS, INC., A DELAWARE
CORPORATION, HOUSE OF BLUES
PRODUCTIONS, INC., A DELAWARE
CORPORATION, HOUSE OF BLUES
DIGITAL, INC., A DELAWARE
CORPORATION, HOUSE OF BLUES
MYRTLE BEACH RESTAURANT CORP., A
DELAWARE CORPORATION, HOUSE OF
BLUES TOURS AND TALENT, INC., A
DELAWARE CORPORATION, HOUSE OF
BLUES ATLANTA, INC., A DELAWARE
CORPORATION, HOUSE OF BLUES
SMOKIN' GROOVES, INC., A DELAWARE
CORPORATION, HOUSE OF BLUES SAN
DIEGO RESTAURANT CORP., A
DELAWARE CORPORATION

by 
Name: Joseph C. Kaczorowski
Title: Authorized Officer

UNIVERSAL ARENAS, INC., A
CALIFORNIA CORPORATION, UNIVERSAL
CONCERTS, INC., A CALIFORNIA
CORPORATION, UNIVERSAL EVENTS,
INC., A CALIFORNIA CORPORATION,
UNIVERSAL CONCERTS II, INC., A
CALIFORNIA CORPORATION, THE
ANDREW HEWITT CORPORATION, A
CALIFORNIA CORPORATION, WJS III,
INC., A CALIFORNIA CORPORATION,
UNIVERSAL CONCERTS OREGON, INC., A
CALIFORNIA CORPORATION, UNIVERSAL
TICKETS HOLDINGS, INC., A CALIFORNIA
CORPORATION, UNIVERSAL CONCERT
COMPANY, A COLORADO GENERAL
PARTNERSHIP, IMPACT TOURS, INC., A
CALIFORNIA CORPORATION, UNIVERSAL
TICKETS, INC., A CALIFORNIA
CORPORATION

by



Name: ADAM FRIEDMAN
Title: Authorized Officer

HILLTOP CONCERTS, INC., A CALIFORNIA
CORPORATION

by



Name: *RICK MERRILL*
Title: Authorized Officer

CUYAHOGA FALLS CONCERTS, INC., A
DELAWARE CORPORATION

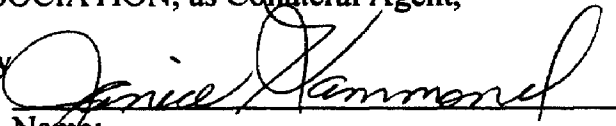
by David E. Carlucci

Name: David Carlucci

Title: President

BANK OF AMERICA, NATIONAL
ASSOCIATION, as Collateral Agent,

by

A handwritten signature in black ink, appearing to read "Janice Hammond", written over a horizontal line.

Name:

Title:

Janice Hammond

Vice President

Agency Specialist

**Schedules for Security
Agreement**

**SCHEDULE I:
SUBSIDIARY GUARANTORS**

House of Blues Cambridge Restaurant Corp.
House of Blues Los Angeles Restaurant Corp.
House of Blues New Orleans Restaurant Corp.
House of Blues Las Vegas Restaurant Corp.
House of Blues Myrtle Beach Restaurant Corp.
House of Blues San Diego Restaurant Corp.
House of Blues Brands Corp.
House of Blues Publishing, Inc.
House of Blues Records, Inc.
House of Blues Productions, Inc.
House of Blues Digital, Inc.
House of Blues Smokin' Grooves, Inc.
House of Blues Tours and Talent, Inc.
House of Blues Atlanta, Inc.
House of Blues Music, Inc.
Hilltop Concerts, Inc.
Cuyahoga Falls Concerts, Inc.
Universal Arenas, Inc.
Universal Concerts, Inc.
Universal Events, Inc.
Universal Concerts II, Inc.
The Andrew Hewitt Corporation
WJS III, Inc.
Universal Concerts Oregon, Inc.
Universal Tickets Holdings, Inc.
Universal Concert Company (Colorado)
Impact Tours, Inc.
Universal Tickets, Inc.

* HOB Chicago, Inc. and House of Blues Orlando Restaurant Corp. are **NOT** Subsidiary Guarantors.

SCHEDULE II

COPYRIGHTS

HOB COPYRIGHTS

None

UNIVERSAL COPYRIGHTS

None

SCHEDULE III

LICENSES

HOB LICENSES

None

UNIVERSAL LICENSES

None

SCHEDULE IV

PATENTS

HOB PATENTS

None

UNIVERSAL PATENTS

None

SCHEDULE V
TRADEMARKS

Please see attached.

Pending and Registered Trademarks
(All held by House of Blues Brands Corp.)

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP NO</u>	<u>REG NO</u>	<u>REG DATE</u>
(HEART DESIGN)	42	75/570,257		
(HEART DESIGN)	25	75/570,467		
(HEART DESIGN)	09	75/570,527		
BLUE FLAME	25	75/126,552		
BLUES IS BETTER	42	75/169,975		
GOSPEL BRUNCH	25	75/126,008		
HAVE BLUES WILL TRAVEL	25	2001594	2001594	12/14/95
HAVE BLUES WILL TRAVEL	42	2001592	2001592	12/14/95
HAVE BLUES WILL TRAVEL	18	2001595	2001595	12/14/95
HAVE BLUES WILL TRAVEL	18	1568595	0389497	12/11/95
HAVE BLUES WILL TRAVEL	42	1568495	293597	12/11/95
HAVE BLUES WILL TRAVEL	25	1568395	0389397	12/11/95
HAVE BLUES WILL TRAVEL	25	844195	169476	12/08/95
HAVE BLUES WILL TRAVEL	18	844095	169475	12/08/95
HAVE BLUES WILL TRAVEL	42	844395	200621	07/01/96
HAVE BLUES WILL TRAVEL	18	2014601	1620561	10/30/96
HAVE BLUES WILL TRAVEL	42	2014599		
HAVE BLUES WILL TRAVEL	25	2014598	1620560	10/30/96
HAVE BLUES WILL TRAVEL	18	2014601		
HAVE BLUES WILL TRAVEL	42	2014599		
HAVE BLUES WILL TRAVEL	25	2014598		
HAVE BLUES WILL TRAVEL	42	303776		
HAVE BLUES WILL TRAVEL	25	1199995		
HAVE BLUES WILL TRAVEL	18	1199895		
HAVE BLUES WILL TRAVEL	18	303773		
HAVE BLUES WILL TRAVEL	42	75/033,077	2,180,999	08/11/98
HAVE BLUES WILL TRAVEL	25	75/033,075	2,257,428	06/29/99
HAVE BLUES WILL TRAVEL	25	303774		
HAVE BLUES WILL TRAVEL	42	N/A	515926	

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP NO</u>	<u>REG NO</u>	<u>REG DATE</u>
HAVE BLUES WILL TRAVEL	18	1293211995	4008109	06/06/97
HAVE BLUES WILL TRAVEL	42	1293241995	4103214	01/16/98
HAVE BLUES WILL TRAVEL	42	1200195	T9512001A	12/12/95
HAVE BLUES WILL TRAVEL	18	N/A	515673	
HAVE BLUES WILL TRAVEL	25	N/A	515674	
HAVE BLUES WILL TRAVEL	25	1293221995	4026486	07/11/97
HAVE BLUES WILL TRAVEL	18	862045	595355	12/22/95
HAVE BLUES WILL TRAVEL	42	862045	595355	12/22/95
HAVE BLUES WILL TRAVEL	25	862045	595355	12/22/95
HAVE BLUES WILL TRAVEL	18	95C005921	721368	07/29/97
HAVE BLUES WILL TRAVEL	42	95C005921	721368	07/29/97
HAVE BLUES WILL TRAVEL	25	95C005921	721368	07/29/97
HAVE BLUES WILL TRAVEL	18	314591	314591	09/10/96
HAVE BLUES WILL TRAVEL	42	314591	314591	09/10/96
HAVE BLUES WILL TRAVEL	25	314591	314591	09/10/96
HAVE MERCY & SAY YEAH!	42	75/044,917		
HEART DESIGN	16	797215		
HEART DESIGN	09	1011884		
HEART DESIGN	25	1011886		
HEART DESIGN	42	1011888		
HEART DESIGN	16	1019264		
HEART DESIGN	16	5180899		
HEART DESIGN	42	371247		
HEART DESIGN	25	371249		
HEART DESIGN	09	371250		
HEART DESIGN	16	Mailed 8/24/99		
HELP EVER - HURT NEVER	42	74/254,680	1,817,564	01/18/94
HELP EVER - HURT NEVER	25	74/313,053	1,866,434	12/06/94
HELP EVER - HURT NEVER	42	75/170,520		
HOB COMPANY STORE	35	75/613,326		
HOB HOUSE OF BLUES (HEART DESIGN)	42	75/234,026	2,258,424	07/06/99

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP NO</u>	<u>REG NO</u>	<u>REG DATE</u>
HOUSE OF BLUES	25	17972492	3047722	05/31/95
HOUSE OF BLUES	09	290085	290085	05/27/94
HOUSE OF BLUES	42	T924504	168630	06/29/95
HOUSE OF BLUES	09	931192	165859	12/15/94
HOUSE OF BLUES	25	149576	447469	11/29/93
HOUSE OF BLUES	42	149552	86831	09/09/92
HOUSE OF BLUES	09	162595	437725	07/19/93
HOUSE OF BLUES	09	2265893	3209111	10/31/96
HOUSE OF BLUES	25, 42	165810	119038	07/15/94
HOUSE OF BLUES	25, 42	RM92C003484	644155	02/28/95
HOUSE OF BLUES	25	147626	147626	02/28/94
HOUSE OF BLUES	09	154946 154946	02/15/95	
HOUSE OF BLUES	25	9215721	72131995	08/24/95
HOUSE OF BLUES	09	0230893	94671995	09/11/92
HOUSE OF BLUES	42	1572292	083395	01/27/95
HOUSE OF BLUES	42	17972392	3159060	05/31/96
HOUSE OF BLUES	25	237820	KOR16505	08/29/94
HOUSE OF BLUES	25	74/313,094	1,874,712	01/17/95
HOUSE OF BLUES	16	74/313,051	2,024,199	12/17/96
HOUSE OF BLUES	42	74/254,677	1,772,628	05/18/93
HOUSE OF BLUES	09	74/313,052	1,933,441	11/07/95
HOUSE OF BLUES	25	285972	285972	06/03/94
HOUSE OF BLUES	42	237819	BOR732	01/30/94
HOUSE OF BLUES	42	285973	285973	06/03/94
HOUSE OF BLUES	09	176993	176993	09/11/92
HOUSE OF BLUES	25	696292	696292	09/12/92
HOUSE OF BLUES	42	696392	696392	03/12/92
HOUSE OF BLUES	09	932243	252727	10/15/93
HOUSE OF BLUES	42	928019	246940	02/19/93
HOUSE OF BLUES	09	93015719	125531	05/10/95
HOUSE OF BLUES	25, 42	116307	N/A	05/17/96
HOUSE OF BLUES	09	249266	KOR21618	11/30/94

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP NO</u>	<u>REG NO</u>	<u>REG DATE</u>
HOUSE OF BLUES	25	819206598		
HOUSE OF BLUES	25	662219928	401244	07/15/93
HOUSE OF BLUES	25, 42	712642		
HOUSE OF BLUES	09	794399	533020	01/04/94
HOUSE OF BLUES	25, 42	785558	518422	03/01/93
HOUSE OF BLUES	08	15939	15939	07/21/93
HOUSE OF BLUES	09	252319934	406884	04/02/94
HOUSE OF BLUES	41	819206610		
HOUSE OF BLUES	09	724540	TMA492084	03/30/98
HOUSE OF BLUES	38	819206601		
HOUSE OF BLUES	09	598065	A598065	12/14/94
HOUSE OF BLUES	42	586218	A586218	03/07/94
HOUSE OF BLUES	25	586217	A586217	03/07/94
HOUSE OF BLUES	25	2011700		
HOUSE OF BLUES	42	2011702		
HOUSE OF BLUES	41	2011701		
HOUSE OF BLUES	09	RM93C000746	659661	10/03/95
HOUSE OF BLUES	38	15463	15463	09/17/92
HOUSE OF BLUES	09	93459081	93459081	08/27/93
HOUSE OF BLUES	42	1513347	1513347	10/22/93
HOUSE OF BLUES	25	1513346	1513346	10/27/95
HOUSE OF BLUES	09	1529255	1529255	11/12/93
HOUSE OF BLUES	09	T345659 Wz		
HOUSE OF BLUES	25, 42	92433250	92433250	02/19/93
HOUSE OF BLUES	25, 42	T3382042 Wz	2045226	09/17/93
HOUSE OF BLUES	25	1720028	1720028	06/05/95
HOUSE OF BLUES	25, 42,	064041992	116311992	12/18/92
HOUSE OF BLUES	42	1720029	1720029	12/02/93
HOUSE OF BLUES	09	016631993	034631993	05/07/93
HOUSE OF BLUES	09	1750045	1750045	04/20/94
HOUSE OF BLUES	42	396388647	39638864742	05/18/99
HOUSE OF BLUES	42	9613696	4245525	03/05/99

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP NO</u>	<u>REG NO</u>	<u>REG DATE</u>
HOUSE OF BLUES	42	2108510	2108510	08/28/96
HOUSE OF BLUES	42	823690		
HOUSE OF BLUES	42	75/169,983		
HOUSE OF BLUES	09, 25 42	97682154		
HOUSE OF BLUES (HEART DESIGN)	42	75/570,250		
HOUSE OF BLUES (HEART DESIGN)	25	75/570,252		
HOUSE OF BLUES (HEART DESIGN)	42	4175395	4069020	10/17/97
HOUSE OF BLUES (HEART DESIGN)	42	RM95C002008	713896	06/16/97
HOUSE OF BLUES (HEART DESIGN)	42	2108733	2018733	01/05/96
HOUSE OF BLUES (HEART DESIGN)	42	95569508	95569508	10/06/95
HOUSE OF BLUES (HEART DESIGN)	42	1962272	962272	04/27/95
HOUSE OF BLUES (HEART DESIGN)	42	395188156	39518815	03/26/96
HOUSE OF BLUES (HEART DESIGN)	42	781289		
HOUSE OF BLUES (HEART DESIGN)	09	75/570,222		
HOUSE OF BLUES (HEART DESIGN)	42	659607	659607	08/13/96
HOUSE OF BLUES (HEART DESIGN)	16	797217		
HOUSE OF BLUES (HEART DESIGN)	09	1011885		
HOUSE OF BLUES (HEART DESIGN)	25	1011889		
HOUSE OF BLUES (HEART DESIGN)	42	1011891		
HOUSE OF BLUES (HEART DESIGN)	16	1019263		
HOUSE OF BLUES (HEART DESIGN)	16	5180999		
HOUSE OF BLUES (HEART DESIGN)	09	371112		
HOUSE OF BLUES (HEART DESIGN)	25	371253		
HOUSE OF BLUES (HEART DESIGN)	42	371251		
HOUSE OF BLUES (HEART DESIGN)	16	Mailed 8/24/99		
HOUSE OF BLUES (ROOF DESIGN)	25	1587608	1587608	04/08/94
HOUSE OF BLUES (ROOF DESIGN)	42	74/613,364	1,938,673	11/28/95
HOUSE OF BLUES (ROOF DESIGN)	25	94539351	94539351	03/17/95
HOUSE OF BLUES (ROOF DESIGN)	25	74/515,897	1,891,179	04/25/95
HOUSE OF BLUES (STYLIZED)	25	74/604,933	1,940,915	12/12/95
HOUSE OF BLUES COMPANY STORE	35	75/612,991		
HOUSE OF BLUES COMPANY	35	75/613,325		

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP NO</u>	<u>REG NO</u>	<u>REG DATE</u>
STORE (AND DESIGN)				
HOUSE OF BLUES HOTEL (ROOF DESIGN)	42	75/572,495		
HOUSE OF BLUES LOUISIANA CAJUN HOT SAUCE	30	75/199,595		
HOUSE OF BLUES LOUISIANA CAJUN HOT SAUCE	30	294055		
HOUSE OF BLUES ONLINE (HEART DESIGN)	41	Mailed 7/15/99		
IN BLUES WE TRUST	25	74/480,363	1,981,453	06/18/96
IN BLUES WE TRUST	42	75/107,768	2,050,935	04/08/97
IN BLUES WE TRUST	42	75/169,977		
JUKE JOINT HOUSE OF BLUES (STYLIZED)	25	75/521,443		
S.I.N.	41	75/087,295		
SERVICE INDUSTRY NIGHT	41	75/087,294	2,143,656	03/10/98
UNITY IN DIVERSITY	42	74/665,104	1,951,612	01/23/96
UNITY IN DIVERSITY	25	74/802,491	1,975,465	05/21/96
UNITY IN DIVERSITY	42	75/170,557		
VOODOO GARDEN	25	75/126,527		
WHERE THE HEART MEETS THE SOUL	42	75/126,525	2,155,505	05/05/98
WHERE THE HEART MEETS THE SOUL	18	75/228,694	2,130,445	01/20/98
WHERE THE HEART MEETS THE SOUL	25	75/171,632	2,165,165	06/16/98

Pending Trademarks
Held by Universal Concert Company

<u>TRADEMARK</u>	<u>CLASS</u>	<u>APP. NO.</u>	<u>REG. NO.</u>	<u>REG. DATE</u>
THE DENVER DREAM	25	75/428,963		
THE DENVER DREAM	41	75/728,713		
GRASS PASS	25	75/428,494		
GRASS PASS	41	75/428,525		
LUNCH AND A LAUGH	25	75/428,962		
LUNCH AND A LAUGH	41	75/433,511		
RAINBOW MUSIC HALL	25	75/428,712		
RAINBOW MUSIC HALL	41	75/428,564		
RAGGAE ON THE ROCKS	25	75/419,291		
RAGGAE ON THE ROCKS	41	75/422,334		
SUMMER OF STARS	25	75/428,508		
SUMMER OF STARS	41	75/428,492		
CLUBSEATS	41	75/681,548		
BOXSUITES	41	75/681,788		

[Form Of]
PERFECTION CERTIFICATE

See Exhibit C to the Credit Agreement.

SUPPLEMENT NO. ___ dated as of September [], 1999, to the Security Agreement dated as of September 10, 1999, among HOB ENTERTAINMENT, INC., a Delaware corporation (the "*Borrower*"), each subsidiary of the Borrower listed on Schedule I thereto (each such subsidiary individually a "*Subsidiary Guarantor*" and collectively, the "*Subsidiary Guarantors*"; the Subsidiary Guarantors, and the Borrower are referred to collectively herein as the "*Grantors*") and BANK OF AMERICA, NATIONAL ASSOCIATION ("*Bank of America*"), as collateral agent (in such capacity, the "*Collateral Agent*") for the Secured Parties (as defined herein).

A. Reference is made to (a) the Credit Agreement dated as of September 10, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among the Borrower, Holdings, the lenders from time to time party thereto (the "*Lenders*"), The Chase Manhattan Bank, as syndication agent, ING Bank as documentation agent, Bank of America, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and Collateral Agent and Bank of America, as issuing bank (in such capacity, the "*Issuing Bank*") and (b) the Guarantee Agreement dated as of September 10, 1999 (as amended, supplemented or otherwise modified from time to time, the "*Guarantee Agreement*"), among the Subsidiary Guarantors 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 and the Credit Agreement.

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 additional 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) 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 and (b) set forth under its signature hereto, is the true and correct location of the chief executive office of the New Grantor.

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK EXCEPT TO THE EXTENT THAT MANDATORY PROVISIONS OF APPLICABLE LAW REGARDING THE PERFECTION AND EFFECT OF PERFECTION OR NON-PERFECTION OF SECURITY INTERESTS IN THE COLLATERAL REQUIRE THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION.

SECTION 7. 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 8. 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 9. 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.

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:

BANK OF AMERICA, NATIONAL ASSOCIATION,
as Collateral Agent,

by

Name:
Title:

LOCATION OF COLLATERAL

Description

Location

[NYCorp; 883401.6:4235:09/10/1999--11:38a]

RECORDED: 09/28/2000

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