

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 28, 2009**

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**Warner Music Group Corp.**

(Exact name of Co-Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32502**  
(Commission File Number)

**13-4271875**  
(IRS Employer  
Identification No.)

**75 Rockefeller Plaza, New York, New York**  
(Address of principal executive offices)

**10019**  
(Zip Code)

**Co-Registrant's telephone number, including area code: (212) 275-2000**

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**WMG Acquisition Corp.**

(Exact name of Co-Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**333-121322**  
(Commission File Number)

**68-0576630**  
(IRS Employer  
Identification No.)

**75 Rockefeller Plaza, New York, New York**  
(Address of principal executive offices)

**10019**  
(Zip Code)

**Co-Registrant's telephone number, including area code: (212) 275-2000**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Co-Registrant's under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.****Overview**

On May 28, 2009, WMG Acquisition Corp. (the “Company”) issued \$1,100,000,000 aggregate principal amount of 9.50% senior secured notes due 2016 (the “Notes”), which mature on June 15, 2016, pursuant to an indenture, dated as of May 28, 2009 (the “Indenture”), among the Company, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee.

The Company used the net proceeds from the Notes offering, plus approximately \$335 million in existing cash, to repay in full all amounts due under its existing senior secured credit facility and pay related fees and expenses. In connection with the repayment, the Company terminated the revolving facility contained under its Amended and Restated Credit Agreement dated as of April 8, 2004 (as amended), among the Company, WMG Holdings Corp. (“Holdings”), the Overseas Borrowers party thereto, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and the other parties thereto (the “Credit Agreement”). There were no premiums or penalties incurred by the Company in connection with the termination of the Credit Agreement. Bank of America, N.A., or its affiliates, has provided certain investment banking, commercial banking and advisory services to the Company in the past, including acting as one of the initial purchasers in connection with the Notes offering.

Interest on the Notes will be payable in cash. Interest on the Notes is payable on June 15 and December 15 of each year, commencing on December 15, 2009.

The following is a brief description of the terms of the Notes and the Indenture.

**Ranking**

The Notes are the Company’s senior secured obligations and will be secured on an equal and ratable basis with all future indebtedness secured with the same security arrangements as the Notes. The Notes rank senior in right of payment to the Company’s subordinated indebtedness, including its existing senior subordinated notes; are *pari passu* in right of payment with all of the Company’s future senior indebtedness, including indebtedness under any future senior secured credit facility; and are structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any of the Company’s non-guarantor subsidiaries (other than indebtedness and liabilities owed to the Company or one of the Company’s subsidiary guarantors (as such term is defined below)).

**Guarantees**

The Notes are fully and unconditionally guaranteed on a senior secured basis by each of the Company’s existing direct or indirect wholly-owned domestic subsidiaries and by any such subsidiaries that guarantee other indebtedness of the Company in the future. Such subsidiary guarantors are collectively referred to herein as the “subsidiary guarantors,” and such subsidiary guarantees are collectively referred to herein as the “subsidiary guarantees.” Each subsidiary guarantee is a senior secured obligation of such subsidiary guarantor and will be secured on an equal and ratable basis with all future obligations of such subsidiary guarantor that are secured with the same security arrangements as the guarantee of the Notes (which would include the subsidiary guarantor’s guarantee of any future senior secured credit facility) by first priority liens, subject to permitted liens, on the collateral owned by such subsidiary guarantor securing any future senior secured credit facility. Each subsidiary guarantee ranks senior in right of payment to all subordinated obligations of the subsidiary guarantor, including the subsidiary guarantor’s guarantee of the Company’s existing senior subordinated notes; is *pari passu* in right of payment with all of the subsidiary guarantor’s existing and future senior obligations, including the subsidiary guarantor’s guarantee of any future senior secured credit facility; and is structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any non-guarantor subsidiary of the subsidiary guarantor (other than indebtedness and liabilities owed to the Company or one of the Company’s subsidiary guarantors). Any subsidiary guarantee of the Notes may be released in certain circumstances. The Notes will not be guaranteed by Holdings.

**Security**

The collateral and security arrangements in respect of the Notes are substantially identical to that which secured the Credit Agreement.

Pursuant to a Security Agreement, dated May 28, 2009, among the Company, Holdings, the subsidiary guarantors and Wells Fargo Bank, National Association, as collateral agent and notes authorized representative (the "Security Agreement"), the Notes and guarantees are secured by first-priority liens, subject to permitted liens, on the assets of the Company, Holdings and the subsidiary guarantors, which consist of the shares of the Company, substantially all of the Company's assets and the assets of the subsidiary guarantors, in each case whether now owned or hereafter acquired, except for certain excluded assets. The excluded assets include, among other things, (1) assets located outside the United States to the extent a lien on such assets cannot be perfected by the filing of UCC financing statements in Delaware or the jurisdictions of organization of the subsidiary guarantors; (2) certain general intangible, investment property or other rights arising under certain contractual obligations to the extent that the grant of a security interest therein would violate a valid and enforceable restriction or any applicable law, unless and until all required consents have been obtained; (3) any leasehold interest in any real property of the Company or any subsidiary guarantor; (4) assets securing purchase-money obligations or capital lease obligations permitted to be incurred under the Indenture to the extent the documentation relating to such obligations prohibits such assets from being collateral; and (5) proceeds of any and all of the excluded assets to the extent such proceeds would constitute excluded assets.

In connection with the Security Agreement, the Company, Holdings and the subsidiary guarantors entered into a Copyright Security Agreement, a Patent Security Agreement and a Trademark Security Agreement in favor of Wells Fargo Bank, National Association, as collateral agent, in each case for recording the security interest granted under the Security Agreement to the collateral agent in the Intellectual Property Collateral (as defined in the Security Agreement) with the U.S. Patent and Trademark Office or the U.S. Copyright Office, as applicable.

#### ***Optional Redemption***

The Notes may be redeemed, in whole or in part, at any time prior to June 15, 2013, at the option of the Company, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the greater of (1) 1.0% of the then outstanding principal amount of the Notes and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of the note at June 15, 2013 (as set forth in the table appearing below) plus (ii) all required interest payments due on the Notes through June 15, 2013 (excluding accrued but unpaid interest), computed using a discount rate equal to the treasury rate as of such redemption date plus 50 basis points; over (b) the then outstanding principal amount of the Notes (as of, and plus accrued and unpaid interest and special interest, if any, to, the applicable redemption date, subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

The Notes may also be redeemed, in whole or in part, at any time prior to June 15, 2013, upon the consummation and closing of a Major Music/Media Transaction (as defined in the Indenture), at a redemption price equal to 104.750% of the principal amount of the Notes redeemed plus accrued and unpaid interest and special interest, if any, on the Notes to be redeemed to the applicable redemption date, subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

On or after June 15, 2013, the Company may redeem all or a part of the Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and special interest, if any, on the Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2013	104.750%
2014	102.375%
2015 and thereafter	100.000%

In addition, at any time prior to June 15, 2012, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes at a redemption price equal to 109.50% of the principal amount thereof, plus accrued and unpaid interest and special interest, if any, to the date of redemption, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date, with the net cash proceeds of an equity offering by the Company or a contribution to the Company's common equity capital made with the net cash proceeds of an equity offering by the Company's direct or indirect parent; *provided* that: (1) at least 50% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Company and its subsidiaries) remains outstanding immediately after the occurrence of such redemption; and (2) the redemption occurs within 90 days of the date of, and may be conditioned upon, the closing of such equity offering.

### ***Change of Control***

Upon the occurrence of a change of control, which is defined in the Indenture, each holder of the Notes has the right to require the Company to repurchase some or all of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. A change of control includes, among other events, either a sale of the Company's Recorded Music business or a sale of the Company's Music Publishing business.

### ***Covenants***

The Indenture contains covenants limiting, among other things, the Company's ability and the ability of most of its subsidiaries to (subject to certain exceptions):

- incur additional debt or issue certain preferred shares;
- pay dividends on or make distributions in respect of the Company's capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain debt;
- consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets;
- sell or otherwise dispose of the Company's Music Publishing business;
- enter into certain transactions with our affiliates; and
- designate the Company's subsidiaries as unrestricted subsidiaries.

### ***Events of Default***

The Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Notes to become or to be declared due and payable.

### **ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.**

The information set forth in Item 1.01 with respect to the repayment and termination of the Credit Agreement is incorporated by reference into this Item 1.02.

**ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.**

The information set forth in Item 1.01 is incorporated by reference into this Item 2.03.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits. The following Exhibits are filed as part of this Current Report on Form 8-K.

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<b>Exhibit No.</b>	<b>Description</b>
4.1	Indenture, dated as of May 28, 2009, among WMG Acquisition Corp., the Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee.
4.2	Security Agreement, dated as of May 28, 2009, among WMG Acquisition Corp., WMG Holdings Corp., the Grantors party thereto and Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties and as Notes Authorized Representative.
4.3	Copyright Security Agreement, dated as of May 28, 2009, made by the Grantors listed on the signature pages thereto in favor of Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties.
4.4	Patent Security Agreement, dated as of May 28, 2009, made by the Grantors listed on the signature pages thereto in favor of Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties.
4.5	Trademark Security Agreement, dated as of May 28, 2009, made by the Grantors listed on the signature pages thereto in favor of Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Co-Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

Warner Music Group Corp.

Date: May 29, 2009

By: /s/ Paul Robinson  
Paul Robinson  
Executive Vice President and General Counsel

WMG Acquisition Corp.

Date: May 29, 2009

By: /s/ Paul Robinson  
Paul Robinson  
Executive Vice President and General Counsel

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EXHIBIT INDEX

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4.5	Trademark Security Agreement, dated as of May 28, 2009, made by the Grantors listed on the signature pages thereto in favor of Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties.



WMG ACQUISITION CORP.,  
as the Issuer,

the Guarantors named herein

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee

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INDENTURE

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Dated as of May 28, 2009

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9.50% Senior Secured Notes due 2016

CROSS-REFERENCE TABLE

<u>TIA Section</u>	<u>Indenture Section</u>
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.08; 7.10
(b)	7.08; 7.10; 12.02
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	12.03
(c)	12.03
313(a)	7.06
(b)(1)	7.06; 10.03
(b)(2)	7.06
(c)	7.06; 10.03; 12.02
(d)	7.06
314(a)	4.06; 4.17
(b)	N.A.
(c)(1)	7.02; 12.04; 12.05
(c)(2)	7.02; 12.04; 12.05
(c)(3)	N.A.
(d)	10.03; 10.04; 10.05
(e)	12.05
(f)	N.A.
315(a)	7.01(b)
(b)	7.05
(c)	7.01
(d)	6.05; 7.01(c)
(e)	6.11
316(a)(last sentence)	2.09
(a)(1)(A)	6.02
(a)(1)(B)	6.04
(a)(2)	9.02
(b)	6.07
(c)	9.05
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318(a)	12.01
(c)	12.01

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N.A. means Not Applicable

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture.

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TABLE OF CONTENTS

	<u>Page</u>	
ARTICLE ONE		
DEFINITIONS AND INCORPORATION BY REFERENCE		
SECTION 1.01.	DEFINITIONS	1
SECTION 1.02.	OTHER DEFINITIONS	38
SECTION 1.03.	INCORPORATION BY REFERENCE OF TIA	39
SECTION 1.04.	RULES OF CONSTRUCTION	40
ARTICLE TWO		
THE SECURITIES		
SECTION 2.01.	AMOUNT OF SECURITIES	41
SECTION 2.02.	FORM AND DATING	41
SECTION 2.03.	EXECUTION AND AUTHENTICATION	42
SECTION 2.04.	REGISTRAR AND PAYING AGENT	43
SECTION 2.05.	PAYING AGENT TO HOLD ASSETS IN TRUST	43
SECTION 2.06.	HOLDER LISTS	44
SECTION 2.07.	TRANSFER AND EXCHANGE	44
SECTION 2.08.	REPLACEMENT SECURITIES	45
SECTION 2.09.	OUTSTANDING SECURITIES	45
SECTION 2.10.	TREASURY SECURITIES	46
SECTION 2.11.	TEMPORARY SECURITIES	46
SECTION 2.12.	CANCELLATION	46
SECTION 2.13.	DEFAULTED INTEREST	46
SECTION 2.14.	CUSIP AND ISIN NUMBERS	47
SECTION 2.15.	DEPOSIT OF MONEYS	47
SECTION 2.16.	BOOK-ENTRY PROVISIONS FOR GLOBAL SECURITIES	47
SECTION 2.17.	SPECIAL TRANSFER PROVISIONS	50
SECTION 2.18.	COMPUTATION OF INTEREST	52
SECTION 2.19.	CALCULATION OF PRINCIPAL AMOUNT OF SECURITIES	52
SECTION 2.20.	AUTOMATIC EXCHANGE FROM RESTRICTED GLOBAL SECURITIES TO UNRESTRICTED GLOBAL SECURITIES	52

## ARTICLE THREE

## REDEMPTION

SECTION 3.01.	NOTICES TO TRUSTEE	54
SECTION 3.02.	SELECTION OF SECURITIES TO BE REDEEMED	54
SECTION 3.03.	NOTICE OF REDEMPTION	54
SECTION 3.04.	EFFECT OF NOTICE OF REDEMPTION	56
SECTION 3.05.	DEPOSIT OF REDEMPTION PRICE	56
SECTION 3.06.	SECURITIES REDEEMED IN PART	57
SECTION 3.07.	OPTIONAL REDEMPTION	57
SECTION 3.08.	MANDATORY REDEMPTION	58

## ARTICLE FOUR

## COVENANTS

SECTION 4.01.	PAYMENT OF SECURITIES	58
SECTION 4.02.	MAINTENANCE OF OFFICE OR AGENCY	59
SECTION 4.03.	CORPORATE EXISTENCE	59
SECTION 4.04.	PAYMENT OF TAXES AND OTHER CLAIMS	59
SECTION 4.05.	MAINTENANCE OF PROPERTIES AND INSURANCE	59
SECTION 4.06.	COMPLIANCE CERTIFICATE; NOTICE OF DEFAULT	60
SECTION 4.07.	COMPLIANCE WITH LAWS	61
SECTION 4.08.	WAIVER OF STAY, EXTENSION OR USURY LAWS	61
SECTION 4.09.	CHANGE OF CONTROL	61
SECTION 4.10.	INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK	64
SECTION 4.11.	RESTRICTED PAYMENTS	69
SECTION 4.12.	LIENS	76
SECTION 4.13.	ASSET SALES	77
SECTION 4.14.	TRANSACTIONS WITH AFFILIATES	82
SECTION 4.15.	DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES	84
SECTION 4.16.	ADDITIONAL SUBSIDIARY GUARANTEES	86
SECTION 4.17.	REPORTS TO HOLDERS	86
SECTION 4.18.	LIMITATION ON SUBORDINATED DEBT	87
SECTION 4.19.	BUSINESS ACTIVITIES	87
SECTION 4.20.	PAYMENTS FOR CONSENT	87
SECTION 4.21.	RESTRICTIONS ON MUSIC PUBLISHING SALE	88

ARTICLE FIVE		
SUCCESSOR CORPORATION		
SECTION 5.01.	MERGER, CONSOLIDATION, OR SALE OF ASSETS	89
ARTICLE SIX		
DEFAULT AND REMEDIES		
SECTION 6.01.	EVENTS OF DEFAULT	91
SECTION 6.02.	ACCELERATION	93
SECTION 6.03.	OTHER REMEDIES	94
SECTION 6.04.	WAIVER OF DEFAULTS	95
SECTION 6.05.	CONTROL BY MAJORITY	95
SECTION 6.06.	LIMITATION ON SUITS	96
SECTION 6.07.	RIGHTS OF HOLDERS TO RECEIVE PAYMENT	96
SECTION 6.08.	COLLECTION SUIT BY TRUSTEE	96
SECTION 6.09.	TRUSTEE MAY FILE PROOFS OF CLAIM	97
SECTION 6.10.	PRIORITIES	97
SECTION 6.11.	UNDERTAKING FOR COSTS	98
ARTICLE SEVEN		
TRUSTEE		
SECTION 7.01.	DUTIES OF TRUSTEE	98
SECTION 7.02.	RIGHTS OF TRUSTEE	99
SECTION 7.03.	INDIVIDUAL RIGHTS OF TRUSTEE	101
SECTION 7.04.	TRUSTEE'S DISCLAIMER	101
SECTION 7.05.	NOTICE OF DEFAULT	101
SECTION 7.06.	REPORTS BY TRUSTEE TO HOLDERS	102
SECTION 7.07.	COMPENSATION AND INDEMNITY	102
SECTION 7.08.	REPLACEMENT OF TRUSTEE	103
SECTION 7.09.	SUCCESSOR TRUSTEE BY MERGER, ETC.	104
SECTION 7.10.	ELIGIBILITY; DISQUALIFICATION	104
SECTION 7.11.	PREFERENTIAL COLLECTION OF CLAIMS AGAINST THE ISSUER	105
ARTICLE EIGHT		
DISCHARGE OF INDENTURE; DEFEASANCE		
SECTION 8.01.	TERMINATION OF THE ISSUER'S OBLIGATIONS	105
SECTION 8.02.	LEGAL DEFEASANCE AND COVENANT DEFEASANCE	107

	<u>Page</u>
SECTION 8.03. CONDITIONS TO LEGAL DEFEASANCE OR COVENANT DEFEASANCE	108
SECTION 8.04. APPLICATION OF TRUST MONEY	110
SECTION 8.05. REPAYMENT TO THE ISSUER	110
SECTION 8.06. REINSTATEMENT	111
ARTICLE NINE	
AMENDMENTS, SUPPLEMENTS AND WAIVERS	
SECTION 9.01. WITHOUT CONSENT OF HOLDERS	111
SECTION 9.02. WITH CONSENT OF HOLDERS	113
SECTION 9.03. RESERVED	114
SECTION 9.04. COMPLIANCE WITH TIA	114
SECTION 9.05. REVOCATION AND EFFECT OF CONSENTS	114
SECTION 9.06. NOTATION ON OR EXCHANGE OF SECURITIES	115
SECTION 9.07. TRUSTEE TO SIGN AMENDMENTS, ETC.	115
ARTICLE TEN	
COLLATERAL AND SECURITY	
SECTION 10.01. SECURITY DOCUMENTS	116
SECTION 10.02. RESERVED	117
SECTION 10.03. RELEASE OF COLLATERAL	117
SECTION 10.04. CERTIFICATES OF THE ISSUER	118
SECTION 10.05. CERTIFICATES OF THE TRUSTEE	119
SECTION 10.06. AUTHORIZATION OF ACTIONS TO BE TAKEN BY THE TRUSTEE UNDER THE SECURITY DOCUMENTS	119
SECTION 10.07. AUTHORIZATION OF RECEIPT OF FUNDS BY THE TRUSTEE UNDER THE SECURITY DOCUMENTS	120
SECTION 10.08. TERMINATION OF SECURITY INTEREST	120
SECTION 10.09. POST-COLLATERAL OBLIGATIONS	120
ARTICLE ELEVEN	
GUARANTEES	
SECTION 11.01. UNCONDITIONAL GUARANTEE	120
SECTION 11.02. RESERVED	122
SECTION 11.03. LIMITATION ON GUARANTOR LIABILITY	122

	<u>Page</u>
SECTION 11.04. RESERVED	122
SECTION 11.05. RELEASE OF A GUARANTOR	122
SECTION 11.06. WAIVER OF SUBROGATION	123
SECTION 11.07. IMMEDIATE PAYMENT	124
SECTION 11.08. NO SETOFF	124
SECTION 11.09. GUARANTEE OBLIGATIONS ABSOLUTE	124
SECTION 11.10. GUARANTEE OBLIGATIONS CONTINUING	124
SECTION 11.11. GUARANTEE OBLIGATIONS NOT REDUCED	125
SECTION 11.12. GUARANTEE OBLIGATIONS REINSTATED	125
SECTION 11.13. GUARANTEE OBLIGATIONS NOT AFFECTED	125
SECTION 11.14. WAIVER	127
SECTION 11.15. NO OBLIGATION TO TAKE ACTION AGAINST THE ISSUER	127
SECTION 11.16. DEALING WITH THE ISSUER AND OTHERS	127
SECTION 11.17. DEFAULT AND ENFORCEMENT	128
SECTION 11.18. AMENDMENT, ETC.	128
SECTION 11.19. ACKNOWLEDGMENT	128
SECTION 11.20. COSTS AND EXPENSES	128
SECTION 11.21. NO MERGER OR WAIVER; CUMULATIVE REMEDIES	128
SECTION 11.22. SURVIVAL OF GUARANTEE OBLIGATIONS	129
SECTION 11.23. GUARANTEE IN ADDITION TO OTHER GUARANTEE OBLIGATIONS	129
SECTION 11.24. SEVERABILITY	129
SECTION 11.25. SUCCESSORS AND ASSIGNS	129
ARTICLE TWELVE	
MISCELLANEOUS	
SECTION 12.01. TIA CONTROLS	129
SECTION 12.02. NOTICES	130
SECTION 12.03. COMMUNICATIONS BY HOLDERS WITH OTHER HOLDERS	132
SECTION 12.04. CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT	132
SECTION 12.05. STATEMENTS REQUIRED IN CERTIFICATE OR OPINION	132
SECTION 12.06. RULES BY TRUSTEE, PAYING AGENT, REGISTRAR	133
SECTION 12.07. LEGAL HOLIDAYS	133
SECTION 12.08. GOVERNING LAW	133
SECTION 12.09. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS	133
SECTION 12.10. NO RECOURSE AGAINST OTHERS	133
SECTION 12.11. SUCCESSORS	134
SECTION 12.12. DUPLICATE ORIGINALS	134
SECTION 12.13. SEVERABILITY	134



---

	<u>Page</u>
SECTION 12.14. FORCE MAJEURE	134
SECTION 12.15. USA PATRIOT ACT	134
Signatures	S-1
Schedule I	S-8
EXHIBITS	
Exhibit A - Form of Security	A-1
Exhibit B - Form of Legend for 144A Securities and Other Securities That Are Restricted Securities	B-1
Exhibit C - Form of Legend for Regulation S Security	C-1
Exhibit D - Form of Legend for Global Security	D-1
Exhibit E - Form of Certificate To Be Delivered in Connection with Transfers to Non-QIB Accredited Investors	E-1
Exhibit F - Form of Certificate To Be Delivered in Connection with Transfers Pursuant to Regulation S	F-1
Exhibit G - Form of OID Legend	G-1
Exhibit H - Security Documents	H-1
Exhibit I - Form of Supplemental Indenture	I-1

Note: This Table of Contents shall not, for any purpose, be deemed to be part of the Indenture.

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INDENTURE dated as of May 28, 2009 among WMG ACQUISITION CORP., a Delaware corporation (the “**Issuer**”), as issuer, WMG Holdings Corp., solely to the extent set forth in Article X and as set forth in the Security Documents, the Guarantors (as defined herein) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as trustee (the “**Trustee**”).

Each party hereto agrees as follows for the benefit of each other party and for the equal and ratable benefit of the Holders.

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

Set forth below are certain defined terms used in this Indenture.

“**Acquired Debt**” means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by an existing Lien encumbering any asset acquired by such specified Person.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “**control**” (including, with correlative meanings, the terms “**controlling**,” “**controlled by**” and “**under common control with**”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

“**Agent**” means any Registrar, Paying Agent or co-Registrar.

“**amend**” means amend, modify, supplement, restate or amend and restate, including successively; and “**amending**” and “**amended**” have correlative meanings.

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“**Applicable Premium**” means, with respect to any Security on any applicable Redemption Date, the greater of:

(1) 1.0% of the then outstanding principal amount of the Security; and

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Security at June 15, 2013, as applicable (such redemption price being set forth in the table appearing under Section 3.07(b)) plus (ii) all required interest payments due on the Security through June 15, 2013, as applicable (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of the Security.

“**asset**” means any asset or property, whether real, personal or other, tangible or intangible.

“**Asset Sale**” means (i) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a sale and leaseback) of the Issuer or any Restricted Subsidiary (each referred to in this definition as a “**disposition**”) or (ii) the issuance or sale of Equity Interests of any Restricted Subsidiary, other than Preferred Stock of a Restricted Subsidiary issued in compliance with Section 4.10 hereof (whether in a single transaction or a series of related transactions), in each case, other than:

(1) a disposition of Cash Equivalents or obsolete or worn out property or equipment in the ordinary course of business or inventory (or other assets) held for sale in the ordinary course of business and dispositions of property no longer used or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;

(2) (a) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to, and as defined in, Section 5.01 or (b) any disposition that constitutes a Change of Control pursuant to this Indenture (other than a Change of Control triggered by a Recorded Music Sale);

(3) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, pursuant to Section 4.11 or the granting of a Lien permitted by Section 4.12;

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(4) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate fair market value of less than \$50.0 million;

(5) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to another Restricted Subsidiary;

(6) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business;

(7) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary (with the exception of Investments in Unrestricted Subsidiaries acquired pursuant to clause (11) of the definition of "Permitted Investments");

(8) foreclosures on assets;

(9) disposition of an account receivable in connection with the collection or compromise thereof;

(10) sales of Securitization Assets and related assets of the type specified in the definition of "Securitization Financing" to a Securitization Subsidiary in connection with any Qualified Securitization Financing;

(11) a transfer of Securitization Assets and related assets of the type specified in the definition of "Securitization Financing" (or a fractional undivided interest therein) by a Securitization Subsidiary in a Qualified Securitization Financing; and

(12) a Music Publishing Sale in a manner permitted pursuant to Section 4.21.

"**Authorized Representative**" has the meaning set forth in the Security Agreement.

"**Bank Obligations**" means all Obligations pursuant to a Credit Agreement (other than the Securities or other notes or debt securities) and related documents incurred pursuant to Section 4.10(b)(1).

"**Bankruptcy Law**" means Title 11, U.S. Code or any similar Federal, state or foreign law for the relief of debtors.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any

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particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “**Beneficially Owns**” and “**Beneficially Owned**” have a corresponding meaning.

“**Board of Directors**” means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership; and
- (3) with respect to any other Person, the board or committee of such Person serving a similar function.

“**Board Resolution**” means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“**Business Day**” means any day other than a Saturday, Sunday or any other day on which banking institutions in the City of New York are required or authorized by law or other governmental action to be closed.

“**Capital Stock**” means:

- (1) in the case of a corporation, capital stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“**Capitalized Lease Obligation**” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

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“**Cash Contribution Amount**” means the aggregate amount of cash contributions made to the capital of the Issuer or any Guarantor described in the definition of “Contribution Indebtedness.”

“**Cash Equivalents**” means:

(1) U.S. dollars, pounds sterling, euros, or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully and unconditionally guaranteed or insured by the government or any agency or instrumentality of the United States or any member nation of the European Union having maturities of not more than 12 months from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers’ acceptances with maturities not exceeding 12 months and overnight bank deposits, in each case, with any lender party to any Credit Agreement or with any commercial bank having capital and surplus in excess of \$500,000,000;

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper maturing within 12 months after the date of acquisition and having a rating of at least A-1 from Moody’s or P-1 from S&P;

(6) investment funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition; and

(7) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody’s or S&P with maturities of 12 months or less from the date of acquisition.

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“**Change of Control**” means the occurrence of any of the following:

(1) the sale, lease, transfer or other conveyance, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than a Permitted Holder;

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of 50% or more of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent corporations;

(3) (A) prior to the first public offering of common stock of either Holdings or the Issuer, the first day on which the Board of Directors of Holdings shall cease to consist of a majority of directors who (i) were members of the Board of Directors of Holdings on the Issue Date or (ii) were either (x) nominated for election by the Board of Directors of Holdings, a majority of whom were directors on the Issue Date or whose election or nomination for election was previously approved by a majority of such directors, or (y) designated or appointed by a Permitted Holder (each of the directors selected pursuant to clauses (A)(i) and (A)(ii), “**Continuing Directors**”) and (B) after the first public offering of common stock of either Holdings or the Issuer, (i) if such public offering is of Holdings common stock, the first day on which a majority of the members of the Board of Directors of Holdings are not Continuing Directors or (ii) if such public offering is of the Issuer’s common stock, the first day on which a majority of the members of the Board of Directors of the Issuer are not Continuing Directors;

(4) a Recorded Music Sale (other than a Recorded Music Sale in connection with which a Redemption in Whole has been made pursuant to Section 3.07(d)); or

(5) a Music Publishing Sale.

“**Cinram Adjustment**” means cost savings and other adjustments to the Issuer from the disposition of its DVD and CD manufacturing, printing, packaging, physical distribution and merchandising businesses to Cinram International, Inc., which was consummated on October 24, 2003, and the associated long-term supply contract with Cinram International, Inc. for physical product and distribution.

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“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect on the Issue Date, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

“**Collateral**” has the meaning set forth in the Security Agreement.

“**Collateral Agent**” means initially the Trustee, or a successor thereto, in its capacity as collateral agent under the Security Agreement for the benefit of the holders of all First Lien Obligations, together with its successors in such capacity.

“**Commission**” means the Securities and Exchange Commission.

“**Consolidated Depreciation and Amortization Expense**” means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees and other noncash charges (excluding any noncash item that represents an accrual or reserve for a cash expenditure for a future period), of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

“**Consolidated Interest Expense**” means, with respect to any Person for any period, the sum, without duplication, of: (a) consolidated interest expense of such Person and its Restricted Subsidiaries for such period (including amortization of original issue discount, noncash interest payments (other than imputed interest as a result of purchase accounting), the interest component of Capitalized Lease Obligations, net payments (if any) pursuant to interest rate Hedging Obligations, but excluding amortization of deferred financing fees or expensing of any bridge or other financing fees relating to the Specified Financings) and (b) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, less (c) interest income actually received in cash for such period; *provided, however*, that Securitization Fees shall not be deemed to constitute Consolidated Interest Expense.

“**Consolidated Net Income**” means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided, however*, that



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(1) any net after-tax extraordinary, unusual or nonrecurring gains or losses (including, without limitation, severance, relocation, transition and other restructuring costs) (less all fees and expenses relating thereto) shall be excluded;

(2) the Net Income for such period shall not include the cumulative effect of a change in accounting principle(s) during such period;

(3) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of the Issuer) shall be excluded;

(4) the Net Income for such period of any Person that is not a Subsidiary, or that is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that, to the extent not already included, Consolidated Net Income of the Issuer shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(5) solely for the purpose of determining the amount available for Restricted Payments under clause (3) of Section 4.11(a), the Net Income for such period of any Restricted Subsidiary (other than a Guarantor) shall be excluded if the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not permitted at the date of determination without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived; *provided* that Consolidated Net Income of such Person shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(6) any noncash impairment charges resulting from the application of Statements of Financial Accounting Standards No. 142 and No. 144 and the amortization of intangibles arising pursuant to Statement of Financial Accounting Standards No. 141 shall be excluded;

(7) solely for purposes of determining the amount available for Restricted Payments under clause (3) of Section 4.11(a), an amount equal to any reduction in current taxes recognized during the applicable period by the Issuer and its Restricted

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Subsidiaries as a direct result of deductions arising from (A) the amortization allowed under Section 167 or 197 of the Code for the goodwill and other intangibles arising from the Transactions and (B) employee termination and related restructuring reserves established pursuant to purchase accounting for the two-year period commencing with the Issue Date, in each case, will be included in the calculation of “Consolidated Net Income” so long as such addition will not result in double-counting;

(8) noncash compensation charges, including any such charges arising from stock options, restricted stock grants or other equity-incentive programs shall be excluded;

(9) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness shall be excluded; and

(10) any noncash charges resulting from mark-to-market accounting in accordance with Statements of Financial Accounting Standards No. 133 and No. 150 and Emerging Issues Task Force Issue No. 00-19 relating to warrants owned by Time Warner Inc. shall be excluded.

Notwithstanding the foregoing, for the purpose of Section 4.11 only (other than clause (3)(d) of subsection (a) thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by the Issuer and the Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments by the Issuer and the Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Issuer and any Restricted Subsidiary, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under clause (D)(3) of Section 4.11(a).

“**Consolidated Tangible Assets**” means, with respect to any Person, the consolidated total assets of such Person and its Restricted Subsidiaries determined in accordance with GAAP, *less* all goodwill, trade names, trademarks, patents, organization expense and other similar intangibles properly classified as intangibles in accordance with GAAP.

“**Contingent Obligations**” means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“**primary obligations**”) of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity

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capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“**Contribution Indebtedness**” means Indebtedness of the Issuer or any Guarantor in an aggregate principal amount not greater than twice the aggregate amount of cash contributions (other than Excluded Contributions) made to the capital of the Issuer or such Guarantor after April 1, 2009.

“**Corporate Trust Office**” means the corporate trust office of the Trustee located at Sixth Street and Marquette Avenue, MAC N9311-110, Minneapolis, Minnesota 55479, Attention: Corporate Trust Department, or such other office, designated by the Trustee by written notice to the Issuer, at which at any particular time its corporate trust business shall be administered.

“**Credit Agreement**” means one or more debt facilities, commercial paper facilities or series of notes documented in one or more agreements or indentures, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as each may be amended, restated, supplemented, modified, renewed, refunded, replaced or refinanced from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors), including any agreement extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“**Custodian**” means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Depository**” shall mean The Depository Trust Company, New York, New York, or a successor thereto registered under the Exchange Act or other applicable statute or regulation.

“**Designated Noncash Consideration**” means the fair market value of noncash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officers’ Certificate setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

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“**Designated Preferred Stock**” means Preferred Stock of the Issuer or any direct or indirect parent company of the Issuer (other than Disqualified Stock) that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officers’ Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (D)(3) of Section 4.11(a).

“**Disqualified Stock**” means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is putable or exchangeable), or upon the happening of any event, matures or is mandatorily redeemable (other than as a result of a change of control or asset sale), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than as a result of a change of control or asset sale), in whole or in part, in each case prior to the date 91 days after the earlier of the final maturity date of the Securities or the date the Securities are no longer outstanding; *provided, however*, that if such Capital Stock is issued to any plan for the benefit of employees of Holdings or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Holdings or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“**Domestic Subsidiary**” means any Subsidiary of the Issuer that was formed under the laws of the United States, any state of the United States, the District of Columbia or any territory of the United States.

“**EBITDA**” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication,

(1) provision for taxes based on income or profits, plus franchise or similar taxes of such Person for such period deducted in computing Consolidated Net Income, plus

(2) Consolidated Interest Expense of such Person for such period to the extent the same was deducted in calculating such Consolidated Net Income, plus

(3) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent such depreciation and amortization were deducted in computing Consolidated Net Income, plus

(4) any reasonable expenses or charges related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be incurred under this Indenture or to the Transactions and, in each case, deducted in such period in computing Consolidated Net Income, plus

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(5) the amount of any restructuring charges or reserves (which, for the avoidance of doubt, shall include retention, severance, systems establishment cost, excess pension charges, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees) deducted in such period in computing Consolidated Net Income, plus

(6) without duplication, any other noncash charges (including any impairment charges and the impact of purchase accounting, including, but not limited to, the amortization of inventory step-up) reducing Consolidated Net Income for such period (excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period), plus

(7) any net gain or loss resulting from Hedging Obligations relating to currency exchange risk, plus

(8) the amount of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsors (or any accruals relating to such fees and related expenses) during such period; *provided* that such amount shall not exceed \$10.0 million in any four-quarter period, plus

(9) Securitization Fees to the extent deducted in calculating Consolidated Net Income for such period, plus

(10) the Cinram Adjustment, plus

(11) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations, plus

(12) without duplication, pension curtailment expenses, transaction costs and executive contract expenses incurred by affiliated entities of the Issuer (other than Holdings and its Subsidiaries) on behalf of Holdings or any of its Subsidiaries and reflected in the combined financial statements of the Issuer as capital contributions, less

(13) without duplication, noncash items increasing Consolidated Net Income of such Person for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges or asset valuation adjustments made in any prior period).

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“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Equity Offering**” means any public or private sale of common stock or Preferred Stock of the Issuer or any of its direct or indirect parent corporations (excluding Disqualified Stock), other than (i) public offerings with respect to common stock of the Issuer or of any direct or indirect parent corporation of the Issuer registered on Form S-8, (ii) any such public or private sale that constitutes an Excluded Contribution or (iii) an issuance to any Subsidiary.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Exchange Securities**” means any Securities issued in exchange for Initial Securities or Securities without a legend.

“**Excluded Assets**” has the meaning set forth in the Security Agreement.

“**Excluded Contribution**” means net cash proceeds, marketable securities or Qualified Proceeds, in each case received by the Issuer and its Restricted Subsidiaries from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer or any Subsidiary) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock),

in each case designated as Excluded Contributions pursuant to an Officers’ Certificate on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be, which are excluded from the calculation set forth in clause (D)(3) of Section 4.11(a).

“**Existing Indebtedness**” means Indebtedness of the Issuer and its Subsidiaries (other than Indebtedness under any Credit Agreement) in existence on the date of this Indenture, including the Existing Senior Subordinated Notes.

“**Existing Senior Subordinated Notes**” means collectively the Issuer’s existing 7.375% U.S. dollar senior subordinated notes due 2014 and the Issuer’s existing 8.125% Sterling denominated senior subordinated notes due 2014.

“**First Lien Obligations**” means collectively, obligations under the (a) Securities offered hereby, (b) the Exchange Securities, (c) the Indenture, (d) Bank Obligations, (e)

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any Permitted Additional Pari Passu Obligations, (f) interest rate or currency swaps, caps or collars or similar Hedging Obligations entered into to hedge the Issuer's or any Guarantor's exposure with respect to Obligations not prohibited under this Indenture and (g) obligations in respect of any overdraft and related liabilities arising from treasury, depositary and cash management services or any automated clearing house transfers of funds.

“**Fixed Charge Coverage Ratio**” means, with respect to any Person for any period consisting of such Person and its Restricted Subsidiaries' most recently ended four fiscal quarters for which internal financial statements are available, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Issuer or any Restricted Subsidiary incurs, assumes, guarantees or redeems any Indebtedness or issues or repays Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “**Calculation Date**”), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee or repayment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers or consolidations (as determined in accordance with GAAP) that have been made by Holdings or any Restricted Subsidiary during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and any restructuring initiatives referred to below (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Investment, acquisition, disposition, merger or consolidation that would have required adjustment pursuant to this definition or commenced any restructuring initiative, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger or consolidation or initiative had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Investment, acquisition, disposition, merger or consolidation or any restructuring initiatives and the amount of income or earnings relating thereto, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer and shall comply with the requirements of Rule 11-02 of Regulation S-X promulgated by the Commission, *except* that such *pro forma* calculations may include operating expense reductions for such period resulting from such transaction or initiative that is being given *pro forma* effect

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that have been realized or (A) for which the steps necessary for realization have been taken (or are taken concurrently with such transaction or initiative) or (B) for which the steps necessary for realization are reasonably expected to be taken within the six-month period following such transaction and, in each case, including, but not limited to, (a) reduction in personnel expenses, (b) reduction of costs related to administrative functions, (c) reduction of costs related to leased or owned properties and (d) reductions from the consolidation of operations and streamlining of corporate and record label overhead; *provided* that, in either case, such adjustments are set forth in an Officers' Certificate signed by the Issuer's chief financial officer and another Officer which states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the Officers executing such Officers' Certificate at the time of such execution and (iii) that any related incurrence of Indebtedness is permitted pursuant to this Indenture. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

“**Fixed Charges**” means, with respect to any Person for any period, the sum of, without duplication, (a) Consolidated Interest Expense (excluding all noncash interest expense and amortization/accretion of original issue discount in connection with the Specified Financings (including any original issue discount created by fair value adjustments to the Issuer's existing Indebtedness as a result of purchase accounting)) of such Person for such period, (b) all cash dividends paid, accrued and/or scheduled to be paid or accrued during such period (excluding items eliminated in consolidation) on any series of Preferred Stock of such Person and (c) all cash dividends paid, accrued and/or scheduled to be paid or accrued during such period (excluding items eliminated in consolidation) on any series of Disqualified Stock.

“**Foreign Subsidiary**” means any Subsidiary of the Issuer that is not a Domestic Subsidiary.

“**Freely Tradable**” has the meaning set forth in the Registration Rights Agreement.



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“**GAAP**” means generally accepted accounting principles in the United States in effect on the date of this Indenture. For purposes of this Indenture, the term “**consolidated**” with respect to any Person means such Person consolidated with its Restricted Subsidiaries and does not include any Unrestricted Subsidiary.

“**Global Security**” has the meaning set forth in Section 2.16.

“**guarantee**” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness or other obligations.

“**Guarantee**” means any guarantee of the obligations of the Issuer under this Indenture and the Securities by a Guarantor in accordance with the provisions of this Indenture. When used as a verb, “**Guarantee**” shall have a corresponding meaning.

“**Guarantor**” means any Person that incurs a Guarantee of the Securities; *provided* that upon the release and discharge of such Person from its Guarantee in accordance with this Indenture, such Person shall cease to be a Guarantor.

“**Hedging Obligations**” means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

“**Holdings**” means WMG Holdings Corp., a Delaware corporation and the direct parent of the Issuer.

“**Holdings Notes**” means Holdings’ existing 9.5% Senior Discount Notes due 2014.

“**Holder**” or “**Securityholder**” means the registered holder of any Security.

“**incur**” means to directly or indirectly create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to any Indebtedness (including Acquired Debt) and “**incurrence**” shall have a correlative meaning.

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“**Indebtedness**” means, with respect to any Person,

(a) any indebtedness (including principal and premium) of such Person, whether or not contingent,

(i) in respect of borrowed money,

(ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or, without double counting, reimbursement agreements in respect thereof),

(iii) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), except any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business or

(iv) representing any Hedging Obligations,

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP,

(b) Disqualified Stock of such Person,

(c) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business) and

(d) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person);

*provided, however,* that Contingent Obligations incurred in the ordinary course of business and not in respect of borrowed money shall be deemed not to constitute Indebtedness.

“**Indenture**” means this Indenture, as amended, restated or supplemented from time to time in accordance with the terms hereof.

“**Independent Financial Advisor**” means an accounting, appraisal or investment banking firm or consultant to Persons engaged in a Permitted Business of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

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“**Initial Purchasers**” means with respect to the Securities, Goldman, Sachs & Co., Banc of America Securities LLC, Citigroup Global Markets Inc., Barclays Capital Inc. and Deutsche Bank Securities Inc.

“**Initial Securities**” has the meaning set forth in Section 2.01 of this Indenture.

“**Interest**” means, with respect to the Securities, interest and any Special Interest on the Securities.

“**Interest Payment Date**” means the stated maturity of an installment of interest on the Securities.

“**Investments**” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of such Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

For purposes of the definition of “Unrestricted Subsidiary” and Section 4.11, (i) “Investments” shall include the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (x) the Issuer’s “Investment” in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Issuer; and (iii) any transfer of Capital Stock that results in an entity which became a Restricted Subsidiary after the Issue Date ceasing to be a Restricted Subsidiary shall be deemed to be an Investment in an amount equal to the fair market value (as determined by the Board of Directors of the Issuer in good faith as of the date of initial acquisition) of the Capital Stock of such entity owned by the Issuer and the Restricted Subsidiaries immediately after such transfer.

“**Issue Date**” means May 28, 2009, the date of original issuance of the Securities.

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“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“**Major**” means any significant competitor or participant in a Permitted Business, determined by the Issuer in its sole discretion.

“**Major Music/Media Transaction**” means (1) any disposition by the Issuer of all or substantially all of its assets or the assets of its Recorded Music Business to another Major, or any acquisition by another Major of more than 50% of the outstanding shares of Voting Stock of the Issuer or any of its direct or indirect parent entities; (2) any acquisition by the Issuer of all or substantially all the recorded music business, music publishing business or other Permitted Business of another Major; or (3) any merger, consolidation, joint venture or other combination of all or substantially all of the Issuer’s assets or its Recorded Music Business with all or substantially all of the assets of the recorded music business, music publishing business or other Permitted Business of another Major.

“**Management Agreement**” means the Management Agreement by and among the Issuer, Holdings and the Sponsors and/or their Affiliates as in effect on the Issue Date.

“**Maturity Date**” means June 15, 2016.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Music Publishing Business**” means the subsidiaries and assets constituting the music publishing segment, as defined in the financial statements of the Issuer. At any point in time in which music publishing is not a reported segment of the Issuer, Music Publishing Business shall refer to the business that was previously included in this segment.

“**Music Publishing Sale**” means the sale of all or substantially all of the Music Publishing Business, which, for the avoidance of doubt may include assets constituting a portion of the Recorded Music Business not to exceed 10% of the total assets constituting the Recorded Music Business, as reflected on the most recent internally available balance sheet of the Issuer.

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“**Net Income**” means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends or accretion of any Preferred Stock.

“**Net Proceeds**” means the aggregate cash proceeds received by the Issuer or any Restricted Subsidiary in respect of any Asset Sale, including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions, any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

“**Non-Recourse Acquisition Financing Indebtedness**” means any Indebtedness incurred by the Issuer or any Restricted Subsidiary to finance the acquisition, exploitation or development of assets (including directly or through the acquisition of entities holding such assets) not owned by the Issuer or any of its Restricted Subsidiaries prior to such acquisition, exploitation or development, which assets are used for the creation or development of Product for the benefit of the Issuer, and in respect of which the Person to whom such Indebtedness is owed has no recourse whatsoever to the Issuer or any of its Restricted Subsidiaries for the repayment of or payment of such Indebtedness other than recourse to the acquired assets or assets that are the subject of such exploitation or development for the purpose of enforcing any Lien given by the Issuer or such Restricted Subsidiary over such assets, including the receivables, inventory, intangibles and other rights associated with such assets and the proceeds thereof.

“**Non-Recourse Product Financing Indebtedness**” means any Indebtedness incurred by the Issuer or any Restricted Subsidiary solely for the purpose of financing (whether directly or through a partially-owned joint venture) the production, acquisition, exploitation, creation or development of items of Product produced, acquired, exploited, created or developed after the Issue Date (including any Indebtedness assumed in connection with the production, acquisition, creation or development of any such items of Product or secured by a Lien on any such items of Product prior to the production, acquisition, creation or development thereof) where the recourse of the creditor in respect of that Indebtedness is limited to Product revenues generated by such items of Product or any rights pertaining thereto and where the Indebtedness is unsecured save for Liens over such items of Product or revenues and such rights and any extension, renewal, replacement or refinancing of such Indebtedness. “Non-Recourse Product Financing Indebtedness” excludes, for the avoidance of doubt, any Indebtedness raised or secured against Product where the proceeds are used for any other purposes.

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“**Non-U.S. Person**” has the meaning assigned to such term in Regulation S.

“**Obligations**” means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“**Offering Circular**” means the offering circular of the Issuer dated May 19, 2009 relating to the Securities.

“**Officer**” means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary or Assistant Secretary or General Counsel or Deputy General Counsel of the Issuer or of a Guarantor, as applicable.

“**Officers’ Certificate**” means a certificate signed on behalf of the Issuer by two Officers of the Issuer or on behalf of a Guarantor by two Officers of such Guarantor, one of whom is the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer or such Guarantor, as applicable, that meets the requirements set forth in this Indenture.

“**OID Legend**” means the legend set forth in Exhibit G hereof to be placed on all Securities issued under this Indenture that have more than a de minimis amount of original issue discount for U.S. Federal Income Tax purposes.

“**Opinion of Counsel**” means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer, a Guarantor or the Trustee.

“**Permitted Additional Pari Passu Obligations**” has the meaning assigned to Additional Secured Obligation in the Security Agreement.

“**Permitted Asset Swap**” means the concurrent purchase and sale or exchange of Permitted Business assets or a combination of Permitted Business assets and cash or Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; provided, that any cash or Cash Equivalents received must be applied in accordance with Section 4.13, provided further that the assets received are pledged as Collateral to the extent required by the Security Documents to the extent that the assets disposed of constituted Collateral.

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“**Permitted Business**” means the media and entertainment business and any services, activities or businesses incidental or directly related or similar thereto, any line of business engaged in by the Issuer on the Issue Date (or the applicable party in the case of a Major Music/Media Transaction) or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

“**Permitted Debt**” has the meaning set forth in Section 4.10(b).

“**Permitted Holders**” means (i) the Sponsors and their Affiliates (not including, however, any portfolio companies of any of the Sponsors); (ii) Edgar Bronfman Jr.; (iii) immediate family members (including spouses and direct descendants) of the Person described in clause (ii); (iv) any trusts created for the benefit of the Person described in clause (ii) or (iii) or any trust for the benefit of any such trust; (v) in the event of the incompetence or death of any Person described in clauses (ii) and (iii), such Person’s estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer; or (vi) Time Warner Inc. if at such time as Time Warner Inc. owns 50% or more of the total voting power of the Voting Stock of the Issuer or any direct or indirect parent company of the Issuer and after giving *pro forma* effect to the acquisition of such Voting Stock and the incurrence of any Indebtedness used to finance the acquisition thereof, (x) Time Warner Inc. has a rating of at least “investment grade” status from S&P and Moody’s and (y) neither S&P, Moody’s nor any other nationally recognized rating agency shall have downgraded, or indicated an intention to downgrade, the corporate rating of Time Warner Inc. to a level below its then existing corporate rating by any such agency.

“**Permitted Investments**” means

- (1) any Investment by the Issuer in any Restricted Subsidiary or by a Restricted Subsidiary in another Restricted Subsidiary;
- (2) any Investment in cash and Cash Equivalents;
- (3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person that is engaged in a Permitted Business if as a result of such Investment (A) such Person becomes a Restricted Subsidiary or (B) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;
- (4) any Investment in securities or other assets not constituting cash or Cash Equivalents and received in connection with an Asset Sale made pursuant to Section 4.13 or any other disposition of assets not constituting an Asset Sale;

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(5) any Investment existing on the Issue Date and any modification, replacement, renewal or extension thereof; *provided* that the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(6) loans and advances to employees and any guarantees not in excess of \$15.0 million in the aggregate outstanding at any one time;

(7) any Investment acquired by the Issuer or any Restricted Subsidiary (A) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (B) as a result of a foreclosure by the Issuer or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under clause (9) of the definition of "Permitted Debt" in Section 4.10(b);

(9) loans and advances to officers, directors and employees for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business;

(10) any advance directly or indirectly related to royalties or future profits (whether or not recouped), directly or indirectly (including through capital contributions or loans to an entity or joint venture relating to such artist(s) or writer(s)), to one or more artists or writers pursuant to label and license agreements, agreements with artists/writers and related ventures, pressing and distribution agreements, publishing agreements and any similar contract or agreement entered into from time to time in the ordinary course of business;

(11) any Investment by the Issuer or a Restricted Subsidiary in a Permitted Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (11) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash and/or marketable securities), not to exceed the greater of \$150.0 million and 15.0% of Consolidated Tangible Assets (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);



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(12) Investments the payment for which consists of Equity Interests of the Issuer or any of its direct or indirect parent corporations (exclusive of Disqualified Stock);

(13) guarantees (including Guarantees) of Indebtedness permitted under Section 4.10 and performance guarantees consistent with past practice;

(14) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with Section 4.14 (except transactions described in clauses (2), (6) and (7) of Section 4.14(b));

(15) Investments by the Issuer or a Restricted Subsidiary in joint ventures engaged in a Permitted Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (15) that are at that time outstanding amount, not to exceed the greater of \$100.0 million and 8.0% of Consolidated Tangible Assets (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(16) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons; and

(17) any Investment in a Securitization Subsidiary or any Investment by a Securitization Subsidiary in any other Person in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Indebtedness; *provided, however*, that any Investment in a Securitization Subsidiary is in the form of a Purchase Money Note, contribution of additional Securitization Assets or an equity interest.

“**Permitted Liens**” means the following types of Liens:

(1) deposits of cash or government bonds made in the ordinary course of business to secure surety or appeal bonds to which such Person is a party;

(2) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers’ acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice;

(3) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided, however*, that such Liens are not created or incurred

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in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided, further, however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(4) Liens on property at the time the Issuer or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary; *provided, however*, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition; *provided, further, however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(5) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary permitted to be incurred in accordance with Section 4.10;

(6) Liens on cash deposits or property constituting Cash Equivalents securing Hedging Obligations not prohibited under this Indenture;

(7) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(8) Liens in favor of the Issuer or any Restricted Subsidiary;

(9) Liens to secure any Indebtedness that is (A) incurred to refinance any Indebtedness that has been secured by a Lien existing on the Issue Date (other than the Securities or refinancings or replacements thereof) or (B) referred to in clauses (3), (4) and (19)(B) of this definition; *provided, however*, that in each case, such Liens (x) are no less favorable to the Holders and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being refinanced; and (y) do not extend to or cover any property or assets of the Issuer or any of its Restricted Subsidiaries not securing the Indebtedness so refinanced;

(10) Liens on Securitization Assets and related assets of the type specified in the definition of "Securitization Financing" incurred in connection with any Qualified Securitization Financing;

(11) Liens for taxes, assessments or other governmental charges or levies not yet delinquent, or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted or for property taxes on property that the Issuer or one of its Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property;

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(12) judgment liens in respect of judgments that do not constitute an Event of Default so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(13) pledges, deposits or security under workmen's compensation, unemployment insurance and other social security laws or regulations, or deposits to secure the performance of tenders, contracts (other than for the payment of Indebtedness) or leases, or deposits to secure public or statutory obligations, or deposits as security for contested taxes or import or customs duties or for the payment of rent, or deposits or other security securing liabilities to insurance carriers under insurance or self-insurance arrangements, in each case incurred in the ordinary course of business or consistent with past practice;

(14) Liens imposed by law, including carriers', warehousemen's, materialmen's, repairmen's and mechanics' Liens, in each case for sums not overdue by more than 30 days or, if more than 30 days overdue, are unfiled and no other action has been taken to enforce such Lien or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted;

(15) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of business or to the ownership of properties that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business;

(16) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business that do not (x) interfere in any material respect with the business of the Issuer or any of its material Restricted Subsidiaries or (y) secure any Indebtedness;

(17) banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository institution, *provided* that (a) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer in excess of those set forth by regulations promulgated by the Federal Reserve Board or other applicable law and (b) such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to the depository institution;

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(18) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(19) (A) other Liens securing Indebtedness for borrowed money with respect to property or assets with an aggregate fair market value (valued at the time of creation thereof) of not more than \$15.0 million at any time and (B) Liens securing Indebtedness incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property of such Person; *provided, however*, that (x) the Lien may not extend to any other property (except for accessions to such property) owned by such Person or any of its Restricted Subsidiaries at the time the Lien is incurred, (y) such Liens attach concurrently with or within 270 days after the acquisition, repair, replacement, construction or improvement (as applicable) of the property subject to such Liens and (z) with respect to Capitalized Lease Obligations, such Liens do not at any time extend to or cover any assets (except for accessions to such assets) other than the assets subject to such Capitalized Lease Obligations; *provided* that individual financings of equipment provided by one lender may be cross-collateralized to other financings of equipment provided by such lender;

(20) Liens to secure Non-Recourse Product Financing Indebtedness permitted to be incurred pursuant to clause (18) of the definition of “Permitted Debt” in Section 4.10(b), which Liens may not secure Indebtedness other than Non-Recourse Product Financing Indebtedness and which Liens may not attach to assets other than the items of Product acquired, exploited, created or developed with the proceeds of such Indebtedness and Liens to secure Non-Recourse Acquisition Financing Indebtedness permitted to be incurred pursuant to clause (18) of the definition of “Permitted Debt” in Section 4.10(b), which Liens may not secure Indebtedness other than Non-Recourse Acquisition Financing Indebtedness and which Liens may not attach to assets other than the assets acquired, exploited, created or developed with the proceeds of such Indebtedness;

(21) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

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(22) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(23) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Issuer or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business;

(24) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Indenture; and

(25) Liens incurred to secure Obligations in respect of any Indebtedness permitted to be incurred pursuant to Sections 4.10(b)(4) and 4.10(b)(20).

“**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“**Preferred Stock**” means any Equity Interest with preferential rights of payment of dividends upon liquidation, dissolution or winding up.

“**Private Placement Legend**” means the legends initially set forth on the Securities in the form set forth in Exhibit B.

“**Product**” means any music (including musical and audio visual recordings, musical performance, songs and compositions and also includes mail order music and activities relating or incidental to music such as touring, merchandising and artist management), music copyright, motion picture, television programming, film, videotape, digital file, video clubs, DVD manufactured or distributed or any other product produced for theatrical, non-theatrical or television release or for release in any other medium, in each case whether recorded on film, videotape, cassette, cartridge, disc or on or by any other means, method, process or device, whether now known or hereafter developed, with respect to which the Issuer or any Restricted Subsidiary:

(1) is an initial copyright owner; or

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(2) acquires (or will acquire upon delivery) an equity interest, license, sublicense or administration or distribution right.

“**Purchase Money Note**” means a promissory note of a Securitization Subsidiary evidencing a line of credit, which may be irrevocable, from Holdings or any Subsidiary of Holdings to a Securitization Subsidiary in connection with a Qualified Securitization Financing, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which (a) shall be repaid from cash available to the Securitization Subsidiary, other than (i) amounts required to be established as reserves, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in clause (a).

“**Qualified Institutional Buyer**” or “**QIB**” shall have the meaning specified in Rule 144A under the Securities Act.

“**Qualified Proceeds**” means assets that are used or useful in, or Capital Stock of any Person engaged in, a Permitted Business; *provided* that the fair market value of any such assets or Capital Stock shall be determined by the Board of Directors of the Issuer in good faith, except that in the event the value of any such assets or Capital Stock exceeds \$50.0 million, the fair market value shall be determined by an Independent Financial Advisor.

“**Qualified Securitization Financing**” means any Securitization Financing of a Securitization Subsidiary that meets the following conditions: (i) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Securitization Subsidiary, (ii) all sales of Securitization Assets and related assets to the Securitization Subsidiary are made at fair market value (as determined in good faith by the Issuer) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings. The grant of a security interest in any Securitization Assets of the Issuer or any of its Restricted Subsidiaries (other than a Securitization Subsidiary) to secure Indebtedness under a Credit Agreement or any Permitted Additional Pari Passu Obligations and any Refinancing Indebtedness with respect thereto shall not be deemed a Qualified Securitization Financing.

“**Record Date**” means the applicable Record Date specified in the Securities; *provided* that if any such date is not a Business Day, the Record Date shall be the first day immediately preceding such specified day that is a Business Day.

“**Recorded Music Business**” means the subsidiaries and assets constituting the recorded music segment, as defined in the financial statements of the Issuer. At any point in time in which recorded music is not a reported segment of the Issuer, Recorded Music Business shall refer to the business that was previously included in this segment.

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“**Recorded Music Sale**” means the sale of all or substantially all of the Recorded Music Business, which, for the avoidance of doubt may include assets constituting a portion of the Music Publishing Business not to exceed 10% of the total assets constituting the Music Publishing Business, as reflected on the most recent internally available balance sheet of the Issuer.

“**Redemption Date**,” when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to this Indenture and the Securities.

“**Redemption in Whole**” means a redemption of 100% of the outstanding Securities pursuant to Section 3.07(d).

“**Redemption Price**,” when used with respect to any Security to be redeemed, means the price fixed for such redemption, payable in immediately available funds, pursuant to this Indenture and the Securities.

“**refinance**” means to extend, refinance, renew, replace, defease or refund, including successively; and “**refinancing**” and “**refinanced**” shall have correlative meanings.

“**Registration Rights Agreement**” means (a) the Registration Rights Agreement dated as of May 28, 2009, among the Issuer, the Guarantors and the Initial Purchasers relating to the Securities and (b) any other similar Exchange and Registration Rights Agreement relating to Additional Securities.

“**Regulation S**” means Regulation S under the Securities Act.

“**Responsible Officer**” means, when used with respect to the Trustee, any officer in the Corporate Trust Office of the Trustee to whom any corporate trust matter is referred because of such officer’s knowledge of and familiarity with the particular subject and shall also mean any officer who shall have direct responsibility for the administration of this Indenture.

“**Restricted Investment**” means an Investment other than a Permitted Investment.

“**Restricted Security**” means a Security that constitutes a “Restricted Security” within the meaning of Rule 144(a)(3) under the Securities Act; *provided, however*, that the Trustee shall be entitled to request and conclusively rely on an Opinion of Counsel with respect to whether any Security constitutes a Restricted Security.

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“**Restricted Subsidiary**” means, at any time, any direct or indirect Subsidiary of the Issuer (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided, however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of “Restricted Subsidiary”.

“**Rule 144A**” means Rule 144A under the Securities Act.

“**S&P**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“**Secured Indebtedness**” means any Indebtedness secured by a Lien.

“**Securities**” means the 9.50% Senior Secured Notes due 2016 issued by the Issuer, including, without limitation, the Exchange Securities and the Additional Securities, treated as a single class of securities, as amended from time to time in accordance with the terms hereof, that are issued pursuant to this Indenture.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Securities Purchase Agreement**” means (a) the Purchase Agreement dated May 19, 2009, among the Issuer, the Guarantors and the Initial Purchasers and (b) any other similar purchase agreement relating to the Additional Securities.

“**Securitization Assets**” means any accounts receivable or catalog, royalty or other revenue streams from Product subject to a Qualified Securitization Financing.

“**Securitization Fees**” means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Financing.

“**Securitization Financing**” means any transaction or series of transactions that may be entered into by Holdings or any of its Subsidiaries pursuant to which Holdings or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Securitization Subsidiary (in the case of a transfer by Holdings or any of its Subsidiaries) and (b) any other Person (in the case of a transfer by a Securitization Subsidiary), or may grant a security interest in, any Securitization Assets (whether now existing or arising in the future) of Holdings or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Securitization Assets, all contracts and all guarantees or other obligations in respect of such Securitization Assets, proceeds of such Securitization Assets and other assets which



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are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving Securitization Assets and any Hedging Obligations entered into by Holdings or any such Subsidiary in connection with such Securitization Assets.

“**Securitization Repurchase Obligation**” means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“**Securitization Subsidiary**” means a Wholly Owned Subsidiary of Holdings (or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which Holdings or any Subsidiary of Holdings makes an Investment and to which Holdings or any Subsidiary of Holdings transfers Securitization Assets and related assets) which engages in no activities other than in connection with the financing of Securitization Assets of Holdings or its Subsidiaries, all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of Holdings or such other Person (as provided below) as a Securitization Subsidiary and (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by Holdings or any other Subsidiary of Holdings (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates Holdings or any other Subsidiary of Holdings in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of Holdings or any other Subsidiary of Holdings, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither Holdings nor any other Subsidiary of Holdings has any material contract, agreement, arrangement or understanding other than on terms which Holdings reasonably believes to be no less favorable to Holdings or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of Holdings and (c) to which neither Holdings nor any other Subsidiary of Holdings has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Board of Directors of Holdings or such other Person shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of Holdings or such other Person giving effect to such designation and an Officer’s certificate certifying that such designation complied with the foregoing conditions.

“**Security Agreement**” means that certain Security Agreement dated the Issue Date among the Issuer, Holdings, the Guarantors, the Collateral Agent, as Authorized Representative for holders of the Securities and each additional Authorized Representative from time to time party thereto, as amended, restated, modified or supplemented from time to time in accordance with the provisions thereof.

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**“Security Documents”** means the Security Agreement and all security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, collateral agency agreements, control agreements or other grants or transfers for security executed and delivered by the Issuer, Holdings or any Guarantor creating (or purporting to create) a Lien upon Collateral in favor of the Collateral Agent, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms and the terms of the Security Agreement.

**“Senior Secured Indebtedness”** means, with respect to any person, the aggregate amount, without duplication, of Indebtedness for borrowed money of such person as of the end of the most recently ended fiscal quarter plus the amount of any Indebtedness incurred subsequent to the end of such fiscal quarter, as determined in accordance with GAAP, secured by Liens other than (i) Liens that are junior in priority to those securing the Securities, (ii) Liens on Excluded Assets and assets of Foreign Subsidiaries that do not constitute Collateral securing obligations of such Foreign Subsidiaries and (iii) Permitted Liens.

**“Senior Secured Indebtedness to EBITDA Ratio”** means, with respect to the Issuer, the ratio of the Issuer’s Senior Secured Indebtedness to the Issuer’s EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur (the “Measurement Period”); provided, however, that: (i) in making such computation, Senior Secured Indebtedness shall include the greater of (x) the average daily balance outstanding under any revolving credit facility during the most recently ended fiscal quarter and (y) the actual amount of Indebtedness outstanding under any revolving credit facility as of the date for which such calculation is being made; and (ii) if the Issuer or any of its Restricted Subsidiaries makes investments, acquisitions, dispositions, mergers, consolidations and restructuring initiatives subsequent to the commencement of the Measurement Period but prior to the event for which the calculation of the Senior Secured Indebtedness to EBITDA Ratio is made, then the Senior Secured Indebtedness to EBITDA Ratio shall be calculated giving pro forma effect to such investments, acquisitions, dispositions, mergers, consolidations and restructuring initiatives, as if the same had occurred at the beginning of the applicable period. Any pro forma calculations pursuant to this “Senior Secured Indebtedness to EBITDA Ratio” shall be made in accordance with the provisions set forth in the second paragraph of the definition of “Fixed Charge Coverage Ratio.”

**“Significant Subsidiary”** means any Restricted Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

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“**Special Interest**” has the meaning assigned to Additional Interest in the Registration Rights Agreement.

“**Specified Financings**” means the financings included in the Transactions and this offering of the Securities and the Existing Senior Subordinated Notes.

“**Sponsors**” means Thomas H. Lee Partners, L.P. (together with any limited partner thereof, whether or not such investment in the Issuer is made through the same entity), Bain Capital Partners, LLC, Providence Equity Partners and Music Capital Partners, L.P.

“**Standard Securitization Undertakings**” means representations, warranties, covenants and indemnities entered into by Holdings or any Subsidiary of Holdings which Holdings has determined in good faith to be customary in a Securitization Financing, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“**Stated Maturity**” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“**Stockholders Agreement**” means the Stockholders Agreement by and among the Issuer, the Sponsors and/or their Affiliates and the other stockholders party thereto in effect on the Issue Date.

“**Subordinated Indebtedness**” means (a) with respect to the Issuer, any Indebtedness of the Issuer that is by its terms subordinated in right of payment to the Securities and (b) with respect to any Guarantor of the Securities, any Indebtedness of such Guarantor that is by its terms subordinated in right of payment to its Guarantee of the Securities.

“**Subsidiary**” means, with respect to any specified Person:

(1) any corporation, association or other business entity, of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership, joint venture, limited liability company or similar entity of which (x) more than 50% of the capital accounts, distribution rights, total equity

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and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise and (y) such Person or any Wholly Owned Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“**Tax**” means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

“**TIA**” means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb), as amended, as in effect on the date of the execution of this Indenture until such time as this Indenture is qualified under the TIA, and thereafter as in effect on the date on which this Indenture is qualified under the TIA, except as otherwise provided in Section 9.04.

“**Transactions**” means the transactions contemplated by (i) the Purchase Agreement, (ii) the Credit Agreement existing immediately prior to the Issue Date and (iii) the offering of the Securities.

“**Treasury Rate**” means, as of the applicable Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to June 15, 2013; *provided, however*, that if the period from such Redemption Date to June 15, 20013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“**Trustee**” means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and thereafter means such successor.

“**Unrestricted Global Securities**” means one or more Securities that do not and are not required to bear the legends in the form set forth in Exhibit B, including, without limitation, the Exchange Securities.

“**Unrestricted Subsidiary**” means (i) WMG Kensington Ltd. and its Subsidiaries, (ii) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer, as provided below) and (iii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or

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newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Issuer or any Subsidiary of the Issuer (other than any Subsidiary of the Subsidiary to be so designated), *provided* that (a) any Unrestricted Subsidiary must be an entity of which shares of the Capital Stock or other equity interests (including partnership interests) entitled to cast at least a majority of the votes that may be cast by all shares or equity interests having ordinary voting power for the election of directors or other governing body are owned, directly or indirectly, by the Issuer, (b) such designation complies with Section 4.11 and (c) each of (I) the Subsidiary to be so designated and (II) its Subsidiaries does not at the time of designation, and does not thereafter,

(1) create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any Restricted Subsidiary; or

(2) own assets constituting part of the Music Publishing Business in excess of 10% of the total assets constituting the Music Publishing Business, as reflected on the most recent internally available balance sheet of the Issuer.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Default or Event of Default shall have occurred and (1) the Issuer could incur \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception described under Section 4.10(a), or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

**"U.S. Government Securities"** means securities that are:

(a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section

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3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

“**U.S. Legal Tender**” means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

“**Voting Stock**” of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

“**Wholly Owned Restricted Subsidiary**” is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

“**Wholly Owned Subsidiary**” of any Person means a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors’ qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

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SECTION 1.02. Other Definitions.

<u>Term</u>	<u>Defined in Section</u>
“Additional Securities”	2.01
“Affiliate Transaction”	4.14
“Agent Members”	2.16
“Alternate Offer”	4.09
“Asset Sale Offer”	4.13
“Asset Sale Offer Amount”	4.13
“Asset Sale Payment”	4.13
“Asset Sale Payment Date”	4.13
“Change of Control Offer”	4.09
“Change of Control Payment”	4.09
“Change of Control Payment Date”	4.09
“Covenant Defeasance”	8.02
“Coverage Ratio Exception”	4.10
“Event of Default”	6.01
“Excess Proceeds”	4.13
“Guarantee Obligations”	11.01
“incur”	4.10
“Legal Defeasance”	8.02
“Other Securities”	2.02
“Paying Agent”	2.04
“Permitted Debt”	4.10
“Physical Securities”	2.02
“Refunding Capital Stock”	4.11
“Registrar”	2.04

<u>Term</u>	<u>Defined in Section</u>
“Regulation S Securities”	2.02
“Regulation S Global Security”	2.16
“Restricted Global Securities”	2.16
“Restricted Period”	2.16
“Retired Capital Stock”	4.11
“Rule 144A Securities”	2.02
“Rule 144A Global Securities”	2.16
“Successor MP Company”	4.21

SECTION 1.03. Incorporation by Reference of TIA.

Whenever this Indenture refers to a provision of the TIA, such provision of the TIA shall be incorporated by reference in and made a part of this Indenture if, but only if, (a) this Indenture is qualified by the Issuer under the TIA (in which case each such provision shall be incorporated by reference in and made a part of this Indenture, effective immediately upon such qualification) or (b) this Indenture expressly states that such provision of the TIA shall apply whether or not this Indenture is qualified under the TIA. The following TIA terms used in this Indenture have the following meanings:

“**indenture securities**” means the Securities.

“**indenture security holder**” means a Holder or a Securityholder.

“**indenture to be qualified**” means this Indenture.

“**indenture trustee**” or “**institutional trustee**” means the Trustee.

“**obligor**” on the indenture securities means the Issuer or any other obligor on the Securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by the TIA by reference to another statute or defined by Commission rule and not otherwise defined herein have the meanings assigned to them therein.



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SECTION 1.04. Rules of Construction.

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it herein, whether defined expressly or by reference;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) words in the singular include the plural, and words in the plural include the singular;
- (5) words used herein implying any gender shall apply to both genders;
- (6) provisions apply to successive events and transactions;
- (7) “herein,” “hereof” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (8) the words “including,” “includes” and similar words shall be deemed to be followed by “without limitation”;
- (9) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;
- (10) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater;
- (11) unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP;
- (12) “\$” and “U.S. Dollars” each refer to United States dollars, or such other money of the United States of America that at the time of payment is legal tender for payment of public and private debts;

(13) whenever in this Indenture there is mentioned, in any context, principal, interest or any other amount payable under or with respect to any Securities, such mention shall be deemed to include mention of the payment of Special Interest, to the extent that, in such context, Special Interest is, was or would be payable in respect thereof.

## ARTICLE TWO

### THE SECURITIES

#### SECTION 2.01. Amount of Securities.

The Trustee shall initially authenticate Securities for original issue on the Issue Date in an aggregate principal amount of \$1,100,000,000 of Securities (the “**Initial Securities**”) upon a written order of the Issuer in the form of an Officers’ Certificate of the Issuer (other than as provided in Section 2.08). The Trustee shall authenticate Securities (the “**Additional Securities**”) thereafter in unlimited amount (so long as permitted by the terms of this Indenture, including, without limitation, Section 4.10) for original issue upon a written order of the Issuer in the form of an Officers’ Certificate in aggregate principal amount as specified in such order (other than as provided in Section 2.08). Each such written order shall specify the principal amount of Additional Securities to be authenticated and the date on which the Additional Securities are to be authenticated.

#### SECTION 2.02. Form and Dating.

The Securities and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto, which is incorporated in and form a part of this Indenture. The Securities may have notations, legends or endorsements required by law, rule or usage to which the Issuer is subject. Without limiting the generality of the foregoing, Securities offered and sold to Qualified Institutional Buyers in reliance on Rule 144A (“**Rule 144A Securities**”) shall bear the legend and include the form of assignment set forth in Exhibit B, Securities offered and sold in offshore transactions in reliance on Regulation S (“**Regulation S Securities**”) shall bear the legend and include the form of assignment set forth in Exhibit C, and Securities offered and sold to Institutional Accredited Investors in transactions exempt from registration under the Securities Act not made in reliance on Rule 144A or Regulation S (“**Other Securities**”) may be represented by a Restricted Global Security or, if such an investor may not hold an interest in the Restricted Global Security, a Physical Security, in each case, bearing the Private Placement Legend. The Issuer shall approve the form of the Securities and any notation, legend or endorsement on them. Each Security shall be dated the date of its issuance and show the date of its authentication.

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The terms and provisions contained in the Securities shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and agree to be bound thereby.

The Securities may be presented for registration of transfer and exchange at the offices of the Registrar.

Securities issued in exchange for interests in a Global Security pursuant to Section 2.16 may be issued in the form of permanent certificated Securities in registered form in substantially the form set forth in Exhibit A (the “**Physical Securities**”).

SECTION 2.03. Execution and Authentication.

One Officer, who shall have been duly authorized by all requisite corporate actions, shall sign the Securities for the Issuer by manual, facsimile or electronic image scan signature.

If the Officer whose signature is on a Security was an Officer at the time of such execution but no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Issuer, and the Issuer shall deliver such Security to the Trustee for cancellation as provided in Section 2.12, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

The Trustee may appoint one or more authenticating agents with the consent of the Issuers to authenticate the Securities. Unless otherwise provided in the appointment, an authenticating agent may authenticate the Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Issuer and Affiliates of the Issuers. Each Paying Agent is designated as an authenticating agent for purposes of this Indenture.

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The Securities shall be issuable only in registered form without coupons in denominations of \$2,000 and any integral multiples of \$1,000 in excess of \$2,000.

SECTION 2.04. Registrar and Paying Agent.

The Issuer will maintain an office or agency where Securities may be presented for registration of transfer or for exchange (“Registrar”) and an office or agency where Securities may be presented for payment (“Paying Agent”). The Registrar will keep a register of the Securities and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term “Registrar” includes any co-registrar and the term “Paying Agent” includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation in accordance with Section 7.07. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company (“DTC”) to act as Depository with respect to the Global Securities.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Securities.

SECTION 2.05. Paying Agent To Hold Assets in Trust.

Each Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal of or premium or interest on the Securities (whether such money has been paid to it by the Issuer, one or more of the Guarantors or any other obligor on the Securities), and the Issuer and each Paying Agent shall notify the Trustee of any Default by the Issuer (or any other obligor on the Securities) in making any such payment. Money held in trust by a Paying Agent need not be segregated except as required by law and in no event shall a Paying Agent be liable for any interest on any money received by it hereunder. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed and the Trustee may at any time during the continuance of any Event of Default specified in Section 6.01(1) or (2), upon written request to a Paying Agent, require such Paying Agent to pay forthwith all money so held by it to the Trustee and to account for any funds disbursed. Upon making such payment, such Paying Agent shall have no further liability for the money delivered to the Trustee

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SECTION 2.06. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least two (2) Business Days prior to each Interest Payment Date and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders, which list may be conclusively relied upon by the Trustee.

SECTION 2.07. Transfer and Exchange.

Subject to Sections 2.16 and 2.17, when Securities are presented to the Registrar or a co-Registrar with a request to register the transfer of such Securities or to exchange such Securities for an equal principal amount of Securities of other authorized denominations, the Registrar or co-Registrar shall promptly register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided, however*, that the Securities surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar or co-Registrar, duly executed by the Holder thereof or his or her attorney duly authorized in writing. To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Securities at the Registrar's or co-Registrar's request. No service charge shall be made for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

The Registrar or co-Registrar shall not be required to register the transfer of or exchange of any Security (i) during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of Securities and ending at the close of business on the day of such mailing, (ii) selected for redemption in whole or in part pursuant to Article Three, except the unredeemed portion of any Security being redeemed in part, and (iii) during a Change of Control Offer, an Alternate Offer or an Asset Sale Offer if such Security is tendered pursuant to such Change of Control Offer, Alternate Offer or Asset Sale Offer and not withdrawn.

Any Holder of a beneficial interest in a Global Security shall, by acceptance of such beneficial interest, agree that transfers of beneficial interests in such Global Securities may be effected only through a book-entry system maintained by the Holder of such Global Security (or its agent), and that ownership of a beneficial interest in the Security shall be required to be reflected in a book-entry system.

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SECTION 2.08. Replacement Securities.

If a mutilated Security is surrendered to the Registrar or the Trustee, or if the Holder of a Security claims that the Security has been lost, destroyed or wrongfully taken, the Issuer shall issue and the Trustee shall authenticate a replacement Security (and the Guarantors, if any, shall execute the guarantee thereon) if the Holder of such Security furnishes to the Issuer and the Trustee evidence reasonably acceptable to them of the ownership and the destruction, loss or theft of such Security and if the requirements of Section 8-405 of the New York Uniform Commercial Code as in effect on the date of this Indenture are met. If required by the Trustee or the Issuer, an indemnity bond shall be posted, sufficient in the judgment of all to protect the Issuer, the Guarantors, if any, the Trustee or any Paying Agent from any loss that any of them may suffer if such Security is replaced. The Issuer may charge such Holder for the Issuer's reasonable out-of-pocket expenses in replacing such Security and the Trustee may charge the Issuer for the Trustee's expenses (including, without limitation, attorneys' fees and disbursements) in replacing such Security. Every replacement Security shall constitute a contractual obligation of the Issuer.

SECTION 2.09. Outstanding Securities.

The Securities outstanding at any time are all the Securities that have been authenticated by the Trustee except (a) those canceled by it, (b) those delivered to it for cancellation, (c) to the extent set forth in Sections 9.01 and 9.02, on or after the date on the conditions set forth in Section 9.01 or 9.02 have been satisfied and (d) these Securities theretofore authenticated by the Trustee hereunder and those described in this Section as not outstanding. A Security does not cease to be outstanding because the Issuer or any of its Affiliates holds the Security (subject to the provisions of Section 2.10).

If a Security is replaced pursuant to Section 2.08 (other than a mutilated Security surrendered for replacement), it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Security is held by a *bona fide* purchaser in whose hands such Security is a legal, valid and binding obligation of the Issuer. A mutilated Security ceases to be outstanding upon surrender of such Security and replacement thereof pursuant to Section 2.08.

If the principal amount of any Security is considered paid under Section 4.01, it ceases to be outstanding and interest ceases to accrue. If on a Redemption Date or the Maturity Date the Trustee or Paying Agent (other than the Issuer or an Affiliate thereof) holds U.S. Legal Tender or U.S. Government Securities sufficient to pay all of the principal and interest due on the Securities payable on that date, then on and after that date such Securities cease to be outstanding and interest on them ceases to accrue.

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SECTION 2.10. Treasury Securities.

In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Issuer or any of its Affiliates shall be disregarded, except that, for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities that a Responsible Officer of the Trustee actually knows are so owned shall be disregarded.

SECTION 2.11. Temporary Securities.

Until definitive Securities are ready for delivery, the Issuer may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Issuer considers appropriate for temporary Securities. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate definitive Securities in exchange for temporary Securities. Until such exchange, temporary Securities shall be entitled to the same rights, benefits and privileges as definitive Securities. Notwithstanding the foregoing, so long as the Securities are represented by a Global Security, such Global Security may be in typewritten form.

SECTION 2.12. Cancellation.

The Issuer at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for transfer, exchange or payment. The Trustee or, at the direction of the Trustee, the Registrar or the Paying Agent (other than the Issuer or a Subsidiary), and no one else, shall cancel and, at the written direction of the Issuer, shall dispose of all Securities surrendered for transfer, exchange, payment or cancellation in accordance with its customary procedures. Subject to Section 2.08, the Issuer may not issue new Securities to replace Securities that it has paid or delivered to the Trustee for cancellation. If the Issuer or any Guarantor shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation pursuant to this Section 2.12.

SECTION 2.13. Defaulted Interest.

If the Issuer defaults in a payment of interest on the Securities, it shall, unless the Trustee fixes another Record Date pursuant to Section 6.10, pay the defaulted interest then borne by the Securities, plus (to the extent lawful) any interest payable on the defaulted interest, in accordance with the terms hereof. The Issuer may pay the defaulted interest to the persons who are Holders on a subsequent special Record Date, which special Record Date shall be the fifteenth day next preceding the date fixed by the Issuer for the payment of defaulted interest or the next succeeding Business Day if such date is not a Business Day. At least 15

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days before any such subsequent special Record Date, the Issuer shall mail to each Holder, with a copy to the Trustee, a notice that states the subsequent special Record Date, the payment date and the amount of defaulted interest, and interest payable on such defaulted interest, if any, to be paid. The Issuer may make payment of any defaulted interest in any other lawful manner not inconsistent with the requirements (if applicable) of any securities exchange on which the Securities may be listed and, upon such notice as may be required by such exchange, if, after written notice given by the Issuer to the Trustee of the proposed payment pursuant to this sentence, such manner of payment shall be deemed practicable by the Trustee.

SECTION 2.14. CUSIP and ISIN Numbers.

The Issuer in issuing the Securities may use CUSIP numbers and ISINs (if then generally in use) and, if so, the Trustee shall use, as applicable, CUSIP numbers and ISINs in notices of redemption as a convenience to Holders; *provided, however*, that any such notice may state that no representation is made as to the correctness or accuracy of such numbers, either as printed on the Securities or as contained in any notice of a redemption, that reliance may be placed only on the other identification number(s) printed on the Securities. The Issuer shall advise the Trustee of any change in the CUSIP numbers and ISINs.

SECTION 2.15. Deposit of Moneys.

Prior to 10:00 a.m. New York City time, on each Interest Payment Date, Maturity Date, Redemption Date, Change of Control Payment Date and Asset Sale Offer Payment Date, the Issuer shall have deposited with the Paying Agent in immediately available funds U.S. Legal Tender, sufficient to make cash payments, if any, due on such Interest Payment Date, Maturity Date, Redemption Date, Change of Control Payment Date and Asset Sale Offer Payment Date, as the case may be, in a timely manner which permits the Paying Agent to remit payment to the Holders on such Interest Payment Date, Maturity Date, Redemption Date, Change of Control Payment Date and Asset Sale Offer Payment Date, as the case may be. The principal and interest on Global Securities shall be payable to the Depository or its nominee, as the case may be, as the sole registered owner and the sole Holder of the Global Securities represented thereby. The principal and interest on Physical Securities shall be payable, either in person or by mail, at the office of the applicable Paying Agent.

SECTION 2.16. Book-Entry Provisions for Global Securities.

(a) Rule 144A Securities (“Rule 144A Securities”) initially shall be represented by one or more Securities in registered, global form without interest coupons (collectively, the “Rule 144A Global Securities”). Regulation S Securities (“Regulation S Securities”) initially shall be represented by one or more Securities in registered, global form without interest coupons (the “Regulation S Global Securities”). The term “Global Securities”



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means, collectively, the Rule 144A Global Securities and the Regulation S Global Securities. The Global Securities shall bear legends as set forth in Exhibit D. The Global Securities initially shall (i) be registered in the name of the Depository or the nominee of such Depository, in each case for credit to an account of an Agent Member, (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear legends as set forth in Exhibit B with respect to Restricted Global Securities and Exhibit C with respect to Regulation S Global Securities.

Members of, or direct or indirect participants in, the Depository (“**Agent Members**”) shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depository or the Trustee as its custodian, or under the Global Securities, and the Depository may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of the Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(b) Transfers of Global Securities shall be limited to transfer in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Securities may be transferred or exchanged for Physical Securities in accordance with the rules and procedures of the Depository and the provisions of Section 2.17. In addition, a Global Security shall be exchangeable for Physical Securities if (i) in the case of a Global Security, the Depository (x) notifies the Issuer that it is unwilling or unable to continue as depository for such Global Security and the Issuer thereupon fail to appoint a successor depository or (y) has ceased to be a clearing agency registered under the Exchange Act, (ii) pursuant to the procedures of the Depository, the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of such Physical Securities or (iii) in the case of any Global Security, there shall have occurred and be continuing an Event of Default with respect to such Global Security. In all cases, Physical Securities delivered in exchange for any Global Security or beneficial interests therein shall be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository in accordance with its customary procedures.

(c) In connection with any transfer or exchange of a portion of the beneficial interest in any Global Security to beneficial owners pursuant to paragraph (b), the Registrar shall (if one or more Physical Securities are to be issued) reflect on its books and records the date and a decrease in the principal amount of the Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security to be transferred, and the Issuer shall execute, and the Trustee shall upon receipt of a written order from the Issuer authenticate and make available for delivery, one or more Physical Securities of like tenor and amount.

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(d) In connection with the transfer of Global Securities as an entirety to beneficial owners pursuant to paragraph (b), the Global Securities shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in writing in exchange for its beneficial interest in the Global Securities, an equal aggregate principal amount of Physical Securities of authorized denominations.

(e) Any Physical Security constituting a Restricted Security delivered in exchange for an interest in a Global Security pursuant to paragraph (b), (c) or (d) shall, except as otherwise provided by paragraphs (a)(i)(x) and (c) of Section 2.17, bear the Private Placement Legend or, in the case of the Regulation S Global Security, the legend set forth in Exhibit C, in each case, unless the Issuers determine otherwise in compliance with applicable law.

(f) On or prior to the 40th day after the later of the commencement of the offering of the Securities represented by the Regulation S Global Security and the issue date of such Securities (such period through and including such 40th day, the “**Restricted Period**”), a beneficial interest in a Regulation S Global Security may be transferred to a Person who takes delivery in the form of an interest in the corresponding Restricted Global Security only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made (i)(a) to a Person that the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A or (b) pursuant to another exemption from the registration requirements under the Securities Act which is accompanied by an Opinion of Counsel regarding the availability of such exemption and (ii) in accordance with all applicable securities laws of any state of the United States or any other jurisdiction. During the Restricted Period, beneficial ownership in a Regulation S Global Security may only be sold, pledged or transferred through Euroclear Bank S.A./N.V. or Clearstream Banking, Societe Anonyme.

(g) Beneficial interests in the Restricted Global Security may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Security, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available).

(h) Any beneficial interest in one of the Global Securities that is transferred to a Person who takes delivery in the form of an interest in another Global Security shall, upon transfer, cease to be an interest in such Global Security and become an interest in such other Global Security and, accordingly, shall thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Security for as long as it remains such an interest.

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(i) The Holder of any Global Security may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

SECTION 2.17. Special Transfer Provisions.

(a) Transfers to Non-QIB Institutional Accredited Investors and Non-U.S. Persons. The following provisions shall apply with respect to the registration of any proposed transfer of a Security constituting a Restricted Security to any Institutional Accredited Investor which is not a QIB or to any Non-U.S. Person:

(i) the Registrar shall register the transfer of any Security constituting a Restricted Security, whether or not such Security bears the Private Placement Legend, if (x) the requested transfer is after the first anniversary of the date of original issuance thereof or such other date as such Security shall be freely transferable under Rule 144 as certified in an Officers' Certificate or (y) (1) in the case of a transfer to an Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons), the proposed transferee has delivered to the Registrar a certificate substantially in the form of Exhibit E hereto or (2) in the case of a transfer to a Non-U.S. Person (including a QIB), the proposed transferor has delivered to the Registrar a certificate substantially in the form of Exhibit F hereto; *provided* that, except as provided for under Section 2.20 herein. in the case of any transfer of a Security bearing the Private Placement Legend for a Security not bearing the Private Placement Legend, the Registrar has received an Officers' Certificate authorizing such transfer; and

(ii) if the proposed transferor is an Agent Member holding a beneficial interest in a Global Security, upon receipt by the Registrar of (x) the certificate, if any, required by paragraph (i) above and (y) instructions given in accordance with the Depositary's and the Registrar's procedures,

whereupon (a) the Registrar shall reflect on its books and records the date and (if the transfer does not involve a transfer of outstanding Physical Securities) a decrease in the principal amount of a Global Security in an amount equal to the principal amount of the beneficial interest in a Global Security to be transferred, and (b) the Registrar shall reflect on its books and records the date and an increase in the principal amount of a Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security transferred or the Issuers shall execute and the Trustee shall authenticate and make available for delivery one or more Physical Securities of like tenor and amount.

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(b) Transfers to QIBs. The following provisions shall apply with respect to the registration or any proposed registration of transfer of a Security constituting a Restricted Security to a QIB (excluding transfers to Non-U.S. Persons):

(i) the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on such Holder's Security stating, or to a transferee who has advised the Issuers and the Registrar in writing, that it is purchasing the Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is an Agent Member, and the Securities to be transferred consist of Physical Securities which after transfer are to be evidenced by an interest in the Global Security, upon receipt by the Registrar of instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Security in an amount equal to the principal amount of the Physical Securities to be transferred, and the Trustee shall cancel the Physical Securities so transferred.

(c) Private Placement Legend. Upon the registration of transfer, exchange or replacement of Securities not bearing the Private Placement Legend, the Registrar shall deliver Securities that do not bear the Private Placement Legend. Upon the registration of transfer, exchange or replacement of Securities bearing the Private Placement Legend, the Registrar shall deliver only Securities that bear the Private Placement Legend unless (i) the procedures set forth in Section 2.20 have been complied with, (ii) it has received the Officers' Certificate required by paragraph (a)(i)(y) of this Section 2.17, (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Issuers and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act or (iv) such Security has been sold pursuant to an effective registration statement under the Securities Act and the Registrar has received an Officers' Certificate from the Issuer to such effect.

(d) OID Legend. Each Security issued hereunder that has more than a de minimis amount of original issue discount for U.S. Federal Income Tax purposes shall bear a legend substantially in the form of Exhibit G hereto.

(e) General. By its acceptance of any Security bearing the Private Placement Legend, each Holder of such Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Security only as provided in this Indenture.

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The Registrar shall retain for a period of two years copies of all letters, notices and other written communications received pursuant to Section 2.16 or this Section 2.17. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable notice to the Registrar.

**SECTION 2.18. Computation of Interest.**

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

**SECTION 2.19. Calculation of Principal Amount of Securities.**

The aggregate principal amount of the Securities, at any date of determination, shall be the principal amount of the Securities at such date of determination. With respect to any matter requiring consent, waiver, approval or other action of the Holders of a specified percentage of the principal amount of all the Securities (and not solely the Securities as provided for in the proviso to the first sentence of Section 9.02(a)), such percentage shall be calculated, on the relevant date of determination, by dividing (a) the principal amount, as of such date of determination, of Securities, the Holders of which have so consented, by (b) the aggregate principal amount, as of such date of determination, of the Securities then outstanding, in each case, as determined in accordance with the preceding sentence, and Section 2.09 of this Indenture. Any such calculation made pursuant to this Section 2.19 shall be made by the Issuer and delivered to the Trustee pursuant to an Officers' Certificate.

**SECTION 2.20. Automatic Exchange from Restricted Global Securities to Unrestricted Global Securities.**

Beneficial interests in a Rule 144A Global Security that is subject to restrictions set out in the Section 2.02, as applicable (including the legend set forth in Exhibit B) (the "**Restricted Global Security**"), may be automatically exchanged into beneficial interests in an unrestricted Global Security that is no longer subject to the restrictions set out in Section 2.02 (including removal of the legend set forth in Exhibit B) (the "**Unrestricted Global Security**"), without any action required by or on behalf of Holders, who are not Affiliates of the Issuer (the "**Automatic Exchange**"). In order to effect such exchange, the Issuer may at least 15 days but not more than 30 days prior to the date which is at least one year after the last date of the original issuance of the Securities (the "**Resale Restriction Termination Date**"), deliver a notice of Automatic Exchange (an "**Automatic Exchange Notice**") to each Holder at such Holder's address appearing in the note register with a copy to the Trustee. The Automatic

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Exchange Notice shall identify the Notes subject to the Automatic Exchange, shall assume that each such Holder is not an Affiliate and has not purchased its Securities from an Affiliate, shall result in each such Holder being deemed to have made a representation to the Issuer that it is not an Affiliate and that it has not purchased its Securities from an Affiliate and shall state: (1) the date of the Automatic Exchange; (2) the "CUSIP" number of the Restricted Global Security from which such Holders' beneficial interests shall be transferred and (3) the "CUSIP" number of the Unrestricted Global Security into which such Holders' beneficial interests shall be transferred. If such Holder is unable to make the deemed representation set forth in the previous sentence, then such Holder shall be required to so notify the Issuer or the Trustee within 5 business days of its receipt of the Automatic Exchange. At the Issuer's request on no less than 5 days' prior notice, the Trustee shall deliver in the Issuer's name and at its expense, the Automatic Exchange Notice to each Holder at such Holder's address appearing in the note register; provided, however, that the Issuer shall have delivered to the Trustee a written order of the Issuer and an Officers' Certificate requesting that the Trustee give the Automatic Exchange Notice (in the name and at the expense of the Issuer) and setting forth the information to be stated in the Automatic Exchange Notice as provided in the preceding sentence. As a condition to any such exchange pursuant to this Section 2.20, the Trustee shall be entitled to receive from the Issuer, and rely conclusively without any liability, upon an Officers' Certificate and an Opinion of Counsel to the Issuer, in form and in substance reasonably satisfactory to the Trustee to the effect that such transfer of beneficial interests to the Unrestricted Global Security shall be effected in compliance with the Securities Act. Any such Opinion of Counsel may include an assumption and/or a reliance provision as to the non-Affiliate status of the Holders of Securities subject to such Automatic Exchange. Upon such exchange of beneficial interests pursuant to this Section 2.20, the Registrar shall reflect on its books and records the date of such transfer and a decrease and increase, respectively, in the principal amount of the applicable Restricted Global Security(s) and the Unrestricted Global Security, respectively, equal to the principal amount of beneficial interests transferred. If an Unrestricted Global Security is not then outstanding at the time of the Automatic Exchange, the Issuer shall execute and the Trustee shall authenticate and deliver an Unrestricted Global Security to the Depositary. Following any such transfer pursuant to this Section 2.20, provided that no Holder is an Affiliate, the relevant Restricted Global Security shall be cancelled.

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ARTICLE THREE

REDEMPTION

SECTION 3.01. Notices to Trustee.

If the Issuer elects to redeem Securities pursuant to Sections 3.07(a)-(d), it shall notify the Trustee in writing of the Redemption Date, the Redemption Price and the principal amount of Securities to be redeemed. For a redemption pursuant to Sections 3.07(a)-(c), the Issuer shall give notice of redemption to the Paying Agent and Trustee at least 31 days but not more than 60 days before the Redemption Date (unless a shorter notice shall be agreed to by the Trustee in writing), together with an Officers' Certificate stating that such redemption will comply with the conditions contained herein. For a redemption pursuant to Section 3.07(d), the Issuer shall give written notice of such redemption by first class mail to each holder's registered address and to the Paying Agent and Trustee at least 30 days before the Redemption Date (which notice shall state that the redemption is conditioned upon consummation and closing of such Major Music/Media Transaction), and provide the Trustee with an Officers' Certificate stating that such redemption will comply with the conditions contained herein.

SECTION 3.02. Selection of Securities To Be Redeemed.

If less than all of the Securities are to be redeemed pursuant to Sections 3.07(a), (b) or (d) at any time, the Trustee will select Securities for redemption as follows:

- (1) if the Securities are listed on a national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Securities are listed; or
- (2) if the Securities are not listed on any securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee deems fair and appropriate.

No Securities of \$2,000 or less shall be redeemed in part.

If a partial redemption is made with the proceeds of an Equity Offering in accordance with Section 3.07(c), the Trustee will select the applicable Securities on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures).

SECTION 3.03. Notice of Redemption.

At least 30 days but not more than 60 days before a Redemption Date for a redemption pursuant to Sections 3.07(a)-(c), the Issuer shall mail a notice of redemption by first

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class mail, postage prepaid, to each Holder whose Securities are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a Redemption Date if the notice is issued in connection with a defeasance of the Securities or a satisfaction and discharge of this Indenture. At the Issuer's request, the Trustee shall forward the notice of redemption in the Issuer's name and at the Issuer's expense; *provided* that in such case, the Trustee has received notice from the Issuer at least 31 days, but not more than 60 days, before a Redemption Date (unless a shorter notice shall be agreed to in writing by the Trustee). Unless the redemption is conditioned on the happening of an event in accordance with Section 3.07, Securities called for redemption become due on the date fixed for redemption. On and after the Redemption Date, interest ceases to accrue on Securities or portions of them called for redemption. Each notice of redemption shall identify the Securities (including the CUSIP number) to be redeemed and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price and the amount of accrued interest, if any, to be paid;
- (3) the name and address of the Paying Agent;
- (4) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price, plus accrued interest, if any;
- (5) that, unless the Issuer defaults in making the redemption payment, interest on Securities called for redemption ceases to accrue on and after the Redemption Date, unless the redemption is conditioned on the happening of an event in accordance with Section 3.07, and the only remaining right of the Holders of such Securities is to receive payment of the Redemption Price upon surrender to the Paying Agent of the Securities redeemed;
- (6) if any Security is being redeemed in part, the portion of the principal amount of such Security to be redeemed and that, after the Redemption Date, and upon surrender of such Security, a new Security or Securities in aggregate principal amount equal to the unredeemed portion thereof will be issued;
- (7) if fewer than all the Securities are to be redeemed, the identification of the particular Securities (or portion thereof) to be redeemed, as well as the aggregate principal amount of Securities to be redeemed and the aggregate principal amount of Securities to be outstanding after such partial redemption;
- (8) the CUSIP Number and/or ISIN number, if any, printed on the Securities being redeemed;



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(9) that no representation is made as to the correctness or accuracy of the CUSIP number and/or ISIN number, if any, listed in such notice or printed on the Securities; and

(10) the Section of the Securities pursuant to which the Securities are to be redeemed.

The notice, if mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Security designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Security. Notices of redemption may not be conditional.

If the Issuer elects to redeem Securities pursuant to Section 3.07(d), it shall provide notice pursuant to Section 3.01.

**SECTION 3.04. Effect of Notice of Redemption.**

Unless the redemption is conditioned on the happening of an event in accordance with Section 3.07, once notice of redemption is mailed in accordance with Section 3.03 or Section 3.01, Securities called for redemption become due and payable on the Redemption Date and at the Redemption Price plus accrued interest, if any. Upon surrender to the Trustee or Paying Agent, such Securities called for redemption shall be paid at the Redemption Price (which shall include accrued interest thereon to the Redemption Date), but installments of interest, the maturity of which is on or prior to the Redemption Date, shall be payable to Holders of record at the close of business on the relevant Record Dates. On and after the Redemption Date interest shall cease to accrue on Securities or portions thereof called for redemption.

**SECTION 3.05. Deposit of Redemption Price.**

With respect to the Securities, prior to 10:00 a.m., New York time, on the Redemption Date, the Issuer shall deposit with the Paying Agent (or, if the Issuer or a Wholly Owned Subsidiary is a Paying Agent, shall segregate and hold in trust) U.S. Legal Tender and/or U.S. Government Securities sufficient to pay the redemption price of and accrued interest on all Securities or portions thereof to be redeemed on that date other than Securities or portions of Securities called for redemption that have been delivered by the Issuer to the Trustee for cancellation. On and after the Redemption Date, interest shall cease to accrue on Securities or portions thereof called for redemption so long as the Issuer has deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest on, the Securities.

SECTION 3.06. Securities Redeemed in Part.

If any Security is to be redeemed in part only, the notice of redemption that relates to such Security shall state the portion of the principal amount thereof to be redeemed. A new Security in principal amount equal to the unredeemed portion of the original Security shall be issued in the name of the Holder thereof upon cancellation of the original Security.

SECTION 3.07. Optional Redemption.

(a) The Securities may be redeemed, in whole or in part, at any time prior to June 15, 2013, at the option of the Issuer upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Securities redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Special Interest, if any, to, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant interest payment date).

(b) On or after June 15, 2013, the Securities will be subject to redemption at any time at the option of the Issuer, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the Redemption Prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Special Interest thereon, if any, to the applicable Redemption Date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2013	104.750%
2014	102.375%
2015 and thereafter	100.000%

(c) At any time on or prior to June 15, 2012, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Securities issued under the Indenture upon not less than 30 nor more than 60 days' notice, at a Redemption Price equal to 109.50% of the principal amount thereof, plus accrued and unpaid interest and Special Interest thereon, if any, to the date of redemption subject to the rights of holders of Securities on the relevant Record Date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering by the Issuer or a contribution to the Issuer's common equity capital made with the net case proceeds of an Equity Offering by the Issuer's direct or indirect parent; *provided* that (i) at least 50% of the aggregate principal amount of Securities originally issued

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under the (excluding Securities held by the Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and (ii) such redemption shall occur within 90 days of the date of, and may be conditioned upon, the closing of such Equity Offering (disregarding the date of the closing of any over-allotment option with respect thereto).

(d) The Securities may be redeemed, in whole or in part, at any time prior to June 15, 2013, upon the consummation and closing of a Major Music/Media Transaction, on not less than 30 days' prior written notice mailed by first-class mail to each holder's registered address (which notice shall state that redemption is conditioned on consummation and closing of such Major Music/Media Transaction), at a redemption price equal to 104.750% of the principal amount of the Securities redeemed plus accrued and unpaid interest and Special Interest, if any, on the Securities to be redeemed to the applicable Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant interest payment date).

SECTION 3.08. Mandatory Redemption.

The Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Securities.

ARTICLE FOUR

COVENANTS

SECTION 4.01. Payment of Securities.

(a) The Issuer shall pay the principal of (and premium, if any) and interest on the Securities on the dates and in the manner provided in the Securities and this Indenture. An installment of principal of or interest on the Securities shall be considered paid on the date it is due if the Trustee or Paying Agent (other than the Issuer or an Affiliate thereof) holds on that date U.S. Legal Tender or U.S. Government Securities designated for and sufficient to pay the installment. Interest on the Securities will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(b) The Issuer shall pay interest on overdue principal (including, without limitation, post petition interest in a proceeding under any Bankruptcy Law), and overdue interest, to the extent lawful, at the same rate *per annum* borne by the Securities.

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SECTION 4.02. Maintenance of Office or Agency.

(a) The Issuer shall maintain the offices or agencies required under Section 2.04. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such offices or agencies. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 12.02.

(b) The Issuer may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Issuer hereby initially designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.04.

SECTION 4.03. Corporate Existence.

Except as otherwise permitted by Article Five, the Issuer shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence in accordance with its organizational documents and the rights (charter and statutory) and material franchises of the Issuer.

SECTION 4.04. Payment of Taxes and Other Claims.

The Issuer shall, and shall cause each of its Subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (a) all material taxes, assessments and governmental charges levied or imposed upon it or any of its respective Subsidiaries or upon the income, profits or property of it or any of its respective Subsidiaries and (b) all lawful claims for labor, materials and supplies which, in each case, if unpaid, might by law become a material liability or Lien upon the property of it or any of its Restricted Subsidiaries; *provided, however*, that the Issuer shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

SECTION 4.05. Maintenance of Properties and Insurance.

(a) The Issuer shall cause all material properties owned by or leased by it or any of its Restricted Subsidiaries used or useful to the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in normal condition, repair

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and working order and supplied with all necessary equipment and shall cause to be made all repairs, renewals, replacements, and betterments thereof, all as in its judgment may be necessary, so that the business carried on in connection therewith may be properly and advantageously conducted at all times; *provided, however*, that nothing in this Section 4.05 shall prevent the Issuer or any of its Restricted Subsidiaries from discontinuing the use, operation or maintenance of any of such properties, or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Board of Directors of the Issuer or any such Restricted Subsidiary desirable in the conduct of the business of the Issuer or any such Restricted Subsidiary; *provided, further*, that nothing in this Section 4.05 shall prevent the Issuer or any of its Restricted Subsidiaries from discontinuing or disposing of any properties to the extent otherwise permitted by this Indenture.

(b) The Issuer shall maintain, and shall cause its Restricted Subsidiaries to maintain, insurance with responsible carriers against such risks and in such amounts, and with such deductibles, retentions, self insured amounts and co-insurance provisions, as are appropriate for a business of this type and size as determined in good faith by the Issuer, including property and casualty loss, workers' compensation and interruption of business insurance.

**SECTION 4.06. Compliance Certificate; Notice of Default.**

(a) The Issuer shall deliver to the Trustee, within 90 days after the close of each fiscal year commencing with the fiscal year ending September 30, 2009, an Officers' Certificate stating that a review of the activities of the Issuer and its Restricted Subsidiaries has been made under the supervision of the signing Officers with a view to determining whether the Issuer has kept, observed, performed and fulfilled its obligations under this Indenture and further stating, as to each such Officer signing such certificate, that to the best of such Officer's knowledge, the Issuer during such preceding fiscal year has kept, observed, performed and fulfilled each and every such covenant and no Default occurred during such year and at the date of such certificate there is no Default that has occurred and is continuing or, if such signers do know of such Default, the certificate shall describe its status with particularity. The Officers' Certificate shall also notify the Trustee should the Issuer elect to change the manner in which it fixes its fiscal year end.

(b) The Issuer shall deliver to the Trustee as soon as possible, and in any event within five days after the Issuer becomes aware of the occurrence of any Default, an Officers' Certificate specifying the Default and describing its status with particularity and the action proposed to be taken thereto.

(c) The Issuer's fiscal years currently end on September 30. The Issuer will provide written notice to the Trustee of any change in its fiscal year.

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SECTION 4.07. Compliance with Laws.

(a) The Issuer shall comply, and shall cause each of its Restricted Subsidiaries to comply, with all applicable statutes, rules, regulations, orders and restrictions of the United States, all states and municipalities thereof, and of any governmental department, commission, board, regulatory authority, bureau, agency and instrumentality of the foregoing, in respect of the conduct of their respective businesses and the ownership of their respective properties, except, in any such case, to the extent the failure to so comply would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of the Issuer and its Restricted Subsidiaries taken as a whole.

SECTION 4.08. Waiver of Stay, Extension or Usury Laws.

The Issuer covenants (to the extent permitted by applicable law) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer from paying all or any portion of the principal of and/or interest on the Securities as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture, and (to the extent permitted by applicable law) the Issuer hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.09. Change of Control.

(a) If a Change of Control occurs, each Holder will have the right to require the Issuer to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's Securities pursuant to a Change of Control Offer (the "**Change of Control Offer**") on the terms set forth in this Indenture. In the Change of Control Offer, the Issuer will offer to pay an amount in cash (the "**Change of Control Payment**") equal to 101% of the aggregate principal amount of Securities repurchased, plus accrued and unpaid interest and Special Interest thereon, if any, on the Securities repurchased to the date of purchase.

(b) Within 30 days following any Change of Control, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Securities on the date (the "**Change of Control Payment Date**") specified in such notice, which date shall be a Business Day no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by this Indenture and described in such notice. Such notice shall state:

(1) that the Change of Control Offer is being made pursuant to this Section 4.09 and that all Securities tendered and not withdrawn will be accepted for payment;

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- (2) the purchase price (including the amount of accrued interest) and the Change of Control Payment Date;
  - (3) that any Security not tendered will continue to accrue interest;
  - (4) that, unless the Issuer defaults in making payment therefor, any Security accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date;
  - (5) that Holders electing to have a Security purchased pursuant to a Change of Control Offer will be required to surrender the Security, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Security completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day prior to the Change of Control Payment Date;
  - (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the second Business Day prior to the Change of Control Payment Date, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Securities the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Security purchased;
  - (7) that Holders whose Securities are purchased only in part will be issued new Securities in a principal amount equal to the unpurchased portion of the Securities surrendered; and
  - (8) the circumstances and relevant facts regarding such Change of Control.
- (c) On or before the Change of Control Payment Date, the Issuer will, to the extent lawful:
- (1) accept for payment all Securities or portions thereof properly tendered pursuant to the Change of Control Offer;
  - (2) deposit with the Paying Agent U.S. Legal Tender or U.S. Government Securities sufficient to pay the Change of Control Payment in respect of all Securities or portions thereof so tendered; and

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(3) deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions thereof being purchased by the Issuer.

(d) The Paying Agent will promptly mail to each Holder of Securities properly tendered the Change of Control Payment for such Securities, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Security equal in principal amount to any unpurchased portion of the Securities surrendered, if any; *provided* that each such new Security will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

The Issuer will publicly announce the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date. However, if the Change of Control Payment Date is on or after an interest Record Date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Security is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Securities pursuant to the Change of Control Offer.

(e) Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

(f) Notwithstanding the foregoing, the Issuer shall not be required to make a Change of Control Offer, as provided above, if, in connection with or in contemplation of any Change of Control, it or a third party has made an offer to purchase (an "**Alternate Offer**") any and all Securities validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Securities properly tendered in accordance with the terms of such Alternate Offer. The Alternate Offer must comply with all the other provisions applicable to the Change of Control Offer, shall remain, if commenced prior to the Change of Control, open for acceptance until the consummation of the Change of Control and must permit Holders to withdraw any tenders of Securities made into the Alternate Offer until the final expiration or consummation thereof.

(g) The Issuer will comply, and will cause any third party making a Change of Control Offer or an Alternate Offer to comply, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with a Change of Control Offer or an Alternate Offer. To the extent the provisions of any applicable securities laws or regulations conflict with the provisions of this Indenture relating to a Change of Control Offer, the Issuer will not be deemed to have breached its obligations under this Indenture by virtue of complying with such laws or regulations.



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SECTION 4.10. Incurrence of Indebtedness and Issuance of Preferred Stock.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively “**incur**”) any Indebtedness (including Acquired Debt), and the Issuer will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided, however*, that the Issuer and any Restricted Subsidiary that is a Guarantor may incur Indebtedness (including Acquired Debt) and any Restricted Subsidiary that is a Guarantor may issue Preferred Stock if the Fixed Charge Coverage Ratio for the Issuer’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Preferred Stock is issued would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom) (the “**Coverage Ratio Exception**”), as if the additional Indebtedness had been incurred or the Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) Section 4.10(a) will not prohibit the incurrence of any of the following (collectively, “**Permitted Debt**”):

(1) the existence of Indebtedness under a Credit Agreement together with the incurrence of the guarantees thereunder and the issuance and creation of letters of credit and bankers’ acceptances thereunder (with letters of credit and bankers’ acceptances being deemed to have a principal amount equal to the face amount thereof) and other Indebtedness, up to an aggregate principal amount, together with (x) amounts outstanding under a Qualified Securitization Financing incurred pursuant to clause (17) below and (y) amounts incurred under the Securities or Exchange Securities incurred pursuant to clause (2) below, not in excess of \$1,550 million outstanding at any one time, less the amount of all mandatory principal payments (with respect to revolving borrowings and letters of credit, only to the extent revolving commitments are correspondingly reduced) actually made by the borrower thereunder in respect of Indebtedness thereunder with Net Proceeds from Asset Sales;

(2) the incurrence by the Issuer and the Guarantors of Indebtedness represented by the Securities (including any Guarantee) issued on the Issue Date or the Exchange Securities;

(3) Existing Indebtedness (other than Indebtedness described in clauses (1) and (2) of this Section 4.10(b));

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(4) Indebtedness (including Capitalized Lease Obligations) incurred by the Issuer or any Restricted Subsidiary to finance the purchase, lease or improvement of property (real or personal) or equipment that is used or useful in a Permitted Business (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in an aggregate principal amount that, when aggregated with the principal amount of all other Indebtedness then outstanding and incurred pursuant to this clause (4), does not exceed the greater of (x) \$50.0 million and (y) 4.0% of Consolidated Tangible Assets;

(5) Indebtedness incurred by the Issuer or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims; *provided, however*, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(6) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; *provided, however*, that (A) such Indebtedness is not reflected on the balance sheet of the Issuer or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (A)) and (B) the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds including noncash proceeds (the fair market value of such noncash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Issuer and any Restricted Subsidiaries in connection with such disposition;

(7) Indebtedness of the Issuer owed to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the incurrence of such Indebtedness by the issuer thereof and (B) if the Issuer

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is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations of the Issuer with respect to the Securities;

(8) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or a Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of Preferred Stock;

(9) Hedging Obligations of the Issuer or any Restricted Subsidiary (excluding Hedging Obligations entered into for speculative purposes) for the purpose of limiting (A) interest rate risk with respect to any Indebtedness that is permitted by the terms of this Indenture to be outstanding, (B) exchange rate risk with respect to any currency exchange or (C) commodity price risk;

(10) obligations in respect of performance and surety bonds and performance and completion guarantees provided by the Issuer or any Restricted Subsidiary or obligations in respect of letters of credit related thereto, in each case in the ordinary course of business or consistent with past practice;

(11) Indebtedness of the Issuer or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount and liquidation preference of all other Indebtedness and Preferred Stock then outstanding and incurred pursuant to this clause (11), does not at any one time outstanding exceed \$250.0 million (it being understood that any Indebtedness or Preferred Stock incurred pursuant to this clause (11) shall cease to be deemed incurred or outstanding for purposes of this clause (11) but shall be deemed incurred for the purposes of Section 4.10(a) from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness or Preferred Stock under Section 4.10(a) without reliance on this clause (11));

(12) any guarantee by the Issuer or a Guarantor of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of this Indenture; *provided* that if such Indebtedness is by its express terms subordinated in right of payment to the Securities or the Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of such Guarantor with respect to such Indebtedness shall be subordinated in right of payment to such Guarantor's Guarantee with respect to the Securities substantially to the same extent as such Indebtedness is subordinated to the Securities or the Guarantee of such Restricted Subsidiary, as applicable;

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(13) the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness or Preferred Stock that serves to refund or refinance any Indebtedness incurred as permitted by Section 4.10(a) and clauses (2), (3) and (4) above, this clause (13) and clause (14) below or any Indebtedness issued to so refund or refinance such Indebtedness including additional Indebtedness incurred to pay premiums and fees in connection therewith (the “**Refinancing Indebtedness**”) prior to its respective maturity; *provided, however*, that such Refinancing Indebtedness (A) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness being refunded or refinanced, (B) to the extent such Refinancing Indebtedness refinances Indebtedness, other than the Existing Senior Subordinated Notes, that is subordinated or *pari passu* to the Securities, such Refinancing Indebtedness is subordinated or *pari passu* to the Securities at least to the same extent as the Indebtedness being refinanced or refunded, (C) to the extent such Refinancing Indebtedness refinances the Existing Senior Subordinated Notes, such Refinancing Indebtedness is unsecured, (D) shall not include (x) Indebtedness or Preferred Stock of a Subsidiary that is not a Guarantor that refinances Indebtedness or Preferred Stock of the Issuer or (y) Indebtedness or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness or Preferred Stock of an Unrestricted Subsidiary, (E) shall not be in a principal amount in excess of the principal amount of, premium, if any, accrued interest on, and related fees and expenses of, the Indebtedness being refunded or refinanced and (F) shall not have a stated maturity date prior to the Stated Maturity of the Indebtedness being refunded or refinanced; and *provided, further*, that subclauses (A), (B), (C) and (F) of this clause (13) will not apply to any refunding or refinancing of any Credit Agreement debt;

(14) Indebtedness or Preferred Stock of (A) the Issuer or a Restricted Subsidiary incurred to finance an acquisition or (B) Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into the Issuer or a Restricted Subsidiary in accordance with the terms of this Indenture; *provided*, that after giving effect to such incurrence of Indebtedness either (x) the Issuer would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception or (y) the Fixed Charge Coverage Ratio would be greater than immediately prior to such acquisition or merger;

(15) Indebtedness arising from the honoring by a bank or financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is extinguished within five Business Days of its incurrence;

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(16) Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer supported by a letter of credit issued pursuant to the Credit Agreement in a principal amount not in excess of the stated amount of such letter of credit;

(17) Indebtedness incurred by a Securitization Subsidiary in a Qualified Securitization Financing that is not recourse to the Issuer or any Restricted Subsidiary of the Issuer other than a Securitization Subsidiary (except for Standard Securitization Undertakings);

(18) the incurrence of (A) Non-Recourse Acquisition Financing Indebtedness and (B) Non-Recourse Product Financing Indebtedness;

(19) Contribution Indebtedness;

(20) (a) if the Issuer could incur \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception after giving effect to such borrowing, Indebtedness of Foreign Subsidiaries of the Issuer not otherwise permitted hereunder or (b) if the Issuer could not incur \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception hereof after giving effect to such borrowing, Indebtedness of Foreign Subsidiaries of the Issuer incurred for working capital purposes, *provided, however*, that the aggregate principal amount of Indebtedness incurred under this clause (20) which, when aggregated with the principal amount of all other Indebtedness then outstanding and incurred pursuant to this clause (20), does not exceed the greater of (x) \$100.0 million and (y) 10% of the Consolidated Tangible Assets of the Foreign Subsidiaries; and

(21) Indebtedness consisting of promissory notes issued by the Issuer or any Guarantor to current or former officers, directors and employees or their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of Holdings permitted by Section 4.11.

(c) For purposes of determining compliance with this Section 4.10, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (21) above, or is entitled to be incurred pursuant to Section 4.10(a), the Issuer will be permitted to classify and later reclassify such item of Indebtedness in any manner that complies with this Section 4.10, and such item of Indebtedness will be treated as having been incurred pursuant to only one of such categories. Accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this Section 4.10. The maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may incur pursuant to this Section 4.10 shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

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SECTION 4.11. Restricted Payments.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(A) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation (other than (x) dividends or distributions by the Issuer payable in Equity Interests (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock) or (y) dividends or distributions by a Restricted Subsidiary to the Issuer or any other Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Subsidiary, the Issuer or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(B) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent corporation of the Issuer, including in connection with any merger or consolidation involving the Issuer;

(C) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, which, for the avoidance of doubt, means market value at the time of payment on or purchase of any such Indebtedness, in each case prior to any scheduled repayment, sinking fund payment or maturity, any Indebtedness subordinated or junior in right of payment to the Securities (or, as applicable, any Guarantees) (other than (x) Indebtedness permitted under clauses (7) and (8) of the definition of "Permitted Debt" in Section 4.10(b) or (y) the purchase, repurchase or other acquisition of Indebtedness subordinated or junior in right of payment to the Securities, purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition); or

(D) make any Restricted Investment (all such payments and other actions set forth in these clauses (A) through (D) being collectively referred to as "**Restricted Payments**"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

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(2) the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and the Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (3), (4), (5), (6), (8), (10), (11), (12), (13) or (17) of Section 4.11(b)), is less than the sum, without duplication, of

(a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after April 1, 2009, to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), provided that at any time that the Issuer has not made at least \$90 million in aggregate Restricted Payments in all fiscal years combined pursuant to clause (16) of Section 4.11(b), the Consolidated Net Income calculation pursuant to this Section 4.11(a) shall be deemed to be \$0.00, plus

(b) 100% of the aggregate net cash proceeds and the fair market value, as determined in good faith by the Board of Directors of the Issuer, of property and marketable securities received by the Issuer after the April 1, 2009 from the issue or sale of (x) Equity Interests of the Issuer (including Retired Capital Stock (as defined below)) but excluding cash proceeds and marketable securities received from the sale of Equity Interests to members of management, directors or consultants of the Issuer, any direct or indirect parent corporation of the Issuer and its Subsidiaries after April 1, 2009 to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 4.11(b) and, to the extent actually contributed to the Issuer, Equity Interests of the Issuer's direct or indirect parent corporations, (ii) Designated Preferred Stock and (iii) Disqualified Stock) or (y) debt securities of the Issuer that have been converted into such Equity Interests of the Issuer (other than Refunding Capital Stock (as defined below) or Equity Interests or convertible debt securities of the Issuer sold to a Restricted Subsidiary or the Issuer, as the case may be, and other than Disqualified Stock or Designated Preferred Stock or debt securities that have been converted into Disqualified Stock or Designated Preferred Stock), plus

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(c) 100% of the aggregate amount of cash and the fair market value, as determined in good faith by the Board of Directors of the Issuer, of property and marketable securities contributed to the capital of the Issuer after April 1, 2009 (other than (i) by a Restricted Subsidiary, (ii) any Excluded Contributions, (iii) any Disqualified Stock, (iv) any Designated Preferred Stock and (v) the Cash Contribution Amount), plus

(d) 100% of the aggregate amount received in cash after April 1, 2009 and the fair market value, as determined in good faith by the Board of Directors of the Issuer, of property and marketable securities received by means of (A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries and repayments of loans or advances which constitute Restricted Investments by the Issuer or its Restricted Subsidiaries or (B) the sale (other than to the Issuer or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary was made by a Restricted Subsidiary pursuant to clause (7) or (11) of Section 4.11(b) or to the extent such Investment constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary, plus

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, the fair market value of the Investment in such Unrestricted Subsidiary, as determined by the Board of Directors of the Issuer in good faith at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, consolidation or transfer of assets (other than an Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary was made by a Restricted Subsidiary pursuant to clause (7) or (11) of Section 4.11(b) or to the extent such Investment constituted a Permitted Investment).

(b) Notwithstanding the foregoing, the provisions set forth in Section 4.11(a) do not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of this Indenture;



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(2) (A) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Issuer or any direct or indirect parent corporation (“**Retired Capital Stock**”) or Indebtedness subordinated to the Securities, in exchange for or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary or the Issuer) of Equity Interests of the Issuer or any direct or indirect parent corporation thereof or contributions to the equity capital of the Issuer (in each case, other than Disqualified Stock) (“**Refunding Capital Stock**”) and (B) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock;

(3) the redemption, repurchase or other acquisition or retirement of Indebtedness subordinated to the Securities made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the borrower thereof, which is incurred in compliance with Section 4.10 so long as (A) the principal amount of such new Indebtedness does not exceed the principal amount of the Indebtedness subordinated to the Securities being so redeemed, repurchased, acquired or retired for value plus related fees and expenses and the amount of any reasonable premium required to be paid under the terms of the instrument governing the Indebtedness subordinated to the Securities being so redeemed, repurchased, acquired or retired, (B) such new Indebtedness is either unsecured or is subordinated to such Securities and any Guarantees thereof at least to the same extent as such Indebtedness subordinated to such Securities so purchased, exchanged, redeemed, repurchased, acquired or retired for value, (C) such new Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Indebtedness subordinated to such Securities being so redeemed, repurchased, acquired or retired and (D) such new Indebtedness has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Indebtedness subordinated to such Securities being so redeemed, repurchased, acquired or retired;

(4) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of common Equity Interests of the Issuer or any of its direct or indirect parent corporations held by any future, present or former employee, director or consultant of the Issuer, any of its Subsidiaries or any of its direct or indirect parent corporations pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement; *provided, however*, that the aggregate amount of Restricted Payments made under this clause (4) does not

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exceed in any calendar year \$20.0 million (with unused amounts in any calendar year being carried over to the two succeeding calendar years); and *provided, further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Issuer and, to the extent contributed to the Issuer, Equity Interests of any of its direct or indirect parent corporations, in each case to members of management, directors or consultants of the Issuer, any of its Subsidiaries or any of its direct or indirect parent corporations that occurs after April 1, 2009 plus (B) the amount of any cash bonuses otherwise payable to members of management, directors or consultants of the Issuer or any of its Subsidiaries or any of its direct or indirect parent corporations in connection with the Transactions that are foregone in return for the receipt of Equity Interests of the Issuer or any direct or indirect parent corporation of the Issuer pursuant to a deferred compensation plan of such corporation plus (C) the cash proceeds of key man life insurance policies received by the Issuer or its Restricted Subsidiaries after April 1, 2009 (*provided* that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A), (B) and (C) above in any calendar year) less (D) the amount of any Restricted Payments previously made pursuant to clauses (A), (B) and (C) of this clause (4);

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any Restricted Subsidiary issued or incurred in accordance with this Section 4.11 to the extent such dividends are included in the definition of "Fixed Charges" for such entity;

(6) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after April 1, 2009 and the declaration and payment of dividends to any direct or indirect parent company of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent company of the Issuer issued after April 1, 2009; *provided, however*, that (A) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a *pro forma* basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 and (B) the aggregate amount of dividends declared and paid pursuant to this clause (6) does not exceed the net cash proceeds actually received by the Issuer from any such sale of Designated Preferred Stock (other than Disqualified Stock) issued after April 1, 2009;

(7) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (7)

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that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash and/or marketable securities, not to exceed the greater of \$50.0 million and 4.0% of Consolidated Tangible Assets at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(9) Reserved;

(10) Restricted Payments in an aggregate amount equal to the amount of Excluded Contributions;

(11) other Restricted Payments in an aggregate amount not to exceed \$50.0 million;

(12) the declaration and payment of dividends to, or the making of loans to, Holdings in amounts required for it to pay:

(A) franchise taxes and other fees, taxes and expenses required to maintain its corporate existence;

(B) federal, state and local income taxes to the extent such income taxes are attributable to the income of the Issuer and the Restricted Subsidiaries and, to the extent of the amount actually received from the Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of the Unrestricted Subsidiaries, *provided, however*, that in each case the amount of such payments in any fiscal year does not exceed the amount that the Issuer and the Restricted Subsidiaries would be required to pay in respect of federal, state and local taxes for such fiscal year were the Issuer and the Restricted Subsidiaries to pay such taxes as a stand-alone taxpayer;

(C) customary salary, bonus and other benefits payable to officers and employees of any direct or indirect parent corporation of the Issuer to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries;

(D) general corporate overhead expenses (including professional expenses) for all direct or indirect parent corporations of the Issuer to the extent such expenses are solely attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries; and

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(E) fees and expenses other than to Affiliates related to any unsuccessful equity or debt offering permitted by this Indenture;

(13) cash dividends or other distributions on Holdings', the Issuer's or any Restricted Subsidiary's Capital Stock used to, or the making of loans, the proceeds of which will be used to, fund the payment of fees and expenses incurred in connection with the offering of the Securities or owed to Affiliates, in each case to the extent permitted by Section 4.14;

(14) distributions or payments of Securitization Fees and purchases of Securitization Assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(15) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to Sections 4.09 and 4.13; *provided* that a Change of Control Offer or Asset Sale Offer, as applicable, has been made and all Securities tendered by Holders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(16) other Restricted Payments not to exceed \$90.0 million in any fiscal year of the Issuer; or

(17) the declaration and payment of dividends to, or the making of loans to, Holdings, the proceeds of which are applied solely (A) to pay interest and principal when due on the Holdings Notes or (B) pursuant to clause (2) of Section 4.13(b);

*provided*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (2), (5), (6), (7), (11), (14), (15) and (16) above, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

Notwithstanding anything to the contrary in the preceding provisions of this Section 4.11, Restricted Payments to (A) repurchase, redeem or otherwise acquire or retire for value any Existing Senior Subordinated Notes or (B) pay dividends to Holdings the proceeds of which are applied to repurchase, redeem or otherwise acquire or retire for value any Holdings Notes, may only be made pursuant to any of the preceding provisions of this Section 4.11 from the proceeds of secured Indebtedness incurred in contemplation of any such Restricted Payment, if immediately after giving pro forma effect to such Restricted Payment pursuant to this paragraph and the incurrence of any such secured Indebtedness the net proceeds of which are used to finance such Restricted Payment, the Senior Secured Indebtedness to EBITDA Ratio of the Issuer would not have exceeded 2.00 to 1.00.

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(c) The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this Section 4.11 will be determined in good faith by the Board of Directors of the Issuer. The Issuer's determination must be based upon an opinion or appraisal issued by an Independent Financial Advisor if the fair market value exceeds \$50.0 million.

(d) As of the Issue Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries except WMG Kensington Ltd. and its Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the second to last sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding investments by the Issuer and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the second paragraph of the definition of "Investments." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time under this Section 4.11 or the definition of "Permitted Investments" and if such Subsidiary otherwise meets the definition of an "Unrestricted Subsidiary." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants described in this Indenture.

SECTION 4.12. Liens.

(a) The Issuer will not, and will not permit any Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien that secures obligations under any Indebtedness of the Issuer or of a Guarantor or any related Guarantee of a Guarantor, on any asset or property of the Issuer or any Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom.

(b) Notwithstanding the foregoing, Section 4.12(a) shall not apply to:

(i) Liens on the Collateral under the Security Documents securing Indebtedness (including the Securities and the Guarantees and any refinancings or replacements thereof) in an aggregate principal amount (as of the date of incurrence of any such Indebtedness and after giving pro forma effect to the incurrence thereof and the application of the net proceeds therefrom), not exceeding the greater of (A) \$1,325.0 million and (B) the maximum aggregate principal amount of Senior Secured Indebtedness that could be incurred without exceeding a Senior Secured Indebtedness to EBITDA Ratio for the Issuer of 3.00 to 1.00 determined on a pro forma basis (including

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a pro forma application of the net proceeds therefrom), as if the additional Indebtedness and Liens had been incurred and the application of proceeds therefrom had occurred at the beginning of such four-quarter period;

(ii) Liens on the Collateral under the Security Documents securing (A) interest rate or currency swaps, caps or collars or similar Hedging Obligations entered into to hedge the Issuer's or any Guarantor's exposure with respect to activities not prohibited under this Indenture and (B) obligations in respect of any overdraft and related liabilities arising from treasury, depositary and cash management services or any automated clearing house transfers of funds;

(iii) Liens securing Indebtedness that are junior in priority to the Liens securing the Securities and related Guarantees;

(iv) Permitted Liens; and

(v) Liens on assets of Foreign Subsidiaries that do not constitute Collateral securing obligations of such Foreign Subsidiaries.

SECTION 4.13. Asset Sales.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Issuer (or such Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) in the case of Asset Sales involving consideration in excess of \$50.0 million, the fair market value is determined by the Issuer's Board of Directors and evidenced by a Board Resolution set forth in an Officers' Certificate delivered to the Trustee; and

(3) except for any Permitted Asset Swap, at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of clause (2) above, the amount of (i) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Securities) that are assumed by the transferee of any such assets and from which the Issuer and all Restricted Subsidiaries have been validly released by all applicable creditors in writing, (ii) any securities received by the Issuer or such Restricted Subsidiary from such transferee

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that are converted by the Issuer or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Sale and (iii) any Designated Noncash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value (as determined in good faith by the Board of Directors of the Issuer), taken together with all other Designated Noncash Consideration received pursuant to this clause (iii) that is at that time outstanding, not to exceed the greater of (x) \$75.0 million and (y) 5.0% of Consolidated Tangible Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received without giving effect to subsequent changes in value), shall be deemed to be cash for purposes of this paragraph and for no other purpose.

(b) Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer may apply those Net Proceeds at its option:

(1) to permanently reduce

(A) Bank Obligations under a Credit Agreement to the extent such Credit Agreement requires the reduction of such Bank Obligations;

(B) Obligations constituting First Lien Obligations (other than Hedging Obligations and Bank Obligations under a Credit Agreement) and to correspondingly reduce commitments with respect thereto; *provided* that if the Issuer shall so reduce such Obligations, it will equally and ratably reduce Obligations under the Securities by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer (as defined below)) to all Holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Special Interest, if any, the *pro rata* principal amount of Securities;

(C) Obligations under the Existing Senior Subordinated Notes if, at the time of, and after giving effect to, any repurchase, redemption, defeasance or other reduction of Obligations under the Existing Senior Subordinated Notes, the aggregate amount of Net Proceeds applied pursuant to this clause (1)(C) since the Issue Date, when taken together with the aggregate amount of Net Proceeds applied pursuant to clause (2) below, shall not exceed \$250.0 million; provided that Net Proceeds from an Asset Sale may only be applied pursuant to this clause (1)(C) if the substantial majority of the assets sold in such Asset Sale are Recorded Music Business assets determined in good faith by the Issuer;

(D) Obligations under the Existing Senior Subordinated Notes; provided that Net Proceeds from an Asset Sale may only be applied pursuant to this clause (1)(D) if such Asset Sale is a Recorded Music Sale and the Change of Control Offer in connection therewith has been completed;

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(E) Indebtedness of a Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;

(2) to make Restricted Payments to Holdings the proceeds of which are applied solely to repurchase, redeem, defease or otherwise permanently reduce Obligations under the Holdings Notes (A) if, at the time of, and after giving effect to, any such Restricted Payment, the aggregate amount of Net Proceeds applied pursuant to this clause (2) since the Issue Date, when taken together with the aggregate amount of Net Proceeds applied pursuant to clause (1)(C) above, shall not exceed \$250.0 million; provided that Net Proceeds from an Asset Sale may only be applied pursuant to this clause (2) (A) if the substantial majority of the assets sold in such Asset Sale consist of Recorded Music Business assets as determined in good faith by the Issuer and (B) in an unlimited amount if such Asset Sale is a Recorded Music Sale and the Change of Control Offer in connection therewith has been completed;

(3) to make an investment in (A) any one or more businesses (*provided* that such investment in any business is in the form of the acquisition of Capital Stock and results in the Issuer or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary), (B) capital expenditures or (C) other assets that, in the case of each of the foregoing clauses (A), (B) and (C), are used or useful in a Permitted Business; and/or

(4) to make an investment in (A) any one or more businesses; *provided* that such investment in any business is in the form of the acquisition of Capital Stock and it results in the Issuer or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (B) properties or (C) assets that, in the case of each of the foregoing clauses (A), (B) and (C), replace the businesses, properties and assets that are the subject of such Asset Sale.

(c) When the aggregate amount of Net Proceeds not applied or invested in accordance with the preceding paragraph ("**Excess Proceeds**") exceeds \$50.0 million, after taking into account any reductions of Indebtedness that ranks *pari passu* with the Securities made pursuant to the immediately preceding paragraph, the Issuer will make an offer (an "**Asset Sale Offer**") to all Holders and holders of Indebtedness that ranks *pari passu* with the Securities and contains provisions similar to those set forth in this Indenture with respect to offers to purchase with the proceeds of sales of assets to purchase, on a *pro rata* basis, after taking into account any reductions of Indebtedness that ranks *pari passu* with the Securities made pursuant to the immediately preceding paragraph, the maximum principal amount of Securities and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds



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(the “**Asset Sale Offer Amount**”). The offer price in any Asset Sale Offer will be equal to 100% of principal amount thereof, plus accrued and unpaid interest and Special Interest, if any, to the date of purchase (the “**Asset Sale Payment**”), and will be payable in cash.

(d) Pending the final application of any Net Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(e) If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Securities tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Securities to be purchased on a *pro rata* basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

(f) Upon the commencement of an Asset Sale Offer, the Issuer shall send, by first class mail, a notice to the Trustee and to each Holder at its registered address. The notice shall contain all instructions and materials necessary to enable such Holder to tender Securities pursuant to the Asset Sale Offer. Any Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(1) that the Asset Sale Offer is being made pursuant to this Section 4.13;

(2) the Asset Sale Offer Amount, the Asset Sale Payment and the date on which Securities tendered and accepted for payment shall be purchased, which date shall be at least 30 days and no later than 60 days from the date such notice is mailed (the “**Asset Sale Payment Date**”);

(3) that any Securities not tendered or accepted for payment shall continue to accrete or accrue interest;

(4) that, unless the Issuer defaults in making such payment, any Securities accepted for payment pursuant to the Asset Sale Offer shall cease to accrete or accrue interest after the Asset Sale Payment Date;

(5) that Holders electing to have a Security purchased pursuant to the Asset Sale Offer may only elect to have all of such Security purchased and may not elect to have only a portion of such Security purchased;

(6) that Holders electing to have a Security purchased pursuant to any Asset Sale Offer shall be required to surrender the Security, with the form entitled “Option of Holder To Elect Purchase” on the reverse of the Securities completed, or transfer

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such Security by book-entry transfer, to the Issuer, a depository, if appointed by the Issuer, or the Paying Agent at the address specified in the notice at least three days before the Asset Sale Payment Date;

(7) that Holders shall be entitled to withdraw their election if the Issuer, the Depository or the Paying Agent, as the case may be, receives, not later than the Asset Sale Payment Date, a notice setting forth the name of the Holder, the principal amount of the Security the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Security purchased;

(8) that, if the aggregate principal amount of Securities surrendered by Holders exceeds the Asset Sale Offer Amount, the Issuer shall select the Securities to be purchased on a *pro rata* basis (with such adjustments as may be deemed appropriate by the Issuer so that only Securities in denominations of \$2,000 or integral multiples of \$1,000 shall be purchased); and

(9) that Holders whose Securities were purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the Securities surrendered (or transferred by book-entry transfer); *provided* that such Securities shall be in denominations of \$2,000 or integral multiples \$1,000 in excess thereof.

(g) On the Asset Sale Payment Date, the Issuer shall, to the extent lawful: (1) accept for payment all Securities or portions thereof properly tendered pursuant to the Asset Sale Offer; (2) deposit with the Paying Agent U.S. Legal Tender or U.S. Government Securities sufficient to pay the Asset Sale Payment in respect of all Securities or portions thereof so tendered; and (3) deliver or cause to be delivered to the Trustee the Securities so accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions thereof being repurchased by the Issuer. The Issuer shall publicly announce the results of the Asset Sale Offer on the Asset Sale Payment Date.

(h) The Paying Agent shall promptly mail to each Holder so tendered the Asset Sale Payment for such Securities, and the Trustee shall promptly authenticate pursuant to an Authentication Order and mail (or cause to be transferred by book entry) to each Holder a new Security equal in principal amount to any unreurchased portion of the Securities surrendered, if any; *provided* that each such new Security shall be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof. However, if the Asset Sale Payment Date is on or after an interest Record Date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Security is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Securities pursuant to the Asset Sale Offer.

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(i) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Securities pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.13, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.13 by virtue of such conflict.

**SECTION 4.14. Transactions with Affiliates.**

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an “**Affiliate Transaction**”) involving aggregate consideration in excess of \$12.5 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(2) the Issuer delivers to the Trustee, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$25.0 million, a Board Resolution approving such Affiliate Transaction set forth in an Officers’ Certificate certifying that such Affiliate Transaction complies with this Section 4.14 and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors.

(b) The restrictions set forth in Section 4.14(a) do not apply to:

(1) transactions between or among the Issuer and/or any Restricted Subsidiary or any entity that becomes a Restricted Subsidiary as a result of such transaction;

(2) Restricted Payments (other than pursuant to clause (7) of Section 4.11(b)) and Permitted Investments (other than pursuant to clauses (10), (11) and (15) of the definition thereof) permitted by this Indenture;

(3) the payment to the Sponsors and any of their Affiliates of annual management, consulting, monitoring and advisory fees pursuant to the Management Agreement in an aggregate amount in any fiscal year not to exceed \$10.0 million and related reasonable expenses;

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(4) the payment of reasonable and customary fees paid to, and indemnities provided on behalf of, officers, directors, employees or consultants of the Issuer, any of its direct or indirect parent corporations or any Restricted Subsidiary;

(5) the payments by the Issuer or any Restricted Subsidiary to the Sponsors and any of their Affiliates made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the Board of Directors of the Issuer in good faith;

(6) transactions in which the Issuer or any Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view;

(7) payments or loans (or cancellations of loans) to employees or consultants of the Issuer or any of its direct or indirect parent corporations or any Restricted Subsidiary which are approved by a majority of the Board of Directors of the Issuer in good faith and which are otherwise permitted under this Indenture;

(8) payments made or performance under any agreement as in effect on the Issue Date (other than the Management Agreement and Stockholders Agreement, but including, without limitation, each of the other agreements entered into in connection with the Transactions) or any amendment thereto (so long as any such amendment is not less advantageous to the Holders in any material respect than the original agreement as in effect on the Issue Date);

(9) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, the Stockholders Agreement (including any registration rights agreement or purchase agreements related thereto to which it is a party as of the Issue Date and any similar agreement that it may enter into thereafter); *provided, however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to the Stockholders Agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such existing agreement, together with all amendments thereto, taken as a whole, or new agreement are not otherwise more disadvantageous to Holders in any material respect than the original agreement as in effect on the Issue Date;

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(10) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture that are fair to Holdings or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(11) the Transactions and the payment of all fees and expenses related to the Transactions and the prepayment of \$10.0 million in management fees for the fiscal year ended November 30, 2004;

(12) if otherwise permitted hereunder, the issuance of Equity Interests (other than Disqualified Stock) of Holdings to any Permitted Holder or to any director, officer, employee or consultant of the Issuer or Holdings or their Subsidiaries or of the Issuer to Holdings or to any Permitted Holder or to any director, officer, employee or consultant of the Issuer or Holdings or their Subsidiaries; and

(13) any transaction with a Securitization Subsidiary effected as part of a Qualified Securitization Financing.

SECTION 4.15. Dividend and Other Payment Restrictions Affecting Subsidiaries.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.

(b) However, the preceding restrictions in Section 4.15(a) will not apply to encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect (x) pursuant to the Credit Agreement or related documents or (y) on the Issue Date, including, without limitation, pursuant to Existing Indebtedness and its related documentation;

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- (2) this Indenture and the Securities;
  - (3) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature discussed in clause (3) of Section 4.15(a) on the property so acquired;
  - (4) applicable law or any applicable rule, regulation or order;
  - (5) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;
  - (6) contracts for the sale of assets, including, without limitation, customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;
  - (7) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.10 and 4.12 that limits the right of the debtor to dispose of the assets securing such Indebtedness;
  - (8) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;
  - (9) other Indebtedness or Preferred Stock (i) of the Issuer or any Restricted Subsidiary that is a Guarantor that is incurred subsequent to the Issue Date pursuant to Section 4.10 or (ii) that is incurred by a Foreign Subsidiary of the Issuer subsequent to the Issue Date pursuant to clause (1), (4), (11) or (20) of Section 4.10(b);
  - (10) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;
  - (11) customary provisions contained in leases, subleases, licenses or asset sale agreements and other agreements;
  - (12) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) of Section 4.15(a) imposed by any amendments, modifications, restatements,

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renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (11) of this Section 4.15(b), *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer's Board of Directors, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(13) any encumbrance or restriction of a Securitization Subsidiary effected in connection with a Qualified Securitization Financing; *provided, however,* that such restrictions apply only to such Securitization Subsidiary; or

(14) any encumbrance or restriction in connection with Non-Recourse Product Financing Indebtedness or Non-Recourse Acquisition Financing Indebtedness.

SECTION 4.16. Additional Subsidiary Guarantees.

(a) The Issuer will cause each Wholly Owned Restricted Subsidiary that is a Domestic Subsidiary (unless such Subsidiary is a Securitization Subsidiary) that guarantees any Indebtedness of the Issuer or any of its Restricted Subsidiaries to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will guarantee payment of the Securities, substantially in the form of Exhibit I hereto. Each Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) Each Guarantee shall be released in accordance with Article Eleven.

SECTION 4.17. Reports to Holders.

(a) Whether or not required by the Commission, so long as any Securities are outstanding, the Issuer will furnish to the Holders, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Issuer were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Issuer's certified independent accountants; and

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(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Issuer were required to file such reports.

(b) In addition, whether or not required by the Commission, the Issuer will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. In addition, the Issuer has agreed that, for so long as any Securities remain outstanding, it will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(c) In addition, if at any time any parent company of the Issuer becomes a Guarantor (there being no obligation of any parent company of the Issuer to do so) and complies with the requirements of Rule 3-10 of Regulation S-X promulgated by the Commission (or any successor provision), the reports, information and other documents required to be filed and furnished to Holders pursuant to this Section 4.17 may, at the option of the Issuer, be filed by and be those of such parent company rather than the Issuer.

**SECTION 4.18. Limitation on Subordinated Debt.**

The Issuer will not incur, and will not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Securities and the applicable Guarantees on substantially identical or more favorable terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

**SECTION 4.19. Business Activities.**

The Issuer will not, and will not permit any Restricted Subsidiary (other than a Securitization Subsidiary) to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Subsidiaries taken as a whole.

**SECTION 4.20. Payments for Consent.**

The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.



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SECTION 4.21. Restrictions on Music Publishing Sale.

The Issuer may not consummate a Music Publishing Sale unless:

- (1) the Person to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States, the District of Columbia or any territory thereof (such Person being herein called the "Successor MP Company");
- (2) the Successor MP Company has assumed all the obligations of the Issuer under the Securities, the Indenture, the Security Documents and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;
- (3) immediately after such transaction no Default or Event of Default exists;
- (4) immediately after giving pro forma effect to such transaction and any related financing transactions, as if the same had occurred at the beginning of the applicable four-quarter period, either
  - (a) the Successor MP Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception; or
  - (b) the Fixed Charge Coverage Ratio for the Successor MP Company and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction; and
- (5) each Guarantor, unless it is not part of the Music Publishing Sale, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under the Indenture and the Securities.

The Issuer will deliver to the Trustee prior to the consummation of a Music Publishing Sale an Officers' Certificate certifying that the conditions set forth above are satisfied and an Opinion of Counsel, which opinion may contain customary exceptions and qualifications, that the Music Publishing Sale and the supplemental indenture, if any, comply with this Indenture.

This Section 4.21 will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

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ARTICLE FIVE

SUCCESSOR CORPORATION

SECTION 5.01. Merger, Consolidation, or Sale of Assets.

(a) The Issuer may not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States, the District of Columbia or any territory thereof (the Issuer or such Person, as the case may be, being herein called the “**Successor Company**”);

(2) the Successor Company (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Securities, this Indenture, the Security Documents and the Registration Rights Agreement;

(3) immediately after such transaction no Default or Event of Default exists;

(4) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if the same had occurred at the beginning of the applicable four-quarter period, either

(a) the Successor Company or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception; or

(b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction; and

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(5) each Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Indenture and the Securities;

*provided*, that for the purposes of this Section 5.01 only, neither a Music Publishing Sale nor Recorded Music Sale will be deemed to be a sale, assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole. For the avoidance of doubt, (1) the Issuer may therefore consummate a Music Publishing Sale in accordance with Section 4.21 notwithstanding anything to the contrary in this Section 5.01, (2) the Issuer may therefore consummate a Recorded Music Sale in accordance with Section 4.13 without complying with this Section 5.01 (other than the preceding proviso) notwithstanding anything to the contrary in this Section 5.01 and (3) the determination in the preceding proviso shall not affect the determination of what constitutes all or substantially all the assets of the Issuer under any other contract to which the Issuer is a party.

This Section 5.01 will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries. Notwithstanding the foregoing clauses (3) and (4), (i) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary and (ii) the Issuer may merge with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in another state of the United States so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby.

In the event of any transaction described in and complying with the conditions listed in the preceding paragraph in which the Issuer is not the continuing corporation, the successor Person formed or remaining shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer and the Issuer will be discharged from all obligations and covenants under this Indenture and the Securities.

(b) The Issuer will deliver to the Trustee prior to the consummation of each proposed transaction an Officers' Certificate certifying that the conditions set forth above are satisfied and an Opinion of Counsel, which opinion may contain customary exceptions and qualifications, that the proposed transaction and the supplemental indenture, if any, comply with this Indenture.

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ARTICLE SIX

DEFAULT AND REMEDIES

SECTION 6.01. Events of Default.

Each of the following is an “**Event of Default**”:

(1) the Issuer defaults in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Securities;

(2) the Issuer defaults in the payment when due of interest or Special Interest, if any, on or with respect to the Securities and such default continues for a period of 30 days;

(3) the Issuer defaults in the performance of, or breaches any covenant, warranty or other agreement contained in, this Indenture (other than a default in the performance or breach of a covenant, warranty or agreement which is specifically dealt with in clauses (1) or (2) above) and such default or breach continues for a period of 60 days after the notice specified below;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any Restricted Subsidiary or the payment of which is guaranteed by the Issuer or any Restricted Subsidiary (other than Indebtedness owed to the Issuer or a Restricted Subsidiary), whether such Indebtedness or guarantee now exists or is created after the Issue Date, if (A) such default either (1) results from the failure to pay any such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or (2) relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity and (B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate \$25.0 million (or its foreign currency equivalent) or more at any one time outstanding;

(5) the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case,

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- (B) consents to the entry of an order for relief against it in an involuntary case,
  - (C) consents to the appointment of a Custodian of it or for all or substantially all of its property,
  - (D) makes a general assignment for the benefit of its creditors,
  - (E) takes any comparable action under any foreign laws relating to insolvency,
  - (F) generally is not able to pay its debts as they become due, or
  - (G) takes any corporate action to authorize or effect any of the foregoing;
- (6) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case,
  - (B) appoints a Custodian of the Issuer or any Significant Subsidiary or for all or substantially all of the property of the Issuer or any Significant Subsidiary, or
  - (C) orders the liquidation of the Issuer or any Significant Subsidiary,

and the order or decree remains unstayed and in effect for 60 days;

(7) the failure by the Issuer or any Significant Subsidiary to pay final judgments (other than any judgments covered by insurance policies issued by reputable and creditworthy insurance companies) aggregating in excess of \$25.0 million, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and, with respect to any judgments covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(8) the Guarantee of a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms thereof) or any Guarantor denies or disaffirms its obligations under this Indenture or any Guarantee and such Default continues for 10 days; or

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(9) with respect to Collateral having a fair market value in excess of \$25.0 million, individually, (A) the security interest under the Security Documents, at any time, ceases to be in full force and effect for any reason other than in accordance with the terms of the Indenture and the Security Documents (other than to the extent that any such failure to be in full force and effect results from the failure of the Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Security Documents or to file Uniform Commercial Code continuation statements and except, as to Collateral consisting of real property, to the extent that such failure is covered by a lender's title insurance policy and the Collateral Agent is reasonably satisfied with the credit of such insurer), (B) any security interest created thereunder or under the Indenture is declared invalid or unenforceable by a court of competent jurisdiction or (C) the Issuer or any Guarantor asserts, in any pleading or in any court of competent jurisdiction, that any such security interest is invalid or unenforceable.

SECTION 6.02. Acceleration.

If an Event of Default specified in Sections 6.01(5) and (6) above occurs with respect to the Issuer and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest on all of the outstanding Securities shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of each Trustee or any Holder.

If any other Event of Default shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding Securities under this Indenture may declare the principal of and accrued interest on such Securities to be due and payable by notice in writing to the Issuer and the Trustee specifying the respective Event of Default and that it is a "notice of acceleration" (the "**Acceleration Notice**"), and the same:

(1) shall become immediately due and payable; or

(2) shall become immediately due and payable upon the first to occur of an acceleration under any Credit Agreement and five Business Days after receipt by the Issuer of such Acceleration Notice but only if such Event of Default is then continuing.

At any time after a declaration of acceleration with respect to the Securities as described in the two preceding paragraphs, the Holders of a majority in principal amount of the Securities may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

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(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, if interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;

(4) if the Issuer has paid the Trustee its reasonable compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in Sections 6.01(5) and (6), if the Trustee shall have received an Officers' Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies.

(a) If a Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon a Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

(c) In the event of any Event of Default specified in clause (4) of Section 6.01, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 20 days after such Event of Default arose the Issuer delivers an Officers' Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Securities as described above be annulled, waived or rescinded upon the happening of any such events.

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(d) Holders may not enforce this Indenture or the Securities except as provided in this Indenture and under the TIA, if provisions from the TIA are incorporated into this Indenture. Subject to the provisions of this Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under this Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable indemnity. Subject to all provisions of this Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding Securities issued under this Indenture have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

SECTION 6.04. Waiver of Defaults.

Provided the Securities are not then due and payable by reason of a declaration of acceleration, the Holders of a majority in aggregate principal amount of Securities at the time outstanding may on behalf of the Holders of all the Securities waive any Default with respect to such Securities and its consequences by providing written notice thereof to the Issuer and the Trustee, except a Default (1) in the payment of interest on or the principal of any Security or (2) in respect of a covenant or provision hereof which under this Indenture cannot be modified or amended without the consent of the Holder of each outstanding Security affected. In the case of any such waiver, the Issuers, the Trustee and the Holders will be restored to their former positions and rights under this Indenture, respectively; *provided* that no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto. *provided, however*, that if any amendment, waiver or other modification will only affect the Securities, only the consent of the Holders of at least a majority in principal amount of the then outstanding Securities (and not the consent of at least a majority of all Securities), as the case may be, shall be required.

SECTION 6.05. Control by Majority.

The Holders of not less than a majority in principal amount of the outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. Subject to Section 7.01, however, the Trustee may refuse to follow any direction that conflicts with any law or this Indenture, that the Trustee determines may be unduly prejudicial to the rights of another Securityholder, or that may involve the Trustee in personal liability; *provided* that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.



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In the event the Trustee takes any action or follows any direction pursuant to this Indenture, the Trustee shall be entitled to indemnification against any loss or expense caused by taking such action or following such direction.

SECTION 6.06. Limitation on Suits.

A Holder may not pursue any remedy with respect to this Indenture or the Securities unless:

- (1) the Holder gives to the Trustee written notice of a continuing Event of Default;
- (2) the Holder or Holders of at least 25% in principal amount of the outstanding Securities make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer and provide to the Trustee indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;
- (4) the Trustee does not comply with the request within 45 days after receipt of the request and the offer and the provision of indemnity; and
- (5) during such 45-day period the Holder or Holders of a majority in principal amount of the outstanding Securities do not give the Trustee a direction which, in the opinion of the Trustee, is inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder.

SECTION 6.07. Rights of Holders To Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on a Security, on or after the respective due dates expressed in such Security, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

SECTION 6.08. Collection Suit by Trustee.

If a Default in payment of principal or interest specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor on the Securities for the whole amount of principal and accrued interest and fees remaining unpaid, together with interest on overdue principal and, to the extent that payment of such interest is lawful, interest on overdue

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installments of interest, in each case at the rate *per annum* borne by the Securities and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Trustee May File Proofs of Claim.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relating to the Issuer, its creditors or its property and shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due the Trustee under Section 7.07. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding. The Trustee shall be entitled to participate as a member of any officer committee of creditors in the matters as it deems necessary or advisable.

SECTION 6.10. Priorities.

Subject to the provisions of Article Ten, if the Trustee collects any money or property pursuant to this Article Six, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to Holders for interest accrued on the Securities, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for interest;

THIRD: to Holders for principal amounts due and unpaid on the Securities, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal; and

FOURTH: to the Issuer or, if applicable, the Guarantors, as their respective interests may appear.

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The Trustee, upon prior notice to the Issuer, may fix a Record Date and payment date for any payment to Holders pursuant to this Section 6.10.

SECTION 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07, or a suit by a Holder or Holders of more than 10% in principal amount of the outstanding Securities.

ARTICLE SEVEN

TRUSTEE

SECTION 7.01. Duties of Trustee.

(a) If a Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of a Default:

(1) The Trustee need perform only those duties as are specifically set forth herein or in the TIA and no duties, covenants, responsibilities or obligations shall be implied in this Indenture against the Trustee.

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates (including Officers' Certificates) or opinions (including Opinions of Counsel) furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

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(c) Notwithstanding anything to the contrary herein, the Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) This paragraph does not limit the effect of paragraph (b) of this Section 7.01.

(2) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or to take or omit to take any action under this Indenture or take any action at the request or direction of Holders if it shall have reasonable grounds for believing that repayment of such funds is not assured to it.

(e) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to this Section 7.01.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) In the absence of bad faith, negligence or willful misconduct on the part of the Trustee, the Trustee shall not be responsible for the application of any money by any Paying Agent other than the Trustee.

**SECTION 7.02. Rights of Trustee.**

Subject to Section 7.01:

(a) The Trustee may rely conclusively on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and an Opinion of Counsel, which shall conform to the provisions of Section 12.05. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

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(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent (other than an agent who is an employee of the Trustee) appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers.

(e) The Trustee may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate (including any Officers' Certificate), statement, instrument, opinion (including any Opinion of Counsel), notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, upon reasonable notice to the Issuer, to examine the books, records, and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer.

(h) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(i) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as duties.

(j) The Trustee shall not be deemed to have notice of any Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture.

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(k) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(l) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage regardless of the form of action.

(m) The Trustee may request that the Issuer and any Guarantor deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers (with specimen signatures) authorized at such times to take specific actions pursuant to this Indenture, which Officers' Certificate may be signed by any person specified as so authorized in any such certificate previously delivered and not superceded.

SECTION 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Issuer, its Subsidiaries or their respective Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Issuer's use of the proceeds from the Securities, and it shall not be responsible for any statement of the Issuer in this Indenture or any document issued in connection with the sale of Securities or any statement in the Securities other than the Trustee's certificate of authentication. The Trustee makes no representations with respect to the effectiveness or adequacy of this Indenture.

SECTION 7.05. Notice of Default.

If a Default occurs and is continuing and the Trustee receives actual notice of such Default, the Trustee shall mail to each Holder notice of the uncured Default within 60 days after such Default occurs. Except in the case of a Default in payment of principal of, or interest on, any Security, including an accelerated payment and the failure to make payment on the Change of Control Payment Date pursuant to a Change of Control Offer or the Asset Sale Offer Payment Date pursuant to an Asset Sale Offer, the Trustee may withhold the notice if and so long as the Board of Directors, the executive committee, or a trust committee of directors and/or Responsible Officers, of the Trustee in good faith determines that withholding the notice is in the interest of the Holders.

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SECTION 7.06. Reports by Trustee to Holders.

Within 60 days after each June 1, beginning with June 1, 2010, the Trustee shall, to the extent that any of the events described in TIA § 313(a) occurred within the previous twelve months, but not otherwise, mail to each Holder a brief report dated as of such date that complies with TIA § 313(a). The Trustee also shall comply with TIA §§ 313(b), 313(c) and 313(d).

A copy of each report at the time of its mailing to Holders shall be mailed to the Issuer and filed with the Commission and each securities exchange, if any, on which the Securities are listed.

The Issuer shall notify the Trustee if the Securities become listed on any securities exchange or of any delisting thereof and the Trustee shall comply with TIA § 313(d).

SECTION 7.07. Compensation and Indemnity.

The Issuer shall pay to the Trustee from time to time such compensation as the Issuer and the Trustee shall from time to time agree in writing for its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable disbursements, expenses and advances (including reasonable fees and expenses of counsel) incurred or made by it in addition to the compensation for its services, except any such disbursements, expenses and advances as may be attributable to the Trustee's negligence, bad faith or willful misconduct. Such expenses shall include the reasonable fees and expenses of the Trustee's agents and counsel.

The Issuer shall indemnify each of the Trustee or any predecessor Trustee and its agents, employees, officers, stockholders and directors for, and hold them harmless against, any and all loss, damage, claims including taxes (other than taxes based upon, measured by or determined by the income of the Trustee), liability or expense incurred by them except for such actions to the extent caused by any negligence, bad faith or willful misconduct on their part, arising out of or in connection with the acceptance or administration of this trust including the costs and expenses of enforcing this Indenture or a Guarantee against the Issuer or a Guarantor (including this Section 7.07) and the reasonable costs and expenses of defending themselves against or investigating any claim or liability in connection with the exercise or performance of any of the Trustee's rights, powers or duties hereunder (whether asserted by the Issuer, any Guarantor, any Holder or any other Person). The Trustee shall notify the Issuer promptly of any claim asserted against the Trustee or any of its agents, employees, officers,

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stockholders and directors for which it may seek indemnity. The Issuer may, subject to the approval of the Trustee (which approval shall not be unreasonably withheld), defend the claim and the Trustee shall cooperate in the defense. The Trustee and its agents, employees, officers, stockholders and directors subject to the claim may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel; *provided, however*, that the Issuer will not be required to pay such fees and expenses if, subject to the approval of the Trustee (which approval shall not be unreasonably withheld), it assumes the Trustee's defense and there is no conflict of interest between the Issuer and the Trustee and its agents, employees, officers, stockholders and directors subject to the claim in connection with such defense as reasonably determined by the Trustee. The Issuer need not pay for any settlement made without its written consent. The Issuer need not reimburse any expense or indemnify against any loss or liability to the extent incurred by the Trustee through its negligence, bad faith or willful misconduct.

Notwithstanding Section 4.12 hereof, to secure the Issuer's and the Guarantors' payment obligations in this Section 7.07, the Trustee shall have a Lien prior to the Securities against all money or property held or collected by the Trustee, in its capacity as Trustee.

When the Trustee incurs expenses or renders services after a Default specified in Section 6.01(5) or (6) occurs, such expenses and the compensation for such services shall be paid to the extent allowed under any Bankruptcy Law and are intended to constitute expenses of administration under any Bankruptcy Law.

Notwithstanding any other provision in this Indenture, the foregoing provisions of this Section 7.07 shall survive the satisfaction and discharge of this Indenture or the appointment of a successor Trustee.

**SECTION 7.08. Replacement of Trustee.**

The Trustee may resign at any time by so notifying the Issuer in writing. The Holders of a majority in principal amount of the outstanding Securities may remove the Trustee by so notifying the Issuer and the Trustee and may appoint a successor Trustee. The Issuer may remove the Trustee if:

- (1) the Trustee fails to comply with Section 7.10;
- (2) the Trustee is adjudged a bankrupt or an insolvent;



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- (3) a receiver or other public officer takes charge of the Trustee or its property; or
  - (4) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall notify each Holder of such event and shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the Securities may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Immediately after that, the retiring Trustee shall transfer, after payment of all sums then owing to the Trustee pursuant to Section 7.07, all property held by it as Trustee to the successor Trustee, subject to the Lien provided in Section 7.07, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Holder.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of at least 10% in principal amount of the outstanding Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee at the expense of the Issuer.

If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

**SECTION 7.09. Successor Trustee by Merger, Etc.**

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the resulting, surviving or transferee corporation without any further act shall, if such resulting, surviving or transferee corporation is otherwise eligible hereunder, be the successor Trustee; *provided* that such corporation shall be otherwise qualified and eligible under this Article Seven.

**SECTION 7.10. Eligibility; Disqualification.**

This Indenture shall always have a Trustee who satisfies the requirement of TIA §§ 310(a)(1), 310(a)(2) and 310(a)(5). The Trustee shall have a combined capital and

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surplus of at least \$150,000,000 as set forth in its most recent published annual report of condition. In addition, if the Trustee is a corporation included in a bank holding company system, the Trustee, independently of the bank holding company, shall meet the capital requirements of TIA § 310(a)(2). The Trustee shall comply with TIA § 310(b); *provided, however*, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Issuer are outstanding, if the requirements for such exclusion set forth in TIA § 310(b)(1) are met. The provisions of TIA § 310 shall apply to the Issuer and any other obligor of the Securities.

SECTION 7.11. Preferential Collection of Claims Against the Issuer.

The Trustee, in its capacity as Trustee hereunder, shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated.

ARTICLE EIGHT

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.01. Termination of the Issuer's Obligations.

The Issuer may terminate its obligations under the Securities and this Indenture, except those obligations referred to in the penultimate paragraph of this Section 8.01, if all Securities previously authenticated and delivered (other than destroyed, lost or stolen Securities which have been replaced or paid or Securities for whose payment U.S. Legal Tender or U.S. Government Securities, or a combination thereof, in such amount as is, in the opinion of a nationally recognized firm of independent public accountants, sufficient without consideration of reinvestment of such interest, to pay principal of, premium, if any, and interest on the outstanding Securities to maturity or redemption, has theretofore been deposited with the Trustee or the Paying Agent in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer, as provided in Section 8.05) have been delivered to the Trustee for cancellation and the Issuer has paid all sums payable by it hereunder, or if:

(a) either (i) pursuant to Article Three, the Issuer shall have given notice to the Trustee and mailed a notice of redemption to each Holder of the redemption of all of the Securities in accordance with the provisions hereof or (ii) all Securities have otherwise become or will become due and payable by reason of the mailing of a notice of redemption or otherwise within one (1) year hereunder;

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(b) the Issuer shall have irrevocably deposited or caused to be deposited with the Trustee or a trustee satisfactory to the Trustee, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds in trust solely for the benefit of the Holders of that purpose, U.S. Legal Tender or U.S. Government Securities, or a combination thereof, in such amount as is, in the opinion of a nationally recognized firm of independent public accountants, sufficient without consideration of reinvestment of such interest, to pay principal of, premium, if any, and interest on the outstanding Securities to maturity or redemption; *provided* that the Trustee shall have been irrevocably instructed to apply such U.S. Legal Tender or U.S. Government Securities, or a combination thereof, to the payment of said principal, premium, if any, and interest with respect to the Securities;

(c) in respect of Section 8.01(b), no Default with respect to this Indenture or the Securities shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit (other than a Default resulting from borrowing of funds to be applied to such deposit) and such deposit will not result in a breach or violation of, or constitute a default under, the Credit Agreement or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which it is bound;

(d) the Issuer shall have paid all other sums payable by it hereunder; and

(e) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent providing for or relating to the termination of the Issuer's obligations under the Securities and this Indenture have been complied with. Such Opinion of Counsel shall also state that such satisfaction and discharge does not result in a default under the Credit Agreement or any other material agreement or instrument then known to such counsel that binds or affects the Issuer.

Subject to the next sentence and notwithstanding the foregoing paragraph, the Issuer's obligations in Sections 2.06, 2.07, 2.08, 2.09, 4.01, 4.02, 7.07, 8.05 and 8.06 shall survive until the Securities are no longer outstanding pursuant to the last paragraph of Section 2.09. After the Securities are no longer outstanding, the Issuer's obligations in Sections 7.07, 8.05 and 8.06 shall survive.

After such delivery or irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Issuer's obligations under the Securities and this Indenture except for those surviving obligations specified above.

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Upon a satisfaction and discharge in accordance with the provisions of the Security Documents, the Collateral Agent will cease to be party to the Security Documents on behalf of the holders of the Securities and the Collateral will no longer secure the Securities.

SECTION 8.02. Legal Defeasance and Covenant Defeasance.

(a) The Issuer may, at its option and at any time, elect to have either paragraph (b) or (c) below applied to all outstanding Securities upon compliance with the conditions set forth in Section 8.03.

(b) Upon the Issuer's exercise under paragraph (a) hereof of the option applicable to this paragraph (b), the Issuer and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.03, be deemed to have been discharged from their obligations with respect to all outstanding Securities on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Securities, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.04 hereof and the other Sections of this Indenture (with respect to such Securities) referred to in (i) and (ii) below, and to have satisfied all its other obligations under such Securities and this Indenture (with respect to such Securities) and the Guarantors shall be deemed to have satisfied all of their obligations under the Subsidiary Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

- (i) the rights of Holders of outstanding Securities issued hereunder to receive payments in respect of the principal of, or interest or premium and Special Interest, if any, on such Securities when such payments are due from the trust referred to below;
- (ii) the Issuer's obligations with respect to the Securities issued thereunder concerning issuing temporary Securities, registration of Securities, mutilated, destroyed, lost or stolen Securities and the maintenance of an office or agency for payment and money for security payments held in trust;
- (iii) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and
- (iv) this Article Eight.

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Subject to compliance with this Article Eight, the Issuer may exercise its option under this Section 8.02(b) notwithstanding the prior exercise of its option under Section 8.02(c) hereof.

(c) Upon the Issuer's exercise under paragraph (a) hereof of the option applicable to this paragraph (c), the Issuer and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.03 hereof, be released from their obligations under the covenants contained in Sections 4.03 (with respect to Restricted Subsidiaries only), 4.04, 4.05, 4.06, 4.07 and 4.09 through 4.20 and clauses (3) and (4) of Section 5.01(a) hereof with respect to the outstanding Securities on and after the date the conditions set forth in Section 8.03 are satisfied (hereinafter, "**Covenant Defeasance**"), and the Securities shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Securities shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Securities, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby. In addition, upon the Issuer's exercise under paragraph (a) hereof of the option applicable to this paragraph (c), subject to the satisfaction of the conditions set forth in Section 8.03 hereof, clauses (3), (4), (5), (6) and (7) of Section 6.01 hereof shall not constitute Events of Default.

**SECTION 8.03. Conditions to Legal Defeasance or Covenant Defeasance.**

The following shall be the conditions to the application of either Section 8.02(b) or 8.02(c) hereof to the outstanding Securities:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the applicable Securities issued thereunder, cash in U.S. Legal Tender, non-callable U.S. Government Securities, or a combination of cash in U.S. Legal Tender and non-callable U.S. Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium and Special Interest, if any, on the outstanding Securities issued thereunder on the stated maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Securities are being defeased to maturity or to a particular redemption date;

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(2) in the case of an election under Section 8.02(b) hereof, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders of the respective outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.02(c) hereof, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the respective outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or insofar as Events of Default resulting from the borrowing of funds or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than this Indenture) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;

(6) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or others; and

(7) the Issuer must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

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Upon a Legal Defeasance or Covenant Defeasance in accordance with the provisions of the Security Documents, the Collateral Agent will cease to be party to the Security Documents on behalf of the holders of the Securities and the Collateral will no longer secure the Securities.

SECTION 8.04. Application of Trust Money.

The Trustee or Paying Agent shall hold in trust U.S. Legal Tender and U.S. Government Securities, deposited with it pursuant to this Article Eight, and shall apply the deposited U.S. Legal Tender and the money from U.S. Government Securities in accordance with this Indenture to the payment of principal of and interest on the Securities. The Trustee shall be under no obligation to invest said U.S. Legal Tender and U.S. Government Securities except as it may agree with the Issuer.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Legal Tender and U.S. Government Securities, deposited pursuant to Section 8.03 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Securities.

Anything in this Article Eight to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuer from time to time upon the Issuer's request any U.S. Legal Tender and U.S. Government Securities, held by it as provided in Section 8.03 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.05. Repayment to the Issuer.

Subject to this Article Eight, the Trustee and the Paying Agent shall promptly pay to the Issuer upon request any excess U.S. Legal Tender and U.S. Government Securities, held by them at any time and thereupon shall be relieved from all liability with respect to such money. The Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal or interest that remains unclaimed for two years; *provided* that the Trustee or such Paying Agent, before being required to make any payment, may at the expense of the Issuer cause to be published once in a newspaper of general circulation in the City of New York or mail to each Holder entitled to such money notice that such money remains unclaimed and that after a date specified therein which shall be at least 30 days from the date of such publication or mailing any unclaimed balance of such money then remaining will be repaid to the Issuer. After payment to the Issuer, Holders entitled to such money must look to the Issuer for payment as general creditors unless an applicable law designates another Person.

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SECTION 8.06. Reinstatement.

If the Trustee or Paying Agent is unable to apply any U.S. Legal Tender and U.S. Government Securities in accordance with this Article Eight by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to this Article Eight until such time as the Trustee or Paying Agent is permitted to apply all such U.S. Legal Tender and U.S. Government Securities in accordance with this Article Eight; *provided* that if the Issuer has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Securities to receive such payment from the U.S. Legal Tender or U.S. Government Securities held by the Trustee or Paying Agent.

ARTICLE NINE

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders.

Subject to Section 9.03, the Issuer and the Trustee, together, may amend or supplement this Indenture, the Securities or the Guarantees without notice to or consent of any Holder:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Securities in addition to or in place of certificated Securities;
- (3) to provide for the assumption of the Issuer's obligations to Holders in the case of a (a) merger or consolidation or sale of all or substantially all of the Issuer's assets or (b) Music Publishing Sale in accordance with the Section 4.21.
- (4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any Holder;



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(5) to comply with requirements of the Commission in order to effect or maintain the qualification of this Indenture under the TIA, if provisions from the TIA are incorporated into this Indenture;

(6) to conform the text of the Indenture, the Guarantees, the Security Documents, the Registration Rights Agreement or the Securities to any provision of the Description of Notes section of the Offering Circular to the extent that such provision in such the Description of Notes was intended (as evidenced by an Officers' Certificate) to be a verbatim recitation of a provision of the Indenture, the Guarantees, the Security Documents, the Registration Rights Agreement or the Securities;

(7) to enter into additional or supplemental Security Documents;

(8) to release Collateral in accordance with the terms of the Indenture and the Security Documents or the TIA, if provisions from the TIA are incorporated into this Indenture;

(9) to mortgage, pledge, hypothecate or grant any additional Lien in favor of the Collateral Agent for the benefit of the holders of the Securities, as additional security for the payment and performance of all Obligations with respect to the Securities;

(10) to add a Guarantee of the Securities, including, without limitation, by any parent company of the Issuer;

(11) to add parties to Permitted Additional Pari Passu Obligations to any Security Documents;

(12) to provide for the issuance of Additional Securities of the same series in accordance with the limitations set forth in this Indenture as of the Issue Date;

(13) to make any amendment to the provisions of this Indenture relating to the transfer and legending of Securities as permitted by the Indenture, including, without limitation, to facilitate the issuance, administration and book-entry transfer of the Securities; provided, however, that (i) compliance with this Indenture as so amended would not result in the Securities being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer the Securities;

(14) to evidence and provide for the acceptance of appointment of a successor trustee so long as the successor trustee is otherwise qualified and eligible to act as such under the terms of this Indenture; or

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(15) to evidence and provide for the acceptance by appointment of a successor Collateral Agent so long as (i) such successor Collateral Agent is reasonably acceptable to the Trustee and (ii) is otherwise qualified and eligible to serve as Collateral Agent under the terms provided in the Security Agreement.

*provided* that the Issuer has delivered to the Trustee an Opinion of Counsel and an Officers' Certificate, each stating that such amendment or supplement complies with the provisions of this Section 9.01.

SECTION 9.02. With Consent of Holders.

(a) Subject to Sections 6.07 and 9.03, the Issuer and the Trustee, together, with the written consent of the Holder or Holders of a majority in aggregate principal amount of the outstanding Securities, may amend or supplement this Indenture or the Securities without notice to any other Holders. Subject to Sections 6.07 and 9.03, the Holder or Holders of a majority in aggregate principal amount of then outstanding Securities may waive compliance with any provision of this Indenture or the Securities without notice to any other Holders.

(b) Notwithstanding Section 9.02(a), without the consent of each Holder affected, an amendment, supplement or waiver, including a waiver pursuant to Section 6.04, may not (with respect to any Securities held by a non-consenting Holder):

- (1) reduce the principal amount of Securities whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Security or alter the provisions with respect to the redemption of the Securities (other than provisions of Sections 4.09, 4.13 and 3.07);
- (3) reduce the rate of or change the time for payment of interest on any Security;
- (4) waive a Default or Event of Default in the payment of principal, or interest or premium, or Special Interest, if any, on the Securities (except a rescission of acceleration of the Securities by the Holders of at least a majority in aggregate principal amount of the Securities and a waiver of the payment default that resulted from such acceleration);
- (5) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or premium or Special Interest, if any, on the Securities;

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(6) waive a redemption payment with respect to any Security (other than a payment required by one of the provisions of Section 4.09, Section 4.13 and Section 3.07);

(7) modify the Guarantees in any manner adverse to the Holders; or

(8) make any change in the preceding amendment and waiver provisions.

(c) It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(d) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

(e) In addition, without the consent of at least 66 2/3% in aggregate principal amount of Securities then outstanding, an amendment, supplement or waiver may not have the effect of releasing all or substantially all of the Collateral from the Liens securing the Securities, other than in connection with sales of the Collateral permitted hereunder, including a Recorded Music Sale or, in the case of a Music Publishing Sale, where the terms of Section 4.21 are being complied with.

SECTION 9.03. Reserved.

SECTION 9.04. Compliance with TIA.

From the date on which this Indenture is qualified under the TIA, if it is so qualified, every amendment, waiver or supplement of this Indenture, the Securities or the Subsidiary Guarantees shall comply with the TIA as then in effect.

SECTION 9.05. Revocation and Effect of Consents.

(a) Until an amendment, waiver or supplement becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on any Security. However, any such Holder or subsequent Holder may revoke the consent as to his Security or portion of his Security by notice to the Trustee or the Issuer received before the date on which the Trustee receives an Officers' Certificate certifying that the Holders of the requisite principal amount of Securities have consented (and not theretofore revoked such consent) to the amendment, supplement or waiver.

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(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver which record date shall be at least 30 days prior to the first solicitation of such consent. If a record date is fixed, then notwithstanding the last sentence of the immediately preceding paragraph, those Persons who were Securityholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date. The Issuer shall inform the Trustee in writing of the fixed record date if applicable.

(c) After an amendment, supplement or waiver becomes effective, it shall bind every Securityholder, unless it makes a change described in any of clauses (1) through (8) of Section 9.02(b), in which case, the amendment, supplement or waiver shall bind only each Holder of a Security who has consented to it and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security; *provided* that any such waiver shall not impair or affect the right of any Holder to receive payment of principal of and interest on a Security, on or after the respective due dates expressed in such Security, or to bring suit for the enforcement of any such payment on or after such respective dates without the consent of such Holder.

SECTION 9.06. Notation on or Exchange of Securities.

If an amendment, supplement or waiver changes the terms of a Security, the Issuer may require the Holder of the Security to deliver it to the Trustee. The Issuer shall provide the Trustee with an appropriate notation on the Security about the changed terms and cause the Trustee to return it to the Holder at the Issuer's expense. Alternatively, if the Issuer or the Trustee so determines, the Issuer in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or issue a new Security shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.07. Trustee To Sign Amendments, Etc.

The Trustee shall execute any amendment, supplement or waiver authorized pursuant to this Article Nine; *provided* that the Trustee may, but shall not be obligated to, execute any such amendment, supplement or waiver which affects the Trustee's own rights, duties or immunities under this Indenture. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate each stating that the execution of any amendment, supplement or waiver authorized pursuant to this

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Article Nine is authorized or permitted by this Indenture and constitutes the legal, valid and binding obligations of the Issuer enforceable in accordance with its terms. Such Opinion of Counsel shall be at the expense of the Issuer.

ARTICLE TEN

COLLATERAL AND SECURITY

SECTION 10.01. Security Documents

The due and punctual payment of the principal of, premium on, if any, interest and Special Interest, if any, on, the Securities when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of, premium on, if any, interest and Special Interest, if any (to the extent permitted by law), on the Securities and performance of all other obligations of the Issuer to the Holders of Notes or the Trustee under this Indenture and the Securities (including, without limitation, the Note Guarantees), according to the terms hereunder or thereunder, are secured as provided in the Security Documents which the Issuer has entered into simultaneously with the execution of this Indenture and which is attached as Exhibit H hereto. Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with its terms and authorizes and appoints the Trustee as the Collateral Agent and directs the Collateral Agent to enter into the Security Documents and to perform its obligations and exercise its rights thereunder in accordance therewith. The Issuer will deliver to the Trustee copies of all documents delivered to the Collateral Agent pursuant to the Security Documents, and will do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the provisions of the Security Documents, to assure and confirm to the Trustee and the Collateral Agent the security interest in the Collateral contemplated hereby, by the Security Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Securities secured hereby, according to the intent and purposes herein expressed. The Issuer will take, and will cause its Subsidiaries to take, upon request of the Trustee, any and all actions reasonably required to cause the Security Documents to create and maintain, as security for the Obligations of the Issuer hereunder, a valid and enforceable perfected first priority Lien in and on all the Collateral, in favor of the Collateral Agent for the benefit of the Holders of Notes, superior to and prior to the rights of all third Persons and subject to no other Liens than Permitted Liens.

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SECTION 10.02. Reserved.

SECTION 10.03. Release of Collateral.

(a) Subject to subsections (b), (c) and (d) of this Section 10.03 and Section 9.02, Collateral may be released from the Lien and security interest created by the Security Documents at any time or from time to time in accordance with the provisions of Security Documents or as provided hereby. In addition, upon the request of the Issuer pursuant to an Officers' Certificate and an Opinion of Counsel certifying that all conditions precedent hereunder have been met and stating whether or not such release is in connection with an Asset Sale and (at the sole cost and expense of the Issuer) the Collateral Agent will release Collateral that is sold, conveyed or disposed of in compliance with the provisions of this Indenture; *provided* that if such sale, conveyance or disposition constitutes an Asset Sale, the Issuer will apply the Net Proceeds in accordance with Section 4.10 hereof. Upon receipt of such Officers' Certificate and Opinion of Counsel the Collateral Agent shall execute, deliver or acknowledge any necessary or proper instruments of termination, satisfaction or release to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Security Documents.

(b) No Collateral may be released from the Lien and security interest created by the Security Documents pursuant to the provisions of the Security Documents unless the certificate required by this Section 10.03 has been delivered to the Collateral Agent.

(c) At any time when a Default or Event of Default has occurred and is continuing and the maturity of the Securities has been accelerated (whether by declaration or otherwise) and the Trustee has delivered a notice of acceleration to the Collateral Agent, no release of Collateral pursuant to the provisions of the Security Documents will be effective as against the Holders of Notes.

(d) In the following circumstances, as applicable and as established by Officers' Certificate and Opinion of Counsel, either (i) the Collateral Agent will cease to be a party to the Security Documents on behalf of the Holders and the Collateral will cease to secure the Securities or (ii) the Liens securing the Securities will automatically and without the need for any further action by any Person be released:

(1) in or in part, as applicable, as to all or any portion of the Collateral which has been taken by eminent domain, condemnation or other similar circumstances;

(2) in whole upon (A) a satisfaction and discharge of this Indenture, (B) a Legal Defeasance or (C) Covenant Defeasance;

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(3) in part, as to any property that (A) is sold transferred or otherwise disposed of by the Issuer or any Guarantor (other than to the Issuer or another Guarantor) in a transaction (other than a Music Publishing Sale, which is governed by the terms of Section 4.21) not prohibited by this Indenture, or any Credit Agreement or the Security Documents at the time of such transfer or disposition or (B) is owned or at any time acquired by a Guarantor that has been released from its Guarantee, concurrently with the release of such Guarantee;

(4) as to property that constitutes all or substantially all of the Collateral, in accordance with Section 9.02(e);

(5) as to property that constitutes less than all or substantially or substantially all of the Collateral, in accordance with Section 9.02(a); and

(6) in part, in accordance with the applicable provisions of the Security Documents.

(e) The release of any Collateral from the terms of this Indenture and the Security Documents will not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms of the Security Documents. To the extent applicable, the Issuer will cause TIA §313(b), relating to reports, and TIA §314(d), relating to the release of property or securities from the Lien and security interest of the Security Documents and relating to the substitution thereof of any property or securities to be subjected to the Lien and security interest of the Security Documents, to be complied with. Any certificate or opinion required by TIA §314(d) may be made by an Officer of the Issuer except in cases where TIA §314(d) requires that such certificate or opinion be made by an independent Person, which Person will be an independent engineer, appraiser or other expert selected or approved by the Trustee and the Collateral Agent in the exercise of reasonable care.

SECTION 10.04. Certificates of the Issuer.

If the Indenture is qualified under the TIA, The Issuer will furnish to the Trustee and the Collateral Agent, prior to each proposed release of Collateral pursuant to the Security Documents:

(1) all documents required by TIA §314(d); and

(2) an Opinion of Counsel, which may be rendered by internal counsel to the Issuer, to the effect that such accompanying documents constitute all documents required by TIA §314(d).

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The Trustee may, to the extent permitted by Sections 7.01 and 7.02 hereof, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and such Opinion of Counsel.

SECTION 10.05. Certificates of the Trustee.

In the event that the Issuer wishes to release Collateral in accordance with the Security Documents and has delivered the certificates and documents required by the Security Documents and Sections 10.03 and 10.04 hereof, the Trustee will determine whether it has received all documentation required by TIA §314(d) in connection with such release and, based on such determination and the Opinion of Counsel delivered pursuant to Section 10.04(2) hereof, will deliver a certificate to the Collateral Agent setting forth such determination.

SECTION 10.06. Authorization of Actions to be Taken by the Trustee Under the Security Documents.

Subject to the provisions of Section 7.01 and 7.02 hereof, the Trustee may, in its sole discretion and without the consent of the Holders of Notes, direct, on behalf of the Holders of Notes, the Collateral Agent to, take all actions it deems necessary or appropriate in order to:

- (1) enforce any of the terms of the Security Documents; and
- (2) collect and receive any and all amounts payable in respect of the Obligations of the Issuer hereunder.

The Trustee will have power to institute and maintain such suits and proceedings, at the expense of the Issuer, as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security Documents or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders of Notes in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of Notes or of the Trustee).



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SECTION 10.07. Authorization of Receipt of Funds by the Trustee Under the Security Documents.

The Trustee is authorized to receive any funds for the benefit of the Holders of Notes distributed under the Security Documents, and to make further distributions of such funds to the Holders of Notes according to the provisions of this Indenture.

SECTION 10.08. Termination of Security Interest.

Upon the full and final payment and performance of all Obligations of the Issuer under this Indenture and the Securities and the Credit Agreement or upon Legal Defeasance, Covenant Defeasance or satisfaction and discharge of this Indenture in accordance with Article 8 hereof, the Trustee will, at the request of the Issuer, deliver a certificate to the Collateral Agent stating that such Obligations have been paid in full, and instruct the Collateral Agent to, as applicable, either (a) release the Liens pursuant to this Indenture and the Security Documents or (b) cease to be a party to the Security Documents on behalf of the Trustee and the Holders.

SECTION 10.09. Post-Collateral Obligations.

Upon reasonable request by the Collateral Agent, the Issuer shall, within a reasonable amount of time after receipt of such request, use its commercially reasonable efforts (i) to correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any document or instrument relating to any Collateral, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Collateral Agent, may reasonably require from time to time in order to carry out more effectively the purposes of the Security Documents.

ARTICLE ELEVEN

GUARANTEES

SECTION 11.01. Unconditional Guarantee.

Subject to the provisions of this Article Eleven, each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably guarantees, on a senior secured basis to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its

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successors and assigns, irrespective of the validity and enforceability of this Indenture, the Securities or the obligations of the Issuer or any other Guarantors to the Holders or the Trustee hereunder or thereunder: (a) (x) the due and punctual payment of the principal of, premium, if any, and interest on the Securities when and as the same shall become due and payable, whether at maturity, upon redemption or repurchase, by acceleration or otherwise, (y) the due and punctual payment of interest on the overdue principal and (to the extent permitted by law) interest, if any, on the Securities and (z) the due and punctual payment and performance of all other obligations of the Issuer and all other obligations of the other Guarantors (including under the Guarantees), in each case, to the Holders or the Trustee hereunder or thereunder (including amounts due the Trustee under Section 7.07 hereof), all in accordance with the terms hereof and thereof (collectively, the “**Guarantee Obligations**”); and (b) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, the due and punctual payment and performance of Guarantee Obligations in accordance with the terms of the extension or renewal, whether at maturity, upon redemption or repurchase, by acceleration or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Issuer to the Holders under this Indenture or under the Securities, for whatever reason, each Guarantor shall be obligated to pay, or to perform or cause the performance of, the same immediately. An Event of Default under this Indenture or the Securities shall constitute an event of default under the Subsidiary Guarantees, and shall entitle the Holders to accelerate the obligations of the Guarantors thereunder in the same manner and to the same extent as the obligations of the Issuer.

Each of the Guarantors hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, any release of any other Guarantor, the recovery of any judgment against the Issuer, any action to enforce the same, whether or not a Guarantee is affixed to any particular Security, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each of the Guarantors hereby waives the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenants that its Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Securities, this Indenture and the Guarantee. The Guarantee is a guarantee of payment and not of collection. If any Holder or the Trustee is required by any court or otherwise to return to the Issuer or to any Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Issuer or such Guarantor, any amount paid by the Issuer or such Guarantor to the Trustee or such Holder, the Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Guarantor further agrees that, as between it, on the one hand, and the Holders of Securities and the Trustee, on the other hand, (a) subject to this Article Eleven, the maturity of the obligations guaranteed

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hereby may be accelerated as provided in Article Six for the purposes of the Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (b) in the event of any acceleration of such obligations as provided in Article Six hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of the Guarantee.

SECTION 11.02. Reserved.

SECTION 11.03. Limitation on Guarantor Liability.

Each Guarantor, and by its acceptance of Securities, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor under its Guarantee and this Article Eleven shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article Eleven, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance.

SECTION 11.04. Reserved.

SECTION 11.05. Release of a Guarantor.

The Guarantee of a Guarantor will be released:

(1) (a) upon the sale, disposition or other transfer (including through merger or consolidation) of all of the Capital Stock (or any sale, disposition or other transfer of Capital Stock following which the applicable Guarantor is no longer a Restricted Subsidiary), or all or substantially all the assets, of the applicable Guarantor if such sale, disposition or other transfer is made in compliance with the applicable provisions of this Indenture;

(b) if the Issuer designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with Section 4.11 and the definition of "Unrestricted Subsidiary," or

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(c) in the case of any Restricted Subsidiary which after the Issue Date is required to guarantee the Securities pursuant to Section 4.16, upon the release or discharge of the guarantee by such Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer or such Restricted Subsidiary or the repayment of the Indebtedness or Disqualified Stock, in each case, which resulted in the obligation to guarantee the Securities; and

(2) in the case of clause (1)(a) above, if such Guarantor is released from its guarantee, if any, of, and all pledges and security, if any, granted in connection with, the Credit Agreement and any other Indebtedness of the Issuer or any Restricted Subsidiary;

*provided, however*, in any case that any such termination shall occur only to the extent that all obligations of such Guarantor under all of its Guarantees of any Indebtedness of the Issuer or any Indebtedness of any other Guarantor shall also terminate upon such release and none of its Equity Interests are pledged for the benefit of any holder of any Indebtedness of the Issuer or any Indebtedness of any Restricted Subsidiary of the Issuer.

The Trustee shall execute an appropriate instrument prepared by the Issuer evidencing the release of a Guarantor from its obligations under its Guarantee upon receipt of a request by the Issuer or such Guarantor accompanied by an Officers' Certificate and an Opinion of Counsel certifying as to the compliance with this Section 11.05; *provided, however*, that the legal counsel delivering such Opinion of Counsel may rely as to matters of fact on one or more Officers' Certificates of the Issuer.

Except as set forth in Articles Four and Five and this Section 11.05, nothing contained in this Indenture or in any of the Securities shall prevent any consolidation or merger of a Guarantor with or into the Issuer or another Guarantor or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Issuer or another Guarantor.

**SECTION 11.06. Waiver of Subrogation.**

Until this Indenture is discharged and all of the Securities are discharged and paid in full, each Guarantor hereby irrevocably waives and agrees not to exercise any claim or other rights which it may now or hereafter acquire against the Issuer that arise from the existence, payment, performance or enforcement of the Issuer's obligations under the Securities or this Indenture and such Guarantor's obligations under the Guarantee and this Indenture, in any such instance including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and any right to participate in any claim or remedy of the Holders against the Issuer, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including, without limitation, the right to take or

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receive from the Issuer, directly or indirectly, in cash or other assets or by set-off or in any other manner, payment or security on account of such claim or other rights. If any amount shall be paid to any Guarantor in violation of the preceding sentence and any amounts owing to the Trustee or the Holders under the Securities, this Indenture, or any other document or instrument delivered under or in connection with such agreements or instruments, shall not have been paid in full, such amount shall have been deemed to have been paid to such Guarantor for the benefit of, and held in trust for the benefit of, the Trustee or the Holders and shall forthwith be paid to the Trustee for the benefit of itself or such Holders to be credited and applied to the obligations in favor of the Trustee or the Holders, as the case may be, whether matured or unmatured, in accordance with the terms of this Indenture. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 11.06 is knowingly made in contemplation of such benefits.

SECTION 11.07. Immediate Payment.

Each Guarantor agrees to make immediate payment to the Trustee on behalf of the Holders of all Guarantee Obligations owing or payable to the respective Holders upon receipt of a demand for payment therefor by the Trustee to such Guarantor in writing.

SECTION 11.08. No Setoff.

Each payment to be made by a Guarantor hereunder in respect of the Guarantee Obligations shall be payable in the currency or currencies in which such Guarantee Obligations are denominated, and shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

SECTION 11.09. Guarantee Obligations Absolute.

Subject to the provisions of Section 11.02, the obligations of each Guarantor hereunder are and shall be absolute and unconditional and any monies or amounts expressed to be owing or payable by each Guarantor hereunder which may not be recoverable from such Guarantor on the basis of a Guarantee shall be recoverable from such Guarantor as a primary obligor and principal debtor in respect thereof.

SECTION 11.10. Guarantee Obligations Continuing.

The obligations of each Guarantor hereunder shall be continuing and shall remain in full force and effect until all such obligations have been paid and satisfied in full. Each Guarantor agrees with the Trustee that it will from time to time deliver to the Trustee suitable acknowledgments of this continued liability hereunder and under any other instrument or instruments in such form as counsel to the Trustee may advise and as will prevent any

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action brought against it in respect of any default hereunder being barred by any statute of limitations now or hereafter in force and, in the event of the failure of a Guarantor so to do, it hereby irrevocably appoints the Trustee the attorney and agent of such Guarantor to make, execute and deliver such written acknowledgment or acknowledgments or other instruments as may from time to time become necessary or advisable, in the judgment of the Trustee on the advice of counsel, to fully maintain and keep in force the liability of such Guarantor hereunder.

SECTION 11.11. Guarantee Obligations Not Reduced.

The obligations of each Guarantor hereunder shall not be satisfied, reduced or discharged solely by the payment of such principal, premium, if any, interest, fees and other monies or amounts as may at any time prior to discharge of this Indenture pursuant to Article Eight be or become owing or payable under or by virtue of or otherwise in connection with the Securities or this Indenture.

SECTION 11.12. Guarantee Obligations Reinstated.

The obligations of each Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of any Guarantor hereunder (whether such payment shall have been made by or on behalf of the Issuer or by or on behalf of a Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of the Issuer or any Guarantor or otherwise, all as though such payment had not been made. If demand for, or acceleration of the time for, payment by the Issuer or any other Guarantor is stayed upon the insolvency, bankruptcy, liquidation or reorganization of the Issuer or such Guarantor, all such Indebtedness otherwise subject to demand for payment or acceleration shall nonetheless be payable by each Guarantor as provided herein.

SECTION 11.13. Guarantee Obligations Not Affected.

The obligations of each Guarantor hereunder shall not be affected, impaired or diminished in any way by any act, omission, matter or thing whatsoever, occurring before, upon or after any demand for payment hereunder (and whether or not known or consented to by any Guarantor or any of the Holders) which, but for this provision, might constitute a whole or partial defense to a claim against any Guarantor hereunder or might operate to release or otherwise exonerate any Guarantor from any of its obligations hereunder or otherwise affect such obligations, whether occasioned by default of any of the Holders or otherwise, including, without limitation:

- (a) any limitation of status or power, disability, incapacity or other circumstance relating to the Issuer or any other Person, including any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding-up or other proceeding involving or affecting the Issuer or any other Person;

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- (b) any irregularity, defect, unenforceability or invalidity in respect of any indebtedness or other obligation of the Issuer or any other Person under this Indenture, the Securities or any other document or instrument;
- (c) any failure of the Issuer or any other Guarantor, whether or not without fault on its part, to perform or comply with any of the provisions of this Indenture, the Securities or any Guarantee, or to give notice thereof to a Guarantor;
- (d) the taking or enforcing or exercising or the refusal or neglect to take or enforce or exercise any right or remedy from or against the Issuer or any other Person or their respective assets or the release or discharge of any such right or remedy;
- (e) the granting of time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to the Issuer or any other Person;
- (f) any change in the time, manner or place of payment of, or in any other term of, any of the Securities, or any other amendment, variation, supplement, replacement or waiver of, or any consent to departure from, any of the Securities or this Indenture, including, without limitation, any increase or decrease in the principal amount of or premium, if any, or interest on any of the Securities;
- (g) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Issuer or a Guarantor;
- (h) any merger or amalgamation of the Issuer or a Guarantor with any Person or Persons;
- (i) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Guarantee Obligations or the obligations of a Guarantor under its Guarantee; and
- (j) any other circumstance, including release of the Guarantor pursuant to Section 11.05 (other than by complete, irrevocable payment) that might otherwise constitute a legal or equitable discharge or defense of the Issuer under this Indenture or the Securities or of a Guarantor in respect of its Guarantee hereunder.

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SECTION 11.14. Waiver.

Without in any way limiting the provisions of Section 11.01, each Guarantor hereby waives notice of acceptance hereof, notice of any liability of any Guarantor hereunder, notice or proof of reliance by the Holders upon the obligations of any Guarantor hereunder, and diligence, presentment, demand for payment on the Issuer, protest, notice of dishonor or non-payment of any of the Guarantee Obligations, or other notice or formalities to the Issuer or any Guarantor of any kind whatsoever.

SECTION 11.15. No Obligation To Take Action Against the Issuer.

Neither the Trustee nor any other Person shall have any obligation to enforce or exhaust any rights or remedies against the Issuer or any other Person or any property of the Issuer or any other Person before the Trustee is entitled to demand payment and performance by any or all Guarantors of their liabilities and obligations under their Guarantees or under this Indenture.

SECTION 11.16. Dealing with the Issuer and Others.

The Holders, without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of any Guarantor hereunder and without the consent of or notice to any Guarantor, may

- (a) grant time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to the Issuer or any other Person;
- (b) take or abstain from taking security or collateral from the Issuer or from perfecting security or collateral of the Issuer;
- (c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Issuer or any third party with respect to the obligations or matters contemplated by this Indenture or the Securities;
- (d) accept compromises or arrangements from the Issuer;
- (e) apply all monies at any time received from the Issuer or from any security upon such part of the Guarantee Obligations as the Holders may see fit or change any such application in whole or in part from time to time as the Holders may see fit; and
- (f) otherwise deal with, or waive or modify their right to deal with, the Issuer and all other Persons and any security as the Holders or the Trustee may see fit.



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SECTION 11.17. Default and Enforcement.

If any Guarantor fails to pay in accordance with Section 11.07 hereof, the Trustee may proceed in its name as trustee hereunder in the enforcement of the Subsidiary Guarantee of any such Guarantor and such Guarantor's obligations thereunder and hereunder by any remedy provided by law, whether by legal proceedings or otherwise, and to recover from such Guarantor the obligations.

SECTION 11.18. Amendment, Etc.

No amendment, modification or waiver of any provision of this Indenture relating to any Guarantor or consent to any departure by any Guarantor or any other Person from any such provision will in any event be effective unless it is signed by such Guarantor and the Trustee.

SECTION 11.19. Acknowledgment.

Each Guarantor, if any, hereby acknowledges communication of the terms of this Indenture and the Securities and consents to and approves of the same.

SECTION 11.20. Costs and Expenses.

Each Guarantor shall pay on demand by the Trustee any and all costs, fees and expenses (including, without limitation, legal fees on a solicitor and client basis) incurred by the Trustee, its agents, advisors and counsel or any of the Holders in enforcing any of their rights under any Guarantee.

SECTION 11.21. No Merger or Waiver; Cumulative Remedies.

No Guarantee shall operate by way of merger of any of the obligations of a Guarantor under any other agreement, including, without limitation, this Indenture. No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, remedy, power or privilege hereunder or under this Indenture or the Securities, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under this Indenture or the Securities preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges in the Guarantee and under this Indenture, the Securities and any other document or instrument between a Guarantor and/or the Issuer and the Trustee are cumulative and not exclusive of any rights, remedies, powers and privilege provided by law.

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SECTION 11.22. Survival of Guarantee Obligations.

Without prejudice to the survival of any of the other obligations of each Guarantor hereunder, the obligations of each Guarantor under Section 11.01 shall survive the payment in full of the Guarantee Obligations and shall be enforceable against such Guarantor without regard to and without giving effect to any defense, right of offset or counterclaim available to or which may be asserted by the Issuer or any Guarantor.

SECTION 11.23. Guarantee in Addition to Other Guarantee Obligations.

The obligations of each Guarantor under its Guarantee and this Indenture are in addition to and not in substitution for any other obligations to the Trustee or to any of the Holders in relation to this Indenture or the Securities and any guarantees or security at any time held by or for the benefit of any of them.

SECTION 11.24. Severability.

Any provision of this Article Eleven which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction unless its removal would substantially defeat the basic intent, spirit and purpose of this Indenture and this Article Eleven.

SECTION 11.25. Successors and Assigns.

Each Guarantee shall be binding upon and inure to the benefit of each Guarantor and the Trustee and the other Holders and their respective successors and permitted assigns, except that no Guarantor may assign any of its obligations hereunder or thereunder.

ARTICLE TWELVE

MISCELLANEOUS

SECTION 12.01. TIA Controls.

If any provision of this Indenture limits, qualifies, or conflicts with another provision which is required or deemed to be included in this Indenture by the TIA, if this Indenture is qualified under the TIA, such required or deemed provision shall control.

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SECTION 12.02. Notices.

Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by telex, by nationally recognized overnight courier service, by telecopier or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to the Issuer:

WMG Acquisition Corp.  
c/o Warner Music Group Corp.  
75 Rockefeller Plaza,  
New York, NY 10019  
Attention: General Counsel  
  
Telephone: (212) 275-2030  
Facsimile: (212) 258-3092

with a copy to:

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017  
Attention: Edward P. Tolley III  
  
Telephone: (212) 455-2000  
Facsimile: (212) 455-2502

if to WMG Holdings Corp.:

WMG Holdings Corp.  
c/o Warner Music Group Corp.  
75 Rockefeller Plaza,  
New York, NY 10019  
Attention: General Counsel  
  
Telephone: (212) 275-2030  
Facsimile: (212) 258-3092

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with a copy to:

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017  
Attention: Edward P. Tolley III  
  
Telephone: (212) 455-2000  
Facsimile: (212) 455-2502

if to the Trustee:

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue  
MAC N9311-110  
Minneapolis, MN 55479  
Attention: Corporate Trust Services  
  
Telephone: (612) 667-8485  
Facsimile: (612) 667-9825

with a copy to:

Wells Fargo Bank, National Association  
45 Broadway – 14<sup>th</sup> Floor  
MAC N-2666-140  
New York, NY 10006  
Attention: Corporate Trust Services  
  
Telephone: (212) 515-5260  
Facsimile: (212) 515-1589

Each of the Issuer and the Trustee by written notice to each other such Person may designate additional or different addresses for notices to such Person. Any notice or communication to the Issuer and the Trustee, shall be deemed to have been given or made as of the date so delivered if personally delivered; when answered back; when receipt is acknowledged, if telecopied; five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee); and next Business Day if by nationally recognized overnight courier service.

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Any notice or communication mailed to a Securityholder shall be mailed to him by first class mail or other equivalent means at his address as it appears on the registration books of the Registrar and shall be sufficiently given to him if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 12.03. Communications by Holders with Other Holders.

If the Indenture is qualified under the TIA, Securityholders may communicate pursuant to TIA § 312(b) with other Securityholders with respect to their rights under this Indenture, the Securities or the Subsidiary Guarantees. The Issuer, the Trustee, the Registrar and any other Person shall have the protection of TIA § 312(c) if the Indenture is qualified under the TIA.

SECTION 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer shall furnish to the Trustee at the request of the Trustee:

- (1) an Officers' Certificate, in form and substance satisfactory to the Trustee, stating that, in the opinion of the signers, all conditions precedent to be performed or effected by the Issuer, if any, provided for in this Indenture relating to the proposed action have been complied with; and
- (2) an Opinion of Counsel stating that, in the opinion of such counsel, any and all such conditions precedent have been complied with.

SECTION 12.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture, other than the Officers' Certificate required by Section 4.06, shall include:

- (1) a statement that the Person making such certificate or opinion has read such covenant or condition;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

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(3) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with or satisfied; and

(4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been complied with; *provided, however,* that with respect to matters of fact an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials.

SECTION 12.06. Rules by Trustee, Paying Agent, Registrar.

The Trustee, Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 12.07. Legal Holidays.

If a payment date is not a Business Day, payment may be made on the next succeeding day that is a Business Day.

SECTION 12.08. Governing Law.

**This Indenture, the Securities and the Guarantees, if any, will be governed by and construed in accordance with the laws of the State of New York.**

SECTION 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Issuer or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 12.10. No Recourse Against Others.

No director, officer, employee, incorporator or stockholder of the Issuer or any direct or indirect parent corporation or of any Guarantor, as such, shall have any liability for any obligations of the Issuer or the Guarantors under the Securities, this Indenture, the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability. Such waiver and release are part of the consideration for issuance of the Securities.

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SECTION 12.11. Successors.

All agreements of the Issuer in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 12.12. Duplicate Originals.

All parties may sign any number of copies of this Indenture. Each signed copy or counterpart shall be an original, but all of them together shall represent the same agreement.

SECTION 12.13. Severability.

In case any one or more of the provisions in this Indenture or in the Securities shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

SECTION 12.14. Force Majeure.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

SECTION 12.15. USA Patriot Act.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Initial Purchasers are required to obtain, verify and record information that identifies their respective clients, including the Issuer, which information may include the name and address of their respective clients, as well as other information that will allow the Initial Purchasers to properly identify their respective clients.

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SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the date first written above.

WMG ACQUISITION CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

Solely to the extent set forth in Article X and as set forth in the  
Security Documents:

WMG HOLDINGS CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President



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SUBSIDIARY GUARANTORS:

A. P. SCHMIDT CO.  
ALTERNATIVE DISTRIBUTION ALLIANCE  
ASYLUM RECORDS LLC  
ATLANTIC/143 L.L.C.  
ATLANTIC MOBILE LLC  
ATLANTIC/MR VENTURES INC.  
ATLANTIC PRODUCTIONS, LLC  
ATLANTIC RECORDING CORPORATION  
ATLANTIC SCREAM LLC  
BB INVESTMENTS LLC  
BERNA MUSIC, INC.  
BIG BEAT RECORDS INC.  
BULLDOG ENTERTAINMENT GROUP LLC  
BULLDOG ISLAND EVENTS LLC  
BUTE SOUND LLC  
CAFE AMERICANA INC.  
CHAPPELL & INTERSONG MUSIC GROUP (AUSTRALIA)  
LIMITED  
CHAPPELL AND INTERSONG MUSIC GROUP (GERMANY)  
INC.  
CHAPPELL MUSIC COMPANY, INC.  
CHORUS, LLC  
CORDLESS RECORDINGS LLC  
COTA MUSIC, INC.  
COTILLION MUSIC, INC.  
CRK MUSIC INC.  
E/A MUSIC, INC.  
EAST WEST RECORDS LLC  
ELEKSYLUM MUSIC, INC.  
ELEKTRA/CHAMELEON VENTURES INC.  
ELEKTRA ENTERTAINMENT GROUP INC.  
ELEKTRA GROUP VENTURES INC.  
EN ACQUISITION CORP.  
FBR INVESTMENTS LLC  
FHK, INC.  
FIDDLEBACK MUSIC PUBLISHING COMPANY, INC.  
FOSTER FREES MUSIC, INC.  
FOZ MAN MUSIC LLC  
INSIDE JOB, INC.  
INSOUND ACQUISITION INC.  
INTERSONG U.S.A., INC.  
JADAR MUSIC CORP.

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LAVA RECORDS LLC  
LAVA TRADEMARK HOLDING COMPANY LLC  
LEM AMERICA, INC.  
LONDON-SIRE RECORDS INC.  
MADE OF STONE LLC  
MAVERICK PARTNER INC.  
MCGUFFIN MUSIC INC.  
MIXED BAG MUSIC, INC.  
MM INVESTMENT INC.  
NC HUNGARY HOLDINGS INC.  
NEW CHAPPELL INC.  
NONESUCH RECORDS INC.  
NON-STOP MUSIC HOLDINGS, INC.  
NVC INTERNATIONAL INC.  
OCTA MUSIC, INC.  
PENALTY RECORDS, L.L.C.  
PEPAMAR MUSIC CORP.  
PERFECT GAME RECORDING COMPANY LLC  
REP SALES, INC.  
RESTLESS ACQUISITION CORP.  
REVELATION MUSIC PUBLISHING CORPORATION  
RHINO ENTERTAINMENT COMPANY  
RHINO/FSE HOLDINGS, LLC  
RHINO NAME & LIKENESS HOLDINGS, LLC  
RICK'S MUSIC INC.  
RIGHTSONG MUSIC INC.  
RODRA MUSIC, INC.  
RYKO CORPORATION  
RYKODISC, INC.  
RYKOMUSIC, INC.  
SEA CHIME MUSIC, INC.  
SR/MDM VENTURE INC.  
SUPER HYPE PUBLISHING, INC.  
T-BOY MUSIC, L.L.C.  
T-GIRL MUSIC, L.L.C.  
THE BIZ LLC  
THE RHYTHM METHOD INC.  
TOMMY BOY MUSIC, INC.  
TOMMY VALANDO PUBLISHING GROUP, INC.  
TW MUSIC HOLDINGS INC.  
UNICHAPPELL MUSIC INC.  
UPPED.COM LLC  
WALDEN MUSIC INC.

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WARNER ALLIANCE MUSIC INC.  
WARNER BROTHERS INC.  
WARNER BROS. MUSIC INTERNATIONAL INC.  
WARNER BROS. RECORDS INC.  
WARNER/CHAPPELL MUSIC, INC.  
WARNER/CHAPPELL MUSIC (SERVICES), INC.  
WARNER/CHAPPELL PRODUCTION MUSIC, INC.  
WARNER CUSTOM MUSIC CORP.  
WARNER DOMAIN MUSIC INC.  
WARNER-ELEKTRA-ATLANTIC CORPORATION  
WARNER MUSIC DISCOVERY INC.  
WARNER MUSIC DISTRIBUTION INC.  
WARNER MUSIC INC.  
WARNER MUSIC LATINA INC.  
WARNER MUSIC SP INC.  
WARNER SOJOURNER MUSIC INC.  
WARNERSONGS, INC.  
WARNER SPECIAL PRODUCTS INC.  
WARNER STRATEGIC MARKETING INC.  
WARNER-TAMERLANE PUBLISHING CORP.  
WARPRISE MUSIC INC.  
WB GOLD MUSIC CORP.  
WB MUSIC CORP.  
WBM/HOUSE OF GOLD MUSIC, INC.  
W.B.M. MUSIC CORP.  
WBR MANAGEMENT SERVICES INC.  
WBR/QRI VENTURE, INC.  
WBR/RUFFNATION VENTURES, INC.  
WBR/SIRE VENTURES INC.  
WE ARE MUSICA INC.  
WEA EUROPE INC.  
WEA INC.  
WEA INTERNATIONAL INC.  
WEA LATINA MUSICA INC.  
WEA MANAGEMENT SERVICES INC.  
WIDE MUSIC, INC.  
WMG MANAGEMENT SERVICES INC.  
WMG TRADEMARK HOLDING COMPANY LLC

All by: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

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FUELED BY RAMEN LLC

By: FBR INVESTMENTS LLC, as Sole Member

By: WARNER MUSIC INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

MAVERICK RECORDING COMPANY

By: SR/MDM VENTURE INC., as Managing Partner

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP CATAclysmic MUSIC, LLC

NON-STOP INTERNATIONAL PUBLISHING, LLC

NON-STOP OUTRAGEOUS PUBLISHING, LLC

By: NON-STOP MUSIC PUBLISHING, LLC, as Sole Member

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

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NON-STOP MUSIC LIBRARY, L.C.  
NON-STOP MUSIC PUBLISHING, LLC  
NON-STOP PRODUCTIONS, LLC

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as  
Collateral Agent

By: /s/ Raymond Delli Colli  
Name: Raymond Delli Colli  
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Notes  
Authorized Representative

By: /s/ Raymond Delli Colli  
Name: Raymond Delli Colli  
Title: Vice President

## Delaware and New York Guarantors

<u>Guarantor</u>	<u>Jurisdiction of Organization</u>	<u>Type of Organization</u>
A. P. Schmidt Company	Delaware	Corporation
Atlantic Recording Corporation	Delaware	Corporation
Atlantic/143 L.L.C.	Delaware	LLC
Atlantic Mobile LLC	Delaware	LLC
Atlantic/MR Ventures Inc.	Delaware	Corporation
Atlantic Productions, LLC	Delaware	LLC
Atlantic Scream LLC	Delaware	LLC
Alternative Distribution Alliance	New York	GP
Asylum Records LLC (f/k/a WEA Urban LLC)	Delaware	LLC
BB Investments LLC	Delaware	LLC
Big Beat Records Inc.	Delaware	Corporation
Bulldog Entertainment Group LLC	Delaware	LLC
Bulldog Island Events LLC	New York	LLC
Bute Sound LLC	Delaware	LLC
Cafe Americana Inc.	Delaware	Corporation
Chappell & Intersong Music Group (Australia) Limited	Delaware	Corporation
Chappell and Intersong Music Group (Germany) Inc.	Delaware	Corporation
Chappell Music Company, Inc.	Delaware	Corporation
Chorus LLC (f/k/a Network Licensing Collection LLC)	Delaware	LLC
Cordless Recordings LLC	Delaware	LLC
Cota Music, Inc.	New York	Corporation
Cotillion Music, Inc.	Delaware	Corporation
CRK Music Inc.	Delaware	Corporation
E/A Music, Inc.	Delaware	Corporation
East West Records LLC	Delaware	LLC
Eleksylum Music, Inc.	Delaware	Corporation
Elektra/Chameleon Ventures Inc.	Delaware	Corporation
Elektra Entertainment Group Inc.	Delaware	Corporation
Elektra Group Ventures Inc.	Delaware	Corporation
EN Acquisition Corp.	Delaware	Corporation

<u>Guarantor</u>	<u>Jurisdiction of Organization</u>	<u>Type of Organization</u>
FBR Investments LLC	Delaware	LLC
Fiddleback Music Publishing Company, Inc.	Delaware	Corporation
Foz Man Music LLC	Delaware	LLC
Fueled By Ramen LLC	Delaware	LLC
Inside Job, Inc.	New York	Corporation
Insound Acquisition Inc. (f/k/a Atlantic/MR II Inc.)	Delaware	Corporation
Intersong U.S.A., Inc.	Delaware	Corporation
Jadar Music Corp.	Delaware	Corporation
Lava Records LLC	Delaware	LLC
Lava Trademark Holding Company LLC	Delaware	LLC
LEM America, Inc.	Delaware	Corporation
London-Sire Records Inc.	Delaware	Corporation
Made of Stone LLC (f/k/a Griffen Corporation)	Delaware	LLC
Maverick Partner Inc.	Delaware	Corporation
McGuffin Music Inc.	Delaware	Corporation
Mixed Bag Music, Inc.	New York	Corporation
MM Investment Inc. (f/k/a Warner Music Bluesky Holding Inc.)	Delaware	Corporation
NC Hungary Holdings Inc.	Delaware	Corporation
New Chappell Inc.	Delaware	Corporation
Nonesuch Records Inc.	Delaware	Corporation
Non-Stop Music Holdings, Inc.	Delaware	Corporation
NVC International Inc.	Delaware	Corporation
Octa Music, Inc.	New York	Corporation
Penalty Records, L.L.C.	New York	LLC
Pepamar Music Corp.	New York	Corporation
Perfect Game Recording Company LLC	Delaware	LLC
Restless Acquisition Corp.	Delaware	Corporation
Revelation Music Publishing Corporation	New York	Corporation
Rhino Entertainment Company	Delaware	Corporation
Rhino/FSE Holdings, LLC	Delaware	LLC
Rhino Name & Likeness Holdings, LLC	Delaware	LLC
Rick's Music Inc.	Delaware	Corporation
Rightsong Music Inc.	Delaware	Corporation



<u>Guarantor</u>	<u>Jurisdiction of Organization</u>	<u>Type of Organization</u>
Ryko Corporation	Delaware	Corporation
SR/MDM Venture Inc.	Delaware	Corporation
Super Hype Publishing, Inc.	New York	Corporation
T-Boy Music, L.L.C.	New York	LLC
T-Girl Music, L.L.C.	New York	LLC
The Biz LLC	Delaware	LLC
The Rhythm Method Inc.	Delaware	Corporation
Tommy Boy Music, Inc.	New York	Corporation
Tommy Valando Publishing Group, Inc.	Delaware	Corporation
TW Music Holdings Inc.	Delaware	Corporation
Unichappell Music Inc.	Delaware	Corporation
Upped.com LLC (f/k/a Big Tree Recording Corporation)	Delaware	LLC
Walden Music Inc.	New York	Corporation
Warner Alliance Music Inc.	Delaware	Corporation
Warner Brethren Inc.	Delaware	Corporation
Warner Bros. Music International Inc.	Delaware	Corporation
Warner Bros. Records Inc.	Delaware	Corporation
Warner/Chappell Music, Inc.	Delaware	Corporation
Warner/Chappell Production Music, Inc. (f/k/a Tri-Chappell Music Inc.)	Delaware	Corporation
Warner Domain Music Inc.	Delaware	Corporation
Warner-Elektra-Atlantic Corporation	New York	Corporation
Warner Music Discovery Inc.	Delaware	Corporation
Warner Music Distribution Inc.	Delaware	Corporation
Warner Music Inc. (f/k/a Warner Music Group Inc.)	Delaware	Corporation
Warner Music Latina Inc.	Delaware	Corporation
Warner Music SP Inc.	Delaware	Corporation
Warner Sojourner Music Inc.	Delaware	Corporation
WarnerSongs, Inc.	Delaware	Corporation
Warner Special Products Inc.	Delaware	Corporation
Warner Strategic Marketing Inc.	Delaware	Corporation
Warprise Music Inc.	Delaware	Corporation
WB Gold Music Corp.	Delaware	Corporation

<u>Guarantor</u>	<u>Jurisdiction of Organization</u>	<u>Type of Organization</u>
WBM/House of Gold Music, Inc.	Delaware	Corporation
W.B.M. Music Corp.	Delaware	Corporation
WBR Management Services Inc.	Delaware	Corporation
WBR/QRI Venture, Inc.	Delaware	Corporation
WBR/Ruffination Ventures, Inc.	Delaware	Corporation
WBR/Sire Ventures Inc.	Delaware	Corporation
WEA Europe Inc.	Delaware	Corporation
WEA Inc.	Delaware	Corporation
WEA International Inc.	Delaware	Corporation
WEA Latina Musica Inc.	Delaware	Corporation
WEA Management Services Inc.	Delaware	Corporation
We Are Musica Inc.	Delaware	Corporation
WMG Management Services Inc.	Delaware	Corporation
WMG Trademark Holding Company LLC	Delaware	LLC

**Non-Delaware or New York Guarantors**

<u>Guarantor</u>	<u>Jurisdiction of Organization</u>	<u>Type of Organization</u>
Berna Music, Inc.	California	Corporation
FHK, Inc.	Tennessee	Corporation
Foster Frees Music, Inc.	California	Corporation
Maverick Recording Company	California	GP
Non-Stop Cataclysmic Music, LLC	Utah	LLC
Non-Stop International Publishing, LLC	Utah	LLC
Non-Stop Music Library, L.C.	Utah	LC
Non-Stop Music Publishing, LLC	Utah	LLC
Non-Stop Outrageous Publishing, LLC	Utah	LLC
Non-Stop Productions, LLC	Utah	LLC
Rep Sales, Inc.	Minnesota	Corporation
Rodra Music, Inc.	California	Corporation
Rykodisc, Inc.	Minnesota	Corporation
Rykomusic, Inc.	Minnesota	Corporation
Sea Chime Music, Inc.	California	Corporation

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<b>Guarantor</b>	<b>Jurisdiction of Organization</b>	<b>Type of Organization</b>
Warner/Chappell Music (Services), Inc.	New Jersey	Corporation
Warner Custom Music Corp.	California	Corporation
Warner-Tamerlane Publishing Corp.	California	Corporation
WB Music Corp.	California	Corporation
Wide Music, Inc.	California	Corporation

[FORM OF INITIAL SECURITY]  
WMG ACQUISITION CORP.  
9.50% Senior Secured Notes due 2016

No.

CUSIP No.  
ISIN No.  
\$[            ]

WMG ACQUISITION CORP., a Delaware corporation (the "Company," which term includes any successor corporation), for value received promises to pay to CEDE & CO. or its registered assigns, the principal sum of[            ] dollars (\$[            ]) on June 15, 2016.

Interest Payment Dates: June 15 and December 15, commencing December 15, 2009.

Record Dates: June 1 and December 1.

Reference is made to the further provisions of this Security contained herein, which will for all purposes have the same effect as if set forth at this place.

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IN WITNESS WHEREOF, the Company has caused this Security to be signed manually or by facsimile by one of its duly authorized officers.

WMG ACQUISITION CORP.

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

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CERTIFICATE OF AUTHENTICATION

This is one of the 9.50% Senior Secured Notes due 2016 described in the within-mentioned Indenture.

Dated:

WELLS FARGO BANK,  
NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

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(Reverse of Note)  
WMG Acquisition Corp.

9.50% Senior Secured Notes due 2016

*[Insert the Global Security Legend, if applicable pursuant to the provisions of the Indenture]*

*[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]*

*[Insert the OID Legend, if applicable pursuant to the provisions of the Indenture]*

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

SECTION 1. Interest. WMG Acquisition Corp., a Delaware corporation (the “**Company**”), promises to pay interest on the principal amount of this Security at 9.50% per annum from May 28, 2009 until maturity. The Company will pay interest semi-annually on June 15 and December 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an “**Interest Payment Date**”). Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance; *provided* that if there is no existing Default in the payment of interest, and if this Security is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided, further*, that the first Interest Payment Date shall be December 15, 2009. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand to the extent lawful at the interest rate applicable to the Securities; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30 day months.

SECTION 2. Method of Payment. The Company will pay interest on the Securities (except defaulted interest) to the Persons who are registered Holders of Securities at the close of business on the June 1 or December 1 next preceding the Interest Payment Date, even if such Securities are canceled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to defaulted interest. The Securities will be issued in denominations of \$2,000 and integral multiples of \$1,000. The Company shall pay principal, premium, if any and interest on the Securities in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts (“**U.S. Legal Tender**”). Principal, premium, if any, and interest and Special Interest, if any, on the Securities will be payable at the office or

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agency of the Company maintained for such purpose or, at the option of the Company, payment of interest may be made by check mailed to the Holders at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium and interest with respect to Securities the Holders of which have given wire transfer instructions to the Company prior to the Record Date will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Until otherwise designated by the Company, the Company's office or agency in New York will be the office of the Trustee maintained for such purpose.

SECTION 3. Paying Agent and Registrar. Initially, Wells Fargo Bank, National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any Affiliate may act in any such capacity.

SECTION 4. Indenture. The Company issued the Securities under an Indenture dated as of May 28, 2009 ("**Indenture**") among the Company, WMG Holdings Corp., solely to the extent set forth in Article X and as set forth in the Security Documents, the Guarantors and the Trustee. The terms of the Securities include those stated in the Indenture and, subject to Section 1.03 of the Indenture and the Indenture being qualified under the TIA, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code §§ 77aaa-77bbbb) (the "**TIA**"). The Securities are subject to all such terms (except as aforementioned), and Holders are referred to the Indenture and the TIA for a statement of such terms. To the extent any provision of this Security conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

SECTION 5. Optional Redemption. (a) The Securities may be redeemed, in whole or in part, at any time prior to June 15, 2013, at the option of the Company upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Securities redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Special Interest, if any, to, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant interest payment date).

For purposes of the preceding paragraph, the following terms will have the following definitions:

"**Applicable Premium**" means, with respect to any Security on any applicable redemption date, the greater of:

- (1) 1.0% of the then outstanding principal amount of the Security; and
- (2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Security at June 15, 2013, as applicable (such redemption price being



set forth in the table appearing under paragraph (b)) plus (ii) all required interest payments due on the Security through June 15, 2013, as applicable (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of the Security.

“**Treasury Rate**” means, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to June 15, 2013; *provided, however*, that if the period from such redemption date to June 15, 2013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(b) On or after June 15, 2013, the Securities will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days’ notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Special Interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2013	104.750%
2014	102.375%
2015 and thereafter	100.000%

(c) The Securities may be redeemed, in whole or in part, at any time prior to June 15, 2013, upon the consummation and closing of a Major Music/Media Transaction, on not less than 30 days’ prior written notice mailed by first-class mail to each holder’s registered address (which notice shall state that redemption is conditioned on consummation and closing of such Major Music/Media Transaction), at a redemption price equal to 104.750% of the principal amount of the Securities redeemed plus accrued and unpaid interest and Special Interest, if any, on the Securities to be redeemed to the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant interest payment date).

SECTION 6. Optional Redemption upon Equity Offering. At any time on or prior to June 15, 2012, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Securities issued under the Indenture upon not less than 30 days nor more than 60 days’ notice, at a redemption price equal to 109.50% of the principal

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amount thereof, plus accrued and unpaid interest and Special Interest thereon, if any, to the date of redemption subject to the rights of Holders of Securities on the relevant Record Date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering by the Issuer or a contribution to the Issuer's common equity capital made with the net cash proceeds of an Equity Offering by the Issuer's direct or indirect parent; *provided* that (i) at least 50% of the aggregate principal amount of Securities originally issued under the (excluding Securities held by the Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and (ii) such redemption shall occur within 90 days of the date of, and may be conditioned upon, the closing of such Equity Offering (disregarding the date of the closing of any over-allotment option with respect thereto).

SECTION 7. Mandatory Redemption. For the avoidance of doubt, an offer to purchase pursuant to Section 8 hereof shall not be deemed a redemption. The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Securities.

SECTION 8. Offers To Purchase. The Indenture provides that upon the occurrence of a Change of Control or an Asset Sale and subject to further limitations contained therein, the Company shall make an offer to purchase outstanding Securities in accordance with the procedures set forth in the Indenture.

SECTION 9. Notice of Redemption. Notice of redemption pursuant to Section 5 and Section 6 will be mailed by first class mail in accordance with the terms of the Indenture Securities in denominations larger than \$2,000 may be redeemed in part. If any Security is to be redeemed in part only, the notice of redemption that relates to such Security shall state the portion of the principal amount thereof to be redeemed. A new Security in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Security. On and after the redemption date interest ceases to accrue on Securities or portions thereof called for redemption.

SECTION 10. Denominations, Transfer, Exchange. The Securities are in registered form without coupons in denominations of \$2,000 and integral multiples of \$1,000. The transfer of Securities may be registered and Securities may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company or the Registrar is not required to transfer or exchange any Security selected for redemption. Also, the Company or the Registrar is not required to transfer or exchange any Securities (1) for a period of 15 days before a selection of Securities to be redeemed or (2) tendered and not withdrawn in connection with a Change of Control or an Asset Sale Offer.

SECTION 11. Persons Deemed Owners. The registered Holder of a Security may be treated as its owner for all purposes.

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SECTION 12. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture and the Securities may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Securities then outstanding, and any existing Default or compliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the Securities then outstanding. Without notice to or consent of any Holder, the parties thereto may amend or supplement the Indenture and the Securities to, among other things, cure any ambiguity, defect or inconsistency in the Indenture, provide for uncertificated Securities in addition to certificated Securities, comply with any requirements of the Commission in connection with the qualification of the Indenture under the TIA, or make any change that does not adversely affect the rights of any Holder of a Security.

SECTION 13. Defaults and Remedies. If a Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Securities generally may declare all the Securities to be due and payable immediately. Notwithstanding the foregoing, in the case of a Default arising from certain events of bankruptcy or insolvency as set forth in the Indenture, with respect to the Company, all outstanding Securities will become due and payable without further action or notice. Holders of the Securities may not enforce the Indenture or the Securities except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Securities then outstanding by notice to the Trustee may on behalf of the Holders of all of the Securities waive any Default and its consequences under the Indenture except a continuing Default in the payment of interest on, or the principal of the Securities or in respect of certain covenants set forth in the Indenture.

SECTION 14. Restrictive Covenants. The Indenture contains certain covenants that, among other things, limit the ability of the Company and its Restricted Subsidiaries to make restricted payments, to incur indebtedness, to create liens, to sell assets, to permit restrictions on dividends and other payments by Restricted Subsidiaries of the Company, to consolidate, merge or sell all or substantially all of its assets or to engage in transactions with affiliates. The limitations are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

SECTION 15. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any direct or indirect parent corporation or any Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Securities, the Indenture, the Security Documents, the Guarantors' Subsidiary Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities.

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SECTION 16. Trustee Dealings with the Company. The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Company, its Subsidiaries or their respective Affiliates as if it were not the Trustee.

SECTION 17. Authentication. This Security shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

SECTION 18. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

SECTION 19. Additional Rights of Holders of Restricted Global Securities and Restricted Definitive Securities. Pursuant to, but subject to the exceptions in, the Registration Rights Agreement, the Company and the Guarantors, if any, will be obligated to consummate an exchange offer pursuant to which the Holder of this Security shall have the right to exchange this Initial Security for a 9.50% Senior Secured Note due 2016 of the Company which shall have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to this Initial Security (except that such note shall not be entitled to Special Interest). The Holders shall be entitled to receive certain Special Interest in the event the Securities are not Freely Tradable or such exchange offer is not consummated or the Securities are not offered for resale and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.<sup>a</sup>

SECTION 20. Guarantees. The Securities will be entitled to the benefits of certain Guarantees made for the benefit of the Holders. Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and obligations thereunder of the Guarantors, the Trustee and the Holders.

SECTION 21. CUSIP Numbers and ISINs. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers and ISINs to be printed on the Securities and the Trustee may use CUSIP numbers and ISINs in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

<sup>a</sup> This Section not to appear on Exchange Securities.

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SECTION 22. Governing Law. **This Security shall be governed by, and construed in accordance with, the laws of the State of New York**

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture.

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ASSIGNMENT FORM

I or we assign and transfer this Security to:

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(Insert assignee's social security or tax I.D. number)

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(Print or type name, address and zip code of assignee)

and irrevocably appoint:

Agent to transfer this Security on the books of the Company. The Agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the other side of  
this Security)

Signature Guarantee: \_\_\_\_\_

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.09 or Section 4.13 of the Indenture, check the appropriate box:

Section 4.09 [    ]

Section 4.13 [    ]

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.09 or Section 4.13 of the Indenture, state the amount: \$ \_\_\_\_\_

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

(Sign exactly as name appears on the other side of this Security)

Signature Guarantee: \_\_\_\_\_

Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor program reasonably acceptable to the Trustee)

[FORM OF LEGEND FOR 144A SECURITIES AND  
OTHER SECURITIES THAT ARE RESTRICTED SECURITIES]

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (4) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE SECURITIES ACT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.



[FORM OF LEGEND FOR REGULATION S SECURITY]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS REGISTERED UNDER THE ACT OR EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE ACT.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

DURING THE RESTRICTED PERIOD THIS SECURITY SHALL CONSTITUTE A TEMPORARY GLOBAL SECURITY. PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD APPLICABLE HERETO, BENEFICIAL INTERESTS HEREIN MAY NOT BE HELD BY ANY PERSON OTHER THAN (1) A NON-U.S. PERSON OR (2) A U.S. PERSON THAT PURCHASED SUCH INTEREST IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). DURING THE RESTRICTED PERIOD, BENEFICIAL OWNERSHIP IN THIS SECURITY MAY ONLY BE SOLD, PLEDGED OR TRANSFERRED THROUGH EUROCLEAR BANK S.A./N.V. OR CLEARSTREAM BANKING, SOCIETE ANONYME.

DURING THE RESTRICTED PERIOD BENEFICIAL INTERESTS HEREIN ARE NOT EXCHANGEABLE FOR CERTIFICATED NOTES OTHER THAN A PERMANENT GLOBAL SECURITY IN ACCORDANCE WITH THE TERMS OF THE INDENTURE. TERMS IN THIS LEGEND ARE USED AS USED IN REGULATION S UNDER THE SECURITIES ACT.

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[FORM OF ASSIGNMENT FOR REGULATION S SECURITY]

I or we assign and transfer this Security to:

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(Insert assignee's social security or tax I.D. number)

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(Print or type name, address and zip code of assignee)

and irrevocably appoint:

Agent to transfer this Security on the books of the Issuers. The Agent may substitute another to act for him.

[Check One]

(a) this Security is being transferred in compliance with the exemption from registration under the Securities Act provided by Regulation S thereunder.

or

(b) this Security is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Security and the Indenture.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Security in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Sections 2.16 and 2.17 of the Indenture shall have been satisfied.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Security)

Signature Guarantee: \_\_\_\_\_

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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TO BE COMPLETED BY TRANSFEROR IF (a) ABOVE IS CHECKED

The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed Transfer is being made prior to the expiration of the restricted period under Regulation S, the Transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an initial purchaser). Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the Transferred beneficial interest or certificated Security will be subject to the restrictions on Transfer enumerated on the Regulation S Securities and/or the certificated Security and in the Indenture and the Securities Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: To be executed by an executive officer

[FORM OF LEGEND FOR GLOBAL SECURITY]

Any Global Security authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

**THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS NOT EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.**

**UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (A NEW YORK CORPORATION) (“DTC”) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

Form of Certificate To Be  
Delivered in Connection with  
Transfers to Non-QIB Accredited Investors

[ ]

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue  
MAC N9311-110  
Minneapolis, MN 55479  
Attn: Corporate Trust Services

With a copy to:

Wells Fargo Bank, National Association  
45 Broadway – 14<sup>th</sup> Floor  
MAC N-2666-140  
New York, NY 10006

Ladies and Gentlemen:

In connection with our proposed purchase of 9.50% Senior Secured Notes due 2016 of WMG ACQUISITION CORP., a Delaware corporation (“the Issuer”), we confirm that:

1. We have received a copy of the Offering Circular (the “Offering Circular”), dated May 19, 2009, relating to the Securities and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agreed to the matters stated in the section entitled “Notice to Investors” of such Offering Circular, including the restrictions on duplication and circulation of the Offering Circular.

2. We understand that any subsequent transfer of the Securities is subject to certain restrictions and conditions set forth in the Indenture relating to the Securities (the “Indenture”) as described in the Offering Circular and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Securities except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the “Securities Act”), and all applicable State securities laws.

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3. We understand that the offer and sale of the Securities have not been registered under the Securities Act, and that the Securities may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Securities, we will do so only (i) to the Issuer or any of its subsidiaries, (ii) inside the United States in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), (iii) inside the United States to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to the Trustee (as defined in the Indenture) a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Securities (the form of which letter can be obtained from the Trustee), (iv) outside the United States in accordance with Regulation S promulgated under the Securities Act to non-U.S. persons, (v) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (vi) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if the Issuer so requests) or (vii) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Securities from us a notice advising such purchaser that resales of the Securities are restricted as stated herein.

4. We are not acquiring the Securities for or on behalf of, and will not transfer the Securities to, any pension or welfare plan (as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended) or plan (as defined in Section 4975 of the Internal Revenue Code of 1986, as amended), except as permitted in the section entitled "Notice to Investors" of the Offering Circular.

5. We understand that, on any proposed resale of any Securities, we will be required to furnish to the Trustee and the Issuer such certification, legal opinions and other information as the Trustee and the Issuer may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Securities purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Securities, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investment, as the case may be.

7. We are acquiring the Securities purchased by us for our account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

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You, the Issuer, the Trustee and others are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferee]

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

Name:

Title:

Form of Certificate To Be Delivered  
in Connection with Transfers  
Pursuant to Regulation S

Wells Fargo Bank, National Association  
Sixth Street and Marquette Avenue  
MAC N9311-110  
Minneapolis, MN 55479  
Attn: Corporate Trust Services

With a copy to:

Wells Fargo Bank, National Association  
45 Broadway – 14<sup>th</sup> Floor  
MAC N-2666-140  
New York, NY 10006

Re: WMG Acquisition Corp. (the “Issuer”) 9.50% Senior Secured Notes due 2016 (the “Securities”)

Ladies and Gentlemen:

In connection with our proposed sale of \$[ ] aggregate principal amount of the Securities, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and, accordingly, we represent that:

- (1) the offer of the Securities was not made to a person in the United States;
- (2) either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf knows that the transaction has been prearranged with a buyer in the United States;
- (3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and



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(5) we have advised the transferee of the transfer restrictions applicable to the Securities.

In addition, if the sale is made during a Restricted Period and the provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1), as the case may be.

You, the Issuer and counsel for the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

[FORM OF OID LEGEND]

THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY CONTACT STEVEN MACRI, THE CHIEF FINANCIAL OFFICER OF THE ISSUER, AT 75 ROCKEFELLER PLAZA, NEW YORK, NY 10019 OR BY PHONE AT (212) 275-2030, WHO WILL PROVIDE YOU WITH ANY REQUIRED INFORMATION REGARDING THE ORIGINAL ISSUE DISCOUNT.

SECURITY DOCUMENTS

See Attached

H-1

[FORM OF SUPPLEMENTAL INDENTURE  
TO BE DELIVERED BY SUBSEQUENT GUARANTORS]

SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”), dated as of \_\_\_\_\_, among \_\_\_\_\_ (the “*Guaranteeing Subsidiary*”), a subsidiary of WMG Acquisition Corp. (or its permitted successor), a Delaware corporation (the “*Company*”), the Company, WMG Holdings Corp., solely to the extent set forth in Article X and as set forth in the Security Documents and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the “*Trustee*”).

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the “*Indenture*”), dated as of May 28, 2009 providing for the issuance of 9.50% Senior Secured Notes due 2016 (the “*Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Guarantoring Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guarantoring Subsidiary shall unconditionally guarantee all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the “*Note Guarantee*”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantoring Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. AGREEMENT TO GUARANTEE. The Guarantoring Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 thereof.
4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, the Note Guarantees, the Security Documents or for any claim based on, in respect of, or by reason

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of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated: \_\_\_\_\_,

[GUARANTEEING SUBSIDIARY]

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

Name:

Title:

WMG ACQUISITION CORP.

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

Name:

Title:

Solely to the extent set forth in Article X and as set forth in the Security Documents:

WMG HOLDINGS CORP.

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

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee

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

Authorized Signatory

**SECURITY AGREEMENT**

dated as of May 28, 2009

Among

The GRANTORS referred to herein  
as Grantors,

WELLS FARGO BANK, NATIONAL ASSOCIATION  
as Collateral Agent

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Notes Authorized Representative

and

Each ADDITIONAL AUTHORIZED REPRESENTATIVE from  
time to time party hereto

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**TABLE OF CONTENTS**

	<u>PAGE</u>
ARTICLE 1 DEFINITIONS	
<i>Section 1.01. Defined Terms</i>	1
<i>Section 1.02. Other Interpretative Provisions</i>	10
ARTICLE 2 COLLATERAL	
<i>Section 2.01. Grant of Security</i>	10
<i>Section 2.02. Security for Secured Obligations</i>	15
<i>Section 2.03. Grantors Remain Liable</i>	15
<i>Section 2.04. Delivery and Control of Security Collateral</i>	15
<i>Section 2.05. Maintaining Electronic Chattel Paper, Transferable Records and Letter-of-Credit Rights and Giving Notice of Commercial Tort Claims</i>	16
<i>Section 2.06. Representations and Warranties</i>	16
<i>Section 2.07. Further Assurances</i>	19
<i>Section 2.08. Post-Closing Changes; Bailees; Collections on Assigned Agreements and Accounts</i>	20
<i>Section 2.09. As to Intellectual Property Collateral</i>	20
<i>Section 2.10. Voting Rights; Dividends; Etc</i>	21
<i>Section 2.11. Transfers and Other Liens; Additional Shares</i>	22
ARTICLE 3 REMEDIES AND APPLICATION OF PROCEEDS	
<i>Section 3.01. Remedies</i>	23
<i>Section 3.02. Application of Proceeds</i>	24
ARTICLE 4 INTERCREDITOR MATTERS	
<i>Section 4.01. Priority of Claims</i>	25
<i>Section 4.02. Actions With Respect to Collateral</i>	25
<i>Section 4.03. Reinstatement</i>	26
<i>Section 4.04. Insurance</i>	26
<i>Section 4.05. Refinancings</i>	26



<i>Section 4.06. Possessory Collateral Agent as Gratuitous Bailee For Perfection</i>	26
<i>Section 4.07. Existence and Amount of Liens and Obligations</i>	27
<i>Section 4.08. Provisions Solely to Define Relative Rights</i>	27

ARTICLE 5  
COLLATERAL AGENT

<i>Section 5.01. Appointment and Authority</i>	27
<i>Section 5.02. Rights as a Secured Party</i>	28
<i>Section 5.03. Exculpatory Provisions</i>	28
<i>Section 5.04. Reliance by Collateral Agent</i>	30
<i>Section 5.05. Delegation of Duties</i>	30
<i>Section 5.06. Resignation of Collateral Agent</i>	30
<i>Section 5.07. Non-Reliance on Collateral Agent and Other Secured Parties</i>	31
<i>Section 5.08. Collateral And Guaranty Matters</i>	31

ARTICLE 6  
MISCELLANEOUS

<i>Section 6.01. Indemnity and Expenses</i>	31
<i>Section 6.02. Amendments; Waivers; Additional Grantors; Etc</i>	32
<i>Section 6.03. Notices, Etc</i>	33
<i>Section 6.04. Continuing Security Interest; Assignments Under The Secured Agreements</i>	33
<i>Section 6.05. Release; Termination</i>	33
<i>Section 6.06. Execution in Counterparts</i>	34
<i>Section 6.07. The Mortgages</i>	34
<i>Section 6.08. Governing Law; Jurisdiction; Waiver of Jury Trial, Etc</i>	34
<i>Section 6.09. Severability</i>	35
<i>Section 6.10. Additional Secured Obligations</i>	35
<i>Section 6.11. Replacement Of Authorized Representatives</i>	35
<i>Section 6.12. Parties in Interest</i>	35
<i>Section 6.13. Survival</i>	36

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**ANNEXES**

- Annex A** - Form of Additional Secured Party Consent

**SCHEDULES:**

- Schedule I** - Location, Chief Executive Office, Place Where Agreements Are Maintained, Type Of Organization, Jurisdiction Of Organization And Organizational Identification Number
- Schedule II** - Pledged Equity
- Schedule II-A** - Post-Closing Matters
- Schedule III** - Commercial Tort Claims
- Schedule IV** - Collateral Description
- Schedule V** - Real Property Schedule

**EXHIBITS:**

- Exhibit A** - Form of Security Agreement Supplement
- Exhibit B** - Form of Copyright Security Agreement
- Exhibit C** - Form of Patent Security Agreement
- Exhibit D** - Form of Trademark Security Agreement

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## SECURITY AGREEMENT

SECURITY AGREEMENT dated as of May 28, 2009 (this "**Agreement**") among WMG ACQUISITION CORP., a Delaware corporation (the "**Company**"), WMG HOLDINGS CORP., a Delaware corporation ("**Holdings**"), the other Persons listed on the signature pages hereof and the Additional Grantors (the Company, Holdings, the Persons so listed and the Additional Grantors being, collectively, the "**Grantors**"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as collateral agent for the Secured Parties (in such capacity together with its successors in such capacity, the "**Collateral Agent**"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under the Indenture (in such capacity, together with any successor trustee, the "**Notes Authorized Representative**") and each additional Authorized Representative from time to time party hereto for the Additional Secured Parties of the Series with respect to which it is acting in such capacity.

### PRELIMINARY STATEMENTS

In order to induce the Secured Parties and the Additional Secured Parties to extend credit and otherwise enter into and perform certain transactions, the Grantors hereby grant a security interest and assign and pledge the Collateral as set forth herein to secure the Secured Obligations. Therefore each Grantor hereby agrees with the Collateral Agent for the ratable benefit of the Secured Parties as follows:

#### ARTICLE 1 DEFINITIONS

*Section 1.01. Defined Terms.* Capitalized terms not otherwise defined herein have the meanings set forth in the Indenture on the date hereof. Further, unless otherwise defined in this Agreement or in the Indenture, terms defined in Article 8 or 9 of the UCC are used in this Agreement as such terms are defined in such Article 8 or 9 (including Accounts, Certificated Security, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Equipment, Farm Products, Financial Assets, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Proceeds, Securities Accounts, Security, Supporting Obligations and Uncertificated Security).

(b) As used in this Agreement, the following terms shall have the meanings set forth below:

"**Additional Grantor**" has the meaning specified in Section 6.02(b).

"**Additional Secured Agreement**" means any Credit Agreement, indenture, loan agreement or other agreement, notes, guarantees, registration rights agreements or other similar agreements issued in connection with or relating to the Additional Secured Obligations; *provided* that in each case, the obligations thereunder have been designated as Additional Secured Obligation pursuant to and in accordance with Section 6.10 hereto.

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**“Additional Secured Obligation”** means all advances to, and debts, liabilities, obligations, covenants and duties of, any Grantor arising under any Additional Secured Agreement, whether direct or indirect (including those acquired by assumption, absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Grantor of any proceeding under any Debtor Relief Law naming such person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding), in each case, that have been designated as Additional Secured Obligations pursuant to and in accordance with Section 6.10. Without limiting the generality of the foregoing, the Additional Secured Obligations include any and all obligations of the Company or any other Grantor under the relevant Additional Secured Agreements to pay principal, interest, commissions, charges, expenses, fees, indemnities and other amounts payable by such parties thereunder, including First Lien Obligations.

**“Additional Secured Parties”** means the holders of any Additional Secured Obligations and any Authorized Representative with respect thereto.

**“Additional Secured Party Consent”** shall mean a consent in the form of Annex A hereto, executed by the Authorized Representative of any holders of Additional Secured Obligations pursuant to Section 6.10.

**“Affiliate”** means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, **“control”** (including, with correlative meanings, the terms **“controlling,” “controlled by”** and **“under common control with”**), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. In no event shall any Secured Party or Agent be deemed to be an “Affiliate” of any Grantor.

**“After-Acquired Intellectual Property”** has the meaning specified in Section 2.09(d).

**“Applicable Authorized Representative”** means, as of the date hereof, the Notes Authorized Representative; provided that:

(a) following the incurrence of Bank Obligations after the date hereof and assumption by the Credit Agreement Authorized Representative of its role as an Applicable Authorized Representative pursuant to the Additional Secured Party Consent, (i) until the earlier of (x) the Discharge of Bank Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Credit Agreement Authorized Representative, and (ii) from the earlier of (x) the Discharge of Bank Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Major Additional Authorized Representative and

(b) to the extent no Bank Obligations have been incurred or remain outstanding, following the incurrence of the Series of Additional Secured Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Additional Secured Obligations and assumption by the Major Additional Authorized Representative of its role as an Applicable Authorized Representative pursuant to the Additional Secured Party Consent, the Major Additional Authorized Representative.

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“**Assigned Agreements**” has the meaning specified in Section 2.01.

“**Authorized Representative**” means (i) in the case of any Notes Obligations or the Notes Secured Parties, the Notes Authorized Representative, (ii) in the case of any Bank Obligations or the Credit Agreement Secured Parties (in respect of Bank Obligations) that become subject to this Agreement after the date hereof, the Credit Agreement Authorized Representative and (iii) in the case of any Series of Additional Secured Obligations or the Additional Secured Parties that become subject to this Agreement after the date hereof, the Authorized Representative named for such Series in the applicable Additional Secured Party Consent.

“**Bank Obligations**” means all commitments or Obligations in excess of \$150.0 million incurred pursuant to a Credit Agreement.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of New York.

“**Capital Stock**” means (i) in the case of a corporation, capital stock; (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock; (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“**Cash Management Obligations**” means obligations owed by any Grantor to any registered holder or any lender, or any affiliate of a registered holder or a lender, pursuant to any Additional Secured Agreement in respect of any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds.

“**Code**” means the U.S. Internal Revenue Code of 1986.

“**Collateral**” means the Personal Property Collateral and the Real Estate Collateral.

“**Computer Software**” has the meaning specified in Section 2.01.

“**control**” has the meaning specified in the definition of “Affiliate”.

“**Controlling Secured Parties**” means the Series of Secured Parties the Authorized Representative of whom is the Applicable Authorized Representative.

“**Copyrights**” has the meaning specified in Section 2.01.

“**Credit Agreement**” means a credit agreement for loans or credit extensions, as amended, restated, supplemented, modified, renewed, refunded, replaced or refinanced

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from time to time (in each case with the same or new lenders or institutional investors), including any agreement extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“**Credit Agreement Authorized Representative**” means an administrative agent, collateral agent, other agent, lender or affiliate thereof under a Credit Agreement that becomes subject to this Agreement after the date hereof pursuant to the applicable Additional Secured Party Consent.

“**Credit Agreement Secured Parties**” means each agent or lender secured pursuant to any Credit Agreement.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Discharge of Bank Obligations**” means the first date on which all of the following has occurred: (i) the payment in full in cash of the Bank Obligations, other than (x) obligations under hedging arrangements designated as secured obligations in accordance with any Credit Agreement and obligations with respect to cash management or similar services designated as secured obligations in accordance with any Credit Agreement, in either case that are not yet due and payable, and (y) contingent indemnification obligations not yet accrued and payable, (ii) the termination or expiration of all letters of credit issued pursuant to any Credit Agreement and (iii) the termination of all commitments to extend credit under any Credit Agreement; *provided* that the Discharge of Bank Obligations shall not be deemed to have occurred in connection with a Refinancing of such Bank Obligations (or any Refinancing of such Refinancing) with Secured Obligations secured by the Collateral under an Additional Secured Agreement which has been designated in writing by the administrative agent under the Credit Agreement so Refinanced to the Collateral Agent and each Authorized Representative as the “Credit Agreement” for purposes of this Agreement.

“**Discharge of Secured Obligations**” means the first date on which the following shall have occurred (i) the Discharge of Bank Obligations and (ii) the payment in full of all Additional Secured Obligations (other than contingent indemnification obligations not yet accrued and payable).

“**Domestic Subsidiary**” means any Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia and any other Subsidiary that is not a “controlled foreign corporation” under Section 957 of the Code.

“**Effective Date**” means May 28, 2009.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

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“**Event of Default**” means an “Event of Default” under and as defined in the Indenture or any Additional Secured Agreement.

“**Finance Documents**” means each Secured Agreement, each Secured Hedge Agreement and all instruments, agreements or other documents evidencing the Cash Management Obligations.

“**First Lien Security Documents**” means this Agreement, each Notes Security Document and each other agreement entered into in favor of the Collateral Agent for purposes of securing any Series of Secured Obligations.

“**First Lien Obligations**” has the meaning specified in the Indenture.

“**Foreign Subsidiary**” means any direct or indirect Subsidiary of the Company which is not a Domestic Subsidiary.

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“**Hedging Obligations**” means, with respect to any Person, the obligations of such Person under (i) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and (ii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

“**Holder**” has the meaning specified in the Indenture.

“**Indemnified Party**” has the meaning specified in Section 6.01(a).

“**Indenture**” means that certain Indenture, dated as of May 28, 2009 (as amended, amended and restated, supplemented, modified, renewed, refunded, replaced or refinanced from time to time) among Holdings, the Company, the Notes Authorized Representative and the other parties signatory thereto.

“**Intellectual Property Collateral**” has the meaning specified in Section 2.01(q).

“**Intellectual Property Security Agreements**” means the U.S. Intellectual Property Security Agreements and the Non-U.S. Trademark Security Agreements.

“**IP Agreements**” has the meaning specified in Section 2.01(q)(viii).

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the UCC (or equivalent statutes) of any jurisdiction; provided that in no event shall an operating lease be deemed to constitute a Lien.

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“**Major Additional Authorized Representative**” means the Authorized Representative of the Series of Additional Secured Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Additional Secured Obligations.

“**Material Adverse Effect**” means (a) a material adverse effect on the business, operations, assets, liabilities (actual or contingent) or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, (b) a material adverse effect on the ability of the Grantors (taken as a whole) to perform their respective obligations under any Secured Agreement to which any Grantor is a party or (c) a material adverse effect on the rights and remedies of the Secured Parties under any Secured Agreement or any First Lien Security Document.

“**Material Recordable Copyrights**” has the meaning specified in Section 2.06(f).

“**Material Recordable Intellectual Property**” has the meaning specified in Section 2.06(f).

“**Material Recordable Patents**” has the meaning specified in Section 2.06(f).

“**Material Recordable Publishing Copyright**” has the meaning specified in Section 2.06(f).

“**Material Recordable Recorded Music Copyrights**” has the meaning specified in Section 2.06(f).

“**Material Recordable Trademarks**” has the meaning specified in Section 2.06(f).

“**Mortgage**” means, collectively, the deeds of trust, trust deeds and mortgages made by the Grantors in favor or for the benefit of the Collateral Agent on behalf of the Secured Parties, together with each other mortgage executed and delivered pursuant to the Secured Agreements.

“**Mortgage Modifications**” has the meaning specified in Section 2.07(e).

“**Non-Controlling Authorized Representative**” means, at any time, any Authorized Representative that is not the Applicable Authorized Representative at such time.

“**Non-Controlling Authorized Representative Enforcement Date**” means, with respect to any Non-Controlling Authorized Representative, the date which is 90 days (throughout which 90 day period such Non-Controlling Authorized Representative was the Major Additional Authorized Representative) after the occurrence of both (i) an Event of Default (under and as defined in the Additional Secured Agreement under which such Non-Controlling Authorized Representative is the Authorized Representative) and (ii) the Collateral Agent’s and each other Authorized Representative’s receipt of written notice from such Non-Controlling Authorized Representative certifying that (x) such



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Non-Controlling Authorized Representative is the Major Additional Authorized Representative and that an Event of Default (under and as defined in the Additional Secured Agreement under which such Non-Controlling Authorized Representative is the Authorized Representative) has occurred and is continuing and (y) the Additional Secured Obligations of the Series with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Additional Secured Agreement; *provided* that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Collateral (1) at any time the Collateral Agent has commenced and is pursuing any enforcement action with respect to such Collateral with reasonable diligence in light of the then existing circumstances or (2) at any time the Grantor which has granted a security interest in such Collateral is then a debtor under or with respect to (or otherwise subject to) any proceeding under any Debtor Relief Law.

“**Non-Controlling Secured Parties**” means, at any time, any Secured Party represented by an Authorized Representative that is not the Applicable Authorized Representative at such time.

“**Non-U.S. Trademark Security Agreements**” means an agreement in form and substance suitable for recording with any foreign intellectual property registry and otherwise satisfactory to the Collateral Agent.

“**Non-Voting Foreign Stock**” has the meaning specified in Section 2.01.

“**Notes Authorized Representative**” has the meaning specified in the preamble.

“**Notes Obligations**” means the “Obligations” as defined in the Indenture.

“**Notes Secured Parties**” means the Collateral Agent, the Notes Authorized Representative, the Holders and any other party designated as a secured party under the Indenture.

“**Notes Security Documents**” means this Agreement and all security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, collateral agency agreements, control agreements or other grants or transfers for security executed and delivered by the Issuer or any Guarantor creating (or purporting to create) a Lien upon Collateral in favor of the Collateral Agent, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time.

“**Patents**” has the meaning specified in Section 2.01(q)(i).

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Personal Property Collateral**” has the meaning specified in Section 2.01.

“**Pledged Debt**” has the meaning specified in Section 2.01(o)(i).

“**Pledged Equity**” has the meaning specified in Section 2.01(o)(ii).

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**“Possessory Collateral”** means any Collateral in the possession of the Collateral Agent (or its agents or bailees), to the extent that possession thereof perfects a Lien thereon under the UCC of any jurisdiction. Possessory Collateral includes, without limitation, any Certificated Securities, Promissory Notes, Instruments, and Chattel Paper, in each case, delivered to or in the possession of the Collateral Agent under the terms of the First Lien Security Documents.

**“Publishing Copyrights”** has the meaning specified in Section 2.01(q)(iii).

**“Real Estate Collateral”** means any Real Property subject to a Lien securing the Secured Obligations pursuant to a Mortgage and includes, for the avoidance of doubt, any “Trust Property” referred to in any Mortgage.

**“Real Property”** means those properties listed on Schedule V hereto.

**“Recorded Music Copyrights”** has the meaning specified in Section 2.01(q)(iii).

**“Refinance”** means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement.

**“Refinanced”** and **“Refinancing”** have correlative meanings.

**“Responsible Officer”** means the chief executive officer, president, vice president, chief financial officer, treasurer or assistant treasurer or other similar officer of the Company. Any document delivered hereunder that is signed by a Responsible Officer of the Company shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Company and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Company.

**“Rule 3-16 Additional Secured Obligations”** has the meaning specified in Section 2.01.

**“Rule 3-16 Excluded Collateral”** has the meaning specified in Section 2.01.

**“Rule 3-16 Proceeds”** has the meaning specified in Section 3.02.

**“SEC”** means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

**“Secured Agreements”** means (i) the Indenture and each Notes Security Document and (ii) each Additional Secured Agreement.

**“Secured Hedge Agreement”** means any Hedging Obligations designated as secured obligations in accordance with the Indenture or any Credit Agreement.

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“**Secured Obligations**” means, collectively, (i) the Notes Obligations and (ii) each Series of Additional Secured Obligations.

“**Secured Parties**” means (i) the Notes Secured Parties and (ii) the Additional Secured Parties with respect to each Series of Additional Secured Obligations.

“**Security Agreement Supplement**” has the meaning specified in Section 6.02(b).

“**Security Collateral**” has the meaning specified in Section 2.01(o).

“**Series**” means (a) with respect to the Secured Parties, each of (i) the Notes Secured Parties (in their capacities as such) and (ii) the Additional Secured Parties that become subject to this Agreement after the date hereof that are represented by a common Authorized Representative (in its capacity as such for such Additional Secured Parties) and (b) with respect to any Secured Obligations, each of (i) the Notes Obligations and (ii) the Additional Secured Obligations incurred pursuant to any Additional Secured Agreement, which pursuant to an Additional Secured Party Consent, are to be represented hereunder by a common Authorized Representative (in its capacity as such for such Additional Secured Obligations).

“**Subsidiary**” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of Holdings.

“**Swap Contract**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “**Master Agreement**”), including any such obligations or liabilities under any Master Agreement.

“**Top Ten Jurisdictions**” means, collectively, New Zealand, Mexico, Japan, Australia, Canada, European Union, Germany, France and Italy.

“**Trade Secrets**” has the meaning specified in Section 2.01(q)(v).

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“**Trademarks**” has the meaning specified in Section 2.01(q)(ii).

“**UCC**” means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

“**U.S. Intellectual Property Security Agreements**” has the meaning specified in 2.06(g).

“**Voting Foreign Stock**” has the meaning specified in Section 2.01(o)(ii).

*Section 1.02. Other Interpretative Provisions.* With reference to this Agreement, unless otherwise specified herein:

- (a) the meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.
- (b) The words “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used herein shall refer to this Agreement as a whole and not to any particular provision thereof.
- (c) Article, Section, Exhibit, Annex and Schedule references are to Articles, Sections, Exhibits, Annexes and Schedules to this Agreement.
- (d) The term “including” is by way of example and not limitation.
- (e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.
- (f) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”
- (g) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.
- (h) Unless otherwise expressly provided herein, (i) references to organization documents, agreements and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto; and (ii) references to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law.

## ARTICLE 2 COLLATERAL

*Section 2.01. Grant of Security.* Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor’s right, title and interest in and to the following property, in each case, as to each type of property described below, whether now owned or hereafter acquired by such Grantor, wherever located, and whether now or hereafter existing or arising (collectively, the “**Personal Property Collateral**”):

- (a) all Accounts;

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- (b) all cash and Cash Equivalents;
  - (c) all Chattel Paper;
  - (d) all Commercial Tort Claims (including, without limitation, the Commercial Tort Claims set forth on Schedule III hereto);
  - (e) all Deposit Accounts;
  - (f) all Documents;
  - (g) all Equipment;
  - (h) all Farm Products;
  - (i) all Fixtures;
  - (j) all General Intangibles;
  - (k) all Goods;
  - (l) all Instruments;
  - (m) all Inventory;
  - (n) all Letter-of-Credit Rights;
  - (o) the following (the “**Security Collateral**”):
    - (i) all indebtedness evidenced by promissory notes or other instruments from time to time owed to such Grantor (the “**Pledged Debt**”), and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Debt;
    - (ii) all Equity Interests from time to time acquired, owned or held by such Grantor in any manner (the “**Pledged Equity**”), including, without limitation, the Equity Interests held by each Grantor set forth opposite such Grantor’s name on and otherwise described on Schedule II, and the certificates, if any, representing such additional shares or units or other Equity Interests, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares or other Equity Interests and all subscription warrants, rights or options issued thereon or with respect thereto; *provided* that no Grantor shall be required to pledge, and the terms “**Pledged Equity**” and “**Security Collateral**” used in this Agreement shall not include, any Equity Interests in any Foreign Subsidiary acquired, owned or otherwise held by

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such Grantor which, when aggregated with all of the other shares of stock in such Foreign Subsidiary pledged by the Grantors, would result in more than 65% of the shares of stock in such Foreign Subsidiary entitled to vote (within the meaning of Treasury Regulation Section 1.956-2(c)(2) promulgated under the Code) (the “**Voting Foreign Stock**”) being pledged to the Collateral Agent, on behalf of the Secured Parties under this Agreement; *provided further* that all of the shares of stock or units or other Equity Interests in such Foreign Subsidiary not entitled to vote (within the meaning of Treasury Regulation Section 1.956-2(c)(2) promulgated under the Code) (the “**Non-Voting Foreign Stock**”) shall be pledged by such Grantor; and

(iii) all other Investment Property and all Financial Assets, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange therefor and all subscription warrants, rights or options issued thereon or with respect thereto;

(p) all contracts and agreements between any Grantor and one or more additional parties (including, without limitation, any Swap Contracts, licensing agreements and any partnership agreements, joint venture agreements, limited liability company agreements) and the IP Agreements, in each case as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time (collectively, the “**Assigned Agreements**”), including, without limitation, all rights of such Grantor to receive moneys due and to become due under or pursuant to the Assigned Agreements;

(q) the following (collectively, the “**Intellectual Property Collateral**”):

(i) all patents, patent applications, utility models and statutory invention registrations, all inventions claimed or disclosed therein and all improvements thereto (“**Patents**”);

(ii) all trademarks, service marks, domain names, trade dress, logos, designs, slogans, trade names, business names, corporate names and other source identifiers, whether registered or unregistered (*provided* that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of any registration issuing from such intent-to-use trademark applications under applicable federal law), together, in each case, with the goodwill symbolized thereby (“**Trademarks**”);

(iii) all copyrights whether registered or unregistered (“**Copyrights**”), including, without limitation, copyrights in (A) all recordings of sound, whether or not coupled with a visual image, by any method or format and on any substance or material, whether now or hereafter known, which is used or useful in the recording, production and/or manufacture of records or for any other exploitation of sound (“**Recorded Music Copyrights**”), (B) all music compositions or medleys consisting of words and music, or any dramatic material and bridging passages, whether in form of instrumental and/or vocal music, prose or otherwise, irrespective of length (“**Publishing Copyrights**”) and (C) Computer Software, internet web sites and the content thereof;

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- (iv) all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing (“**Computer Software**”);
- (v) all confidential and proprietary information, including, without limitation, confidential and proprietary know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information (collectively, “**Trade Secrets**”), and all other intellectual, industrial and intangible property of any type, including, without limitation, industrial designs and mask works;
- (vi) all registrations and applications for registration for any of the foregoing, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;
- (vii) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;
- (viii) all agreements, permits, consents, orders and franchises relating to the license, development, use or disclosure of any of the foregoing to which such Grantor, now or hereafter, is a party or a beneficiary (“**IP Agreements**”); and
- (ix) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages;
- (r) all books and records (including, without limitation, customer lists, credit files, printouts and other computer output materials and records) of such Grantor pertaining to any of the Collateral;
- (s) all other tangible and intangible personal property of whatever nature whether or not covered by Article 9 of the UCC; and
- (t) all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the Collateral and, to the extent not otherwise included, all payments under insurance (whether or not the Collateral Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral;

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*provided* that notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute a grant of a security interest in (A) motor vehicles the perfection of a security interest in which is excluded from the UCC in the relevant jurisdiction, (B) any Letter-of-Credit Rights to the extent any Grantor is required by applicable law to apply the Proceeds of such Letter-of-Credit Rights for a specified purpose or (C) any General Intangible, Investment Property or other rights of a Grantor arising under any contract, instrument, license or other document if (but only to the extent that) the grant of a security interest therein would constitute a violation of a valid and enforceable restriction in respect of such General Intangible, Investment Property or other rights in favor of a third party or under any law, regulation, permit, order or decree of any Governmental Authority, unless and until all required consents shall have been obtained (for the avoidance of doubt, the restrictions described herein are not negative pledges or similar undertakings in favor of a lender or other financial counterparty); *provided further* that the limitation set forth in clause (C) above shall not affect, limit, restrict or impair the grant by a Grantor of a security interest pursuant to this Agreement in any such Collateral to the extent that an otherwise applicable prohibition or restriction on such grant is rendered ineffective by the UCC. Each Grantor shall, if requested to do so by the Collateral Agent, use commercially reasonable efforts to obtain any such required consent that is reasonably obtainable with respect to Collateral which the Collateral Agent reasonably determines to be material.

Notwithstanding anything else contained in this Agreement, in the event that Rule 3-16 of Regulation S-X under the United States Securities Act of 1933 would require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) (such law, rule or regulation, as amended or replaced with another rule or regulation, “**Rule 3-16**”) the filing with the SEC of separate financial statements of any Affiliate of the Company due to the fact that a security interest in such Affiliate’s Equity Interests has been granted hereunder as security for the payment or performance, as the case may be, of any Additional Secured Obligations (the “**Rule 3-16 Additional Secured Obligations**”), then, solely to the extent securing such Rule 3-16 Additional Secured Obligations, the Lien granted pursuant to this Agreement or any other Security Document in such Equity Interests (the “**Rule 3-16 Excluded Collateral**”) shall be deemed not to secure, or to constitute “Collateral” with respect to, such Rule 3-16 Additional Secured Obligations, in any event solely to the extent necessary and only for so long as required to cause the Company and its Affiliates to not be subject to such requirement. In such event, this Agreement may be amended or modified, without the consent of any Additional Secured Party, to the extent necessary to release the Lien granted hereunder in favor of the Collateral Agent on the Rule 3-16 Excluded Collateral solely with respect to the Rule 3-16 Additional Secured Obligations. In the event that Rule 3-16 is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would permit) any Rule 3-16 Excluded Collateral to secure the Additional Secured Obligations in excess of the amount then pledged without the filing with the SEC (or any other Governmental Authority) of separate financial statements for such Affiliate of the Company, then the Equity Interest of such Affiliate will automatically be deemed to be a part of the Collateral for the relevant Additional Secured Obligations to the extent otherwise required by this Agreement. For avoidance of doubt, nothing in this paragraph shall prevent or limit any pledge of Equity Interests or any other securities hereunder from securing the Notes Obligations at all times.



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In the event of any conflict or inconsistency between the grant of security provided in this Section 2.01 and the provisions of any Intellectual Property Security Agreements, the provisions of this Section 2.01 shall control.

*Section 2.02. Security for Secured Obligations.* This Agreement secures, in the case of each Grantor, the payment of all Secured Obligations of such Grantor now or hereafter existing, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise.

*Section 2.03. Grantors Remain Liable.* Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements included in such Grantor's Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) no Secured Party shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement or any other Finance Document, nor shall any Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

*Section 2.04. Delivery and Control of Security Collateral.* (a) All certificates representing or evidencing the Pledged Equity and all instruments representing or evidencing the Pledged Debt in an aggregate principal amount in excess of \$2,000,000 shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Collateral Agent. During the continuation of an Event of Default and subject to Section 2.04(c), the Collateral Agent shall have the right, at any time in its discretion and without notice to any Grantor, to (i) transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Security Collateral, subject only to the revocable rights specified in Section 2.10(a), (ii) exchange certificates or instruments representing or evidencing Security Collateral for certificates or instruments of smaller or larger denominations, and (iii) convert Security Collateral consisting of Financial Assets credited to any Securities Account to Security Collateral consisting of Financial Assets held directly by the Collateral Agent, and to convert Security Collateral consisting of Financial Assets held directly by the Collateral Agent to Security Collateral consisting of Financial Assets credited to any Securities Account.

(b) During the continuation of an Event of Default and subject to Section 2.04(c), promptly upon the request of the Collateral Agent, with respect to any Security Collateral in which any Grantor has any right, title or interest and that constitutes an Uncertificated Security, such Grantor will cause the issuer thereof either (i) to register the Collateral Agent as the registered owner of such Security or (ii) to agree in an authenticated record with such Grantor and the Collateral Agent that such issuer will comply with instructions with respect to such Security originated by the Collateral Agent without further consent of such Grantor, such authenticated record to be in form and substance satisfactory to the Collateral Agent. During the continuation of an Event of Default and subject to Section 2.04(c), with respect to any Security Collateral in which any Grantor has any right, title or interest and that is not an Uncertificated Security, promptly upon the request of the Collateral Agent, such Grantor will notify each such issuer of Pledged Equity that such Pledged Equity is subject to the security interest granted hereunder.

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(c) Nothing in Section 2.04(a) or Section 2.04(b) shall be construed to require any Grantor to enter into any control agreement with respect to any Deposit Account or Securities Account.

*Section 2.05. Maintaining Electronic Chattel Paper, Transferable Records and Letter-of-Credit Rights and Giving Notice of Commercial Tort Claims.* So long as the Discharge of Secured Obligations has not occurred:

(a) During the continuation of an Event of Default, promptly upon the request of the Collateral Agent, each Grantor will maintain (i) all Electronic Chattel Paper so that the Collateral Agent has control of the Electronic Chattel Paper in the manner specified in Section 9-105 of the UCC and (ii) all transferable records so that the Collateral Agent has control of the transferable records in the manner specified in Section 16 of the Uniform Electronic Transactions Act, as in effect in the jurisdiction governing such transferable record; and

(b) Each Grantor will give prompt notice to the Collateral Agent of any Commercial Tort Claim individually in excess of \$5,000,000 that may arise in the future and will promptly execute or otherwise authenticate a supplement to this Agreement, and otherwise take all necessary action, to subject such Commercial Tort Claim to the first priority security interest created under this Agreement.

*Section 2.06. Representations and Warranties.* Each Grantor represents and warrants as follows:

(a) Such Grantor's exact legal name, as defined in Section 9-503(a) of the UCC, is correctly set forth as of the date hereof in Schedule I hereto. Such Grantor is located (within the meaning of Section 9-307 of the UCC) and has its chief executive office in the state or jurisdiction set forth in Schedule I hereto. The information set forth in Schedule I hereto with respect to such Grantor is true and accurate in all material respects.

(b) Subject to Section 2.07(d), all Pledged Equity consisting of Certificated Securities has been delivered to the Collateral Agent in accordance herewith, other than any Certificated Securities with respect to any Grantors set forth on Schedule II-A hereof.

(c) Such Grantor is the legal and beneficial owner of the Collateral of such Grantor free and clear of any Lien, claim, option or right of others, except for the security interest created under this Agreement, subject to Liens permitted under each Secured Agreement.

(d) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non assessable.

(e) As of the date hereof, the Pledged Equity pledged by such Grantor constitutes the percentage of the issued and outstanding Equity Interests of the issuers thereof indicated on Schedule II hereto.

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(f) On or prior to the Effective Date, the Company has delivered to the Collateral Agent a complete and accurate list, as of the Effective Date, of all (A) Publishing Copyrights owned or co-owned by, or exclusively licensed in the United States (in whole or in part) to, any Grantor and registered with the U.S. Copyright Office, other than Publishing Copyrights with respect to compositions that generated less than \$500 of “net publisher’s share” in the United States in the fiscal year most recently ended (“**Material Recordable Publishing Copyrights**”), (B) Recorded Music Copyrights owned by or exclusively licensed in the United States to any Grantor, registered with the U.S. Copyright Office and available for sale in the United States, as of the last day of the fiscal year most recently ended, by Warner-Elektra-Atlantic Corporation, Alternative Distribution Alliance or any other general market distributor in the United States which is owned and/or controlled by the Company (“**Material Recordable Recorded Music Copyrights**” and, together with Material Recordable Publishing Copyrights, “**Material Recordable Copyrights**”), (C) Trademarks owned by any Grantor and pending or registered with the U.S. Patent and Trademark Office (“**Material Recordable Trademarks**”) and (D) Patents owned by any Grantor and issued by or pending or registered with the U.S. Patent and Trademark Office (“**Material Recordable Patents**” and, together with Material Recordable Copyrights and Material Recordable Trademarks, “**Material Recordable Intellectual Property**”).

(g) On the Effective Date each Grantor has executed and delivered to the Collateral Agent (i) with respect to the Material Recordable Copyrights of such Grantor for the fiscal year ended September 30, 2008, an agreement, in substantially the form set forth in Exhibit B hereto or otherwise in form and substance satisfactory to the Collateral Agent (a “**Copyright Security Agreement**”), (ii) with respect to the Material Recordable Patents of such Grantor, an agreement, in substantially the form set forth in Exhibit C hereto or otherwise in form and substance satisfactory to the Collateral Agent (a “**Patent Security Agreement**”) and (iii) with respect to the Material Recordable Trademarks of such Grantor, an agreement, in substantially the form set forth in Exhibit D hereto or otherwise in form and substance satisfactory to the Collateral Agent (a “**Trademark Security Agreement**” and, together with each Copyright Security Agreement and each Patent Security Agreement, the “**U.S. Intellectual Property Security Agreements**”), in each case for recording the security interest granted hereunder to the Collateral Agent in such Intellectual Property Collateral with the U.S. Patent and Trademark Office or the U.S. Copyright Office, as applicable.

(h)(i) This Agreement creates in favor of the Collateral Agent for the benefit of the Secured Parties a valid security interest in all the Personal Property Collateral of each Grantor, securing the payment of the Secured Obligations of such Grantor; (ii) upon the filing of a UCC financing statement in the UCC filing office in the jurisdiction set forth in Schedule I under the heading “Jurisdiction of Organization” with respect to such Grantor, naming such Grantor as the debtor, the Collateral Agent as the secured party and including the collateral description set forth in Schedule IV, all actions necessary to perfect the security interest in the Personal Property Collateral of such Grantor created under this Agreement with respect to which a Lien may be perfected by filing pursuant to the UCC (all such Collateral, “**Filing Collateral**”) shall have been duly made or taken and be in full force and effect, and the Lien created under this Agreement in such Grantor’s Filing Collateral shall be perfected; and (iii) upon the timely recordation of a Copyright Security Agreement naming such Grantor as the grantor and the Collateral Agent as the secured party with the U.S. Copyright Office, all actions necessary to perfect the security interest

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in the Collateral of such Grantor consisting of the Material Recordable Copyrights described therein and IP Agreements with respect thereto (“**Copyright Collateral**”) shall have been duly made or taken and be in full force and effect, and the Lien created under this Agreement in such Grantor’s Copyright Collateral shall be perfected.

(i) Except as could not reasonably be expected to have a Material Adverse Effect:

(i) To the Grantor’s knowledge, the operation of such Grantor’s business as currently conducted or as contemplated to be conducted and the use of the Intellectual Property Collateral in connection therewith do not conflict with, infringe, misappropriate, dilute, misuse or otherwise violate the intellectual property rights of any third party.

(ii) The registered Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable in whole or part, and to such Grantor’s knowledge, is valid and enforceable. Such Grantor is not aware of any uses of any item of Intellectual Property Collateral by a Grantor or any Affiliate of a Grantor that could be expected to lead to such item becoming invalid or unenforceable.

(iii) Such Grantor has made or performed all filings, recordings and other acts and has paid all required fees and taxes to maintain and protect its interest in its registered Intellectual Property Collateral in full force and effect in the United States, and to protect and maintain its interest therein including, without limitation, recordations of any of its interests in the Patents and Trademarks with the U.S. Patent and Trademark Office and recordation of any of its interests in the Copyrights with the U.S. Copyright Office. Such Grantor has used any statutory notice required in the United States in connection with its use of each registered Patent, Trademark and Copyright in the Intellectual Property Collateral.

(iv) To such Grantor’s knowledge, (A) none of the material Trade Secrets of such Grantor has been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other Person other than such Grantor; (B) no employee, independent contractor or agent of such Grantor has misappropriated any trade secrets of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of such Grantor; and (C) no employee, independent contractor or agent of such Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of such Grantor’s Intellectual Property Collateral.

(v) To such Grantor’s knowledge, no Grantor or Intellectual Property Collateral is subject to any outstanding consent, settlement, decree, order, injunction, judgment or ruling restricting the use of any Intellectual Property Collateral by such Grantor or any of its Affiliates or that would impair the validity or enforceability of such Intellectual Property Collateral.

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*Section 2.07. Further Assurances.* (a) Each Grantor agrees that from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that the Collateral Agent may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted by such Grantor hereunder or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral of such Grantor.

(b) Each Grantor hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, including, without limitation, one or more financing statements indicating that such financing statements cover all assets or all personal property (or words of similar effect) of such Grantor, in each case without the signature of such Grantor, and regardless of whether any particular asset described in such financing statements falls within the scope of the UCC or the granting clause of this Agreement. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. Each Grantor ratifies its authorization for the Collateral Agent to have filed such financing statements, continuation statements or amendments filed prior to the date hereof.

(c) Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed and/or recorded all financing statements, instruments and documents and take all such actions to perfect the security interests 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 and the granting of the security interests and the filing of any financing statements (including fixture filings) or other documents in connection herewith, all in accordance with the terms hereof and the Secured Agreements.

(d) Each Grantor agrees that within the period or by the date specified on Schedule II-A (or on such later date as the Collateral Agent shall agree) it will deliver the items described on Schedule II-A.

(e) Each Grantor agrees that in connection with any Additional Secured Obligations, if Collateral Agent determines in its reasonable discretion that modification of the Mortgages or, alternatively, replacements of the Mortgages encumbering the Real Estate Collateral pursuant to the First Lien Security Documents (such modifications or replacements, collectively, the "**Mortgage Modifications**"), is necessary or desirable to create or continue the Lien on the Real Estate Collateral following the issuance of such Additional Secured Obligations, then such Grantor shall deliver the Mortgage Modifications covering the Real Estate Collateral duly executed by such Grantor as of the closing date under the applicable Additional Secured Agreement. The applicable Grantor shall also provide Collateral Agent with any and all other deliveries or documents reasonably requested by Collateral Agent in connection with the Mortgage Modifications, including but not limited to endorsements to the lender's title insurance policies or new lender's title insurance policies, as the case may be, insuring the Lien of the Mortgage Modifications, local counsel opinions with respect to the Mortgage Modifications containing customary opinions, and in each case in form and substance reasonably satisfactory to Collateral Agent, and such other evidence that all other actions that the Collateral Agent may deem necessary or desirable in order to create valid and subsisting Liens on the property described in the Mortgages has been taken.

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*Section 2.08. Post-Closing Changes; Bailees; Collections on Assigned Agreements and Accounts.* (a) No Grantor will change its name, type of organization, jurisdiction of organization, organizational identification number or location from those set forth in Section 2.06(a) of this Agreement without first giving at least 5 days' (or such lesser period of time as the Collateral Agent may agree) prior written notice to the Collateral Agent and taking all action reasonably required by the Collateral Agent for the purpose of perfecting or protecting the security interest granted by this Agreement.

(b) During the continuation of an Event of Default, if any Collateral of any Grantor is at any time in the possession or control of a warehouseman, bailee or agent, upon the request of the Collateral Agent such Grantor will (i) notify such warehouseman, bailee or agent of the security interest created hereunder and (ii) instruct such warehouseman, bailee or agent to hold all such Collateral solely for the Collateral Agent's account subject only to the Collateral Agent's instructions.

(c) Except as otherwise provided in this subsection (c), each Grantor will continue to collect, at its own expense, all amounts due or to become due such Grantor under the Accounts. In connection with such collections, such Grantor may take (and, at the Collateral Agent's direction during the continuation of an Event of Default, shall take) such commercially reasonable action as such Grantor (or the Collateral Agent) may deem necessary or advisable to enforce collection thereof; *provided* that the Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of an Event of Default and upon written notice to such Grantor of its intention to do so, to notify the obligors under any Accounts of the assignment of such Accounts to the Collateral Agent and to direct such obligors to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent and, upon such notification and at the expense of such Grantor, to enforce collection of any such Accounts, to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done, and to otherwise exercise all rights with respect to such Accounts, including, without limitation, those set forth in Section 9-607 of the UCC. After receipt by any Grantor of the notice from the Collateral Agent referred to in the proviso to the preceding sentence, all amounts and Proceeds (including, without limitation, instruments) received by such Grantor in respect of the Accounts of such Grantor shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be either (A) released to such Grantor to the extent permitted under the terms of the Secured Agreements so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided in Section 3.02.

*Section 2.09. As to Intellectual Property Collateral.* (a) Except to the extent failure to act could not reasonably be expected to have a Material Adverse Effect, with respect to registration or pending application of each item of its Intellectual Property Collateral for which such Grantor has standing to do so, each Grantor agrees to take, at its expense, all commercially reasonable steps, including, without limitation, in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other governmental authority located in the United States, to (i) maintain the validity and enforceability of any registered Intellectual Property Collateral and maintain such Intellectual Property Collateral in full force and effect, and (ii) pursue the registration and maintenance of each

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Patent, Trademark, or Copyright registration or application, now or hereafter included in such Intellectual Property Collateral of such Grantor, including, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the U.S. Patent and Trademark Office, the U.S. Copyright Office or other governmental authorities, the filing of applications for renewal or extension, the filing of affidavits under Sections 8 and 15 of the U.S. Trademark Act, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(b) Except as could not be reasonably expected to have a Material Adverse Effect, no Grantor shall do or permit any act or knowingly omit to do any act whereby any of its Intellectual Property Collateral may lapse or become invalid or unenforceable or placed in the public domain.

(c) Except where failure to do so could not reasonably be expected to cause a Material Adverse Effect, each Grantor shall take all commercially reasonable steps which it (or the Collateral Agent during the continuation of an Event of Default) deems reasonable and appropriate under the circumstances to preserve and protect each item of its Intellectual Property Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the quality of the products and services as of the date hereof, and taking all steps necessary to ensure that all licensed users of any of the Trademarks abide by the applicable license's terms with respect to the standards of quality.

(d) Each Grantor agrees that, should it obtain an ownership interest in any Intellectual Property Collateral after the date hereof ("**After-Acquired Intellectual Property**") (i) the provisions of this Agreement shall automatically apply thereto, and (ii) any such After-Acquired Intellectual Property and, in the case of Trademarks, the goodwill symbolized thereby, shall automatically become part of the Intellectual Property Collateral subject to the terms and conditions of this Agreement with respect thereto.

(e) Each Grantor shall, (x) in the case of Material Recordable Publishing Copyrights, not more than 95 days following the last day of every fiscal year of the Company and (y) in the case of any other Material Recordable Intellectual Property, not more than 95 days following the last day of each fiscal year of the Company and 50 days following the last day of each fiscal quarter of the Company, sign and deliver to the Collateral Agent an appropriate Intellectual Property Security Agreement with respect to all Material Recordable Intellectual Property owned by it as of the last day of the most recently ended fiscal year or fiscal quarter (as applicable), to the extent that such Material Recordable Intellectual Property is not covered by any previous Intellectual Property Security Agreement so signed and delivered by it. In each case, it will promptly cooperate as necessary to enable the Collateral Agent to make any necessary or reasonably desirable recordings with the U.S. Copyright Office, the U.S. Patent and Trademark Office or, with respect to any material foreign Trademark, any applicable foreign intellectual property registry, as appropriate.

*Section 2.10. Voting Rights; Dividends; Etc.* So long as no Event of Default shall have occurred and be continuing:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Security Collateral of such Grantor  
or

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any part thereof for any purpose; *provided* that such Grantor will not exercise or refrain from exercising any such right if such action would have a material adverse effect on the value of the Security Collateral or any part thereof.

(ii) Each Grantor shall be entitled to receive and retain any and all dividends, interest and other distributions paid in respect of the Security Collateral of such Grantor if and to the extent that the payment thereof is not otherwise prohibited by the terms of the Secured Agreements; *provided* that any and all non-cash dividends, interest and other distributions paid or payable in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Security Collateral, shall be, and shall be forthwith delivered to the Collateral Agent to hold as, Security Collateral and shall, if received by such Grantor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Grantor and be forthwith delivered to the Collateral Agent as Security Collateral in the same form as so received (with any necessary endorsement).

(iii) The Collateral Agent will execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above and to receive the dividends or interest payments that it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of each Grantor (x) to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 2.10(i) shall, upon notice to such Grantor by the Collateral Agent, cease and (y) to receive the dividends, interest and other distributions that it would otherwise be authorized to receive and retain pursuant to Section 2.10(ii) shall automatically cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights and to receive and hold as Security Collateral such dividends, interest and other distributions.

(ii) All dividends, interest and other distributions that are received by any Grantor contrary to the provisions of paragraph (i) of this Section 2.10(b) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Collateral Agent as Security Collateral in the same form as so received (with any necessary endorsement).

*Section 2.11. Transfers and Other Liens; Additional Shares.* (a) Each Grantor agrees that it will not (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral, other than sales, assignments and other dispositions of Collateral, and options relating to Collateral, permitted under the terms of the Secured Agreements, or (ii) create or suffer to exist any Lien upon or with respect to any of the Collateral of such Grantor except for the pledge, assignment and security interest created under this Agreement and other Liens permitted under the Secured Agreements.



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(b) Each Grantor agrees that it will (i) cause each issuer of the Pledged Equity pledged by such Grantor not to issue any Equity Interests or other Securities in addition to or in substitution for the Pledged Equity issued by such issuer, except to such Grantor, and (ii) pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all additional Equity Interests or other Securities (subject to Section 2.01(o)(ii) with respect to Voting Foreign Stock).

ARTICLE 3  
REMEDIES AND APPLICATION OF PROCEEDS

*Section 3.01. Remedies.* Subject to Section 4.02, if any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also may: (i) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place and time to be designated by the Collateral Agent that is reasonably convenient to both parties; (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable; (iii) occupy any premises owned or, to the extent lawful and permitted, leased by any of the Grantors where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation; and (iv) exercise any and all rights and remedies of any of the Grantors under or in connection with the Collateral, or otherwise in respect of the Collateral, including, without limitation, (A) any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Assigned Agreements, the Accounts and the other Collateral, (B) withdraw, or cause or direct the withdrawal, of all funds with respect to the Deposit Accounts and (C) exercise all other rights and remedies with respect to the Assigned Agreements, the Accounts and the other Collateral, including, without limitation, those set forth in Section 9-607 of the UCC. The Collateral Agent shall give the applicable Grantors at least ten (10) Business Days' written notice of the time and place of any public sale or the time after which any private sale is to be made and each Grantor agrees that such notice shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All payments received by any Grantor under or in connection with any Assigned Agreement or otherwise in respect of the Collateral shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement).

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

(d) If the Collateral Agent shall determine to exercise its right to sell all or any of the Security Collateral of any Grantor pursuant to this Section 3.01, each Grantor agrees that, upon request of the Collateral Agent, such Grantor will, at its own expense, do or cause to be done all such other acts and things as may be necessary to make such sale of such Security Collateral or any part thereof valid and binding and in compliance with applicable law.

(e) The Collateral Agent is authorized, in connection with any sale of the Security Collateral pursuant to this Section 3.01, to deliver or otherwise disclose to any prospective purchaser of the Security Collateral: (i) any registration statement or prospectus, and all supplements and amendments thereto; (ii) any information and projections; and (iii) any other information in its possession relating to such Security Collateral.

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

*Section 3.02. Application of Proceeds.* The Collateral Agent shall apply the proceeds of any collection or sale of the Collateral of a Grantor, including any Collateral consisting of cash, in the following order of priority:

*first*, to the payment of all amounts owing to the Collateral Agent (in its capacity as such) pursuant to this Agreement or the terms of any First Lien Security Document or Secured Agreements; and

*second*, to the payment in full of the Secured Obligation of each Series on a ratable basis in accordance with the applicable amounts thereof, to be applied by the applicable Authorized Representative in accordance with the terms of the applicable Secured Agreement;

*provided* that (i) in no event shall the proceeds of any collection or sale of Rule 3-16 Excluded Collateral (the “**Rule 3-16 Proceeds**”) be applied to the payment of any Rule 3-16 Additional Secured Obligations and (ii) the Secured Obligations of any Series shall not be reduced by the amount of Rule 3-16 Proceeds for the purpose of determining its ratable share of the proceeds of any collection or sale of Collateral.

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ARTICLE 4  
INTERCREDITOR MATTERS

*Section 4.01. Priority of Claims.*

(a) Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing any Series of Secured Obligations granted on the Collateral and notwithstanding any provision of the UCC, or any other applicable law or the Secured Agreements or any defect or deficiencies in the Liens securing the Secured Obligations of any Series or any other circumstance whatsoever (but, in each case, subject to Section 4.01(b), and subject, in the case of Rule 3-16 Collateral, to the last paragraph of Section 2.01), each Secured Party hereby agrees that the Liens securing each Series of Secured Obligations on any Collateral shall be of equal priority.

(b) It is acknowledged that the Secured Obligations of any Series may, subject to the limitations set forth in the then extant Secured Agreements, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, Refinanced or otherwise amended or modified from time to time, all without affecting the priorities set forth in Section (a) above or Section 3.02 or the provisions of this Agreement defining the relative rights of the Secured Parties of any Series.

*Section 4.02. Actions With Respect to Collateral.*

(a) The Secured Parties, through their Authorized Representatives and as a condition of accepting the benefits of the security interests granted herein, agree that (i) only the Collateral Agent shall act or refrain from acting with respect to the Collateral, and then only on the instructions of the Applicable Authorized Representative, (ii) the Collateral Agent shall not follow any instructions with respect to such Collateral from any Non-Controlling Authorized Representative (or any other Secured Party other than the Applicable Authorized Representative) and (iii) no Non-Controlling Authorized Representative or other Secured Party (other than the Applicable Authorized Representative) shall or shall instruct the Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Collateral, whether under any First Lien Security Document, applicable law or otherwise, it being agreed that only the Collateral Agent, acting on the instructions of the Applicable Authorized Representative and in accordance with the applicable First Lien Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Collateral. Notwithstanding the equal priority of the Liens, the Collateral Agent (acting on the instructions of the Applicable Authorized Representative) may deal with the Collateral as if such Applicable Authorized Representative had a senior Lien on such Collateral. No Non-Controlling Authorized Representative or Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent, Applicable Authorized Representative or Controlling Secured Party or any other exercise by the Collateral Agent, Applicable Authorized Representative or Controlling Secured Party of any rights and remedies relating to the Collateral, or to cause the Collateral Agent to do so.

(b) Each of the Authorized Representatives agrees that it will not accept any Lien on any Collateral for the benefit of any Series of Secured Obligations (other than funds deposited for the discharge or defeasance of any Additional Secured Agreement) other than pursuant to the First Lien Security Documents, and upon executing this Agreement or an Additional Secured Party Consent, each Authorized Representative and the Series of Secured Parties for which it is acting hereunder agree to be bound by the provisions of this Agreement and the other First Lien Security Documents applicable to it.

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(c) Each of the Secured Parties agrees that (i) it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any proceeding under any Debtor Relief Law), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the Secured Parties in all or any part of the Collateral, or the provisions of this Agreement; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Collateral Agent or any Authorized Representative to enforce this Agreement and that (ii) if, notwithstanding clause (i), such Secured Party shall obtain possession of any Collateral or shall realize any proceeds or payment in respect of any such Collateral, pursuant to any First Lien Security Document or by the exercise of any rights available to it under applicable law or in any proceeding under any Debtor Relief Law or through any other exercise of remedies at any time prior to the Discharge of Secured Obligations, then it shall hold such Collateral, proceeds or payment in trust for the other Secured Parties and promptly transfer such Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions of Section 3.02 hereof.

*Section 4.03. Reinstatement.* In the event that any of the Secured Obligations shall be paid in full and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference under any Debtor Relief Law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Agreement shall be fully applicable thereto until all such Secured Obligations shall again have been paid in full in cash.

*Section 4.04. Insurance.* As between the Secured Parties, the Collateral Agent, acting at the direction of the Applicable Authorized Representative, shall have the right to adjust or settle any insurance policy or claim covering or constituting Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Collateral.

*Section 4.05. Refinancings.* The Secured Obligations of any Series may be Refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under any Secured Agreements) of any Secured Party of any other Series, all without affecting the priorities provided for herein or the other provisions hereof; *provided* that the Authorized Representative of the holders of any such Indebtedness so Refinanced shall have executed an Additional Secured Party Consent on behalf of the holders of the Indebtedness to be Refinanced and the Company shall have delivered the certificate required by Section 6.10 with respect to such Indebtedness being Refinanced.

*Section 4.06. Possessory Collateral Agent as Gratuitous Bailee For Perfection.*

(a) The Collateral Agent agrees to hold any Collateral constituting Possessory Collateral in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for the benefit of each other Secured Party and any assignee solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable First Lien Security Documents, in each case, subject to the terms and conditions of this Section 4.06. Pending delivery to the Collateral Agent, each other Authorized Representative agrees to hold any Collateral constituting Possessory Collateral, from time to time in its possession, as gratuitous bailee for the

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benefit of each other Secured Party and any assignee, solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable First Lien Security Documents, in each case, subject to the terms and conditions of this Section 4.06.

(b) The duties or responsibilities of the Collateral Agent and each other Authorized Representative under this Section 4.06 shall be limited solely to holding any Collateral constituting Possessory Collateral as gratuitous bailee for the benefit of each other Secured Party for purposes of perfecting the Lien held by such Secured Parties therein.

*Section 4.07. Existence and Amount of Liens and Obligations.* Whenever the Collateral Agent or any Authorized Representative shall be required, in connection with the exercise of its rights or the performance of its obligations hereunder, to determine the existence or amount of any Secured Obligations of any Series, or the Collateral subject to any Lien securing the Secured Obligations of any Series, it may request that such information be furnished to it in writing by each other Authorized Representative and shall be entitled to make such determination on the basis of the information so furnished; *provided* that if an Authorized Representative shall fail or refuse reasonably promptly to provide the requested information, the requesting Collateral Agent or Authorized Representative shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Company. The Collateral Agent and each Authorized Representative may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Grantor, any Secured Party or any other person as a result of such determination.

*Section 4.08. Provisions Solely to Define Relative Rights.* The provisions of this Article 4 are and are intended solely for the purpose of defining the relative rights of the Secured Parties in relation to one another. None of the Company, any other Grantor or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the Secured Obligations as and when the same shall become due and payable in accordance with their terms.

## ARTICLE 5 COLLATERAL AGENT

### *Section 5.01. Appointment and Authority.*

(a) Each of the Secured Parties hereby irrevocably appoints Wells Fargo Bank, National Association to act on its behalf as the Collateral Agent hereunder and under each of the other First Lien Security Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any Grantor to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 5.05 for purposes

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of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under any of the First Lien Security Documents, or for exercising any rights and remedies thereunder at the direction of the Applicable Authorized Representative, shall be entitled to the benefits of all provisions of this Article 5 and Section 7.07 of the Indenture and the equivalent provision of any Additional Secured Agreement (as though such co-agents, sub-agents and attorneys-in-fact were the “Collateral Agent” or “Administrative Agent” under the First Lien Security Documents) as if set forth in full herein with respect thereto.

(b) Each Non-Controlling Secured Party acknowledges and agrees that the Collateral Agent shall be entitled, for the benefit of the Secured Parties, to sell, transfer or otherwise dispose of or deal with any Collateral as provided herein and in the First Lien Security Documents, without regard to any rights to which the holders of the Non-Controlling Secured Obligations would otherwise be entitled as a result of such Non-Controlling Secured Obligations. Without limiting the foregoing, each Non-Controlling Secured Party agrees that none of the Collateral Agent, the Applicable Authorized Representative or any other Secured Party shall have any duty or obligation first to marshal or realize upon any type of Collateral (or any other Collateral securing any of the Secured Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Collateral (or any other Collateral securing any Secured Obligations), in any manner that would maximize the return to the Non-Controlling Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by the Non-Controlling Secured Parties from such realization, sale, disposition or liquidation.

(c) Each of the Secured Parties waives any claim it may now or hereafter have against the Collateral Agent or the Authorized Representative of any other Series of Secured Obligations or any other Secured Party of any other Series arising out of any actions which the Collateral Agent, any Authorized Representative or any Secured Party takes or omits to take (including, actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Secured Obligations from any account debtor, guarantor or any other party) in accordance with the First Lien Security Documents or any other agreement related thereto or to the collection of the Secured Obligations or the valuation, use, protection or release of any security for the Secured Obligations.

*Section 5.02. Rights as a Secured Party.* The Person serving as the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Secured Party under any Series of Secured Obligations that it holds as any other Secured Party of such Series and may exercise the same as though it were not the Collateral Agent and the term “Secured Party” or “Secured Parties” or (as applicable) “Notes Secured Party”, “Notes Secured Parties”, “Additional Secured Party” or “Additional Secured Parties” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not the Collateral Agent hereunder and without any duty to account therefor to any other Secured Party.

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*Section 5.03. Exculpatory Provisions.*

(a) The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other First Lien Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other First Lien Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Authorized Representative; *provided* that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any First Lien Security Document or applicable law;

(iii) shall not, except as expressly set forth herein and in the other First Lien Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Applicable Authorized Representative, (ii) in the absence of its own gross negligence or willful misconduct or (iii) in reliance on a certificate of an authorized officer of the Company stating that such action is permitted by the terms of this Agreement. The Collateral Agent shall be deemed not to have knowledge of any Event of Default under any Series of Secured Obligations unless and until notice describing such Event of Default is given to the Collateral Agent by the Authorized Representative of such Secured Obligations or the Company; and

(v) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other First Lien Security Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any event or condition that constitutes an Event of Default, or that, with the giving of any notice, the passage of time, or both, would be an Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other First Lien Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the First Lien Security Documents, (v) the value or the sufficiency of any Collateral for any Series of Secured Obligations, or (vi) the satisfaction of any condition set forth in any Secured Agreement, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

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*Section 5.04. Reliance by Collateral Agent.* The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

*Section 5.05. Delegation of Duties.* The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other First Lien Security Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

*Section 5.06. Resignation of Collateral Agent.* The Collateral Agent may at any time give notice of its resignation as Collateral Agent under this Agreement and the other First Lien Security Documents to each Authorized Representative and the Company. Upon receipt of any such notice of resignation, the Applicable Authorized Representative shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Applicable Authorized Representative and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Secured Parties, appoint a successor Collateral Agent meeting the qualifications set forth above; *provided* that if the Collateral Agent shall notify the Company and each Authorized Representative that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Collateral Agent shall be discharged from its duties and obligations hereunder and under the other First Lien Security Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Secured Parties under any of the First Lien Security Documents, the retiring Collateral Agent shall continue to hold such collateral security solely for purposes of maintaining the perfection of the security interests of the Secured Parties therein until such time as a successor Collateral Agent is appointed but with no obligation to take any further action at the request of the Applicable Authorized Representative or any other Secured Parties) and (b) all payments, communications and determinations provided to be made by, to or through the Collateral Agent shall instead be made by or to each Authorized Representative directly, until such time as the Applicable Authorized Representative appoints a successor Collateral Agent as provided for above in this Section 5.06. Upon the acceptance of a successor's appointment as Collateral Agent hereunder and under the First Lien Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Collateral Agent, and the retiring Collateral Agent shall be discharged from all of its duties and obligations hereunder or under the other First Lien Security Documents (if not already discharged therefrom as provided above in this Section 5.06). After the



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retiring Collateral Agent's resignation hereunder and under the other First Lien Security Documents, the provisions of this Article and Section 7.07 of the Indenture and the equivalent provision of any Additional Secured Agreement shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent. Upon any notice of resignation of the Collateral Agent hereunder and under the other First Lien Security Documents, the Company agrees to use commercially reasonable efforts to transfer (and maintain the validity and priority of) the Liens in favor of the retiring Collateral Agent under the First Lien Security Documents to the successor Collateral Agent.

*Section 5.07. Non-Reliance on Collateral Agent and Other Secured Parties.* Each Secured Party acknowledges that it has, independently and without reliance upon the Collateral Agent, any Authorized Representative or any other Secured Party or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Secured Agreements. Each Secured Party also acknowledges that it will, independently and without reliance upon the Collateral Agent, any Authorized Representative or any other Secured Party or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Secured Agreements or any related agreement or any document furnished hereunder or thereunder.

*Section 5.08. Collateral And Guaranty Matters.* Each of the Secured Parties irrevocably authorizes the Collateral Agent, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by the Collateral Agent under any First Lien Security Document in accordance with Section 6.05 or upon receipt of a written request from the Company stating that the releases of such Lien is permitted by the terms of each then extant Secured Agreement;

(b) to release or subordinate any Grantor from its obligations under the First Lien Security Documents upon receipt of a written request from the Company stating that such release is permitted by the terms of each then extant Secured Agreement.

## ARTICLE 6 MISCELLANEOUS

*Section 6.01. Indemnity and Expenses.* (a) Each Grantor agrees to indemnify, defend and save and hold harmless each Secured Party and each of their Affiliates and their respective officers, directors, employees, agents and advisors (each, an "**Indemnified Party**") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel (which shall be limited to one (1) counsel to the Collateral Agent and the Secured Parties, unless (x) the interests of the Collateral Agent and the Secured Parties are sufficiently divergent, in which case one (1) additional counsel may be appointed, and (y) if the interests of any Secured Party or group of Secured Parties are distinctly or disproportionately affected, one (1) additional counsel for such Secured Party or group of Secured Parties)) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or resulting from this Agreement (including, without limitation, enforcement of this

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Agreement), except to the extent such claim, damage, loss, liability or expense has resulted from such Indemnified Party's gross negligence or willful misconduct or breach of this Agreement by the Secured Party.

(b) Each Grantor will upon demand pay to the Collateral Agent the amount of any and all reasonable out-of-pocket expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts and agents, that the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral of such Grantor, (iii) the exercise or enforcement of any of the rights of the Collateral Agent or the other Secured Parties hereunder or (iv) the failure by such Grantor to perform or observe any of the provisions hereof.

*Section 6.02. Amendments; Waivers; Additional Grantors; Etc.* (a) No amendment or waiver of any provision of this Agreement (other than pursuant to any Additional Secured Party Consent), and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by each Grantor to which such amendment or waiver is to apply, by the Collateral Agent and by each Authorized Representative (with the consent of the requisite number of debt holders or Secured Parties specified in the applicable Secured Agreement, if any), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Collateral Agent or any other Secured Party to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

(b) Upon the execution and delivery, or authentication, by any Person of a security agreement supplement in substantially the form of Exhibit A hereto (each a "**Security Agreement Supplement**"), (i) such Person shall be referred to as an "**Additional Grantor**" and shall be and become a Grantor hereunder, and each reference in this Agreement and the other First Lien Security Documents and Secured Agreements to "Grantor" shall also mean and be a reference to such Additional Grantor, and each reference in this Agreement and the other First Lien Security Documents or Secured Agreements to "Collateral" shall also mean and be a reference to the Collateral of such Additional Grantor, and (ii) the supplemental schedules I through V attached to each Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedules I through V, respectively, hereto, and the Collateral Agent may attach such supplemental schedules to such Schedules; and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant to each Security Agreement Supplement.

(c) Each Secured Party agrees that the Collateral Agent may enter into any amendment (and, upon request by the Collateral Agent, each Authorized Representative shall sign a consent to such amendment) to any First Lien Security Document, so long as the Collateral Agent receives a certificate of the Company stating that such amendment is permitted by the terms of each then extant Secured Agreement. Additionally, each Secured Party agrees that the Collateral Agent may enter into any amendment (and, upon request by the Collateral Agent, each Authorized Representative shall sign a consent to such amendment) to any First Lien Security Document solely as such First Lien Security Document relates to a particular Series of Secured Obligations so long as (x) such amendment is in accordance with the Secured Agreements pursuant to which such Series of Secured Obligations was incurred and (y) such amendment does not adversely affect the Secured Parties of any other Series.

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(d) Each Authorized Representative agrees to execute and deliver (at the sole cost and expense of the Grantors) all such authorizations and other instruments as shall reasonably be requested by the Collateral Agent to evidence and confirm any release of Collateral or amendment to any First Lien Security Document provided for in this Section or Section 6.05.

*Section 6.03. Notices, Etc.* All notices and other communications provided for hereunder shall be in writing (including telegraphic, teletype or telex communication or facsimile transmission) and mailed, telegraphed, telecopied, telexed, faxed or delivered to it, if to any Grantor, addressed to it in care of the Company at the Company's address specified in Section 12.02 of the Indenture, if to the Collateral Agent, the address specified in Section 12.02 of the Indenture and if to any holder of obligations under any Additional Secured Agreement, to such holder's Authorized Representative at its address set forth in the Additional Secured Party Consent, as such address may be changed by written notice to the Collateral Agent and the Company. All such notices and other communications shall be deemed to be given or made at such time as shall be set forth in Section 12.02 of the Indenture or the Additional Secured Agreement, as applicable. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Security Agreement Supplement or Schedule hereto shall be effective as delivery of an original executed counterpart thereof.

*Section 6.04. Continuing Security Interest; Assignments Under The Secured Agreements.* This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the Discharge of Secured Obligations, (b) be binding upon each Grantor, its successors and assigns and (c) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Secured Parties and their permitted respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Secured Party may assign or otherwise transfer all or any portion of its rights and obligations under the applicable Secured Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party herein or otherwise, in each case as provided in the applicable Secured Agreements.

*Section 6.05. Release; Termination.* (a) The Lien granted hereby in any Collateral (but not any Proceeds thereof) shall automatically be released (i) upon any sale, lease, transfer or other disposition of such Collateral permitted by, and in accordance with, the terms of the Secured Agreements to any Person other than Holdings, the Company or any Restricted Subsidiary (as defined in any Secured Agreement) and (ii) upon the effectiveness of any consent to the release of the security interest granted hereby in any Collateral pursuant to Section 10.03 of the Indenture and any applicable provision of any Additional Secured Agreement. The Lien created under this Agreement on the Collateral of any Grantor shall automatically terminate and such Grantor shall automatically be released from its obligations hereunder (x) as it relates to the Notes Obligations, if such Grantor is released from its Guaranty in accordance with Section 11.05 of the Indenture and (y) as it relates to the Secured Obligations under any Additional Secured Agreement, if it ceases to be a guarantor under such Additional Secured Agreement pursuant to the applicable provisions of such Additional Secured Agreement. The Collateral Agent will, at such Grantor's expense, execute and deliver to

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such Grantor such documents as such Grantor shall reasonably request to evidence any release of the Lien created under this Agreement on any Collateral pursuant to this Section 6.05(a); *provided* that such Grantor shall have delivered to the Collateral Agent a written request therefor describing the item of Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, and a certificate of such Grantor to the effect that the transaction is in compliance with the First Lien Security Documents and any Secured Agreements and as to such other matters as the Collateral Agent may request. The Collateral Agent shall be authorized to rely on any such certificate without independent investigation.

(b) Upon the Discharge of Secured Obligations, the Lien on all Collateral created under this Agreement shall terminate and all rights to the Collateral shall revert to the applicable Grantor. Upon any such termination, the Collateral Agent will, at the Company's expense, execute and deliver to the Company such documents as such Grantor shall reasonably request to evidence such termination; *provided* that the Company shall have delivered a certificate to the effect that the Discharge of Secured Obligations has occurred and as to such other matters as the Collateral Agent shall reasonably request. The Collateral Agent shall be authorized to rely on such certificate without further investigation.

*Section 6.06. Execution in Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Agreement.

*Section 6.07. The Mortgages.* In the event that any of the Collateral hereunder is also subject to a valid and enforceable Lien under the terms of any Mortgage and the terms of such Mortgage are inconsistent with the terms of this Agreement, then with respect to such Collateral, the terms of such Mortgage shall be controlling in the case of Fixtures and real estate leases, letting and licenses of, and contracts and agreements relating to the lease of, real property, and the terms of this Agreement shall be controlling in the case of all other Collateral.

*Section 6.08. Governing Law; Jurisdiction; Waiver of Jury Trial, Etc.* (a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER FIRST LIEN SECURITY DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH GRANTOR CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH GRANTOR IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY FIRST LIEN SECURITY DOCUMENT OR OTHER DOCUMENT RELATED THERETO.

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(c) EACH GRANTOR HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE SECURED AGREEMENTS OR THE TRANSACTIONS RELATED THERETO.

*Section 6.09. Severability.* If any provision of any First Lien Security Document is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions of the First Lien Security Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agent and the Secured Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (ii) the invalidity or unenforceability of such provision in such jurisdiction shall not affect the validity or enforceability thereof in any other jurisdiction.

*Section 6.10. Additional Secured Obligations.* On or after the date hereof and so long as not prohibited by any Secured Agreement then outstanding, the Company may from time to time designate indebtedness at the time of incurrence to be secured as Additional Secured Obligations (and Secured Obligations) on the terms and conditions set forth in this Agreement by delivering to the Collateral Agent and each Authorized Representative (a) a certificate signed by a Responsible Officer (i) identifying the obligations so designated and the initial aggregate principal amount or face amount thereof; *provided* that with respect to obligations constituting First Lien Obligations pursuant to clauses (f) or (g) of the definition thereof, such certificate need not identify the initial aggregate principal amount or face amount thereof, (ii) stating that such obligations are designated as Additional Secured Obligations for the purposes hereof, (iii) representing that the incurrence of such obligation and the designation of such obligations as Additional Secured Obligations complies with the terms of the Indenture and any Additional Secured Agreements, and (iv) specifying the name and address of the Authorized Representative for such obligations and (b) a fully executed Additional Secured Party Consent. Each Authorized Representative agrees that upon the satisfaction of all conditions set forth in the preceding sentence, the Collateral Agent shall act as collateral agent under and subject to the terms of the First Lien Security Documents for the benefit of all Secured Parties, including without limitation, any Secured Parties that hold any such Additional Secured Obligations, and each Authorized Representative agrees to the appointment, and acceptance of the appointment, of the Collateral Agent as collateral agent for the holders of such Additional Secured Obligations as set forth in each Additional Secured Party Consent and agrees, on behalf of itself and each Secured Party it represents, to be bound by this Agreement.

*Section 6.11. Replacement Of Authorized Representatives.* The Company may replace the Authorized Representative for any Series of Additional Secured Obligations by delivering to the Collateral Agent (a) a certificate from a Responsible Officer representing that the appointment of the replacement Authorized Representative is in accordance with the requirements of the Secured Agreements for such Series of Additional Secured Obligations and (b) an Additional Secured Party Consent duly executed by the replacement Authorized Representative. Such replacement Authorized Representative shall become the sole Authorized Representative for the applicable Series of Secured Obligations with effect from the date of delivery of the foregoing documents.

*Section 6.12. Parties in Interest.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement.

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*Section 6.13. Survival.* This Agreement shall continue in full force and effect notwithstanding the commencement of any proceeding under any Debtor Relief Law by or against the Company or any of its Subsidiaries.

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IN WITNESS WHEREOF, the parties hereto have caused this SECURITY AGREEMENT to be duly executed as of the date first above written.

WMG ACQUISITION CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

WMG HOLDINGS CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

*Signature Page to Security Agreement*

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SUBSIDIARY GUARANTORS:

A. P. SCHMIDT CO.  
ALTERNATIVE DISTRIBUTION ALLIANCE  
ASYLUM RECORDS LLC  
ATLANTIC/143 L.L.C.  
ATLANTIC MOBILE LLC  
ATLANTIC/MR VENTURES INC.  
ATLANTIC PRODUCTIONS, LLC  
ATLANTIC RECORDING CORPORATION  
ATLANTIC SCREAM LLC  
BB INVESTMENTS LLC  
BERNA MUSIC, INC.  
BIG BEAT RECORDS INC.  
BULLDOG ENTERTAINMENT GROUP LLC  
BULLDOG ISLAND EVENTS LLC  
BUTE SOUND LLC  
CAFE AMERICANA INC.  
CHAPPELL & INTERSONG MUSIC GROUP (AUSTRALIA)  
LIMITED  
CHAPPELL AND INTERSONG MUSIC GROUP (GERMANY)  
INC.  
CHAPPELL MUSIC COMPANY, INC.  
CHORUS, LLC  
CORDLESS RECORDINGS LLC  
COTA MUSIC, INC.  
COTILLION MUSIC, INC.  
CRK MUSIC INC.  
E/A MUSIC, INC.  
EAST WEST RECORDS LLC  
ELEKSYLUM MUSIC, INC.  
ELEKTRA/CHAMELEON VENTURES INC.  
ELEKTRA ENTERTAINMENT GROUP INC.  
ELEKTRA GROUP VENTURES INC.  
EN ACQUISITION CORP.  
FBR INVESTMENTS LLC  
FHK, INC.  
FIDDLEBACK MUSIC PUBLISHING COMPANY, INC.  
FOSTER FREES MUSIC, INC.  
FOZ MAN MUSIC LLC  
INSIDE JOB, INC.  
INSOUND ACQUISITION INC.  
INTERSONG U.S.A., INC.

*Signature Page to Security Agreement*



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JADAR MUSIC CORP.  
LAVA RECORDS LLC  
LAVA TRADEMARK HOLDING COMPANY LLC  
LEM AMERICA, INC.  
LONDON-SIRE RECORDS INC.  
MADE OF STONE LLC  
MAVERICK PARTNER INC.  
MCGUFFIN MUSIC INC.  
MIXED BAG MUSIC, INC.  
MM INVESTMENT INC.  
NC HUNGARY HOLDINGS INC.  
NEW CHAPPELL INC.  
NONESUCH RECORDS INC.  
NON-STOP MUSIC HOLDINGS, INC.  
NVC INTERNATIONAL INC.  
OCTA MUSIC, INC.  
PENALTY RECORDS, L.L.C.  
PEPAMAR MUSIC CORP.  
PERFECT GAME RECORDING COMPANY LLC  
REP SALES, INC.  
RESTLESS ACQUISITION CORP.  
REVELATION MUSIC PUBLISHING CORPORATION  
RHINO ENTERTAINMENT COMPANY  
RHINO/FSE HOLDINGS, LLC  
RHINO NAME & LIKENESS HOLDINGS, LLC  
RICK'S MUSIC INC.  
RIGHTSONG MUSIC INC.  
RODRA MUSIC, INC.  
RYKO CORPORATION  
RYKODISC, INC.  
RYKOMUSIC, INC.  
SEA CHIME MUSIC, INC.  
SR/MDM VENTURE INC.  
SUPER HYPE PUBLISHING, INC.  
T-BOY MUSIC, L.L.C.  
T-GIRL MUSIC, L.L.C.  
THE BIZ LLC  
THE RHYTHM METHOD INC.  
TOMMY BOY MUSIC, INC.  
TOMMY VALANDO PUBLISHING GROUP, INC.

*Signature Page to Security Agreement*

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TW MUSIC HOLDINGS INC.  
UNICHAPPELL MUSIC INC.  
UPPED.COM LLC  
WALDEN MUSIC INC.  
WARNER ALLIANCE MUSIC INC.  
WARNER BROTHERS INC.  
WARNER BROS. MUSIC INTERNATIONAL INC.  
WARNER BROS. RECORDS INC.  
WARNER/CHAPPELL MUSIC, INC.  
WARNER/CHAPPELL MUSIC (SERVICES), INC.  
WARNER/CHAPPELL PRODUCTION MUSIC, INC.  
WARNER CUSTOM MUSIC CORP.  
WARNER DOMAIN MUSIC INC.  
WARNER-ELEKTRA-ATLANTIC CORPORATION  
WARNER MUSIC DISCOVERY INC.  
WARNER MUSIC DISTRIBUTION INC.  
WARNER MUSIC INC.  
WARNER MUSIC LATINA INC.  
WARNER MUSIC SP INC.  
WARNER SOJOURNER MUSIC INC.  
WARNERSONGS, INC.  
WARNER SPECIAL PRODUCTS INC.  
WARNER STRATEGIC MARKETING INC.  
WARNER-TAMERLANE PUBLISHING CORP.  
WARPRISE MUSIC INC.  
WB GOLD MUSIC CORP.  
WB MUSIC CORP.  
WBM/HOUSE OF GOLD MUSIC, INC.  
W.B.M. MUSIC CORP.  
WBR MANAGEMENT SERVICES INC.  
WBR/QRI VENTURE, INC.  
WBR/RUFFNATION VENTURES, INC.  
WBR/SIRE VENTURES INC.  
WE ARE MUSICA INC.  
WEA EUROPE INC.  
WEA INC.  
WEA INTERNATIONAL INC.  
WEA LATINA MUSICA INC.  
WEA MANAGEMENT SERVICES INC.  
WIDE MUSIC, INC.

*Signature Page to Security Agreement*

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WMG MANAGEMENT SERVICES INC.  
WMG TRADEMARK HOLDING COMPANY LLC

All by: /s/ Paul Robinson  
Name: Paul Robinson  
Title: Vice President

*Signature Page to Security Agreement*

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FUELED BY RAMEN LLC

By: FBR INVESTMENTS LLC, as Sole Member

By: WARNER MUSIC INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

MAVERICK RECORDING COMPANY

By: SR/MDM VENTURE INC.,  
as Managing Partner

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP CATAclySMIC MUSIC, LLC  
NON-STOP INTERNATIONAL PUBLISHING, LLC  
NON-STOP OUTRAGEOUS PUBLISHING, LLC

By: NON-STOP MUSIC PUBLISHING, LLC,  
as Sole Member

By: NON-STOP MUSIC HOLDINGS, INC.,  
as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

*Signature Page to Security Agreement*

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NON-STOP MUSIC LIBRARY, L.C.  
NON-STOP MUSIC PUBLISHING, LLC  
NON-STOP PRODUCTIONS, LLC

By: NON-STOP MUSIC HOLDINGS, INC.,  
as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

*Signature Page to Security Agreement*

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WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Collateral Agent

By: /s/ Raymond Delli Colli

Name: Raymond Delli Colli

Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Notes Authorized Representative

By: /s/ Raymond Delli Colli

Name: Raymond Delli Colli

Title: Vice President

*Signature Page to Security Agreement*

[Form of]

ADDITIONAL SECURED PARTY CONSENT<sup>1</sup>

[Name of Additional Secured Party]  
[Address of Additional Secured Party]

[Date]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned is the Authorized Representative for Persons [wishing to become] [that are] Secured Parties (the “[New] [Specified] Secured Parties” under the Security Agreement dated as of May 28, 2009 (as heretofore amended and/or supplemented, the “Security Agreement” (terms used without definition herein have the meanings assigned to such term by the Security Agreement)) among the Grantors party thereto and Wells Fargo Bank, National Association, as Collateral Agent (the “Collateral Agent”) and the other parties thereto.

In consideration of the foregoing, the undersigned hereby:

(i) represents that the Authorized Representative has been duly authorized by the [New] [Specified] Secured Parties to become a party to the Security Agreement on behalf of the [New] [Specified] Secured Parties under that [DESCRIBE OPERATIVE AGREEMENT] (the “[New] [Specified] Secured Obligation”) and to act as the Authorized Representative for the [New] [Specified] Secured Parties [and that the Authorized Representative hereby replaces [ ] as Authorized Representative with respect to the Secured Obligations];

(ii) acknowledges that the [New] [Specified] Secured Parties have received a copy of the Security Agreement;

(iii) appoints and authorizes the Collateral Agent to take such action as agent on its behalf and on behalf of all other Secured Parties and to exercise such powers under the Security Agreement as are delegated to the Collateral Agent by the terms thereof, together with all such powers as are reasonably incidental thereto;

<sup>1</sup> MODIFY AS APPROPRIATE IF THIS CONSENT IS BEING DELIVERED IN CONNECTION WITH REPLACING AN EXISTING AUTHORIZED REPRESENTATIVE.

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(iv) accepts and acknowledges the terms of the Security Agreement applicable to it and the [New] [Specified] Secured Parties and agrees to serve as Authorized Representative for the [New] [Specified] Secured Parties with respect to the [New] [Specified] Secured Obligations and agrees on its own behalf and on behalf of the [New] [Specified] Secured Parties to be bound by the terms thereof applicable to holders of Additional Secured Obligations, with all the rights and obligations of a Secured Party thereunder and bound by all the provisions thereof (including, without limitation, Section 4.02(b) thereof) as fully as if it had been a Secured Party on the date of the Security Agreement and agrees that its address for receiving notices pursuant to the Security Agreement, the First Lien Security Documents shall be as follows:

[Address]

[(v) represents that the Authorized Representative constitutes a [Credit Agreement Authorized Representative] [Major Additional Authorized Representative] and hereby accepts and assumes its role as an Applicable Authorized Representative under the Security Agreement.]

The Collateral Agent, by acknowledging and agreeing to this Additional Secured Party Consent, accepts the appointment set forth in clause (iii) above.

THIS ADDITIONAL SECURED PARTY CONSENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

*Annex A to Security Agreement*



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IN WITNESS WHEREOF, the undersigned has caused this Additional Secured Party Consent to be duly executed by its authorized officer as of the \_\_ day of 20\_\_.

[NAME OF AUTHORIZED REPRESENTATIVE]

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

Acknowledged and Agreed WELLS FARGO  
BANK, NATIONAL ASSOCIATION, as  
Collateral Agent

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

*Annex A to Security Agreement*

Location, Chief Executive Office, Place Where Agreements Are Maintained, Type of Organization, Jurisdiction of Organization and Organizational Identification Number

See next page.

*Schedule I to Security Agreement*

Pledged Equity

See next page.

*Schedule II to Security Agreement*

Post-Closing Matters

See next page.

*Schedule II-A to Security Agreement*

Commercial Tort Claims

See next page.

*Schedule III to Security Agreement*

Collateral Description

“All personal property.”

*Schedule IV to Security Agreement*

Real Property

See next page.

1

*Exhibit A to the Security Agreement*

FORM OF SECURITY AGREEMENT SUPPLEMENT

[Date of Security Agreement Supplement]

Wells Fargo Bank, National Association,  
as the Collateral Agent for the  
Secured Parties referred to in the  
Security Agreement referred to below

\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

[THE COMPANY]

Ladies and Gentlemen:

Reference is made to the Security Agreement, dated as of May 28, 2008 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), made by the Grantors from time to time party thereto in favor of Wells Fargo Bank, National Association, as collateral agent for the Secured Parties (together with any successor collateral agent, the "**Collateral Agent**"). Terms defined in the Security Agreement and not otherwise defined herein are used herein as defined in the Security Agreement.

Section 1. *Grant of Security*. The undersigned hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, all of its right, title and interest in and to all of the Collateral of the undersigned, whether now owned or hereafter acquired by the undersigned, wherever located and whether now or hereafter existing or arising, including, without limitation, the property and assets of the undersigned set forth on the attached supplemental schedules to the Schedules to the Security Agreement.

Section 2. *Security for Secured Obligations*. The grant of a security interest in the Collateral by the undersigned under this Security Agreement Supplement and the Security Agreement secures the payment of all Secured Obligations of the undersigned now or hereafter existing, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.



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Section 3. *Supplements to Security Agreement Schedules.* The undersigned has attached hereto supplemental Schedules I through V to Schedules I through V, respectively, to the Security Agreement, and the undersigned hereby certifies, as of the date first above written, that such supplemental schedules have been prepared by the undersigned in substantially the form of the equivalent Schedules to the Security Agreement and are complete and correct in all material respects.

Section 4. *Representations and Warranties.* The undersigned hereby makes each representation and warranty set forth in Section 2.06 of the Security Agreement (as supplemented by the attached supplemental schedules) as of the date hereof.

Section 5. *Secured Obligations Under the Security Agreement.* The undersigned hereby agrees, as of the date first above written, to be bound as a Grantor by all of the terms and provisions of the Security Agreement to the same extent as each of the other Grantors. The undersigned further agrees, as of the date first above written, that each reference in the Security Agreement to an “**Additional Grantor**” or a “**Grantor**” shall also mean and be a reference to the undersigned.

Section 6. *Governing Law.* This Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

[NAME OF ADDITIONAL GRANTOR]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FORM OF COPYRIGHT SECURITY AGREEMENT

This Supplement to the Copyright Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Copyright Security Agreement**"), dated \_\_\_\_\_, 20\_\_, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Wells Fargo Bank, National Association, as collateral agent (the "**Collateral Agent**") for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, WMG Acquisition Corp., a Delaware corporation, has entered into a Security Agreement, dated as of May 28, 2009, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"). Capitalized terms not otherwise defined herein have the meanings set forth in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, among other property, certain Copyrights (as defined below) of the Grantors, and have agreed as a condition thereof to execute this Copyright Security Agreement for recording with the U.S. Copyright Office and any other appropriate governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. *Grant of Security.* Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor's right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "**Copyright Collateral**"), whether now owned or existing or hereafter acquired or arising:

(i) each copyright, whether registered or unregistered ("**Copyrights**") owned by the Grantor, including, without limitation, copyrights in (A) all recordings of sound, whether or not coupled with a visual image, by any method or format and on any substance or material, whether now or hereafter known, which is used or useful in the recording, production and/or manufacture of records or for any other exploitation of sound ("**Recorded Music Copyrights**"),

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(B) all music compositions or medleys consisting of words and music, or any dramatic material and bridging passages, whether in form of instrumental and/or vocal music, prose or otherwise, irrespective of length (“**Publishing Copyrights**”) and (C) Computer Software, internet web sites and the content thereof, including, without limitation, each Copyright registration and application therefor, referred to in Supplemental Schedule 1 hereto;

(ii) all registrations and applications for registration for any Copyright, together with all extensions and renewals;

(iii) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(iv) each exclusive Copyright license to which the Grantor is a party, including, without limitation, each Copyright license referred to in Supplemental Schedule 1 hereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the foregoing.

SECTION 2. *No Transfer of Grantor’s Rights.* Except to the extent expressly permitted in the Secured Agreements, as applicable, each Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Copyright Collateral.

SECTION 3. *Security for Secured Obligations.* The grant of continuing security interest in the Copyright Collateral by each Grantor under this Copyright Security Agreement secures the payment of all Secured Obligations of such Grantor, now or hereafter existing under or in respect of the Finance Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

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SECTION 4. *Recordation.* Each Grantor authorizes and requests that the Register of Copyrights and any other applicable government office record this Copyright Security Agreement.

SECTION 5. *Execution in Counterparts.* This Copyright Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 6. *Grants, Rights and Remedies.* This Copyright Security Agreement has been executed and delivered by the Grantors for the purpose of recording the grant of security interest herein with the U.S. Copyright Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof and does not create any additional rights or obligations for any party hereto. The Security Agreement (and all rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 7. *Governing Law.* This Copyright Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, each Grantor has caused this Copyright Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WMG ACQUISITION CORP.

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

Address for Notices:

WMG HOLDINGS CORP.

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

Address for Notices:

[GUARANTORS]



FORM OF PATENT SECURITY AGREEMENT

This Supplement to the Patent Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Patent Security Agreement**"), dated \_\_\_\_\_, 20\_\_ is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Wells Fargo Bank, National Association, as collateral agent (the "**Collateral Agent**") for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, WMG Acquisition Corp., a Delaware corporation, has entered into a Security Agreement, dated as of May 28, 2009, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"). Capitalized terms not otherwise defined herein have the meanings set forth in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, among other property, certain Patents (as defined below) of the Grantors, and have agreed as a condition thereof to execute this Patent Security Agreement for recording with the U.S. Patent and Trademark Office and any other appropriate governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

Section 1. *Grant of Security*. Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor's right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "**Patent Collateral**"), whether now owned or existing or hereafter acquired or arising:

(i) each patent, patent application, utility model and statutory invention registration, all inventions claimed or disclosed therein and all improvements thereto ("**Patents**") owned by the Grantor, including, without limitation, each Patent referred to in Supplemental Schedule 1 hereto;

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(ii) all registrations and applications for registration for any Patent together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(iii) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(iv) each Patent license to which the Grantor is a party, including, without limitation, each Patent license referred to in Supplemental Schedule 1 hereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the foregoing.

Section 2. *No Transfer of Grantor's Rights.* Except to the extent expressly permitted in the Secured Agreements, as applicable, each Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Patent Collateral.

Section 3. *Security for Secured Obligations.* The grant of continuing security interest in the Patent Collateral by each Grantor under this Patent Security Agreement secures the payment of all Secured Obligations of such Grantor, now or hereafter existing under or in respect of the Finance Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

Section 4. *Recordation.* Each Grantor authorizes and requests that the Commissioner for Patents and any other applicable government office record this Patent Security Agreement.

Section 5. *Execution in Counterparts.* This Patent Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.



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Section 6. *Grants, Rights and Remedies.* This Patent Security Agreement has been executed and delivered by the Grantors for the purpose of recording the grant of security interest herein with the U.S. Patent and Trademark Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof and does not create any additional rights or obligations for any party hereto. The Security Agreement (and all rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

Section 7. *Governing Law.* This Patent Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WMG ACQUISITION CORP.

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

Address for Notices:

WMG HOLDINGS CORP.

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

Address for Notices:

[GUARANTORS]



**FORM OF TRADEMARK SECURITY AGREEMENT**

This Supplement to the Trademark Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Trademark Security Agreement**”), dated \_\_\_\_\_, 20\_\_\_, is made by the Persons listed on the signature pages hereof (collectively, the “**Grantors**”) in favor of Wells Fargo Bank, National Association, as collateral agent (the “**Collateral Agent**”) for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, WMG Acquisition Corp., a Delaware corporation, has entered into a Security Agreement, dated as of May 28, 2009, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”). Capitalized terms not otherwise defined herein have the meanings set forth in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, among other property, certain Trademarks (as defined below) of the Grantors, and have agreed as a condition thereof to execute this Trademark Security Agreement for recording with the United States Patent and Trademark Office and any other appropriate governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. *Grant of Security*. Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor’s right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the “**Trademark Collateral**”), whether now owned or existing or hereafter acquired or arising:

(i) all trademarks, service marks, domain names, trade dress, logos, designs, slogans, trade names, business names, corporate names and other source identifiers, whether registered or unregistered, owned by the Grantor, (provided that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of any

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registration issuing from such intent-to-use trademark applications under applicable federal law), including, without limitation, each Trademark registration and application therefor, referred to in Supplemental Schedule 1 hereto, and all of the goodwill of the business connected with the use of, or symbolized by, each Trademark;

(ii) each Trademark license to which the Grantor is a party, including, without limitation, each Trademark license referred to in Supplemental Schedule 1 hereto, and all of the goodwill of the business connected with the use of, or symbolized by, each Trademark licensed pursuant thereto;

(iii) all registrations and applications for registration for any Trademark, together with all extensions and renewals thereof;

(iv) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the foregoing.

SECTION 2. *No Transfer of Grantor's Rights.* Except to the extent expressly permitted in the Secured Agreements, as applicable, each Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Trademark Collateral.

SECTION 3. *Security for Secured Obligations.* The grant of continuing security interest in the Trademark Collateral by each Grantor under this Trademark Security Agreement secures the payment of all Secured Obligations of such Grantor, now or hereafter existing under or in respect of the Finance Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

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SECTION 4. *Recordation.* Each Grantor authorizes and requests that the Commissioner for Trademarks and any other applicable government office record this Trademark Security Agreement.

SECTION 5. *Execution in Counterparts.* This Trademark Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 6. *Grants, Rights and Remedies.* This Trademark Security Agreement has been executed and delivered by the Grantors for the purpose of recording the grant of security interest herein with the U.S. Patent and Trademark Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof and does not create any additional rights or obligations for any party hereto. The Security Agreement (and all, rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 7. *Governing Law.* This Trademark Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WMG ACQUISITION CORP.

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

Address for Notices:

WMG HOLDINGS CORP.

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

Address for Notices:

[GUARANTORS]

*Exhibit D to Security Agreement*



**COPYRIGHT SECURITY AGREEMENT**

This Copyright Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Copyright Security Agreement**"), dated as of May 28, 2009, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Wells Fargo Bank, National Association, as collateral agent (the "**Collateral Agent**") for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, WMG Acquisition Corp., a Delaware corporation, has entered into an Security Agreement, dated as of May 28, 2009, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"). Capitalized terms not otherwise defined herein have the meanings set forth in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, among other property, certain Copyrights (as defined below) of the Grantors, and have agreed as a condition thereof to execute this Copyright Security Agreement for recording with the U.S. Copyright Office and any other appropriate governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. *Grant of Security.* Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor's right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "**Copyright Collateral**"), whether now owned or existing or hereafter acquired or arising:

(i) each copyright, whether registered or unregistered ("**Copyrights**") owned by the Grantor, including, without limitation, copyrights in (A) all recordings of sound, whether or not coupled with a visual image, by any method or format and on any substance or material, whether now or hereafter known, which is used or useful in the recording, production and/or manufacture of records or for any other exploitation of sound ("**Recorded Music Copyrights**"), (B) all music compositions or medleys consisting of words and music, or any dramatic material and bridging passages, whether in form of instrumental and/or vocal music, prose or otherwise, irrespective of length ("**Publishing Copyrights**") and (C) Computer Software, internet web sites and the content thereof, including, without limitation, each Copyright registration and application therefor, referred to in Schedule 1 hereto;

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(ii) all registrations and applications for registration for any Copyright, together with all extensions and renewals;

(iii) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(iv) each exclusive Copyright license to which the Grantor is a party, including, without limitation, each Copyright license referred to in Schedule 1 hereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the foregoing.

SECTION 2. *No Transfer of Grantor's Rights.* Except to the extent expressly permitted in the Secured Agreements, as applicable, each Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Copyright Collateral.

SECTION 3. *Security for Secured Obligations.* The grant of continuing security interest in the Copyright Collateral by each Grantor under this Copyright Security Agreement secures the payment of all Secured Obligations of such Grantor, now or hereafter existing under or in respect of the Finance Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 4. *Recordation.* Each Grantor authorizes and requests that the Register of Copyrights and any other applicable government office record this Copyright Security Agreement.

SECTION 5. *Execution in Counterparts.* This Copyright Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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SECTION 6. *Grants, Rights and Remedies.* This Copyright Security Agreement has been executed and delivered by the Grantors for the purpose of recording the grant of security interest herein with the U.S. Copyright Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof and does not create any additional rights or obligations for any party hereto. The Security Agreement (and all rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 7. *Governing Law.* This Copyright Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, each Grantor has caused this Copyright Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WMG ACQUISITION CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

Address for Notices:

c/o Warner Music Group Corp.

75 Rockefeller Plaza

New York, New York 10019

Attention: Paul Robinson

Telephone: (212) 275-2143

Facsimile: (212) 275-3601

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WMG HOLDINGS CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

Address for Notices:

c/o Warner Music Group Corp.

75 Rockefeller Plaza

New York, New York 10019

Attention: Paul Robinson

Telephone: (212) 275-2143

Facsimile: (212) 275-3601

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Other Grantors:

A. P. SCHMIDT CO.  
ALTERNATIVE DISTRIBUTION ALLIANCE  
ASYLUM RECORDS LLC  
ATLANTIC/143 L.L.C.  
ATLANTIC MOBILE LLC  
ATLANTIC/MR VENTURES INC.  
ATLANTIC PRODUCTIONS, LLC  
ATLANTIC RECORDING CORPORATION  
ATLANTIC SCREAM LLC  
BB INVESTMENTS LLC  
BERNA MUSIC, INC.  
BIG BEAT RECORDS INC.  
BULLDOG ENTERTAINMENT GROUP LLC  
BULLDOG ISLAND EVENTS LLC  
BUTE SOUND LLC  
CAFE AMERICANA INC.  
CHAPPELL & INTERSONG MUSIC GROUP (AUSTRALIA)  
LIMITED  
CHAPPELL AND INTERSONG MUSIC GROUP (GERMANY)  
INC.  
CHAPPELL MUSIC COMPANY, INC.  
CHORUS, LLC  
CORDLESS RECORDINGS LLC  
COTA MUSIC, INC.  
COTILLION MUSIC, INC.  
CRK MUSIC INC.  
E/A MUSIC, INC.  
EAST WEST RECORDS LLC  
ELEKSYLUM MUSIC, INC.  
ELEKTRA/CHAMELEON VENTURES INC.  
ELEKTRA ENTERTAINMENT GROUP INC.  
ELEKTRA GROUP VENTURES INC.  
EN ACQUISITION CORP.  
FBR INVESTMENTS LLC  
FHK, INC.  
FIDDLEBACK MUSIC PUBLISHING COMPANY, INC.  
FOSTER FREES MUSIC, INC.  
FOZ MAN MUSIC LLC  
INSIDE JOB, INC.  
INSOUND ACQUISITION INC.  
INTERSONG U.S.A., INC.  
JADAR MUSIC CORP.  
LAVA RECORDS LLC  
LAVA TRADEMARK HOLDING COMPANY LLC

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LEM AMERICA, INC.  
LONDON-SIRE RECORDS INC.  
MADE OF STONE LLC  
MAVERICK PARTNER INC.  
MCGUFFIN MUSIC INC.  
MIXED BAG MUSIC, INC.  
MM INVESTMENT INC.  
NC HUNGARY HOLDINGS INC.  
NEW CHAPPELL INC.  
NONESUCH RECORDS INC.  
NON-STOP MUSIC HOLDINGS, INC.  
NVC INTERNATIONAL INC.  
OCTA MUSIC, INC.  
PENALTY RECORDS, L.L.C.  
PEPAMAR MUSIC CORP.  
PERFECT GAME RECORDING COMPANY LLC  
REP SALES, INC.  
RESTLESS ACQUISITION CORP.  
REVELATION MUSIC PUBLISHING CORPORATION  
RHINO ENTERTAINMENT COMPANY  
RHINO/FSE HOLDINGS, LLC  
RHINO NAME & LIKENESS HOLDINGS, LLC  
RICK'S MUSIC INC.  
RIGHTSONG MUSIC INC.  
RODRA MUSIC, INC.  
RYKO CORPORATION  
RYKODISC, INC.  
RYKOMUSIC, INC.  
SEA CHIME MUSIC, INC.  
SR/MDM VENTURE INC.  
SUPER HYPE PUBLISHING, INC.  
T-BOY MUSIC, L.L.C.  
T-GIRL MUSIC, L.L.C.  
THE BIZ LLC  
THE RHYTHM METHOD INC.  
TOMMY BOY MUSIC, INC.  
TOMMY VALANDO PUBLISHING GROUP, INC.  
TW MUSIC HOLDINGS INC.  
UNICHAPPELL MUSIC INC.  
UPPED.COM LLC

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WALDEN MUSIC INC.  
WARNER ALLIANCE MUSIC INC.  
WARNER BROTHERS INC.  
WARNER BROS. MUSIC INTERNATIONAL INC.  
WARNER BROS. RECORDS INC.  
WARNER/CHAPPELL MUSIC, INC.  
WARNER/CHAPPELL MUSIC (SERVICES), INC.  
WARNER/CHAPPELL PRODUCTION MUSIC, INC.  
WARNER CUSTOM MUSIC CORP.  
WARNER DOMAIN MUSIC INC.  
WARNER-ELEKTRA-ATLANTIC CORPORATION  
WARNER MUSIC DISCOVERY INC.  
WARNER MUSIC DISTRIBUTION INC.  
WARNER MUSIC INC.  
WARNER MUSIC LATINA INC.  
WARNER MUSIC SP INC.  
WARNER SOJOURNER MUSIC INC.  
WARNERSONGS, INC.  
WARNER SPECIAL PRODUCTS INC.  
WARNER STRATEGIC MARKETING INC.  
WARNER-TAMERLANE PUBLISHING CORP.  
WARPRISE MUSIC INC.  
WB GOLD MUSIC CORP.  
WB MUSIC CORP.  
WBM/HOUSE OF GOLD MUSIC, INC.  
W.B.M. MUSIC CORP.  
WBR MANAGEMENT SERVICES INC.  
WBR/QRI VENTURE, INC.  
WBR/RUFFNATION VENTURES, INC.  
WBR/SIRE VENTURES INC.  
WE ARE MUSICA INC.  
WEA EUROPE INC.  
WEA INC.  
WEA INTERNATIONAL INC.  
WEA LATINA MUSICA INC.  
WEA MANAGEMENT SERVICES INC.  
WIDE MUSIC, INC.



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WMG MANAGEMENT SERVICES INC.  
WMG TRADEMARK HOLDING COMPANY LLC

All by: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

---

FUELED BY RAMEN LLC

By: FBR INVESTMENTS LLC, as Sole Member

By: WARNER MUSIC INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

MAVERICK RECORDING COMPANY

By: SR/MDM VENTURE INC., as Managing Partner

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP CATACLYSMIC MUSIC, LLC  
NON-STOP INTERNATIONAL PUBLISHING, LLC  
NON-STOP OUTRAGEOUS PUBLISHING, LLC

By: NON-STOP MUSIC PUBLISHING, LLC, as Sole  
Member

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP MUSIC LIBRARY, L.C.  
NON-STOP MUSIC PUBLISHING, LLC  
NON-STOP PRODUCTIONS, LLC

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

---

Address for Notices:

c/o Warner Music Group Corp.  
75 Rockefeller Plaza  
New York, New York 10019  
Attention: Paul Robinson  
Telephone: (212) 275-2143  
Facsimile: (212) 275-3601

PATENT SECURITY AGREEMENT

This Patent Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Patent Security Agreement**"), dated as of May 28, 2009, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Wells Fargo Bank, National Association, as collateral agent (the "**Collateral Agent**") for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, WMG Acquisition Corp., a Delaware corporation, has entered into an Security Agreement, dated as of May 28, 2009, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"). Capitalized terms not otherwise defined herein have the meanings set forth in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, among other property, certain Patents (as defined below) of the Grantors, and have agreed as a condition thereof to execute this Patent Security Agreement for recording with the U.S. Patent and Trademark Office and any other appropriate governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

Section 1. *Grant of Security*. Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor's right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "**Patent Collateral**"), whether now owned or existing or hereafter acquired or arising:

(i) each patent, patent application, utility model and statutory invention registration, all inventions claimed or disclosed therein and all improvements thereto ("**Patents**") owned by the Grantor, including, without limitation, each Patent referred to in Schedule 1 hereto;

(ii) all registrations and applications for registration for any Patent, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(iii) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

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(iv) each Patent license to which the Grantor is a party, including, without limitation, each Patent license referred to in Schedule 1 hereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the foregoing.

Section 2. *No Transfer of Grantor's Rights.* Except to the extent expressly permitted in the Secured Agreements, as applicable, each Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Patent Collateral.

Section 3. *Security for Secured Obligations.* The grant of continuing security interest in the Patent Collateral by each Grantor under this Patent Security Agreement secures the payment of all Secured Obligations of such Grantor, now or hereafter existing under or in respect of the Finance Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

Section 4. *Recordation.* Each Grantor authorizes and requests that the Commissioner for Patents and any other applicable government office record this Patent Security Agreement.

Section 5. *Execution in Counterparts.* This Patent Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Section 6. *Grants, Rights and Remedies.* This Patent Security Agreement has been executed and delivered by the Grantors for the purpose of recording the grant of security interest herein with the U.S. Patent and Trademark Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof and does not create any additional rights or obligations for any party hereto. The Security Agreement (and all rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

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Section 7. *Governing Law.* This Patent Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WMG ACQUISITION CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

Address for Notices:

c/o Warner Music Group Corp.

75 Rockefeller Plaza

New York, New York 10019

Attention: Paul Robinson

Telephone: (212) 275-2143

Facsimile: (212) 275-3601

---

WMG HOLDINGS CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

Address for Notices:

c/o Warner Music Group Corp.

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New York, New York 10019

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Telephone: (212) 275-2143

Facsimile: (212) 275-3601



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Other Grantors:

A. P. SCHMIDT CO.  
ALTERNATIVE DISTRIBUTION ALLIANCE  
ASYLUM RECORDS LLC  
ATLANTIC/143 L.L.C.  
ATLANTIC MOBILE LLC  
ATLANTIC/MR VENTURES INC.  
ATLANTIC PRODUCTIONS, LLC  
ATLANTIC RECORDING CORPORATION  
ATLANTIC SCREAM LLC  
BB INVESTMENTS LLC  
BERNA MUSIC, INC.  
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BULLDOG ENTERTAINMENT GROUP LLC  
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FBR INVESTMENTS LLC  
FHK, INC.  
FIDDLEBACK MUSIC PUBLISHING COMPANY, INC.  
FOSTER FREES MUSIC, INC.  
FOZ MAN MUSIC LLC  
INSIDE JOB, INC.  
INSOUND ACQUISITION INC.  
INTERSONG U.S.A., INC.  
JADAR MUSIC CORP.  
LAVA RECORDS LLC  
LAVA TRADEMARK HOLDING COMPANY LLC  
LEM AMERICA, INC.  
LONDON-SIRE RECORDS INC.  
MADE OF STONE LLC

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MAVERICK PARTNER INC.  
MCGUFFIN MUSIC INC.  
MIXED BAG MUSIC, INC.  
MM INVESTMENT INC.  
NC HUNGARY HOLDINGS INC.  
NEW CHAPPELL INC.  
NONESUCH RECORDS INC.  
NON-STOP MUSIC HOLDINGS, INC.  
NVC INTERNATIONAL INC.  
OCTA MUSIC, INC.  
PENALTY RECORDS, L.L.C.  
PEPAMAR MUSIC CORP.  
PERFECT GAME RECORDING COMPANY LLC  
REP SALES, INC.  
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RHINO ENTERTAINMENT COMPANY  
RHINO/FSE HOLDINGS, LLC  
RHINO NAME & LIKENESS HOLDINGS, LLC  
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RIGHTSONG MUSIC INC.  
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RYKO CORPORATION  
RYKODISC, INC.  
RYKOMUSIC, INC.  
SEA CHIME MUSIC, INC.  
SR/MDM VENTURE INC.  
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WARNER BROS. MUSIC INTERNATIONAL INC.  
WARNER BROS. RECORDS INC.  
WARNER/CHAPPELL MUSIC, INC.  
WARNER/CHAPPELL MUSIC (SERVICES), INC.  
WARNER/CHAPPELL PRODUCTION MUSIC, INC.  
WARNER CUSTOM MUSIC CORP.  
WARNER DOMAIN MUSIC INC.  
WARNER-ELEKTRA-ATLANTIC CORPORATION

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WARNER MUSIC DISCOVERY INC.  
WARNER MUSIC DISTRIBUTION INC.  
WARNER MUSIC INC.  
WARNER MUSIC LATINA INC.  
WARNER MUSIC SP INC.  
WARNER SOJOURNER MUSIC INC.  
WARNERSONGS, INC.  
WARNER SPECIAL PRODUCTS INC.  
WARNER STRATEGIC MARKETING INC.  
WARNER-TAMERLANE PUBLISHING CORP.  
WARPRISE MUSIC INC.  
WB GOLD MUSIC CORP.  
WB MUSIC CORP.  
WBM/HOUSE OF GOLD MUSIC, INC.  
W.B.M. MUSIC CORP.  
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WBR/QRI VENTURE, INC.  
WBR/RUFFNATION VENTURES, INC.  
WBR/SIRE VENTURES INC.  
WE ARE MUSICA INC.  
WEA EUROPE INC.  
WEA INC.  
WEA INTERNATIONAL INC.  
WEA LATINA MUSICA INC.  
WEA MANAGEMENT SERVICES INC.  
WIDE MUSIC, INC.

---

WMG MANAGEMENT SERVICES INC.  
WMG TRADEMARK HOLDING COMPANY LLC

All by: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

---

FUELED BY RAMEN LLC

By: FBR INVESTMENTS LLC, as Sole Member

By: WARNER MUSIC INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

MAVERICK RECORDING COMPANY

By: SR/MDM VENTURE INC., as Managing Partner

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP CATAclysmic MUSIC, LLC

NON-STOP INTERNATIONAL PUBLISHING, LLC

NON-STOP OUTRAGEOUS PUBLISHING, LLC

By: NON-STOP MUSIC PUBLISHING, LLC, as Sole Member

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP MUSIC LIBRARY, L.C.

NON-STOP MUSIC PUBLISHING, LLC

NON-STOP PRODUCTIONS, LLC

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

---

Address for Notices:  
c/o Warner Music Group Corp.  
75 Rockefeller Plaza  
New York, New York 10019  
Attention: Paul Robinson  
Telephone: (212) 275-2143  
Facsimile: (212) 275-3601

## TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Trademark Security Agreement**”), dated as of May 28, 2009, is made by the Persons listed on the signature pages hereof (collectively, the “**Grantors**”) in favor of Wells Fargo Bank, National Association, as collateral agent (the “**Collateral Agent**”) for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, WMG Acquisition Corp., a Delaware corporation, has entered into an Security Agreement, dated as of May 28, 2009, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”). Capitalized terms not otherwise defined herein have the meanings set forth in the Security Agreement.

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, among other property, certain Trademarks (as defined below) of the Grantors, and have agreed as a condition thereof to execute this Trademark Security Agreement for recording with the United States Patent and Trademark Office and any other appropriate governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. *Grant of Security*. Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in such Grantor’s right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the “**Trademark Collateral**”), whether now owned or existing or hereafter acquired or arising:

(i) all trademarks, service marks, domain names, trade dress, logos, designs, slogans, trade names, business names, corporate names and other source identifiers, whether registered or unregistered, owned by the Grantor, (provided that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of any registration issuing from such intent-to-use trademark applications under applicable federal law), including, without limitation, each Trademark registration and application therefor, referred to in Schedule 1 hereto, and all of the goodwill of the business connected with the use of, or symbolized by, each Trademark;

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(ii) each Trademark license to which the Grantor is a party, including, without limitation, each Trademark license referred to in Schedule 1 hereto, and all of the goodwill of the business connected with the use of, or symbolized by, each Trademark licensed pursuant thereto;

(iii) all registrations and applications for registration for any Trademark, together with all extensions and renewals thereof;

(iv) all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) all Proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the foregoing.

SECTION 2. *No Transfer of Grantor's Rights.* Except to the extent expressly permitted in the Secured Agreements, as applicable, each Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Trademark Collateral.

SECTION 3. *Security for Secured Obligations.* The grant of continuing security interest in the Trademark Collateral by each Grantor under this Trademark Security Agreement secures the payment of all Secured Obligations of such Grantor, now or hereafter existing under or in respect of the Finance Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 4. *Recordation.* Each Grantor authorizes and requests that the Commissioner for Trademarks and any other applicable government office record this Trademark Security Agreement.

SECTION 5. *Execution in Counterparts.* This Trademark Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.



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SECTION 6. *Grants, Rights and Remedies.* This Trademark Security Agreement has been executed and delivered by the Grantors for the purpose of recording the grant of security interest herein with the U.S. Patent and Trademark Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof and does not create any additional rights or obligations for any party hereto. The Security Agreement (and all, rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 7. *Governing Law.* This Trademark Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WMG ACQUISITION CORP.

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

Address for Notices:

c/o Warner Music Group Corp.

75 Rockefeller Plaza

New York, New York 10019

Attention: Paul Robinson

Telephone: (212) 275-2143

Facsimile: (212) 275-3601

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By: /s/ Paul Robinson

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LAVA TRADEMARK HOLDING COMPANY LLC

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WIDE MUSIC, INC.

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WMG MANAGEMENT SERVICES INC.  
WMG TRADEMARK HOLDING COMPANY LLC

All by: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

---

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By: FBR INVESTMENTS LLC, as Sole Member

By: WARNER MUSIC INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Executive Vice President

MAVERICK RECORDING COMPANY

By: SR/MDM VENTURE INC., as Managing Partner

By: /s/ Paul Robinson

Name: Paul Robinson

Title: Vice President

NON-STOP CATACLYSMIC MUSIC, LLC

NON-STOP INTERNATIONAL PUBLISHING, LLC

NON-STOP OUTRAGEOUS PUBLISHING, LLC

By: NON-STOP MUSIC PUBLISHING, LLC, as Sole Member

By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

By: /s/ Paul Robinson

Name: Paul Robinson

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By: NON-STOP MUSIC HOLDINGS, INC., as Sole Member

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