

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
CENTERSTAGING MUSICAL PRODUCTIONS, INC.		12/20/2007	CORPORATION: CALIFORNIA

**RECEIVING PARTY DATA**

Name:	GREYSTONE PRIVATE EQUITY, LLC
Street Address:	9454 WILSHIRE BOULEVARD, PENTHOUSE
Internal Address:	ATTN: ADAM REICH
City:	BEVERLY HILLS
State/Country:	CALIFORNIA
Postal Code:	90212
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

**PROPERTY NUMBERS Total: 8**

Property Type	Number	Word Mark
Serial Number:	78791359	THE NEWZ
Serial Number:	78791340	E-MERGING ARTISTS
Serial Number:	78604333	CENTERSTAGING
Serial Number:	77149507	ONTOURAGE
Registration Number:	3240428	REHEARSALS.COM
Registration Number:	3197859	CENTER STAGING MUSICAL PRODUCTIONS INC
Registration Number:	3184660	LESSONS FROM THE LEGENDS
Registration Number:	3151916	REHEARSALS.COM

**CORRESPONDENCE DATA**

Fax Number: (213)226-4028  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: (213) 488-7100  
 Email: kevin.davis@pillsburylaw.com

CH \$215.00 78791359

Correspondent Name: BRIAN S. STERN, ESQ.  
Address Line 1: PILLSBURY WINTHROP SHAW PITTMAN LLP  
Address Line 2: 725 SOUTH FIGUEROA STREET, SUITE 2800  
Address Line 4: LOS ANGELES, CALIFORNIA 90017-5406

NAME OF SUBMITTER:	BRIAN S. STERN
Signature:	/Brian S. Stern/
Date:	12/21/2007

**Total Attachments: 19**

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## SECURITY AGREEMENT

This SECURITY AGREEMENT is dated as of December 20, 2007, and made by CENTERSTAGING MUSICAL PRODUCTIONS, INC., a California corporation (the "Grantor"), in favor of GREYSTONE PRIVATE EQUITY, LLC, a Delaware limited liability company, as administrative agent (in such capacity, the "Agent") for the Lenders (as defined in the Note referred to below, the "Lenders").

### RECITALS

A. Concurrently herewith, CenterStaging Corp., a Delaware corporation (the "Borrower") is executing a Promissory Note (said Agreement, as it may hereafter be amended, modified or restated from time to time, herein referred to as the "Note") in favor of the Agent and the Lenders.

B. It is a condition precedent to the extension of credit by the Lenders under the Note that the Grantor shall have executed and delivered this Agreement. The Grantor, as a wholly-owned Subsidiary of the Borrower, desires to execute this Agreement because it is interested in the financial success of the Borrower and, in addition, anticipates that extensions of credit under the Note may be distributed by the Borrower to it or otherwise used to its benefit.

C. Terms defined in the Note and not otherwise defined herein have the same respective meanings when used herein. Schedule and Exhibit references are to this Agreement unless otherwise specified, and each such Schedule and Exhibit is incorporated herein. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

### AGREEMENT

NOW, THEREFORE, in order to induce the Agent and the Lenders to enter into the Note and for other good and valuable consideration, the receipt and adequacy of which hereby is acknowledged, the Grantor hereby represents, warrants, covenants, agrees, assigns and grants as follows:

1. Definitions. Unless the context otherwise requires, terms defined in the Uniform Commercial Code of the State of California (the "Uniform Commercial Code") and not otherwise defined in this Agreement or in the Note shall have the meanings defined for those terms in the Uniform Commercial Code. In addition, the following terms shall have the meanings respectively set forth after each:

"Collateral" means all present and future right, title and interest of the Grantor in or to any property or assets whatsoever, whether now owned or existing or hereafter arising or acquired and wheresoever located, and all rights and powers of the Grantor to transfer any interest in or to any property or assets whatsoever, including, any and all of the following property:

(a) To the extent necessary to exercise any rights or remedies set forth in the Loan Documents and available under applicable law or to carry out the intent of the Auction Agreement, all present and future books and records, including, books of account and ledgers of every kind and nature, all electronically recorded data relating to the Grantor or the business thereof, all receptacles and containers for such records, and all files and correspondence;

(b) All trade secrets, customer lists, trademarks, trade names, the Marks and the goodwill of the Grantor's business connected with and symbolized by the Marks;

(c) All present and future goods, including, all furniture, fixtures, furnishings, machinery, automobiles, trucks, other vehicles, spare parts, supplies, equipment and other tangible property owned by the Grantor and used, held for use or useful in connection with its business, wherever located, and all other goods used in connection with or in the conduct of the Grantor's business or otherwise owned by the Grantor (collectively, the "Equipment");

(d) All present and future inventory and merchandise, including, all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work in process and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts and documents of title relating to any of the foregoing (collectively, the "Inventory");

(e) All present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of with respect to any of the foregoing;

(f) All rights, remedies, powers and/or privileges of the Grantor with respect to any of the foregoing; and

(g) Any and all proceeds and products of the foregoing, including, all money, accounts, general intangibles, deposit accounts, documents, instruments, letter-of-credit rights, investment property, chattel paper, goods, insurance proceeds and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

"Marks" means all (i) trademarks, trademark registrations, interests under trademark license agreements, trade names, trademark applications, service marks, business names, trade styles, designs, logos and other source or business identifiers which are used in the United States or any state, territory or possession thereof, or in any other place, nation or jurisdiction anywhere in the world, including the trademarks, trademark registrations, applications, service marks, business names, trade styles, design logos and other source or business identifiers listed on Schedule A (as such Schedule may be supplemented from time to time in accordance with the terms of this Agreement), (ii) licenses pertaining to any such mark, whether the Grantor is a licensor or licensee including, the licenses listed on Schedule A (as such Schedule may be supplemented from time to time in accordance with the terms of this Agreement), (iii) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any such mark or any such license, including, damages and payments for past, present or future infringements thereof, (iv) rights to sue for past, present and future infringements thereof, (v) rights corresponding thereto throughout the world, (vi) all product specification documents

and production and quality control manuals used in the manufacture of products sold under or in connection with such marks, (vii) all documents that reveal the name and address of all sources of supply of, and all terms of purchase and delivery for, all materials and components used in the production of products sold under or in connection with such marks, (viii) all documents constituting or concerning the then current or proposed advertising and promotion by the Grantor, its subsidiaries or licensees of products sold under or in connection with such marks, including all documents that reveal the media used or to be used and the cost for all such advertising and (ix) renewals and proceeds of any of the foregoing.

2. Creation of Security Interest. The Grantor hereby assigns and pledges to the Agent, for the benefit of the Lenders, and grants to the Agent, for the benefit of the Lenders, a security interest in and to, all right, title and interest of the Grantor in and to all presently existing and hereafter acquired Collateral.

3. Security for Obligations. This Agreement and the pledges made and security interests granted herein secure the prompt payment, in full in cash, and full performance of, the Obligations.

4. Further Assurances.

(a) At any time and from time to time, at the written request of the Agent, the Grantor shall execute and deliver to the Agent, at the Grantor's expense, all such financing statements and other instruments, certificates and documents in form and substance satisfactory to the Lender, and perform all such other acts as shall be necessary or desirable to fully perfect or protect or maintain, when filed, recorded, delivered or performed, the Agent's, for the benefit of the Lenders, security interests granted pursuant to this Agreement or to enable the Agent and the Lenders to exercise and enforce their rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor shall: (i) at the request of the Agent, mark conspicuously each document included in the inventory and all chattel paper, instruments and other documents and each of their records pertaining to the Collateral with a legend, in form and substance satisfactory to the Agent, indicating that such document, contract, chattel paper, instrument or Collateral is subject to the security interests granted hereby and (ii) authorize the filing of such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Agent may request, in order to perfect and preserve, with the required priority, the security interests granted, or purported to be granted hereby.

(b) At any time and from time to time, the Agent shall be entitled to file and/or record any or all such financing statements, instruments and documents held by it, and any or all such further financing statements, documents and instruments, relative to the Collateral or any part thereof in each instance, and to take all such other actions as the Agent may deem appropriate to perfect and to maintain perfected the security interests granted herein.

(c) The Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law. A carbon, photographic 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.

(d) The Grantor shall furnish statements and schedules further identifying and describing the Collateral as the Agent may request.

(e) With respect to any Collateral consisting of certificates of title or the like as to which the Agent's, for the benefit of the Lenders, security interest need be perfected by, or the priority thereof need be assured by, notation on the certificate of title pertaining to such Collateral, the Grantor will, (i) promptly notify the Agent of the acquisition thereof and (ii) at the request of the Agent, cause such security interest to be noted on such certificate of title.

## 5. Marks

(a) Royalties. The Grantor hereby agrees that any rights granted hereunder to the Agent or any Lender with respect to Marks shall be applicable to all territories in which the Grantor has the right to use such Marks, from time to time, and without any liability for royalties or other related charges from the Agent or the Lenders to the Grantor.

(b) Restrictions on Future Agreements. Subject to the terms hereof and of the Note, the Grantor shall be permitted to manage, license and administer its Marks in such manner as the Grantor in its reasonable business judgment deems desirable; provided, however, that the Grantor will not, without the Agent's prior written consent, (i) abandon any Mark in which the Grantor now owns or hereafter acquires any rights or interests, (ii) enter into any license agreements with respect to such Marks or (iii) fail to take any action, or permit any others (including licensees) to fail to take any action, which would customarily be taken by a Person in the same business and in similar circumstances as the Grantor.

(c) Duties of Grantor. The Grantor agrees to: (i) prosecute diligently any patent application or trademark application included in the Marks, (ii) upon an Event of Default, make application on unregistered Marks, as the case may be, as the Agent reasonably deems appropriate, (iii) file and prosecute opposition and cancellation proceedings and (iv) take all action necessary to preserve and maintain all rights in those Marks that are or shall be necessary in the operation of the Grantor's business, including, making timely filings for renewals and extensions of any Marks and diligently monitoring unauthorized use thereof. Any expenses incurred in connection with the foregoing shall be borne by the Grantor. The Grantor shall give proper statutory notice in connection with its use of each Mark to the extent necessary for the protection thereof. The Grantor shall notify the Agent of any suit it commences to enforce any Mark and shall provide the Agent with copies of any documents requested by the Agent relating to such suit. Neither the Agent nor the Lenders shall have any duty with respect to the Marks other than to act lawfully and without gross negligence or willful misconduct. Without limiting the generality of the foregoing, neither the Agent nor the Lenders shall be under any obligation to take any steps necessary to preserve rights in the Marks against any other party, but the Agent may do so at its option upon the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the account of the Grantor and shall be added to the Obligations.

6. Grantor's Representations and Warranties. The Grantor represents and warrants as follows:

(a) (i) Schedule B sets forth each location at which (A) Inventory and/or Equipment is located or (B) the Grantor conducts business; (ii) the chief executive office of the Grantor, where the Grantor keeps its records concerning the Collateral and the chattel paper evidencing the Collateral, is located at the address set forth for the Grantor on Schedule C; (iii) the Grantor has exclusive possession and control of the Equipment and the Inventory, except as set forth on Schedule B; (iv) the Grantor's exact legal name, and the place of formation of the Grantor, are as set forth in the preamble to this Agreement; (v) each trade name or other fictitious name under which the Grantor conducts business, or has conducted business at any time during the five years immediately preceding the Closing Date, is set forth on Schedule D; and (vi) the Grantor's state organizational identification number, if any, is set forth on Schedule D.

(b) The Grantor is the legal and beneficial owner of the Collateral free and clear of all Liens except for Liens permitted by Section 6(g) of the Note. The Grantor has the power, authority and legal right to grant the security interests in the Collateral purported to be granted hereby, and to execute, deliver and perform this Agreement. The pledge of the Collateral pursuant to this Agreement creates a valid security interest in the Collateral. Upon the filing of appropriate financing statements in the filing offices set forth on Schedule D, the Agent and the Lenders will have a first-priority perfected security interest (except for Liens permitted by Section 6(g) of the Note) in the Collateral to the extent a security interest in such Collateral can be perfected by such filings.

(c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority (other than such authorizations, approvals and other actions as have already been taken and are in full force and effect) is required (A) for the pledge of the Collateral or the grant of the security interest in the Collateral by the Grantor hereby or for the execution, delivery or performance of this Agreement by the Grantor, or (B) for the exercise by the Agent of any rights or remedies in respect of the Collateral hereunder except as may be required in connection with any disposition of Collateral consisting of securities by laws affecting the offering and sale of securities generally.

(d) The Grantor does not own or lease any vehicle having a value in excess of \$50,000.

7. Grantor's Covenants. In addition to the other covenants and agreements set forth herein and in the other Loan Documents, the Grantor covenants and agrees as follows:

(a) The Grantor will pay, prior to delinquency, all taxes, charges, Liens and assessments against the Collateral, except those with respect to which the amount or validity is being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with generally accepted accounting principles in the United States in effect from time to time ("GAAP") have been provided on the books of the Grantor.

(b) The Collateral will not be used in violation of any law, rule, regulation or order applicable to the Grantor, nor used in any way that will void or impair any insurance required to be carried in connection therewith.

(c) The Grantor will keep the Collateral in good repair, working order and operating condition (normal wear and tear excluded), and from time to time make all necessary and proper repairs, renewals, replacements, additions and improvements thereto.

(d) The Grantor will take all reasonable steps to preserve and protect the Collateral.

(e) The Grantor will promptly notify the Agent in writing in the event of any material damage to the Collateral from any source whatsoever.

(f) The Grantor will (i) not establish any location of Inventory or Equipment not listed on Schedule B, (ii) not move its principal place of business, chief executive office or any other office listed on Schedule C, (iii) not adopt, use or conduct business under any trade name or other corporate or fictitious name not disclosed on Schedule D and (iv) not change its legal name, its place of incorporation, formation or organization (as applicable) or its state organizational identification number, from those specified in the preamble to this Agreement and Schedule D, except, in each case set forth in clauses (i)-(iv) above, upon not less than 30 days' prior written notice to the Agent and the Grantor's prior compliance with all applicable requirements of Section 4 hereof necessary to perfect the Agent's, for the benefit of the Lenders, security interests hereunder, and in each case subject to the terms of the Note.

(g) The Grantor shall not permit any Equipment or Inventory to be in the possession of a third party unless written notice of the Agent's, for the benefit of the Lenders, security interest therein has been given to such third party, and such third party has acknowledged in writing that it is holding such Collateral for the benefit of the Agent, such notice and acknowledgement to be in form acceptable to the Agent.

8. Agent's Rights Regarding Collateral. At any time and from time to time, the Agent may, to the extent necessary or desirable to protect the security hereunder, but the Agent shall not be obligated to: (a) (whether or not a Default has occurred) itself or through its representatives, visit and inspect the Grantor's properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and discuss the business, operations, properties and financial and other condition of the Grantor with, and be advised as to the same by, officers of the Grantor or (b) if an Event of Default has occurred and is continuing, at the expense of the Grantor, perform any obligation of the Grantor under this Agreement. At any time and from time to time after an Event of Default has occurred and is continuing, at the expense of the Grantor, the Agent, for the benefit of the Lenders, may, to the extent necessary or desirable to protect the security hereunder, but the Agent shall not be obligated to: (i) notify obligors on the Collateral that the Collateral has been assigned as security to the Agent, for the benefit of the Lenders; (ii) at any time and from time to time request from obligors on the Collateral, in the name of the Grantor or in the name of the Agent, for the benefit of the Lenders, information concerning the Collateral and the amounts owing thereon; and (iii) direct obligors under the contracts included in the Collateral to which the Grantor is a party to direct their performance to the Agent. The Grantor shall keep proper books and records and



accounts in which full, true and correct entries in conformity with GAAP and all applicable laws, rules, regulations and orders shall be made of all material dealings and transactions pertaining to the Collateral. The Agent shall at all reasonable times have full access to and the right to audit any and all of the Grantor's books and records pertaining to the Collateral, and to confirm and verify the value of the Collateral. Neither the Agent nor the Lenders shall be under any duty or obligation whatsoever to take any action to preserve any rights of or against any prior or other parties in connection with the Collateral, to exercise any voting rights or managerial rights with respect to any Collateral or to make or give any presentments for payment, demands for performance, notices of non-performance, protests, notices of protest, notices of dishonor or notices of any other nature whatsoever in connection with the Collateral or the Obligations. Neither the Agent nor the Lenders shall be under any duty or obligation whatsoever to take any action to protect or preserve the Collateral or any rights of the Grantor therein, or to make collections or enforce payment thereon, or to participate in any foreclosure or other proceeding in connection therewith. Nothing contained herein shall constitute an assumption by the Agent or the Lenders of any obligations of the Grantor under any contracts assigned hereunder unless the Agent shall have given written notice to the counterparty to such assigned contract of the Agent's intention to assume such contract on behalf of the Lenders. The Grantor shall continue to be liable for performance of its obligations under such contracts.

9. Collections on the Collateral. Except as provided to the contrary in the Note, the Grantor shall have the right to use and to continue to make collections on and receive dividends and other proceeds of all of the Collateral in the ordinary course of business so long as no Event of Default shall have occurred and be continuing. Upon the occurrence and during the continuance of an Event of Default, at the option of the Agent, the Grantor's right to make collections on and receive proceeds of the Collateral and to use or dispose of such collections and proceeds shall terminate, and any and all proceeds and collections, including all partial or total prepayments, then held or thereafter received on or on account of the Collateral will be held or received by the Grantor in trust for the Agent and immediately delivered in kind to the Agent (duly endorsed to the Agent, if required), to be applied to the Obligations or held as Collateral, as the Agent shall elect. Upon the occurrence and during the continuance of an Event of Default, the Agent shall have the right at all times to receive, receipt for, endorse, assign, deposit and deliver, in the name of the Agent or the Lenders or in the name of the Grantor, any and all checks, notes, drafts and other instruments for the payment of money constituting proceeds of or otherwise relating to the Collateral; and the Grantor hereby authorizes the Agent to affix, by facsimile signature or otherwise, the general or special endorsement of the Grantor, in such manner as the Agent shall deem advisable, to any such instrument in the event the same has been delivered to or obtained by the Agent without appropriate endorsement, and the Agent and any collecting bank are hereby authorized to consider such endorsement to be a sufficient, valid and effective endorsement by the Grantor, to the same extent as though it were manually executed by the duly authorized representatives of the Grantor, regardless of by whom or under what circumstances or by what authority such endorsement actually is affixed, without duty of inquiry or responsibility as to such matters, and the Grantor hereby expressly waives demand, presentment, protest and notice of protest or dishonor and all other notices of every kind and nature with respect to any such instrument.

10. Possession of Collateral by Agent. All the Collateral now, heretofore or hereafter delivered to the Agent shall be held by the Agent in its possession, custody and control. Any or

all of the Collateral delivered to the Agent constituting cash or cash equivalents shall, prior to the occurrence of any Event of Default, upon written request of the Grantor, be held in an interest-bearing account, and shall be invested in cash equivalents. Nothing herein shall obligate the Agent to obtain any particular return thereon. Upon the occurrence and during the continuance of an Event of Default, whenever any of the Collateral is in the Agent's possession, custody or control, the Agent may use, operate and consume the Collateral, whether for the purpose of preserving and/or protecting the Collateral, or for the purpose of performing any of the Grantor's obligations with respect thereto, or otherwise, and, subject to the terms of the Note, any or all of the Collateral delivered to the Agent constituting cash or cash equivalents shall be applied by the Agent to payment of the Obligations or held as Collateral, as the Agent shall elect. The Agent may at any time deliver or redeliver the Collateral or any part thereof to the Grantor, and the receipt of any of the same by the Grantor shall be complete and full acquittance for the Collateral so delivered, and the Agent thereafter shall be discharged from any liability or responsibility arising after such delivery to the Grantor. So long as the Agent exercises reasonable care with respect to any Collateral in its possession, custody or control, neither the Agent nor the Lenders shall have any liability for any loss of or damage to any Collateral, and in no event shall the Agent or the Lenders have liability for any diminution in value of the Collateral occasioned by economic or market conditions or events. The Agent shall be deemed to have exercised reasonable care within the meaning of the preceding sentence if the Collateral in the possession, custody or control of the Agent is accorded treatment substantially equal to that which the Agent accords similar property for its own account, it being understood that neither the Agent nor the Lenders shall have any responsibility for taking any necessary steps to preserve rights against any Person with respect to any Collateral.

## 11. Remedies.

(a) Rights Upon Event of Default. Upon the occurrence and during the continuance of an Event of Default, the Grantor shall be in default hereunder and the Agent, for the benefit of the Lenders, shall have, in any jurisdiction where enforcement is sought, in addition to all other rights and remedies that the Agent, on behalf of the Lenders, may have under this Agreement and under applicable laws or in equity, all rights and remedies of a secured party under the Uniform Commercial Code as enacted in any such jurisdiction in effect at that time, and in addition the following rights and remedies, all of which may be exercised with or without notice to the Grantor except such notice as may be specifically required by applicable law: (i) to foreclose the Liens created hereunder or under any other Loan Document by any available judicial procedure or without judicial process; (ii) to enter any premises where any Collateral may be located for the purpose of securing, protecting, inventorying, appraising, inspecting, repairing, preserving, storing, preparing, processing, taking possession of or removing the same; (iii) to sell, assign, lease or otherwise dispose of any Collateral or any part thereof, either at public or private sale or at any broker's board, in lot or in bulk, for cash, on credit or otherwise, with or without representations or warranties and upon such terms as shall be commercially reasonable; (iv) to notify obligors on the Collateral that the Collateral has been assigned to the Agent, for the benefit of the Lenders, and that all payments thereon, or performance with respect thereto, are to be made directly and exclusively to the Agent, for the benefit of the Lenders; (v) to collect by legal proceedings or otherwise all dividends, distributions, interest, principal or other sums now or hereafter payable upon or on account of the Collateral; (vi) to enter into any extension, reorganization, disposition, merger or consolidation agreement, or any other agreement relating

to or affecting the Collateral, and in connection therewith the Agent may deposit or surrender control of the Collateral and/or accept other property in exchange for the Collateral as the Agent deems appropriate; (vii) to settle, compromise or release, on terms acceptable to the Agent, in whole or in part, any amounts owing on the Collateral and/or any disputes with respect thereto; (viii) to extend the time of payment, make allowances and adjustments and issue credits in connection with the Collateral in the name of the Agent, for the benefit of the Lenders, or in the name of the Grantor; (ix) to enforce payment and prosecute any action or proceeding with respect to any or all of the Collateral and take or bring, in the name of the Agent, for the benefit of the Lenders, or in the name of the Grantor, any and all steps, actions, suits or proceedings deemed necessary or desirable by the Agent to effect collection of or to realize upon the Collateral, including, any judicial or nonjudicial foreclosure thereof or thereon, and the Grantor specifically consents to any nonjudicial foreclosure of any or all of the Collateral or any other action taken by the Agent which may release any obligor from personal liability on any of the Collateral, and any money or other property received by the Agent in exchange for or on account of the Collateral, whether representing collections or proceeds of Collateral, and whether resulting from voluntary payments or foreclosure proceedings or other legal action taken by Agent or the Grantor may be applied by the Agent, without notice to the Grantor, to the Obligations in such order and manner as the Agent in its sole discretion shall determine; (x) to insure, protect and preserve the Collateral; (xi) to exercise all rights, remedies, powers or privileges provided under any of the other Loan Documents; and (xii) to remove, from any premises where the same may be located, the Collateral and any and all documents, instruments, files and records, and any receptacles and cabinets containing the same, relating to the Collateral, and the Agent may, at the cost and expense of the Grantor, use such of its supplies, equipment, facilities and space at its places of business as may be necessary or appropriate to properly administer, process, store, control, prepare for sale or disposition and/or sell or dispose of the Collateral or to properly administer and control the handling of collections and realizations thereon, and the Agent shall be deemed to have a rent-free tenancy of any premises of the Grantor for such purposes and for such periods of time as reasonably required by the Agent. The Grantor will, at the Agent's request, assemble the Collateral and make it available to the Agent at places which the Agent may designate, whether at the premises of the Grantor or elsewhere, and will make available to the Agent, free of cost, all premises, equipment and facilities of the Grantor for the purpose of the Agent's taking possession of the Collateral or storing the same or removing or putting the Collateral in salable form or selling or disposing of the same. The Agent has no obligation to clean-up or otherwise prepare the Collateral for sale.

(b) Possession by Agent. Upon the occurrence and during the continuance of an Event of Default, the Agent also shall have the right, without notice or demand, either in person, by agent or by a receiver to be appointed by a court in accordance with the provisions of applicable law (and the Grantor hereby expressly consents, to the fullest extent permitted by applicable law, upon the occurrence and during the continuance of an Event of Default to the appointment of such a receiver), and, to the extent permitted by applicable law, without regard to the adequacy of any security for the Obligations, to operate the business of the Grantor, by, inter alia, taking possession of the Collateral or any part thereof and to collect and receive the rents, issues, profits, income and proceeds thereof, pending the exercise of any and all other rights and remedies available to the Agent under this Agreement and/or at law or in equity. The operation of the Grantor's business and the taking possession of the Collateral by the Agent shall not cure or waive any Event of Default or notice thereof or invalidate any act done pursuant to such

notice. The rights, remedies and powers of any receiver appointed by a court shall be as ordered by said court.

(c) Sale of Collateral. Any public or private sale or other disposition of the Collateral may be held at any office of Agent, or at the Grantor's place of business, or at any other place permitted by applicable law, and without the necessity of the Collateral's being within the view of prospective purchasers. The Agent may direct the order and manner of sale of the Collateral, or portions thereof, as it in its sole and absolute discretion may determine provided such sale is commercially reasonable, and the Grantor expressly waives, to the extent permitted by applicable law, any right to direct the order and manner of sale of any Collateral. The Agent or any Person acting on the Agent's behalf may bid and purchase at any such sale or other disposition. In addition to the other rights of the Agent hereunder, the Grantor hereby grants to the Agent a license or other right to use, without charge, but only after the occurrence and during the continuance of an Event of Default, the Grantor's labels, copyrights, patents, rights of use of any name, trade names, trademarks and advertising matter, or any property of a similar nature, including the Marks, in advertising for sale and selling any Collateral. The Agent may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(d) Notice of Sale. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Agent will give the Grantor reasonable notice of the time and place of any public sale thereof or of the time on or after which any private sale thereof is to be made. The requirement of reasonable notice conclusively shall be met if such notice is mailed, certified mail, postage prepaid, to the Grantor at the address set forth for the Grantor in the CenterStaging Musical Guarantee, or delivered or otherwise sent to the Grantor, at least ten days before the date of the sale. The Grantor expressly waives, to the fullest extent permitted by applicable law, any right to receive notice of any public or private sale of any Collateral or other security for the Obligations except as expressly provided for in this paragraph. The Agent shall not be obligated to make any sale of the Collateral if it shall determine not to do so regardless of the fact that notice of sale of the Collateral may have been given. The Agent may, without notice or publication, except as required by applicable law, adjourn the sale from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice (except as required by applicable law), be made at the time and place to which the same was so adjourned.

(e) Title of Purchasers. Upon consummation of any sale of Collateral hereunder, the Agent, for the benefit of the Lenders, shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the Collateral so sold absolutely free from any claim or right upon the part of the Grantor or any other Person claiming through the Grantor, and the Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. If the sale of all or any part of the Collateral is made on credit or for future delivery, the Agent shall not be required to apply any portion of the sale price to the Obligations until such amount actually is received by the Agent, and any Collateral so sold may be retained by the Agent until the sale price is paid in full by the purchaser or purchasers thereof. Neither the Agent nor the

Lenders shall incur any liability in case any such purchaser or purchasers shall fail to pay for the Collateral so sold, and, in case of any such failure, the Collateral may be sold again.

(f) Disposition of Proceeds of Sale. The proceeds resulting from the collection, liquidation, sale or other disposition of the Collateral shall be applied, first, to the reasonable costs and expenses (including, reasonable attorneys' fees) of retaking, holding, storing, processing and preparing for sale, selling, collecting and liquidating the Collateral, and the like; second, to the satisfaction of all Obligations; and third, any surplus remaining after the satisfaction of all Obligations, provided the Commitment is not outstanding, to be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus.

(g) Certain Waivers. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands against the Agent and the Lenders arising out of the repossession, retention or sale of the Collateral, or any part or parts thereof, except to the extent any such claims, damages and awards arise out of the gross negligence or willful misconduct of the Agent or the Lenders.

(h) Remedies Cumulative. The rights and remedies provided under this Agreement are cumulative and may be exercised singly or concurrently, and are not exclusive of any other rights and remedies provided by law or equity.

(i) Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to this Section 11 are insufficient to cover the costs and expenses of such realization and the payment in full of the Obligations, the Grantor shall remain liable for any deficiency.

12. Agent Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Agent as the Grantor's attorney-in-fact, effective upon and during continuance of an Event of Default, with full authority in the place and stead of the Grantor, and in the name of the Grantor, in the Agent's sole and absolute discretion to do any of the following acts or things: (a) to do all acts and things and to execute all documents necessary or advisable to perfect and continue perfected the security interests created by this Agreement and to preserve, maintain and protect the Collateral; (b) to do any and every act which the Grantor is obligated to do under this Agreement; (c) to prepare, sign, file and record, in the Grantor's name, any financing statement covering the Collateral; (d) to endorse and transfer the Collateral upon foreclosure by the Agent; (e) to grant or issue an exclusive or nonexclusive license under the Marks to anyone upon foreclosure by the Agent; (f) to assign, pledge, convey or otherwise transfer title in or dispose of the Marks to anyone upon foreclosure by the Agent; and (g) to file any claims or take any action or institute any proceedings which the Agent may reasonably deem necessary or desirable for the protection or enforcement of any of the rights of the Agent or the Lenders with respect to any of the Marks; provided, however, that the Agent shall be under no obligation whatsoever to take any of the foregoing actions, and neither the Agent nor the Lenders shall have any liability or responsibility for any act or omission (other than the Agent's or the Lenders' own gross negligence or willful misconduct) taken with respect thereto.

13. Costs and Expenses. The Grantor agrees to pay to the Agent all costs and out-of-pocket expenses (including, reasonable attorneys' fees and disbursements) incurred by the Agent

in the enforcement or attempted enforcement of this Agreement, whether or not an action is filed in connection therewith, and in connection with any waiver or amendment of any term or provision hereof. All advances, charges, costs and expenses, including, reasonable attorneys' fees and disbursements, incurred or paid by the Agent in exercising any right, privilege, power or remedy conferred by this Agreement (including, the right to perform any obligation of the Grantor), or in the enforcement or attempted enforcement thereof, shall be secured hereby and shall become a part of the Obligations and shall be due and payable to the Agent by the Grantor on demand therefor.

14. Transfers and Other Liens. The Grantor agrees that, except as specifically permitted under the Note, it will not (i) sell, assign, exchange, lease, license, transfer or otherwise dispose of, or contract to sell, assign, exchange, transfer or otherwise dispose of, or grant any option with respect to, any of the Collateral, or (ii) create or permit to exist any Lien upon or with respect to any of the Collateral, and the Grantor acknowledges that neither the Agent nor the Lenders authorize any of the foregoing.

15. Understandings With Respect to Waivers and Consents. The Grantor represents, warrants and agrees that each of the waivers and consents set forth herein are made with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which the Grantor otherwise may have against the Agent or the Lenders or others, or against any Collateral. If any of the waivers or consents herein are determined to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law.

16. Indemnity. The Grantor hereby indemnifies the Agent and the Lenders from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, enforcement of this Agreement), except to the extent such claims, losses or liabilities result from the Agent's or the Lender's gross negligence or willful misconduct.

17. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor herefrom (other than supplements to the Schedules hereto in accordance with the terms of this Agreement) shall in any event be effective unless the same shall be in writing and made in accordance with Section 8 of the Note, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

18. Notices. All notices and other communications provided for hereunder shall be given in the manner, and to the respective addresses, set forth in Section 10 of the Note; provided, that notices and other communications to the Grantor shall be sent to the address for the Grantor set forth in the CenterStaging Musical Guarantee..

19. Continuing Security Interest; Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full in cash of the Obligations and the termination or expiration of the Commitment, (ii) be binding upon the Grantor, its successors and assigns and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, and

any successor Agent, for the benefit of the Lenders, subject to the terms of the Note. Subject to the terms of the Note, the Lender may assign or otherwise transfer any Loans, the Commitment, or any rights in Collateral held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Agent or Lender herein or otherwise. Nothing set forth herein or in any other Loan Document is intended or shall be construed to give to any other party any right, remedy or claim under, to or in respect of this Agreement or any other Loan Document or any Collateral. The Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefor, provided that, none of the rights or obligations of the Grantor hereunder may be assigned or otherwise transferred.

20. Release of Grantor. This Agreement and all obligations of the Grantor hereunder and all security interests granted hereby shall be released and terminated when all Obligations have been indefeasibly paid in full in cash and when the Commitment has expired. Upon such release and termination, all rights in and to the Collateral shall automatically revert to the Grantor, and the Agent and the Lenders shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of the Collateral to the Grantor, or to the Person or Persons legally entitled thereto, and to evidence or document the release of the interests of the Agent and the Lenders arising under this Agreement, all as reasonably requested by, and at the sole expense of, the Grantor.

21. **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA (WITHOUT REFERENCE TO ITS CHOICE OF LAW RULES).**


22. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but 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 a manually executed counterpart of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantor has executed this Agreement by its duly authorized representative(s) as of the date first written above.

GRANTOR

CENTERSTAGING MUSICAL PRODUCTIONS,  
INC.

By:   
Name: Roger Paglia  
Title: CEO



SCHEDULE A

MARKS

[see attached]

**U. S. TRADEMARKS  
ASSIGNED TO**

**CENTERSTAGING MUSICAL PRODUCTIONS, INC.**

<b>U.S. Trademark</b>	<b>Serial No. Registration No.</b>	<b>Filing / Issue Date</b>	<b>Assignee / Status</b>
<b>PENDING</b>			
<b>THE NEWZ</b>	78/791,359	01/13/2006	CenterStaging Musical Productions, Inc.
<b>E-MERGING ARTISTS</b>	78/791,340	01/13/2006	CenterStaging Musical Productions, Inc.
<b>CENTERSTAGING</b>	78/604,333	04/07/2005	Center Staging Musical Productions, Inc. [Abandoned as of 12/06/2007]
<b>ONTOURAGE</b>	77/149,507	04/05/2007	Bennett Productions, Inc. & CenterStaging Musical Productions, Inc.
<b>REGISTERED</b>			
<b>REHEARSALS.COM</b>	3,240,428	05/08/2007	CenterStaging Musical Productions, Inc.
<b>CENTER STAGING MUSICAL PRODUCTIONS INC</b>	3,197,859	01/16/2007	CenterStaging Musical Productions, Inc.
<b>LESSONS FROM THE LEGENDS</b>	3,184,660	12/12/2006	CenterStaging Musical Productions, Inc.
<b>REHEARSALS.COM</b>	3,151,916	10/03/2006	CenterStaging Musical Productions, Inc.
<b>STATE TRADEMARKS</b>			
<b>DESIGN ONLY</b>	California State Trademark 49,114	01/22/1998	CenterStaging Musical Productions, Inc.

SCHEDULE B

LOCATIONS OF EQUIPMENT AND INVENTORY

1. 3407 Winona Avenue, Burbank, CA 91504

LOCATION OF CHIEF EXECUTIVE OFFICE

1. 3407 Winona Avenue, Burbank, CA 91504

SCHEDULE D

UCC FILING OFFICE AND STATE ORGANIZATIONAL IDENTIFICATION NUMBER

Filing Office  
California

State Organizational  
Identification Number  
C1730878

Legal and  
Operating Names  
CenterStaging  
Musical Productions,  
Inc.