

# **EXHIBIT “1”**

# State of Arkansas

Office of the Secretary of State  
Business and Commercial Services

I, **Mark Martin**, Secretary of State of the State of Arkansas, hereby certify:

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That the attached are true and exact copy(ies) of the presently effective financing statement on file under the Uniform Commercial Code listing

<u>File No.</u>	<u>Date Filed</u>	<u>Time Filed</u>	<u>Filing</u>
7129080956	12/27/2006	10:00 am	UCC - Amendment Filing



In Testimony Whereof, I have hereunto set my hand and affixed hereto the Seal of the Secretary of State of Arkansas.

*Mark Martin*

Mark Martin  
Arkansas Secretary of State

Certified 9/26/2013 2:43PM

11150623

### UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CURRENCY CORPORATION  
D/B/A ROYALTY ADVANCE FUNDING  
P.O. BOX 7576  
BEVERLY HILLS, CA 90212

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #  
1223800 Filed 1/10/2000

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.  
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.  
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME ISBELL	FIRST NAME ALVERTIS	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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7d. TAX ID #: SSN OR EIN

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.  
Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

Please see enclosed Exhibits A-1 & C-1 attached hereto and made a part hereof by this reference.

Exhibit A-1 - Notice/Collateral Description  
C-1 - Security Agreement

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
CURRENCY CORPORATION D/B/A ROYALTY ADVANCE FUNDING

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA

Debtor: Alvertis Isbell a/k/a/ Al Bell  
Alvert Music Publishing Co.

SS# xxx-xx-2277  
SS# xxx-xx-2277

Secured Party: Currency Corporation d/b/a/ Royalty Advance Funding and d/b/a/ Chantale Music Publishing

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Notice

PURSUANT TO AN AGREEMENT BETWEEN DEBTOR AND SECURED PARTY, DEBTOR HAS AGREED NOT TO FURTHER ENCUMBER THE COLLATERAL DESCRIBED HEREIN, THE FURTHER ENCUMBERING OF WHICH MAY CONSTITUTE THE TORTIOUS INTERFERENCE WITH SECURED PARTY'S RIGHTS BY SUCH ENCUMBRANCER.

IN THE EVENT THAT ANY ENTITY IS GRANTED A SECURITY INTEREST IN DEBTOR'S ACCOUNTS, CHATTEL PAPER OR GENERAL INTANGIBLES CONTRARY TO THE ABOVE, THE SECURED PARTY ASSERTS A CLAIM TO ANY PROCEEDS THEREOF RECEIVED BY SUCH ENTITY.

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Item 1 continued (Additional Address of Debtor)

Item 4 continued (Collateral Description)

"Collateral" is defined in the security agreement ("Security Agreement") and includes without limitation all Debtor's present and future (i) Musical Accounts, Proceeds, and Books and Records; (ii) all property (acquired by Debtor at any time) similar to that described hereinabove; and (iii) all proceeds from the sale or other disposition of the Collateral described hereinabove.

"Musical Accounts" means all Debtor's Accounts related in any way to the Sources.

"Accounts" means all rights; whether to receive income or otherwise; whether now existing or hereafter arising; whether now owned or hereafter earned, inherited, purchased, assigned, or otherwise acquired. Accounts include without limitation copyrights, rights, rights to payments, rights to royalty income, accounts, chattel papers, contract rights, instruments, deposit accounts, and documents.

"Sources" means BROADCAST MUSIC INC. (BMI)

UNIVERSAL MUSIC PUBLISHING GROUP / IRVING MUSIC, INC. / RONDOR MUSIC INTERNATIONAL

All other sources (i) of rights related to musical compositions (including the rights to receive income) (ii) who Lender has contacted or will contact to request an assignment of (or any information regarding) any of Borrower's rights.

and all other (i) performing rights societies, (ii) musical publishing companies, (iii) record companies, and (iv) all other domestic and international payers of royalties or other sums relating to the exploitation of musical compositions whether through sales of audio recordings in any medium, motion picture and other public performance, television airplay, radio airplay, home video, translations, folios, sheet music, ring tones, and all other exploitation.

"Proceeds" means all proceeds (both cash and noncash) of and accessions to all of the properties and interests in the Collateral.

"Books and Records" means all books, records, and documents (including without limitation computer tapes, disks and programs, and other things upon which or in which such book, records, or documents are stored or maintained), together with all equipment used in connection with the use, preparation or maintenance of such books, records or documents relating to any of the Collateral.

Debtor's Initials



**"SECURITY AGREEMENT"**

**"Lender" or "Secured Party":**  
Currency Corporation  
d/b/a/ Royalty Advance Funding  
d/b/a/ Chantale Music Publishing  
or its nominee or assignee  
P.O. Box 7576  
Beverly Hills, CA 90212  
Phone: 310-275-3636  
Fax: 310-275-1033

**"Borrower":**  
Alvertis Isbell  
a/k/a/ Al Bell, individually  
and o/b/o/ Alvert Music Publishing Co.  
5508 Belle Point Road  
N. Little Rock, AR 72116

Date: 11/10/2006

This Security Agreement is entered into in order for Borrower to induce Lender to enter into the commercial line of credit ("Line of Credit") of even date herewith and to induce Lender to provide financing from time to time.

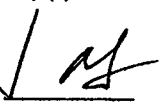
NOW THEREFORE, Lender and Borrower agree as follows:

1. **Definitions.** As used in this Security Agreement, the following terms shall have the following meanings:
  - a. "Collateral" means (i) Musical Accounts, Proceeds, and Books and Records; (ii) all property (acquired by Borrower at any time) similar to that described hereinabove in this section 1 a; and (iii) all proceeds from the sale or other disposition of the Collateral described hereinabove in this section 1 a.
  - b. "Musical Accounts" means all Borrower's Accounts related in any way to the Sources. Lender may chose to attach a partial-list of musical compositions in which Borrower has rights in a schedule of works ("Schedule of Works") that Lender may update in its sole discretion at any time.
  - c. "Accounts" means all rights; whether to receive income or otherwise; whether now existing or hereafter arising; whether now owned or hereafter earned, inherited, purchased, assigned, or otherwise acquired. Accounts include without limitation copyrights, rights, rights to payments, rights to royalty income, accounts, chattel papers, contract rights, instruments, deposit accounts, and documents.
  - d. "Sources" means BROADCAST MUSIC, INC. (BMI)  
UNIVERSAL MUSIC PUBLISHING GROUP / IRVING MUSIC, INC. / RONDOR MUSIC INTERNATIONAL  
All other sources (i) of rights related to musical compositions (including the rights to receive income) (ii) who Lender has contacted or will contact to request an assignment of (or any information regarding) any of Borrower's rights.
  - e. "Proceeds" means all proceeds (both cash and noncash) of and accessions to all of the properties and interests in the Collateral.
  - f. "Books and Records" means all books, records, and documents (including without limitation computer tapes, disks and programs, and other things upon which or in which such book, records, or documents are stored or maintained), together with all equipment used in connection with the use, preparation or maintenance of such books, records or documents relating to any of the Collateral.
  - g. "Obligations" means the existing and future indebtedness, liability, responsibilities, and obligations of every nature of Borrower to Lender including without limitation those under the Loan Documents.
  - h. "Lien" means any actual, potential, or promised encumbrance covering, related to, or derived from the Collateral (including without limitation any actual, potential, or promised sale, option to buy, grant of rights, security interest, mortgage, pledge, lien, attachment, claim, assignment, transfer, assignment of rights, assignment of claims, charge, encumbrance, agreement relating to title, judgment, lease, lessor's interest, or other interest covering, related to, or derived from the Collateral).
  - i. "Loan Documents" means the notes under the Line of Credit, the assignments of Collateral, together with any other related, written agreements, whether current or future. the Line of Credit and all its exhibits; this Security Agreement; all past, present, and future notes; the assignments of Collateral whether past, present, or future; together with any other past, present, or future written documents related to the Line of Credit (either executed by Borrower if requested by Lender or fully executed by both parties).
  - j. Terms defined in the California Uniform Commercial Code not otherwise defined in this Security Agreement are used in this Security Agreement as defined in that Code on the date of this agreement.

2. **Assignment of Collateral.** Borrower irrevocably assigns, transfers, and sets over to Lender all of Borrower's right, title, and interest in the Collateral. Borrower shall sign all documents Lender requests from time to time to ensure the Collateral is properly assigned to Lender. Borrower agrees that all cash payments derived from the Collateral (including without limitation music royalty payments) will be paid directly to Lender. If for any reason any such cash payment were paid to Borrower, then Borrower would hold such payment in trust and immediately forward such payment to Lender.

3. **Grant of Security Interest.** Borrower irrevocably grants Lender a security interest in the Collateral to secure all of Borrower's Obligations.

4. **Covenants of Borrower.** Borrower irrevocably promises the following: (a) to pay and perform all Obligations when they are due; (b) to pay all taxes when due including without limitation federal and state income taxes; (c) to first notify Lender in writing before changing Borrower's name, identity, place of business, or corporate/legal structure, or using a fictitious business name; (d) not to



directly or indirectly incur any Liens on the Collateral (except the lien credited hereunder) except with written approval of Lender; (e) to permit Lender, its representatives, and its agents to inspect the Collateral at any time and to make copies of records pertaining to it; (f) to perform all acts necessary to maintain, preserve, and protect the Collateral; (g) to notify Lender promptly in writing of any default or any development that might have a material adverse effect on the Collateral; (h) to execute and deliver to Lender all financing statements and other documents that Lender requests, in order for Lender to maintain a first perfected security interest in the Collateral; (i) to immediately furnish Lender all information, documents, and reports it requests relating to the Collateral; all financial statements it requests prepared in accordance with Generally Accepted Accounting Principals; all material notices regarding the Collateral, the assignment of the Collateral to Lender, and the business prospects of Borrower; and notice of any weakening or potential weakening in its financial position or the value of the Collateral; and (j) to assemble the Collateral and make it available to Lender as Lender directs.

5. Collection of Payments; Notifications. Borrower irrevocably grants Lender the right to (a) endorse or sign Borrower's name on all payments and documents and to take possession of and open the mail addressed to Borrower and remove therefrom any payments for and proceeds of the Collateral; (b) to notify third parties to make payments on Collateral to the order of Lender at the place and in the manner it specifies; and (c) to notify any account debtors, any buyers or potential buyers of the Collateral, and any other persons of Lender's interest in the Collateral and the proceeds thereof.

6. Representations and Warranties. Borrower covenants, warrants, and represents as follows: (a) Borrower is duly organized, validly existing and in good standing, and has all requisite corporate power and authority to carry on its business as now being conducted and to enter into and perform its obligations under the Loan Documents; (b) Borrower is duly qualified or licensed to do business and to enter into and perform its obligations under the Loan Documents; (c) all shares of Capital Stock are validly issued, fully paid, non-assessable, and not subject to sale; (d) the execution and delivery by Borrower of any of the Loan Document will not result in a default under any of the terms of any agreement or instrument by which Borrower or any of its assets may be bound or violate any rule or regulation applicable to Borrower or any of its assets; (e) all information Borrower has provided Lender is complete and accurate; (f) the Loan Documents are valid and binding obligations of Borrower and create a perfected, first priority security interest enforceable against the Collateral; (g) no default exists; and (h) Borrower owns the Collateral, the Collateral is free of all Liens, and no financing statement covering any part of the Collateral (other than the financing statement executed in conjunction with this Security Agreement) is on file in any public office.

7. Continuation of Agreement. This Security Agreement will continue in effect even though from time to time there may be no outstanding Obligations or commitments hereunder. This Security Agreement will terminate when (a) Borrower completes performance of all Obligations; (b) Lender has no commitment that could give rise to an Obligation; and (c) Lender has in writing terminated this Security Agreement.

8. Events of Default. Each of the following shall immediately upon occurrence constitute an event of default ("Event of Default"), regardless of whether such event, act, occurrence or condition is voluntary or involuntary or results from the operation of law: (a) Borrower fails to pay or satisfy any installment of principal or interest when due; (b) Borrower fails to pay or satisfy its entire debt to Lender when due at stated maturity, on accelerated maturity, or otherwise; (c) Borrower fails to satisfy any Obligation; (d) Borrower breaches any term, covenant, or obligation of any of the Loan Documents; (e) any warranty, representation, or statement made by or on behalf of Borrower or any Guarantor of Borrower in or with respect to any of the Loan Documents is false; (f) Borrower or any Guarantor of Borrower fails when due to a third party to pay any amount owing or to perform or observe any obligation or condition in respect of any indebtedness; (g) the Loan Documents or any assignment of Collateral to Lender shall at any time and for any reason not be binding or enforceable against Borrower or any Guarantor of Borrower or shall be disaffirmed by Borrower or any Guarantor of Borrower; (h) the Collateral becomes or is likely to become lost, stolen, or damaged; (i) any adverse development has occurred, or becomes likely to occur, as judged solely by Lender, in Borrower or any Guarantor's or controlling shareholder's respective business and affairs (including a change in the control of ownership of Borrower or such Guarantor or deterioration in Borrower's or any Guarantor's or controlling shareholder's credit worthiness or ability to repay Lender or any Obligation), or on the Collateral, Lender's security interest in the Collateral, or any assignment of Collateral to Lender; (j) a lien of any character, voluntary or involuntary, attaches to the Collateral, or there is a seizure or attachment of, a levy on, or a judgment against the Collateral or against Borrower or any guarantor of Borrower; or (k) Borrower or any Guarantor of Borrower voluntarily or involuntarily commences any bankruptcy, makes an assignment for benefit of creditors, or any other reorganization or dissolution; fails to pay, or states that it is unable to pay, or becomes unable to pay its debts generally as they become due; or dies or becomes incapacitated.

9. Action in the Event of Default. When an Event of Default occurs (a) all of Lender's obligations to Borrower (including without limitation any obligation to provide additional financing) shall automatically and immediately terminate and Lender shall have the right to terminate any of the Loan Documents; (b) the unpaid principal amounts, accrued and unpaid interest, processing fees, costs, other amounts due, and all other Obligations (with all additional interest from time to time accrued thereon) shall automatically become immediately due and payable, and regardless of any prior forbearance and without requirements of any kind (including, without limitation, valuation and appraisalment, protest, due diligence, presentment, notice of intent to demand or accelerate, and notice of acceleration) all of which are hereby expressly waived by Borrower and all sureties, guarantors, and endorsers of the notes, for themselves and severally; (c) Lender shall be free to exercise all rights and remedies available to a secured creditor after default, including without limitation the rights and remedies of secured creditors under the California Uniform Commercial Code; (d) Lender shall be free to take any action required to take possession of the Collateral (including without limitation entering the premises where all or any part of the Collateral may be and removing it) and to dispose of the Collateral, in whole or in part, in any manner allowed by law (Lender's notice of the time and place of public sale of the Collateral, or the time on or after which a private sale or other disposition of



the Collateral will be made, is reasonable if sent to Borrower in the manner for giving notice at least five days before the public or private sale); (e) Lender shall be free to contact Borrower's obligors to require that any payments or performance to Borrower be made directly to Lender; and (f) without relieving Borrower of any obligations herein, Lender shall be free to perform any of Borrower's Obligations (including without limitation to settle or discharge taxes, liens, security interests, or in any other way to cure any breach of any warranties or other terms made herein) and shall receive reimbursement from Borrower (any money expended, including without limitation reasonable attorneys' fees and interest at the highest rate permitted by law, will be charged to Borrower and added to the Obligation secured by this agreement).

10. Rights and Remedies Cumulative. All rights and remedies provided Lender in the Loan Documents are cumulative and not exclusive of any rights or remedies that Lender would otherwise have. Any single or partial exercise of any right or remedy (or any waiver thereof) by Lender shall not preclude the further exercise thereof or the exercise of any other right or remedy.

11. Governing Law; Jurisdiction. The law of the State of California will govern the Loan Documents, and the rights and obligations of the parties thereunder. Borrower agrees that all disputes shall be resolved in any State Court in Los Angeles County, or Federal Court located within the Central District of California, which Lender may select and Borrower consents to the personal jurisdiction of any such court so selected, by Lender or its Assignee. The provisions of this section are exclusive.

12. Payment of Expenses, Indemnity, etc. By initialing below this paragraph, Borrower certifies it has read, understood, and agreed to the following. Borrower shall immediately (i) pay all out-of-pocket costs and expenses (including without limitation the fees and disbursements of Lender's counsel) of Lender and its related companies, and all their past, present, and future officers, directors, employees, investors, representatives, agents, lenders, managers, and partners (each an "Indemnitee") in connection with (a) the preservation of and enforcement of its rights under the Loan Documents (including without limitation any workout, attempted workout, or evaluation of Lender's rights, remedies, and obligations); (b) the collection of any sum which becomes due to Lender under any Loan Document; (c) the preservation of, processing of, development of, maintenance of, protection of, care for, and insurance of the Collateral or Lender's security interest in the Collateral and Lender's assignment of the Collateral; (d) the preparation for and participation in any commenced or threatened proceeding (including without limitation arbitration, lawsuit, counterclaim, or appeal) relating to Borrower; and (e) the protection, preservation, and enforcement of any right or remedy of Lender arising out of its relationship with Borrower and (ii) indemnify the Indemnitees from, and hold each of them harmless against, any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs and disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for such Indemnitee in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) that may at any time (including, without limitation, at any time following the payment or performance of the Obligations) be imposed on, asserted against, or incurred by any Indemnitee arising out of or related to the Loan Documents or the relationship between Borrower and Lender.

Borrower's Initials   *lcf*  

13. Attorney's Fees and Costs. Should any party hereto retain counsel for the purpose of enforcing or preventing the breach of any provision hereof or any of the Loan Documents (including without limitation instituting or defending any action or proceeding to enforce any provision hereof, for damages by reason of any alleged breach of any provision hereof, for a declaration of such party's rights or obligations hereunder or defense of any action to rescind or reform this Agreement) then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby including but not limited to reasonable attorneys', experts' and accountants' fees.

14. Limitation of Lender's Liability. By initialing below this paragraph, Borrower certifies it has read, understood, and agreed to the following: (i) neither Borrower nor any other entity may make any claim against the Indemnitees for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to any of the Loan Documents or the relationship between Borrower and Lender; and Borrower and all other entities hereby waive, release, and agree not to sue Indemnitees upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor; (ii) in no event or circumstance shall any of the Indemnitees have any personal liability to Borrower or any other entity arising out of or related to any of the Loan Documents or the relationship between Borrower and Lender; (iii) neither Borrower nor any other entity may make any claim whatsoever against the Indemnitees (including without limitation any claims related to record keeping or interest charges) after the earlier of one year from the (a) accrual of such claim or (b) repayment of the earliest Note related to such claim ("Claim Date"); (iv) Lender shall have no obligations to keep documents and records related to any Note after the Claim Date; and (v) Borrower shall have no right whatsoever to audit Lender's books and records.

Borrower's Initials   *lcf*  

15. Resolution of Disputes. By initialing below this paragraph, Borrower certifies it has read, understood, and agreed to the following: BORROWER WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS, THE RELATIONSHIP BETWEEN BORROWER AND LENDER, OR ANY PRIOR DEALINGS BETWEEN THE PARTIES. Upon a written request of any party to this Agreement, or upon an appropriate motion by any party, any cause of action, dispute or controversy between or among the parties ("Claim") shall be heard by a single referee ("Referee"), pursuant to the provisions of California Code of Civil Procedure §§ 638 *et seq.*, as such statutes may be amended or modified from time to time, who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The parties agree that the Referee shall have the power to issue all

legal and equitable relief appropriate under the circumstances before him/her. No provision of this Agreement shall limit the right of Lender to (i) exercise self-help remedies, (ii) initiate judicial or non-judicial foreclosure against any personal property, (iii) exercise any judicial or power of sale rights, or (iv) obtain provisional or ancillary remedies, including without limitation, injunctive relief, writs of possession and attachment, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after or during the pendency of the Reference. The exercise of any such remedy does not waive the right of Lender to the Reference pursuant to this Agreement. To the extent permitted by law Borrower waives the right in any proceeding arising out of or related to any of the Loan Documents or the relationship between Borrower and Lender to assert that the proceeding was not commenced within the time required by law for commencement of the action.

Borrower's Initials     

16. Notices. All notices and other communications under any of the Loan Documents shall be in writing and shall be deemed effectively given upon personal delivery to the party to be notified; on the next business day after delivery to a recognized overnight courier service; upon successful transmission of a facsimile as confirmed by a printed receipt; or upon receipt of a written confirmation of delivery via USPS certified mail (return receipt requested and postage prepaid) at the addresses first set forth above.

17. Successors and Assignees; Assignments. The Loan Documents shall be binding upon and inure to the benefit of Borrower, Lender, their respective successors and assignees, and all future holders of the notes, except that Borrower may not without the prior written consent of Lender assign or transfer any of its rights, claims, causes of action, or Obligations arising out of or relating to of any of the Loan Documents or the relationship between Borrower and Lender, which consent may be withheld for any reason or no reason. Lender may at any time assign to any other party (each an "Assignee") all or any part of its rights and obligations under the Loan Documents. Borrower and Lender agree that to the extent of any assignment, the Assignee shall be deemed to have the same rights and benefits under the Loan Documents as Lender hereunder. Borrower authorizes Lender to disclose to any actual and prospective Assignee any and all information in Lender's possession concerning Borrower. BORROWER AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE, ANY DEFENSE, SET-OFF OR COUNTERCLAIM THAT BORROWER MAY HAVE UNDER THIS OR ANY OBLIGATION AGAINST LENDER.

18. Amendments and Waivers. No term of any Loan Document may be amended or waived except in writing. Any such amendment, supplement, modification or waiver shall apply to and shall be binding upon Borrower, Lender, and all successors, assignees, and future holders of such notes. Any default waived shall be deemed to be conditionally cured and not continuing, but no such waiver shall extend to any subsequent or other default nor impair any right consequent thereon. In addition (a) neither any failure or delay on the part of Lender in exercising any right, power, or privilege under any Loan Document, nor (b) any course of dealing between Borrower and Lender, nor (c) any single or partial exercise of any right, power, or privilege under any Loan Document shall (i) operate as a waiver thereof nor (ii) preclude any other or further exercise of any other right, power or privilege thereunder. No notice to or demand on Borrower in any case shall entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Lender to any other or further action in any circumstances without notice or demand.

19. Counterparts. The Loan Documents may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Faxed signatures shall be deemed originals.

20. Headings Descriptive. The headings of the paragraphs in the Loan Documents are for convenience only, and they shall not be of any effect in construing the contents of the respective paragraphs or subparagraphs.

21. Severability. In case any provision of or obligation under any of the Loan Document shall be invalid, illegal or unenforceable in any jurisdiction; the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

22. Joint and Several Liability. The person or persons signing this Security Agreement on behalf of Borrower agree that they shall be jointly and severally liable to Lender for all Obligations.

23. Attorney Review. By initialing below this paragraph, Borrower certifies it has read, understood, and agreed to the following. Borrower has had sufficient time to read and to understand this Security Agreement. Borrower has had sufficient time to request an attorney to review this Security Agreement and has either done so or chosen to not show it to an attorney.

Borrower's Initials     

24. Attorney-In-Fact. Borrower irrevocably grants Lender the right to take such measures Lender deems necessary or advisable to (a) preserve, process, develop, maintain, protect, care for, or insure the Collateral, its security interest in the Collateral, and its assignment of the Collateral, (b) ensure that all Obligations are satisfied, and (c) carry out the intent and performance of the Loan Documents. Furthermore Borrower hereby irrevocably constitutes and appoints Lender as Borrower's attorney-in-fact to do all acts and things in connection therewith.

25. Intentionally left blank.

26. California Civil Code Section 1654. The Loan Documents shall (i) not be construed against the party preparing the same, (ii)



not be construed with regards to the identity of the person who drafted such, and (iii) be construed as if all parties had jointly prepared each clause of the Loan Documents. Any uncertainty or ambiguity shall not be interpreted against any one party.

27. Entire Agreement. The Loan Documents (as defined above) contain the entire agreement and understanding concerning the subject matter hereof between Borrower and Lender and supersedes and replaces all prior negotiations, proposed agreements, and written and oral agreements if any. Borrower acknowledges that neither Lender nor any of its agents has made any promise or representation and warranty, express or implied, not contained in the Loan Documents and concerning the subject matter hereof to induce Borrower to execute this instrument. Borrower further acknowledges that it is not executing this instrument in reliance on any promise or representation and warranty not expressly contained in the Loan Documents. This instrument is intended to help enforce Lender's rights related to the Line of Credit, commercial notes, and other Loan Documents.

28. Survival. All clauses contained in this Security Agreement which are intended to survive (including without limitation all Borrower's representations and warranties, obligations to reimburse Lender's expenses, obligations to indemnify Lender, acceptance of limitations to Lender's liability, procedures for the resolution of disputes, confidentiality obligations, and granting Lender an option to buy the Collateral) will survive the Loan Documents' execution, delivery, and termination.

29. Setting Off. Lender shall be free to set off any other indebtedness or other obligation at any time held or owing by Lender to or for the credit or the account of Borrower against and on account of (i) the Obligations and (ii) all other claims of any nature or description arising out of or connected with any of the Loan Documents, irrespective of whether or not Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured;

30. Time. Time is of the essence for all Borrower's Obligations under the Loan Documents.

31. Confidentiality. Borrower acknowledges that the Loan Documents are proprietary and that their direct or indirect, complete or partial release to any competitor would cause Lender significant harm. As such Borrower agrees to take all necessary actions to preserve the confidentiality of the Loan Documents and all of Lender's trade secrets from all entities.

IN WITNESS WHEREOF, the parties have executed and delivered this Security Agreement at Los Angeles, California as of the date first set forth above.

BORROWER

LENDER

By: Alvertis Isbell  
Alvertis Isbell  
a/k/a/ Al Bell, individually  
and o/b/o/ Alvert Music Publishing Co.

By: [Signature]  
Currency Corporation