

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made as of _____, 2016 by Cantico Nuevo Ministries, Inc., a New Jersey corporation ("Debtor") for the benefit of City Commons LLC NJ Series A, a Montana series limited liability company ("Secured Party").

Recitals

Pursuant to an Asset Purchase Agreement (the "Purchase Agreement") dated February __, 2016, Secured Party has acquired on the date hereof the following radio broadcast station from Debtor (the "Station"): W248CG, Facility ID Number 140791, Jersey City, NJ. In connection with the closing under the Purchase Agreement, Debtor has issued to Secured Party a promissory note of even date herewith in the original principal amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "Note"). The execution and delivery of this Agreement is a material condition precedent without which Secured Party would not make the loan evidenced by the Note. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Purchase Agreement.

Agreement

NOW, THEREFORE, taking the foregoing recitals into account, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor represents, warrants, covenants and agrees as follows:

1. Security Interest. To secure the prompt and complete payment and performance in full when due of all liabilities and obligations of Debtor under the Note (including the payment of principal, interest and other amounts, whether at stated maturity, by acceleration or otherwise) and this Agreement (collectively, the "Secured Obligations"), Debtor hereby assigns and pledges to Secured Party as security and grants to Secured Party a security interest in the Collateral (as hereinafter defined). "Collateral" as used herein shall mean all of Debtor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Debtor now has or hereafter acquires such right, title or interest, and wherever the same may be located:

(a) all equipment (including all machinery, vehicles, tools, furniture, studio equipment, transmitters and antennas), fixtures, inventory and goods, used or usable in connection with the ownership or operation of the Station;

(b) all accounts, accounts receivable, other receivables, contract rights, leases, instruments, chattel paper and general intangibles (including, without limitation, goodwill, going concern value, service marks, trademarks and tradenames) of, related to, arising from, or used or usable in connection with the ownership or operation of the Station, all guaranties, indemnities, letters of credit and other security for any of the above, and all books and records (including computer programs, tapes and data processing software) evidencing an interest in or relating to the above);

(c) without limiting the foregoing, all permits, licenses and franchises for the operation or ownership of the Station (including, but only to the extent permitted by law, all licenses, authorizations and permits (the “FCC Authorizations”) issued by the Federal Communications Commission (“FCC”) with respect to the Station, and all rights incident or appurtenant to such licenses, authorizations and permits, including, without limitation, the right to receive all proceeds derived or arising from or in connection with the assignment or transfer of such licenses, authorizations and permits). **The parties acknowledge that the FCC Authorizations will not be used as collateral;**

(d) all documents of title, policies and certificates of insurance, securities, bank deposits, bank accounts and cash, of, related to, arising from, or used or usable in connection with the ownership or operation of the Station;

(e) all of the Station Assets and all other properties and assets of every type used or useful in connection with the acquisition, ownership or operation of the Station, including without limitation all real property leases included in the Station Assets;

(f) all books, records and documents relating to any of the foregoing; and

(g) all accessions, additions and improvements to, and all replacements, substitutions and parts for, and all proceeds and products of, any of the foregoing, including proceeds of insurance.

2. Representations and Warranties. Debtor hereby represents and warrants to Secured Party as follows:

(a) Debtor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

(b) Debtor has the corporate power and authority to own the Collateral and to execute, deliver and perform this Agreement and the Note, Debtor has duly authorized the execution, delivery and performance of this Agreement and the Note by all necessary action, and this Agreement and the Note are valid and binding obligations of, and are enforceable against, Debtor.

(c) the execution, delivery and performance of this Agreement and the Note does not and will not conflict with or constitute a default under or violation of Debtor’s articles of incorporation, bylaws, any agreement to which Debtor is a party or by which it or any of its assets is bound, or any law, rule, regulation, order, judgment or decree applicable to or binding upon it or any of its assets.

(d) Debtor owns and holds all right, title and interest in and to the Collateral free and clear of liens, claims and encumbrances other than those in favor of Secured Party or those permitted under the Purchase Agreement.

3. Covenants. Debtor hereby covenants and agrees as follows:

(a) Debtor shall not sell, assign, transfer, convey or otherwise dispose of any of the Collateral (other than immaterial dispositions in the ordinary course of business that are replaced with items of equal or greater value), nor create, incur or permit to exist any pledge, mortgage, lien, charge, encumbrance or security interest in or upon any of the Collateral except in favor of the Secured Party.

(b) Debtor shall, at its cost and expense, pay when due all taxes, charges and assessments against any of the Collateral, except those contested in good faith by appropriate proceedings with timely payment of any amounts due prior to delinquency, and all rent due on any and all premises where the Collateral may be located.

(c) Debtor shall, at its cost and expense, defend against all actions, claims and demands affecting the Collateral, the security interest granted hereby, or Debtor's or Secured Party's right, title, interest or benefit in or to the Collateral. Debtor shall give Secured Party notice of any such action, claim or demand promptly within five (5) days.

(d) Debtor shall maintain its corporate existence and good standing and its qualification to do business in all jurisdictions in which it conducts business.

(e) Debtor shall maintain the Collateral in good condition, ordinary wear and tear resulting from its intended use excepted.

(f) Debtor shall not reorganize, merge, consolidate, liquidate or dissolve, and shall not change its name or conduct business under any name other than as set forth herein.

(g) Debtor shall remain the holder of, and shall not assign or permit to occur a transfer of control of, the FCC Authorizations, shall operate the Station in compliance with all applicable laws, rules and regulations, including without limitation the Communications Act of 1934, as amended, and all FCC rules and regulations.

4. Further Assurances. Debtor shall, at its sole cost and expense, execute and deliver to Secured Party such other and further documents, instruments and agreements as reasonably requested by Secured Party to create, maintain, perfect, or assure the priority of, the security interest granted hereby. Without limiting the foregoing, Debtor shall, at its sole cost and expense, execute and deliver to the Secured Party, from time to time, such financing statements, mortgages, leasehold mortgages or other evidence of security interest as Secured Party may reasonably request, in a form and substance satisfactory to Secured Party. Secured Party is

hereby authorized and appointed as agent and attorney-in-fact of Debtor, which appointment is coupled with an interest and shall be irrevocable so long as any of the Secured Obligations remain outstanding, to execute and deliver such documents, endorsements and instruments, and to take all such other actions (to the maximum extent permitted by law) in the name and on behalf of Debtor as Secured Party may deem necessary or advisable to create, maintain, perfect, assure the priority of, or foreclose, its security interest in and lien on the Collateral.

5. Insurance. Debtor shall maintain policies of insurance with respect to its properties and business against loss or damage of the kinds customarily carried or maintained by companies of established reputation engaged in similar businesses and in any event insuring the full replacement cost of all Collateral. All such policies shall name Secured Party as an additional insured and loss payee as Secured Party's interest appears, and shall provide that Secured Party will receive at least thirty (30) days notice before change or cancellation. Debtor shall deliver to Secured Party certificates evidencing such policies. Debtor irrevocably appoints Secured Party as attorney-in-fact of Debtor, which appointment is coupled with an interest and shall be irrevocable so long as any of the Secured Obligations remain outstanding, to collect any returned, unearned premiums and proceeds of any such policies and to endorse any draft or check from such policies made payable to Debtor. Debtor shall deliver to Secured Party such policies and certificates evidencing such policies upon request.

6. Performance of Obligations. In the event Debtor fails to pay or perform any of its obligations hereunder, Secured Party may, but shall have no obligation to, pay or perform such obligations. All costs and expenses of Secured Party incurred in such payment or performance or with respect to any other matter under this Agreement shall become a part of the Secured Obligations and shall be immediately payable by Debtor to Secured Party, upon demand, together with interest from the date incurred by Secured Party until the date of payment by Debtor at the maximum rate of interest permitted by applicable law.

7. Events of Default. Debtor shall be in default under this Agreement upon the occurrence of any one or more of the following events (each an "Event of Default"):

(a) any failure by Debtor to pay any principal of or interest on or other amount under the Note as and when due, whether at maturity, upon demand, by acceleration or otherwise;

(b) any failure by Debtor to observe or perform any of the other Secured Obligations, which is not remedied within thirty (30) days after written notice from Secured Party;

(c) any representation or warranty of Debtor made in this Agreement is or becomes false, incorrect or misleading in any material respect;

(d) Debtor or any other party obligated with respect to this Agreement or the Note becomes subject to a bankruptcy, reorganization, insolvency, dissolution or liquidation proceeding or makes an assignment for the benefit of creditors or becomes insolvent or unable to pay its debts when due, or a trustee, receiver or other custodian for Debtor or any such other person or all of any part of the Collateral is appointed or sought or all or any material part of the Collateral is attached, levied upon or otherwise seized by legal process;

(g) there is an impairment of Secured Party's security interest in or lien upon any Collateral or the value or priority thereof, or a notice of lien, levy or assessment is filed or asserted against Debtor or an asset of Debtor by any government authority; or a judgment or other claim becomes a lien on any Collateral, or any of the Collateral is seized, attached, or otherwise levied upon; or

(h) any of the FCC Authorizations is revoked, suspended, terminated, or denied renewal by the FCC or any other governmental regulatory authority.

8. Remedies.

(a) After any Event of Default hereunder, Secured Party may, at its option and subject to any necessary prior consent of the FCC, do any one or more of the following:

(i) either personally, or by means of a court appointed receiver, to whose appointment Debtor hereby consents, take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter hold, store, use, dispose of, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and power of Debtor with respect to the Collateral or any part thereof; in the event Secured Party demands or attempts to take possession of the Collateral in the exercise of any rights under this Agreement, Debtor agrees to promptly turn over and deliver possession thereof to Secured Party;

(ii) without notice to or demand upon Debtor, make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral (including, without limitation, paying, purchasing, contesting or compromising any lien or encumbrance, whether superior or inferior to Secured Party's security interest) and in exercising any such powers or authority to pay all expenses (including, without limitation, litigation costs and reasonable attorney's fees) incurred in connection therewith;

(iii) require Debtor from time to time to assemble the Collateral, or any portion thereof, at a place designated by Secured Party and reasonably convenient to both parties, and deliver promptly such Collateral to Secured Party, or an agent or representative designated by Secured Party; Secured Party, and its agents and representatives, shall have the right to enter upon any or all of Debtor's premises and property to exercise Secured Party's rights hereunder;

(iv) realize upon the Collateral or any part thereof as herein provided or in any manner permitted by law and exercise any and all of the other rights and remedies conferred upon Secured Party by this Agreement, any other Secured Obligation, or by law, either concurrently or in such order as Secured Party may determine;

(v) sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral;

(vi) sell, lease, or otherwise dispose of the Collateral at public sale, upon terms and in such manner as Secured Party may determine; Secured Party may be a purchaser at any sale; and

(vii) exercise any remedies of a secured party under the Uniform Commercial Code or any other applicable law.

(b) Secured Party shall give Debtor at least five (5) days prior written notice of the time and place of any public sale of the Collateral or other intended disposition thereof to be made. Such notice may be mailed to Debtor at the address set forth in Section 13.

(c) The proceeds of any sale of Collateral under Section 8(a) shall be applied as follows:

(i) to the repayment of the reasonable costs and expenses of taking, holding, and preparing for the sale and the selling of the Collateral (including, without limitation, costs of litigation and attorneys' fees) and the discharge of all liens and encumbrances, and claims thereof, if any, on the Collateral prior to the security interest granted herein (except any liens and encumbrances subject to which such sale has been made);

(ii) to the payment of the Secured Obligations in such order as Secured Party shall determine; and

(iii) the surplus, if any, shall be paid to Debtor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(d) After an Event of Default, Debtor shall take any action which Secured Party may request in order to assign all FCC Authorizations to Secured Party or to such one or more third parties as Secured Party may designate, or to a combination of the foregoing. To enforce the provisions of this Section, Secured Party is empowered to request the appointment of a receiver from any court of competent jurisdiction. Such receiver shall be instructed to seek from the FCC consent to an involuntary assignment of the FCC Authorizations for the purposes of seeking a purchaser to whom control will ultimately be transferred. Debtor hereby agrees to authorize such involuntary assignment upon the request of the receiver so appointed and, if Debtor shall refuse to authorize such assignment, its approval may be required by the court. After

an Event of Default, Debtor shall also assist in obtaining approval of the FCC, if required, for any other actions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of any application necessary or appropriate to obtain approval of the transfer or assignment of any portion of the Collateral, together with the FCC Authorizations.

(e) DEBTOR ACKNOWLEDGES THAT THE ASSIGNMENT OF THE FCC AUTHORIZATIONS IS INTEGRAL TO SECURED PARTY'S REALIZATION OF THE VALUE OF THE COLLATERAL, THAT THERE IS NO ADEQUATE REMEDY AT LAW FOR FAILURE BY DEBTOR TO COMPLY WITH THE PROVISIONS OF THIS SECTION AND THAT SUCH FAILURE WOULD NOT BE ADEQUATELY COMPENSABLE IN DAMAGES, AND THEREFORE AGREES THAT THE AGREEMENTS CONTAINED HEREIN MAY BE SPECIFICALLY ENFORCED.

Secured Party shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any further remedy that it may have. Any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Debtor until full payment of any deficiency has been made in cash.

9. Waivers. Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise provided herein, all other demands and notices in connection with this Agreement or the enforcement of Secured Party's rights hereunder or in connection with any Secured Obligations or any Collateral, and hereby consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to Debtor or to any third party, or substitution, release or surrender of any collateral security for any Secured Obligation, the addition or release of persons primarily or secondarily liable on any Secured Obligation or on any collateral security for the Note and/or the settlement or compromise thereof. No waiver by Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. No delay or omission on the part of Secured Party in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or of any other right or remedy hereunder. Any waiver of any such right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any future occasion. Debtor hereby waives any right to a trial by jury of any issue that may be related to this Agreement or the Note. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING OR LIMITING IN ANY WAY THE RIGHTS OF SECURED PARTY UNDER THE NOTE, OR OTHERWISE UNDER APPLICABLE LAW, UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, DEBTOR FURTHER WAIVES ANY RIGHT IT MAY HAVE UNDER APPLICABLE LAW TO NOTICE (OTHER THAN ANY REQUIREMENT OF NOTICE PROVIDED HEREIN) OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS AGREEMENT TO THE SECURED PARTY AND WAIVES ITS RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH

THE FOREGOING PROVISIONS HEREOF ON THE GROUNDS (IF SUCH IS THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING.

10. Termination; Assignment. This Agreement and the security interest in the Collateral created hereby shall terminate when all of the Secured Obligations have been paid and finally discharged in full. In the event of a sale or assignment by Secured Party of all or any of the Secured Obligations held by it, Secured Party may assign or transfer its rights and interest under this Agreement in whole or in part to the purchaser or purchasers of such Secured Obligations, whereupon such purchaser or purchasers shall become vested with all of the powers and rights of Secured Party hereunder, and Secured Party shall thereafter be forever released and fully discharged from any liability or responsibility hereunder with respect to the rights and interest so assigned.

11. Reinstatement. Notwithstanding the provisions of Section 10, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Secured Party in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar official for Debtor or any substantial part of its properties, or otherwise, all as though such payments had not been made.

12. Governmental Approval. Notwithstanding anything to the contrary contained herein, Secured Party's rights hereunder are subject to all applicable rules and regulations of the FCC. Debtor agrees to take any action which the Secured Party may reasonably request in order to obtain and enjoy the full rights and benefits granted to Secured Party by this Agreement, including specifically the use of its best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement which is then required by law, and specifically, without limitation, upon request, the preparation, execution, filing and diligent prosecution with the FCC of any application or applications for consent to the assignment or for renewal of any license required to be executed by Debtor in any of the transactions contemplated herein.

13. Notices. All notices under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as set forth in the Purchase Agreement. Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

14. Miscellaneous. This Agreement shall inure to the benefit of and be binding upon Secured Party and Debtor and their respective successors and assigns. In case any provision in

this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, shall be construed in accordance with and governed by the laws of the State of New Jersey, without regard to conflicts of law rules.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO SECURITY AGREEMENT

IN WITNESS WHEREOF, Debtor has duly executed this Security Agreement as of the date set forth above.

CANTICO NUEVO MINISTRIES, INC.

By: _____
Name:
Title:

CITY COMMONS LLC NJ SERIES A

By: _____
Name:
Title: