

## **SUPPLEMENT TO SECURITY AGREEMENT**

This Supplement to Security Agreement ("Supplement") is made as of \_\_\_\_\_, 2001, by and between FRED R. MORTON, a Texas resident ("Debtor"), and COVENANT MEDIA SERVICES, INC., a Texas corporation ("Secured Party").

WHEREAS, Debtor and Secured Party are parties to a certain Security Agreement concerning Debtor's purchase of Radio Station KRCM(AM), Beaumont, Texas (the "Station") from Secured Party; and

WHEREAS, Debtor and Secured Party are executing this Supplement to clarify the nature of Secured Party's security interest in the FCC license for the Station in order that the Security Agreement complies with FCC rules, regulations and policies:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Debtor, the Debtor and the Secured Party agree as follows:

1. **NO PRESENT SECURITY INTEREST IN LICENSE.** Notwithstanding anything to the contrary in the Security Agreement, and consistent with current FCC rules and regulations, the Secured Party acknowledges that (a) the FCC license for the Station (the "License Proper") cannot be pledged as collateral and (b) that the Secured Party has no security interest in the License Proper at this time.

**IN WITNESS WHEREOF**, the parties have executed this Supplement to Security Agreement by their respective duly authorized representatives as of the date first written above.

**DEBTOR**

\_\_\_\_\_  
Fred R. Morton

**SECURED PARTY**

\_\_\_\_\_  
Covenant Media Services, Inc.