

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (“Security Agreement”), made as of this 1st day of June, 2021, by and between (i) La Favorita Radio Network, Inc., a California Corporation (the “Lender”), and (ii) Centro Christiano Amistad, a California Not-For-Profit Corporation (“Grantor”).

WITNESSETH:

To secure repayment of all amounts due under the Secured Promissory Note (the “Note”) dated of even date herewith, by and between the Lender and the Grantor in the aggregate principal amount of One Million Dollars (\$1,000,000.00) executed by Grantor as Maker for the benefit of the Lender, plus all interest, fees and other charges payable in connection therewith and (2) any other indebtedness or liability of the Grantor to the Lender, direct or indirect, joint, several, joint and several, absolute or contingent, due or to become due or now existing or hereafter created or arising between Grantor and Lender including, without limitation, under this Security Agreement (all of the foregoing being herein collectively referred to as the “Obligations”), the Grantor hereby grants and conveys to the Lender a first priority security interest in:

The personal property, tangible and intangible (“General Intangibles”), and all other rights and interests described hereunder in Exhibit A with respect to KCFA-FM, Arnold, California (the “Station”), and any such or like property related to the Stations acquired after the date hereof, including, without limitation:

(a) all machinery, equipment, antennas and coaxial cable located in the transmitting towers, transmitters, antennas, or any other equipment, transmitter and antenna, whether now owned or hereafter acquired by the Grantor or in which the Grantor may now have or hereafter acquire an interest;

(b) All Grantor’s rights under any present or future asset purchase agreements, local marketing agreements, time brokerage agreements, or any contracts for the sale or other disposition of air or advertising time, or for the delivery of services related thereto, now in existence or hereafter arising;

(c) All merchandise, inventory, raw materials, work in process, finished goods, and supplies, now owned or hereafter acquired;

(d) All contract rights, instruments, certificates, securities (certificated or un-certificated), cash, franchises, leases, rents, chattel paper, instruments, deposits, choses-in-action, patents, trademarks, copyrights, service marks, trade secrets, trade names, literary rights, rights to performance, call letters and general intangibles, all re-issues, divisions, renewals, extensions, continuations and continuations-in-part thereof, and goodwill associated with any of the foregoing, now in force or hereafter acquired;

(e) All books, records, ledgers, customer lists, correspondence, computer hardware and software, and magnetic or other data storage media pertaining to any of the above-referenced items, whether in the possession of the Grantor or otherwise;

(f) All cash and noncash proceeds and products, including insurance proceeds of, and any indemnity or warranty payable by reason of damage to or loss of, any of the foregoing (the "Proceeds");

(g) All licenses, franchises, permits and authorizations heretofore or hereafter granted or issued to the Grantor under federal, state or local laws (excluding, however, any licenses, franchises, permits and authorizations issued by the Federal Communications Commission ("FCC") with respect to the Station (the "FCC Licenses"), but including without limitation, to the maximum extent permitted by law, the right to receive all proceeds derived or arising from or in connection with the sale or assignment of such licenses, franchises, permits and authorizations) which permit or pertain to the business of the Grantor with respect to the Station; and

(h) All Proceeds, accounts receivable ("Receivables"), substitutions or replacements, of, for and to (a) through (g) above, ((a) through (g) and (h) being herein collectively referred to as the "Collateral").

1. REPRESENTATIONS AND WARRANTIES; COVENANTS.

The Grantor represents, warrants, covenants and agrees as follows:

(a) To pay and perform all of the Obligations according to their terms;

(b) To defend title to the Collateral against all persons and all claims and demands whatsoever, which Collateral, except for the security interest granted hereby, is lawfully owned by the Grantor and is free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments, other than those which secure the Lender;

(c) The Grantor will, if requested by the Lender, obtain waivers of lien, in form satisfactory to the Lender, from each lessor of real property on which any of the Collateral is or may be located, and will perform all other acts the Lender may request to maintain the Collateral apart from any realty;

(d) On demand of the Lender to do the following: furnish further assurance of title, execute any written agreement and do all other acts necessary to effectuate the purposes and provisions of this Security Agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Lender in the Collateral and pay all filing or other costs incurred in connection therewith;

(e) Unless otherwise required by the Lender or as expenditures are expended in the ordinary course of business, to retain possession of the Collateral during the existence of this Security Agreement and not to sell, exchange, assign, loan, deliver, lease or otherwise dispose of the Collateral without the prior written consent of the Lender;

(f) To keep the various items of Collateral at their present locations, and not to change the location of any Collateral, or permit any such change, without the prior written consent of the Lender;

(g) To keep the Collateral free and clear of all material liens, charges, encumbrances, taxes and assessments;

(h) To pay or cause to be paid when due all taxes, franchise fees and payments, assessments and license fees in any way relating to the Collateral;

(i) Upon request by the Lender, the Grantor will provide the Lender with written reports of the status of the Collateral, or any part thereof, as of the period specified, in form and substance satisfactory to the Lender. The Grantor shall not change the location of its books and records without giving the Lender at least thirty (30) days' prior written notice;

(j) To make the Collateral and the books and records pertaining thereto available for inspection by the Lender at all reasonable times, and for the further security of the Lender, it is agreed that the Lender shall have a special property interest in all books and records of the Grantor pertaining to the Receivables (including chattel paper);

(k) The Lender, and any officer or agent of the Lender is hereby constituted and appointed as true and lawful attorney-in-fact of the Grantor with full power at any time, if the Grantor be in default under this or any other agreement: (i) to enter upon the premises of the Grantor at any time for the purpose of reducing to possession General Intangibles and all cash or non-cash proceeds thereof, or for the purpose of inspecting and/or auditing the books, records and procedures of the Grantor; (ii) to compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iii) to release, or make exchanges or substitutions, or surrender, all or any part of the Collateral; (iv) to endorse the name of the Grantor upon any items of payment relating to the Collateral; (v) to file financing statements and continuation statements covering the Collateral on behalf of the Grantor, as applicable. It is expressly understood and agreed that the Lender shall not be required or obligated in any manner to make any inquiries as to the nature or sufficiency of any payment received by it or to present or file any claims or take any other action to collect or enforce a payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times. The Grantor ratifies and approves all acts of its attorney-in-fact hereby appointed. This power of attorney is coupled with an interest and shall be irrevocable as long as any of the indebtedness secured hereby shall remain outstanding, and shall not terminate on disability of the Grantor;

(l) To comply with all federal, state and local laws and regulations applicable to its business, whether now in effect or hereinafter enacted, and upon request of the Lender, will furnish to the Lender evidence of compliance therewith; and

(m) To immediately notify the Lender in writing of any change in or discontinuance of any Grantor's place or places of business.

2. EVENTS OF DEFAULT.

For the purposes of this Security Agreement, each of the following shall constitute an "Event of Default" hereunder:

(a) If the Grantor shall fail to pay or cause to be paid when due all principal, interest and other sums due under the Note and all other Obligations;

(b) If the Grantor fails to comply with or perform any material provision of this Security Agreement;

(c) If any material representation, warranty or covenant made or given by the Grantor in connection with this Security Agreement or the Note, or any material representation, warranty or covenant in the Pledges shall prove to have been incorrect or misleading or breached in any material respect on or as of the date when made (or remade); or

(d) If all or any material part of the Collateral is subject to levy of execution or other judicial process;

3. CERTAIN REMEDIES UPON DEFAULT. Upon the occurrence of an Event of Default, which Event of Default (except for (b) above, as to which an applicable provision is set forth in the Note) has continued for a period of ten (10) business days after notice from Lender to Grantor with respect thereto, at the option of the Lender:

(a) The Obligations shall immediately become due and payable in full without notice or demand, and the Lender shall have all of the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded to the Lender by the applicable sections of the Uniform Commercial Code in the State of California (as the same may be amended from time to time, the "UCC").

(b) Without limiting the provisions of the foregoing clause (a), the Lender may also (i) enter upon the Grantor's premises, peaceably by the Lender's own means or with legal process, and take possession of the Collateral, render it unusable or dispose of the Collateral on such premises, and the Grantor agrees not to resist or interfere; and (ii) require the Grantor to assemble the Collateral (to the extent that it is movable) and make it available to the Lender at a place to be designated by the Lender. The Lender agrees that unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Lender will give the Grantor reasonable notice of the time and place of any public sale

thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the appropriate person at the address shown above, at least ten (10) days before the time of sale or disposition.

(c) The Lender shall be entitled, in its own name or in the name of the Grantor, or otherwise, but at the expense and cost of the Grantor, to collect, demand, receive, sue for and/or compromise any and all of the Receivables, and to give good and sufficient releases therefor, to endorse any checks, drafts or other orders for the payment of monies payable in payment thereof and, in its discretion, to file any claims or take any action or proceeding, either in its own name or in the name of the Grantor, or otherwise, which the Lender may deem necessary or advisable. It is expressly understood and agreed, however, that the Lender shall not be required or obligated in any manner to make any inquiries as to the nature or sufficiency of any payment received by it or to present or file any claims or take any other action to collect or enforce a payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

(d) Upon any default hereunder, the Lender's reasonable attorneys' fees and the legal and other expenses of pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral shall be chargeable to the Grantor.

(e) If the Grantor shall default in the performance of any of the provisions of this Security Agreement on its part to be performed, the Lender may perform the same for the Grantor's account, and any monies expended in so doing shall be chargeable with interest to the Grantor and added to the indebtedness secured hereby.

(f) Waiver of or acquiescence in any default by the Grantor, or failure of the Lender to insist upon strict performance by the Grantor of any warranties or agreements in this Security Agreement, shall not constitute a waiver of any subsequent or other default or failure.

(g) Grantor shall take any action that Lender may reasonably request in order to enable Lender to obtain and enjoy the full rights and benefits granted to Lender hereunder, including without limitation, all rights necessary to obtain, use, sell, assign or otherwise transfer control of the FCC Licenses. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, at the written request of Lender and at Grantor's sole cost and expense, Grantor shall (i) assist Lender in obtaining any required FCC approval for any action or transaction contemplated hereby, including preparing, signing and filing with the FCC and/or any other governmental body with jurisdiction thereof, the assignor's or transferor's portion of any application or applications for consent to the assignment of license necessary or appropriate under the Act or the rules and regulations of the FCC or any other governmental body for approval of any sale, assignment or transfer to Lender or any other person or entity of any or all Collateral (including without limitation any FCC Licenses), and (ii) execute all applications and other documents and take all other actions requested by Lender to enable Lender, its designee, any receiver, trustee, or similar official or any purchaser of all or any part of the Collateral to

obtain from the FCC or any other governmental body any required authority necessary to operate the broadcasting business of Grantor.

4. ADDITIONAL RIGHT OF THE LENDER TO USE AND OPERATE COLLATERAL.

Upon the occurrence of any Event of Default hereunder but subject to the provisions of the UCC, any required prior approval of the FCC, and any other applicable law, the Lender shall have the right and power to take possession of all or any part of the Collateral and to exclude the Grantor and all persons claiming under the Grantor wholly or partly therefrom, to the extent necessary, thereafter to hold, store and/or use, operate, manage and control the Collateral. Upon any such taking of possession, the Lender may, from time to time, at the expense of the Grantor, make all such repairs, replacements, alterations, additions and improvements to and of the Collateral as the Lender may deem proper. In any such case, subject to the prior approval of the FCC, to the extent necessary, the Lender shall have the right to manage and control the Collateral and to carry on the business and exercise all rights and powers of the Grantor respecting the Collateral, all as the Lender shall deem best, including the right to enter into any and all such agreements with respect to the leasing and/or operation of the Collateral or any part thereof as the Lender may see fit; and the Lender shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses incurred in (i) holding and operating the Collateral; (ii) performing all maintenance, repairs, replacements, alterations, additions and improvements which the Lender may be required or elect to make, if any; and (iii) paying all taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments, which the Lender may be required or authorized or elect to make (including legal costs and attorneys' fees). Any remaining rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Obligations. Without limiting the generality of the foregoing, the Lender shall have the right to apply for and have a receiver appointed by a court of competent jurisdiction in any action taken by the Lender to enforce its rights and remedies hereunder in order to manage, protect or preserve the Collateral or continue the operation of the business of the Grantor. The Lender shall also have the right to collect all revenues and profits of the Grantor's business and apply the same to the payment of all expenses and other charges of any such receivership until a sale or other disposition of the Collateral shall be finally made and consummated.

5. FCC APPROVAL. Notwithstanding anything to the contrary contained herein, the Lender will not take any action pursuant to this Security Agreement which would constitute or result in any assignment of an FCC License or any change of control of the ownership or management of the Station if such assignment of FCC License or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. The Grantor agrees to take any action which the Lender may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Lender by this Security Agreement and each other agreement, instrument and document delivered to the Lender in connection herewith or in any document evidencing or securing the Collateral, including specifically, at the Grantor's own cost and expense, the use of its best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Security Agreement which is then required by law.

6. ASSIGNMENT. The Lender may not assign its interests in this Security Agreement without the express written consent of Grantor.

7. NO ASSUMPTION OF DUTIES. The rights and powers granted to the Lender hereunder are being granted in order to preserve and protect the Lender's security interest in and to the Collateral granted hereby and shall not be interpreted to, and shall not, impose any duties on the Lender in connection therewith.

8. FINANCING STATEMENTS. The Lender is hereby authorized to file Financing Statements covering the Collateral.

9. MISCELLANEOUS. Captions used herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Security Agreement or the intent of any provision hereof. The gender and number used in this Security Agreement are used as reference terms only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

10. BINDING EFFECT. The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns. This Security Agreement shall be governed by and construed in accordance with the substantive laws of the State of California (without regard to conflicts of laws) and may not be changed orally, but may be changed only by an agreement in writing signed by the parties against whom any waiver, change, modification or discharge is sought. Any provisions in this Security Agreement which are or are declared invalid under any law shall not invalidate any other provision of this Security Agreement.

11. NOTICES. Notices to the parties shall be in writing and shall be delivered personally or by mail addressed to the party at the address set forth in the Note or otherwise designated in writing.

IN WITNESS WHEREOF, the parties have executed this Security Agreement on the day and year first above written.

CENTRO CHRISTIANO AMISTAD ("GRANTOR")

By:

Pastor Juan Montes, President

LA FAVORITA RADIO NETWORK, INC. ("LENDER")

By:

Nelson F. Gomez, President

EXHIBIT A

SECURITY AGREEMENT

Specific items of Grantor's personal property subject to this Security Agreement as Collateral are, without limitation:

- (a) all machinery, equipment, antennas and coaxial cables located in the transmitting towers, broadcast studio equipment, program and music libraries, transmitters, antennas, furnishings, microphones, audio equipment, video equipment, tape recorders, tools, and furniture, whether now owned or hereafter acquired by the Grantor or in which the Grantor may now have or hereafter acquire an interest;
- (b) All Grantor's rights under any present or future local marketing agreements, time brokerage agreements, or any contracts for the sale or other disposition of air or advertising time, or for the delivery of services related thereto, now in existence or hereafter arising;
- (c) All merchandise, inventory, raw materials, work in process, finished goods, and supplies, now owned or hereafter acquired;
- (d) All Proceeds or Receivables from the sale of broadcast inventory;
- (e) All licenses, franchises, permits and authorizations heretofore or hereafter granted or issued to the Grantor under federal, state or local laws (excluding, however, any FCC Licenses but including, without limitation, to the maximum extent permitted by law, the right to receive all proceeds derived or arising from or in connection with the sale or assignment of such licenses, franchises, permits and authorizations) which permit or pertain to the business of Grantor with respect to the Station.