

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made this _____ day of _____, by and between East Central Broadcasting, LLC (hereinafter called the "**Debtor**"), and BDJ Radio Enterprises, LLC, 920 AM, LLC, Radio Property Ventures, LLC and What's wGNU, LLC or its successors and assigns (hereinafter called the "**Secured Party**"):

W I T N E S S E T H:

1. Debtor hereby grants to the Secured Party a security interest in, and lien upon all tangible and intangible property, used in the operation of Stations KXEN, St. Louis, Missouri (Facility ID No. 54739), K264CY, St. Louis, Missouri (Facility ID No. 202918) and WGNU, St. Louis, Missouri (Facility ID No. 49042) (the "**Stations**"), including without limitation, the property of Debtor described in Schedule 1 attached hereto (hereinafter referred to as the "**Collateral**") and shall include the proceeds, products, and accessions of and to any thereof. It is expressly understood that the security interest granted herein shall also attach to all property of the class and character described above which the Debtor may hereafter acquire at any time for use in connection with the Stations, but Secured Party's interest in all such after acquired property will be secondary to any purchase money mortgages on such property. Subject to the foregoing it is expressly understood the security interest granted herein shall attach to all property of the class and character described above which the Debtor may hereafter acquire at any time until the termination of this Security Agreement. Debtor also grants Secured Party a security interest in all cash or non-cash proceeds of the transfer, assignment or other disposition of the FCC broadcast license(s) or permits held in connection with the Stations. The security interest shall not attach to any FCC-issued licenses, permits or authorizations, themselves.

2. The security interest granted herein is to secure the payment of the following:

All amounts owed by Debtor or that may become owed pursuant that certain Promissory Note from East Central Broadcasting, LLC, to BDJ Radio Enterprises, LLC, 920 AM, LLC, Radio Property Ventures, LLC and What's wGNU, LLC, of even date herewith in the amount of One Hundred Eighty Thousand Dollars (\$180,000) (the "**Promissory Note**").

3. The Debtor agrees:

a. The Collateral will be kept at the Debtor's principal place of business, and will not be sold or otherwise disposed of without the written consent of the Secured Party.

b. The Debtor will at all times keep accurate and complete records of its business affairs, and, at any time if the Buyer is in default in any of its obligations to Secured Party, then Secured Party shall have the right to call at the Debtor's place of business and without hindrance or delay to inspect, audit, check, and make extracts from the books, records, journals, order, receipts, correspondence, and other data relating to the conduct of business and the Collateral.

c. The Debtor shall use reasonable care in the custody and preservation of the Collateral and shall keep it in good order and repair and will not waste or destroy the Collateral.

d. Subject to the provisions of paragraph 1 above, the Debtor shall keep the Collateral free from any adverse security interest, liens, claims, charges, encumbrances, and will pay when due all taxes and assessments upon the Collateral and the Debtor shall keep the Collateral adequately insured at all times against loss by fire or other hazards. The Debtor shall provide Secured Party with proof of such insurance upon request by Secured Party.

e. Upon Debtor's default in payment of the Promissory Note, Debtor's breach of

this Security Agreement, Debtor's insolvency, including without limitation bankruptcy, receivership, reorganization, assignment for the benefit of creditors, composition, or arrangement, whether voluntary or involuntary, pending or threatened (each an "**Event of Default**"), the Secured Party may at its option (and without limiting any other rights that the Secured Party may have), discharge security interests, liens, claims, charges, and other encumbrances, taxes, or assessments levied or placed on the Collateral, may pay for insurance on the Collateral, and may pay the maintenance and preservation of the Collateral. The Debtor agrees to reimburse the Secured Party on demand for any payments made or expense incurred under the foregoing authorization and the payment of such sum shall be secured by this Security Agreement. The Secured Party under such circumstances is authorized and empowered at any time in its sole discretion:

- i. to require the Debtor to notify any debtor in the accounts or any party obligated under a contract of the fact of this assignment;
- ii. to demand, collect, or compromise any and all sums which are not or would later become due;
- iii. to enforce payment thereof, either in its name or in the name of the Debtor; and
- iv. to endorse in the name of the Debtor and to collect any negotiable instruments tendered or received in payment of any obligation to the Debtor. But the Secured Party under no circumstances shall be under any duty to act in regard to the foregoing matters, but, if it should, all costs of collection and enforcement, including attorneys' fees, and out-of-pocket expenses, shall be borne solely by the Debtor whether incurred by the Secured Party or the Debtor. Any sums collected by the

Secured Party shall be held as security for the indebtedness or may be applied to the payment of the indebtedness then due.

f. Subject to the provisions of paragraph 1 above, the Debtor will not without prior written consent of the Secured Party borrow from anyone except the Secured Party or pledge or grant any security interest in any of the Collateral and in any after acquired property to any person except the Secured Party, except as indicated in paragraph 1 hereinabove.

In addition, if and when applicable laws, rules, and regulations shall permit, Debtor hereby grants to Secured Party a security interest in the FCC licenses, authorizations, and permits of Stations used by Debtor in the operation of the Stations, which grant shall be effective at and from such time as such applicable laws, rules, and regulations shall permit such exercise such security interest; provided, however, that Secured Party will not exercise such security interest to operate or control the Stations without first obtaining any necessary approval from the FCC. The parties acknowledge that no further action by the parties is necessary to effectuate provisions of this paragraph; however, Debtor hereby agrees that upon request of Secured Party, it will (at Debtor's expense) execute and deliver such documents and take such other actions as Secured Party shall request to effectuate the provisions of this paragraph.

4. Upon the occurrence of an Event of Default, Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver for the benefit of the creditors of Debtor. If the court grants the application for receivership, such receiver shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Debtor. Subject to the receipt of prior FCC approvals, the receiver shall have the power to transfer or assign the Stations' FCC licenses, permits, and other authorizations (the "**FCC Authorizations**") and the Collateral in any manner lawful in the jurisdiction in which his or her appointment is confirmed, including the power to conduct

a public or private sale of the FCC Authorizations and the Collateral. Secured Party may bid at any such public or private sale.

5. Upon the occurrence of an Event of Default, Secured Party shall have the right to require that Debtor join with the successful bidder or other purchaser at a foreclosure sale regarding the Collateral in seeking from the FCC all applicable prior approvals of the assignment of the FCC Authorizations to such bidder or other purchaser. In that regard, Debtor agrees to execute and deliver all applications, certificates, instruments, assignments and other documents and papers that may be required to obtain any necessary FCC consent, approval, or authorization. It is expressly understood that such sale shall be subject to all applicable consents and prior approvals of the FCC.

6. The Debtor warrants that, except for the security interest granted herein, or as otherwise provided in paragraph 1 above, to the extent that this Security Agreement grants a security interest in after acquired property, the Collateral is free from any adverse lien, security interest, or encumbrances, and the Debtor will defend the Collateral against all claims and demands of all forms at any time claiming the same in any interest therein.

7. Upon the occurrence of an Event of Default, the Secured Party shall have all of the rights, powers, and remedies set forth in, the Note and this Agreement, together with the rights and remedies of a secured party under the Uniform Commercial Code of the jurisdictions where the Collateral is located, including without limitation the right to sell, lease, transfer, assign or otherwise dispose of any or all of the Collateral and to take possession of the Collateral. The Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at the place designated by the secured Party, which is reasonably convenient to both parties. Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the Payment or expenses in connection with the Collateral, including reasonable attorney's fees and legal expenses, and any

balance of such proceeds may be applied by the Secured Party toward the payment of the indebtedness secured herein. Any required notice by the Secured Party of the sale or other disposition on default, when placed in the mail addressed to the Debtor at its offices or any subsequent offices, at least ten (10) days prior to such action, shall constitute reasonable notice. If Debtor defaults on this Security Agreement or the associated Promissory Note, Debtor will cooperate fully in transferring all of the Collateral to Secured Party. It will cooperate likewise with any related public or private sale of the broadcast licenses and related public or private sale of the broadcast licenses and applying to the FCC for consent to any related assignment or transfer of said licenses.

8. The right is expressly granted to the Secured Party, at its discretion, to file one or more financing statements under the Uniform Commercial Code naming the Debtor and the Secured Party and indicating therein the types or describing the items of Collateral herein specified.

9. The laws of Missouri shall govern the construction of this Agreement and the rights and duties of the parties hereto. The Secured Party's failure to exercise any right or take any action hereunder shall not constitute a waiver of that or any other right or action.

10. This Security Agreement shall be binding upon the Debtor, its successors and assigns, and the benefits hereof shall inure to the Secured Party, its successors and assigns.

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this Security Agreement to be duly executed and delivered as of the date first above written.

EAST CENTRAL BROADCASTING, LLC

By: _____
Name: Louis B. "Buzz" Eckelkamp
Title: Manager

BDJ RADIO ENTERPRISES, LLC

By: _____
Name: Burt W. Kaufman
Title: Manager

920 AM, LLC

By: _____
Name: Burt W. Kaufman
Title: Manager

RADIO PROPERTY VENTURES, LLC

By: _____
Name: Burt W. Kaufman
Title: Manager

WHAT'S wGNU, LLC

By: _____
Name: Burt W. Kaufman
Title: Manager

SCHEDULE 1

The following Equipment, Inventory, General Intangibles and Insurance are collectively referred to as the "Collateral":

(a) All personal property of Debtor located within the KXEN, K264CY and WGNU (the "Stations") 54 dBu coverage area and used solely or primarily in connection with the operation of the Stations and all additions to, replacements of, condemnation proceeds of and documents covering any of the foregoing (the "Equipment") and all profits and proceeds arising from the sale, lease, license or other temporary or permanent disposition of any of the Equipment or any interest in the foregoing. In the event that the Equipment is removed from the Stations' 54 dBu coverage area, Secured Party shall maintain its continuing security interest in the Equipment regardless of the location of such Equipment.

(b) All of the Debtor's inventory, merchandise and goods in all forms, used solely in connection with the operations of the Stations, whether now existing or hereafter acquired, and the proceeds and products thereof (but excluding any inventory, merchandise and goods which are also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities) (the "Inventory");

(c) All of Debtor's presently existing and hereafter acquired or arising general intangibles and other intangible personal property used solely in the operation of the Stations, including without limitation rights under all contract rights and all present and future authorizations, permits, licenses, franchises, government authorizations, including Debtor's rights under present and future authorizations, permits and licenses issued or granted to Debtor by the Federal Communications Commission (each, an "FCC License") for the ownership and operation of the Stations, and all rights incident or appurtenant to such authorizations, permits and licenses (but only to the extent it may become lawful to grant a security interest in such FCC License), together with all proceeds derived from or in connection with the sale, assignment or transfer of any FCC License used for ownership or operations of the Stations (the "General Intangibles"); and

(d) All insurance policies held by the Debtor or naming the Debtor as loss payee (or naming Debtor as an additional insured as its interest may appear) relating to the operation of the Stations, including without limitation, casualty insurance and property insurance, and the proceeds thereof (the "Insurance").

Notwithstanding anything contained herein to the contrary, as used herein the term "Collateral" does not include (a) any personal property of Debtor which is not currently located within the 54 dBu coverage areas of the Stations, or (b) any intangible property of Debtor that is used in connection with Debtor's ownership and operation of its other broadcast stations and facilities.

Except for principal indebtedness of the Note outstanding from time to time and any interest that may accrue thereon, the Obligations do not include, and this Security Agreement does not secure, any liability, obligation or indebtedness of Debtor to Secured Party, whether now existing or hereafter arising and howsoever evidenced.