

## SECURITY AGREEMENT

**THIS SECURITY AGREEMENT** (as amended, restated, supplemented, or otherwise modified, this “Agreement”), is made and entered into as of \_\_\_\_\_, 2023, by Blue Ridge Media Partners, Inc., a North Carolina corporation (“Grantor”), for the benefit of Three Rivers Media Corporation, a Pennsylvania corporation (“Secured Party”).

### WITNESSETH:

**WHEREAS**, pursuant to that certain Asset Purchase Agreement dated as of \_\_\_\_\_, by and among Grantor and Secured Party (the “APA”), Grantor has requested Secured Party to extend and Secured Party has agreed to extend to Grantor a loan in the aggregate principal amount of up to \$435,000 (the “Loan”), as evidenced by a promissory note from Grantor and payable to the order of Secured Party in the aggregate principal amount of \$435,000 (as amended, restated, supplemented, extended or otherwise modified, the “Note” and, together with the APA, the “Loan Documents”); and

**WHEREAS**, as a condition to Secured Party’s willingness to make the Loan and to more fully secure Grantor’s obligations under the APA and the Note, Secured Party has requested Grantor to execute this Agreement;

**NOW, THEREFORE**, for and in consideration of the Loan, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### **1. Construction of Agreement; Definitions.**

All terms used but not defined herein or in the Note which are defined by Article Nine of Virginia’s Uniform Commercial Code as in effect on the date hereof (“Article Nine”) shall have the meanings assigned to them by Article Nine unless expressly varied by this Agreement. All accounting terms used but not defined herein shall have the meanings assigned to them as determined by GAAP. Whenever the phrase “Satisfactory to Secured Party” is used in this Agreement such phrase shall mean “Satisfactory to Secured Party in its sole discretion.” All terms used but not defined herein which are defined in the Note shall have the meanings assigned to them in the Note (as applicable) unless expressly varied by this Agreement. In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings:

**1.1** “Business Premises” shall mean Grantor’s offices located at 1183 University Dr. #105-419, Burlington, NC, 27215, and 105 E. Hardin St., Graham, NC 27253.

**1.2** “Collateral” shall mean all right, title and interest in or to any of the following assets and properties of Grantor, now owned and hereafter acquired or arising and wherever located:

- (a) all Accounts;
- (b) all As-extracted collateral;

- (c) all Chattel paper;
- (d) all Deposit Accounts, cash, cash equivalents, Securities Accounts and Commodity Accounts;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General intangibles, including without limitation goodwill and IP Collateral;
- (i) all Goods not otherwise described herein;
- (j) all Instruments;
- (k) all Inventory;
- (l) all Investment property;
- (m) all Letter-of-credit rights;
- (n) all money;
- (o) all books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon; and
- (p) to the extent not otherwise included, all other personal property of Grantor and all Proceeds, including without limitation, all insurance proceeds, products, accessions, rents and profits of any and all of the foregoing.

Notwithstanding the foregoing, the parties acknowledge that as of the date hereof and pursuant to the Communications Act of 1934, as amended, any authorizations issued by the Federal Communications Commission and held by Grantor ("FCC Authorizations") may not be and are not included within the definition of "Collateral," as used herein; provided, however, that should the law change to permit the FCC Authorizations to be included in the definition of "Collateral," as used herein, then, immediately and without the need for further action on the part of Grantor or Secured Party, the FCC Authorizations shall become included in the definition of "Collateral"; provided, further, however, that all cash and non-cash proceeds from any sale or transfer of the FCC Authorizations shall be included in the definition of "Collateral."

**1.3** “IP Collateral” means (a) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), patents, patent applications, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof, (b) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor and its affiliates connected with and symbolized by any of the aforementioned properties and assets and (c) all intangible intellectual or other similar property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above.

**1.4** “Lien” shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of setoff, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

**1.5** “Obligations” means the full and punctual observance and performance of all of Grantor’s obligations and liabilities to Secured Party, whether now existing or hereinafter incurred, for principal, interest, fees, expenses, indemnification or otherwise, under the Loan Documents or otherwise, whether direct or indirect, contingent or noncontingent, matured or unmatured, accrued or not accrued, whether or not now contemplated, whether or not any instrument or agreement relating thereto specifically refers to this Agreement, as well as all renewals, refinancings, consolidations, re-castings and extensions of any of the foregoing.

**1.6** “PTO” shall mean the United States Patent and Trademark Office.

## **2. Security Interest.**

**2.1 Grant of Security Interest.** As security for the prompt and complete payment and performance of all of the Obligations, whether or not any instrument or agreement relating to any Obligation specifically refers to this Agreement or the security interest created hereunder, Grantor hereby assigns, pledges and grants to Secured Party, and the successors and assigns of Secured Party, a continuing security interest in the Collateral (“Secured Party’s Security Interest”). Secured Party’s Security Interest shall exist continually until all Obligations have been paid in full.

**2.2 Priority.** Secured Party’s Security Interest in the Collateral shall be a first priority security interest, subject only to permitted purchase money liens to the extent set forth in Section 5.1.

**2.3 Perfection.** Grantor authorizes Secured Party to file financing statements, amendments, and continuation statements covering the Collateral and containing such collateral

descriptions and legends as Secured Party shall deem necessary or desirable to perfect or to maintain the perfection of Secured Party's Security Interest, as well as any other document describing Secured Party's interest in the IP Collateral with the PTO or any applicable state office. Grantor agrees to pay all taxes, fees and costs (including reasonable attorneys' fees and UCC filing fees) paid or incurred by Secured Party in connection with the preparation, filing or recordation thereof.

### **3. The Collateral.**

**3.1 Care of Collateral.** Grantor shall have all risk of loss of the Collateral. Secured Party shall have no liability or duty, either before or after the occurrence of an Event of Default, on account of any loss of or damage to the Collateral, to collect or enforce any rights against the Collateral, to collect any income accruing on the Collateral, or to preserve rights against account debtors or other parties with prior interests in the Collateral. If Secured Party actually receives any notices requiring action with respect to Collateral in Secured Party's possession, Secured Party shall take reasonable steps to forward such notices to Grantor. Grantor is responsible for responding to notices concerning the Collateral, voting the Collateral, and exercising rights and options, calls and conversions of the Collateral. Secured Party's sole responsibility is to take such action as is reasonably requested by Grantor in writing; provided, however, Secured Party shall not be liable for taking or for failing to take any action if, in Secured Party's sole judgment, taking or failing to take such action would affect adversely the value of the Collateral as security for the Obligations. If in Secured Party's sole discretion, Secured Party determines that any action by Secured Party is necessary or desirable to preserve and/or maintain the Collateral, Grantor authorizes Secured Party to take such actions; provided, however, that in no event shall Secured Party be obligated to take any such action.

**3.2 Maintenance of Insurance.** At all times, Grantor shall maintain policies of insurance insuring the Collateral against such risks, in such amounts, with such loss deductible amounts and with such companies as are adequate for the business conducted by Grantor as reasonably determined by the Board of Directors, and each such policy shall contain a clause or endorsement Satisfactory to Secured Party naming Secured Party as additional loss payee and a clause or endorsement Satisfactory to Secured Party that such policy may not be cancelled or altered and Secured Party may not be removed as additional loss payee without at least thirty (30) days' prior written notice to Secured Party. In all events, the amounts of such insurance coverages shall conform to prudent business practices and shall be in such minimum amounts that Grantor will not be deemed a co-insurer under applicable insurance laws, regulations, policies or practices. Grantor hereby assigns to Secured Party and grants to Secured Party a security interest in any and all proceeds of such policies and authorizes and empowers Secured Party to adjust or compromise any loss under such policies and to collect and receive all such proceeds. Grantor hereby authorizes and directs each insurance company to pay all such proceeds jointly to Grantor and Secured Party. During the continuance of an Event of Default, Grantor hereby authorizes and directs each insurance company to pay all such proceeds directly and solely to Secured Party and not to Grantor and Secured Party jointly. Grantor authorizes and empowers Secured Party during the continuance of an Event of Default to execute and endorse in Grantor's name all proofs of loss, drafts, checks and any other documents or instruments necessary to accomplish such collection, and any persons making payments to Secured Party under the terms of this paragraph are hereby relieved absolutely from any obligation or responsibility to see to the application of any sums so paid. After deduction from any such

proceeds received by Secured Party of all costs and expenses (including attorneys' fees) incurred by Secured Party in the collection and handling of such proceeds, the net proceeds shall be applied as follows: such net proceeds may be applied, at Secured Party's option, (i) toward replacing or restoring the Collateral, in a manner and on terms Satisfactory to Secured Party, or (ii) as a credit against such of the Obligations, whether matured or unmatured, as Secured Party shall determine in Secured Party's sole discretion. In the event that Secured Party opts to allow the proceeds to be used to replace or restore as aforesaid, then such net proceeds shall be deposited in a segregated account of Secured Party subject to the sole order of Secured Party and shall be disbursed therefrom by Secured Party in such manner and at such times as Secured Party deems appropriate to complete such replacement or restoration.

**3.3 Collateral Collections.** Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right at any and all times to enforce Grantor's rights against account debtors and other parties obligated on Collateral. Secured Party's collection and enforcement of Collateral against account debtors and other persons obligated thereon shall be deemed to be commercially reasonable if Secured Party exercises the care and follows the procedures that Secured Party generally applies to the collection of obligations owed to Secured Party. All cash and non-cash proceeds of the Collateral may be applied by Secured Party upon Secured Party's actual receipt of such proceeds against such of the Obligations, matured or unmatured, as Secured Party shall determine in Secured Party's sole discretion.

**3.4 [Intentionally Omitted]**

**3.5 IP Collateral.** Grantor shall give prompt notice in writing to Secured Party with respect to any new patents or trademarks or renewal or extension of any patent or trademark registration, and the provisions of this Agreement shall automatically apply thereto. Grantor authorizes Secured Party to modify any PTO lien filings to include any such new IP Collateral. Notwithstanding the foregoing, no failure to so modify any PTO lien filings shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all IP Collateral.

**4. Grantor's Representations and Warranties.** Grantor represents and warrants to Secured Party that:

**4.1 Representations in Note.** The representations and warranties made by Grantor in the Loan Documents are true and correct in all material respects.

**4.2 Legal Name; State of Organization.** The exact legal name of Grantor is "Blue Ridge Media Partners, Inc." and the state of incorporation of Grantor is North Carolina.

**4.3 Good Standing.** Grantor is duly organized, legally existing and in good standing under the laws of the State of North Carolina; Grantor has the power to own its property and to carry on its business; Grantor is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary.

**4.4 Authority.** Grantor has full power and authority to enter into this Agreement and to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate and other action, and no consent or approval of any person, including, without limitation, any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

**4.5 Binding Agreements.** This Agreement has been duly and properly executed by Grantor, constitutes the valid and legally binding obligation of Grantor and is fully enforceable against Grantor in accordance with its terms, subject only to laws affecting the rights of creditors generally and application of general principles of equity.

**4.6 Place of Business.** Grantor's principal place of business and chief executive office is located at the Business Premises as of the date of this Agreement.

**4.7 No Conflicting Agreements.** The execution, delivery and performance by Grantor of this Agreement will not (a) violate (i) any provision of law or any order, rule or regulation of any court or any governmental authority, (ii) any award of any arbitrator, (iii) the articles of incorporation, bylaws or other organizational document or agreement of Grantor, or (iv) any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Grantor is a party or by which Grantor or any of its property is bound, or (b) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a material default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of Grantor except for Liens created in favor of Secured Party under or pursuant to this Agreement.

**4.8 Litigation.** There are no judgments, injunctions or similar orders or decrees, claims, actions, suits or proceedings pending or, to the knowledge of Grantor, threatened against or affecting Grantor or any property of Grantor, at law or in equity, by or before any court or any federal, State, county, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could have a material adverse effect on the value of the Collateral as security.

**4.9 Taxes.** Grantor has paid or caused to be paid all federal, State and local taxes to the extent that such taxes have become due and has filed or caused to be filed all federal, state and local tax returns which are required to be filed by Grantor.

**4.10 Title to Collateral.** Grantor is the legal and beneficial owner of all of the Collateral, free and clear of all Liens.

**4.11 Perfection and Priority of Collateral.** Secured Party has or upon proper recording of any financing statement or delivery of Collateral to Secured Party's possession, will have and will continue to have as security for the Obligations, a valid and perfected Lien on and security interest in all Collateral, free of all other Liens, claims and rights of third parties whatsoever.

**4.12 Commercial Purpose.** The Loan is not a “consumer transaction” as defined in Article Nine and none of the Collateral was or will be purchased or held primarily for personal, family or household purposes.

**4.13 Survival.** All covenants, agreements, representations and warranties made by Grantor herein shall be considered to have been relied upon by Secured Party and shall survive the execution and delivery of this Agreement, regardless of any investigation made by Secured Party or on Secured Party’s behalf and notwithstanding that Secured Party may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time of the Loan closing, and shall continue in full force and effect as long as the principal of or any accrued interest on the Note or any fee or any other amount payable under the Loan Documents is outstanding and unpaid.

**5. Covenants of Grantor.** Grantor covenants and agrees with Secured Party that:

**5.1 Transfers; Liens.** Grantor shall not give, sell, lease, license, pledge, assign, or in any way transfer any interest in the Collateral except for (i) sales of inventory in the ordinary course of business; (ii) sales and other dispositions of worn or obsolete equipment; and (iii) purchase money liens in after acquired equipment and fixed assets with a purchase price of less than \$5,000.

**5.2 Maintenance of Collateral.** Grantor shall maintain the Collateral in good order and condition, ordinary wear and tear excepted, and will use, operate and maintain the Collateral in compliance with all laws, regulations and ordinances and in compliance with all applicable insurance requirements and regulations. Grantor shall not abandon any registered trademark or issued patent without the consent of Secured Party, which consent is not to be unreasonably withheld or delayed.

**5.3 Litigation; Claims Against Collateral.** Grantor shall promptly notify Secured Party in writing of any litigation involving or relating to the Collateral which Grantor knows or has reason to believe is pending or threatened. Grantor will promptly pay when due all taxes and all transportation, storage, warehousing and other such charges and fees affecting or arising out of or relating to the Collateral and shall defend the Collateral, at Grantor’s expense, against all claims and demands of any persons claiming any interest in the Collateral adverse to Grantor or Secured Party.

**5.4 Inspection.** Secured Party and its agents and designees shall be entitled to enter the Business Premises and any other premises of Grantor and inspect the Collateral and all books and records of Grantor (in whatever form), and Grantor shall pay the reasonable costs of such inspections.

**5.5 Insurance.** Grantor shall maintain comprehensive casualty insurance on the Collateral in accordance with Section 3.2 above.

**5.6 Books and Records.** All books and records pertaining to the Collateral are located at the Business Premises and Grantor shall not change the location of such books and records without prior written notice thereof to Secured Party.

**5.7 Further Assurances.** Grantor shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances, instruments and documents as Secured Party may reasonably request to vest in and assure to Secured Party its rights hereunder or in any of the Collateral, including, without limitation, placing legends on Collateral or on books and records pertaining to Collateral stating that Secured Party has a security interest therein.

**5.8 Control Agreements.** If requested by Secured Party, Grantor shall cooperate with Secured Party to obtain and keep in effect one or more control agreements in deposit account, electronic chattel paper, investment property and letter-of-credit rights Collateral.

**5.9 Delivery to Secured Party.** Grantor shall promptly deliver to Secured Party, with all endorsements and/or assignments required by Secured Party, all instruments, chattel paper, guaranties and the like received by Grantor constituting, evidencing or relating to any of the Collateral or proceeds of any of the Collateral.

**5.10 Filing of Amendments.** Grantor shall not file any amendments, correction statements or termination statements concerning the Collateral without the prior written consent of Secured Party.

**5.11 Taxes.** Grantor shall pay and discharge all taxes, assessments and governmental charges upon Grantor, its income and properties, prior to the date on which penalties attach thereto unless and to the extent only that the same are being diligently contested by Grantor in good faith in the normal course of business by appropriate proceedings; provided, however, that (i) Secured Party shall have been given reasonable prior written notice of Grantor's intention to contest, (ii) nonpayment of the same will not, in Secured Party's sole discretion, materially impair any of the Collateral or Secured Party's rights or remedies with respect thereto or the prospect for full and punctual payment of all of the Obligations, (iii) Grantor at all times effectively stays or prevents any official or judicial sale of or action or filing against any of the Collateral by reason of nonpayment of the same, and (iv) Grantor establishes reasonable reserves for any liabilities being contested and for expenses arising out of such contest.

**5.12 Maintenance of Good Standing; Compliance with Laws.** Grantor shall maintain its existence in good standing and comply with all applicable federal, State, local and foreign laws, rules, ordinances, regulations and orders.

**5.13 Notification of Loss.** Grantor shall notify Secured Party promptly in writing of any event causing extraordinary loss or depreciation of the value of the Collateral and the facts with respect thereto.

**5.14 Notification of Event of Default.** Grantor shall notify Secured Party immediately in writing of the occurrence of any Event of Default or any event or existing condition which, with the giving of notice and/or the lapse of time, could constitute an Event of Default or which would reasonably be expected to materially and adversely affect the value of the Collateral as security and the facts with respect thereto.

**5.15 Merger.** Grantor shall not enter into or be a party to any merger, consolidation, reorganization or exchange of stock or assets.



**5.16 Sale of Assets, etc.** Grantor shall not sell, assign, transfer, convey or lease any interest in all or any substantial part of its property except in the ordinary course of Grantor's business as now being conducted; purchase or otherwise acquire all or substantially all of the assets of any other person or persons, or any shares of stock of, or similar interest in, any other person or persons.

**5.17 Change of Name.** Except with Secured Party's prior written consent, Grantor shall not change its legal name or state of organization.

**6. Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

**6.1 Failure to Pay.** The failure of Grantor to pay any of the Obligations when due and payable (whether by acceleration, declaration, extension or otherwise) in accordance with the terms of the Obligations.

**6.2 Covenants and Agreements.** The failure of Grantor to perform, observe or comply with any of the covenants contained in this Agreement or in any of the Loan Documents or otherwise breach any of the Loan Documents (subject to applicable cure periods).

**6.3 Information, Representations and Warranties.** Any representation or warranty made herein or any information contained in any financial statement, application, schedule, report or any other document given by Grantor in connection with the Obligations, with the Collateral, or with any of the Loan Documents is not true and accurate in all respects on the date made or given, or Grantor omits or fails to disclose any fact necessary to make such representation, warranty or information not misleading.

**6.4 Default under Loan Documents.** The occurrence of an Event of Default under any of the Loan Documents, as that term is defined in each respective document, subject to applicable cure periods.

**6.5 Insolvency.** Grantor shall be or become insolvent (as defined in Section 101 of the United States Bankruptcy Code) or unable to pay its debts as they become due, or admits in writing to such insolvency or to such inability to pay its debts as they become due.

**6.6 Involuntary Bankruptcy.** There shall be filed against Grantor an involuntary petition or other pleading seeking the entry of a decree or order for relief under the United States Bankruptcy Code or any similar federal or state insolvency or similar laws ordering: (a) the liquidation of Grantor, or (b) a reorganization of Grantor or the business and affairs of Grantor, or (c) the appointment of a receiver, liquidator, assignee, custodian, trustee, or similar official for Grantor or of the property of Grantor and such petition or other pleading is not denied or dismissed within 45 calendar days from the date of filing.

**6.7 Voluntary Bankruptcy.** The commencement by Grantor of a voluntary case under the federal bankruptcy laws or any federal or state insolvency or similar laws or the consent by Grantor to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, or similar official for Grantor of any of the property of Grantor or the making

by Grantor of an assignment for the benefit of creditors, or the failure by Grantor generally to pay its debts as the debts become due.

**6.8 Judgments, Awards.** The entry of any judgment, order, award or decree against Grantor and a determination by Secured Party, in good faith but in his sole discretion, that the same, when aggregated with all other judgments, orders, awards and decrees outstanding against Grantor could have a material adverse effect on the prospect for Secured Party to fully and punctually realize the full benefits conferred on Secured Party by this Agreement and the other Loan Documents.

**6.9 Injunction.** The injunction or restraint of Grantor in any manner from conducting its business in whole or in part and a determination by Secured Party, in good faith but in his sole discretion, that the same could have a material adverse effect on the prospect for Secured Party to fully and punctually realize the full benefits conferred on Secured Party by this Agreement and the other Loan Documents.

**6.10 Attachment by Creditors.** Any assets of Grantor shall be attached, levied upon, seized or repossessed, or come into the possession of a trustee, receiver or other custodian and a determination by Secured Party, in good faith but in his sole discretion, that the same could have a material adverse effect on the prospect for Secured Party to fully and punctually realize the full benefits conferred on Secured Party by this Agreement and the other Loan Documents.

**6.11 Dissolution, Merger, Consolidation, Reorganization.** The voluntary or involuntary dissolution, merger, consolidation, winding up or reorganization of Grantor or the occurrence of any action preparatory thereto.

## **7. Rights and Remedies.**

**7.1 Rights and Remedies of Secured Party.** Upon the occurrence and during the continuance of an Event of Default, Secured Party may, without notice or demand, exercise in any jurisdiction in which enforcement hereof is sought, the following rights and remedies, in addition to the rights and remedies available to Secured Party under the Loan Documents, the rights and remedies of a secured party under Article Nine and all other rights and remedies available to Secured Party under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently:

- (a) Declare all Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand for payment, protest or notice of any kind, all of which are hereby expressly waived;
- (b) Institute any proceeding or proceedings to enforce the Obligations and Secured Party's Security Interest;
- (c) Take possession of the Collateral, and for that purpose, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom without any liability and without any requirement of any suit, action or other proceeding, GRANTOR HEREBY WAIVING ANY AND ALL

RIGHTS TO PRIOR NOTICE AND JUDICIAL HEARING WITH RESPECT TO REPOSSESSION OF COLLATERAL, and require Grantor, at Grantor's expense, to assemble and deliver the Collateral to such place or places as Secured Party may designate;

(d) Operate, manage and control the Collateral (including use of the Collateral and any other property or assets of Grantor in order to continue or complete performance of Grantor's obligations under any contracts of Grantor), or permit the Collateral or any portion thereof to remain idle or store the same, and collect all rents and revenues therefrom and sell or otherwise dispose of any or all of the Collateral upon such terms and under such conditions as Secured Party, in its sole discretion, may determine, and purchase or acquire any of the Collateral at any such sale or other disposition, all to the extent permitted by applicable law; and

(e) Enforce Grantor's rights against any account debtors and other obligors.

## **7.2 [Intentionally Omitted].**

**7.3 Notice of Disposition of Collateral and Disclaimer of Warranties.** It is mutually agreed that commercial reasonableness and good faith require Secured Party to give Grantor written notice of the time and place of any public disposition of Collateral or of the time after which any private disposition or any other intended disposition is to be made at least ten (10) days prior to such time. It is mutually agreed that it is commercially reasonable for Secured Party to disclaim all warranties that arise with respect to the disposition of the Collateral.

**7.4 Costs and Expenses.** Grantor agrees to pay to Secured Party on demand the amount of all expenses paid or incurred by Secured Party in consulting with counsel concerning any of Secured Party's rights hereunder, under the Loan Documents or under applicable law, all expenses, including without limitation reasonable attorneys' fees and court costs paid or incurred by Secured Party in exercising or enforcing any of Secured Party's rights hereunder, under the Loan Documents or under applicable law, together with interest on all such amounts at the highest rate, and calculated in the manner provided in the Note.

## **8. Miscellaneous.**

**8.1 Performance for Grantor.** Grantor hereby authorizes Secured Party to advance funds on behalf of Grantor, without prior notice to Grantor, in order to ensure Grantor's compliance with any covenant, warranty, representation or agreement of Grantor made in or pursuant to this Agreement or any of the Loan Documents, to continue or complete, or cause to be continued or completed, performance of Grantor's obligations under any contracts of Grantor, or to preserve or protect any right or interest of Secured Party in the Collateral or under or pursuant to this Agreement or any of the Loan Documents, including, without limitation, the payment of any insurance premiums or taxes and the satisfaction or discharge of any judgment or any Lien upon the Collateral or other property or assets of Grantor; provided, however, that the making of any such advance by Secured Party shall not constitute a waiver by Secured Party of any Event of Default with respect to which such advance is made nor relieve Grantor of any such Event of Default. Grantor shall pay to Secured Party upon demand all such advances made by Secured Party with interest thereon at the highest rate, and calculated in the manner, provided in

the Note. All such advances shall be deemed to be included in the Obligations and secured by Secured Party's Security Interest; further provided, however, that the provisions of this Section 8.1 shall survive the termination of this Agreement and Secured Party's Security Interest and the payment of all other Obligations.

**8.2 Expenses.** Grantor shall pay all reasonable expenses incurred by Secured Party with respect to Secured Party's Security Interest, including, without limitation, expenses related to (i) searching for, preparing, filing, amending and/or terminating any financing statement, including any exhibit or schedule thereto, covering the Collateral, (ii) documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection with Secured Party's Security Interest, and (iii) any request by Grantor for an accounting or confirmation of a list of Collateral or statement of account. Grantor agrees to save harmless and indemnify Secured Party from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs or any other expenses incurred by Secured Party in connection with this Agreement. These expenses can include, without limitation, reasonable legal fees, travel expenses, consultant expenses, and other miscellaneous expenses incurred by Secured Party.

**8.3 Applications of Payments and Collateral.** Except as may be otherwise specifically provided in this Agreement, all Collateral and proceeds of Collateral coming into Secured Party's possession and all payments made by Grantor may be applied by Secured Party to any of the Obligations, whether matured or unmatured, as Secured Party shall determine in Secured Party's sole discretion. Secured Party may defer the application of non-cash proceeds of Collateral to the Obligations until cash proceeds are actually received by Secured Party.

**8.4 Waivers by Grantor.** Grantor hereby waives, to the extent the same may be waived under applicable law: (a) notice of acceptance of this Agreement; (b) all claims, causes of action and rights against Secured Party on account of actions taken or not taken by Secured Party in a commercially reasonable manner and not in violation of any law or this Agreement in the exercise of Secured Party's rights or remedies hereunder, under the Loan Documents or under applicable law; (c) all claims for failure of Secured Party to comply with any requirement of applicable law relating to enforcement of Secured Party's rights or remedies hereunder, under the Loan Documents or under applicable law; (d) all rights of redemption with respect to the Collateral; (e) in the event Secured Party seeks to repossess any or all of the Collateral by judicial proceedings, any bond(s) or demand(s) for possession which otherwise may be necessary or required; (f) presentment, demand for payment, protest and notice of non-payment and all exemptions; (g) any and all other notices or demands which by applicable law must be given to or made by Secured Party; (h) settlement, compromise or release of the obligations of any person primarily or secondarily liable upon any of the Obligations; (i) all rights to demand that Secured Party release account debtors from further obligation to Secured Party; and (j) all rights of or related to substitution, impairment, exchange or release of any Collateral for any of the Obligations.

**8.5 Waivers by Secured Party.** Neither any failure nor any delay on the part of Secured Party in exercising any right, power or remedy hereunder, under any of the Loan Documents or under applicable law shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

**8.6 Secured Party's Setoff.** Secured Party shall have the right, in addition to all other rights and remedies available to Secured Party, following the occurrence of an Event of Default, to set off against any Obligations due Secured Party, any debt owing to Grantor by Secured Party.

**8.7 Waivers; Modifications.** No waiver of any provision of this Agreement or any of the Loan Documents, and no consent by Secured Party to any departure by Grantor therefrom, shall in any event be effective unless the same shall be in writing and signed by Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No modification of this Agreement shall be effective unless the same shall be in writing signed by Grantor and Secured Party. No notice to or demand upon Grantor in any case shall entitle Grantor to any other or further notice or demand in the same, similar or other circumstances.

**8.8 Notices.** All notices or other communications hereunder shall be in writing and shall be effective when given as set forth in the Note.

**8.9 Governing Law.** This Agreement, its construction and the determination of any rights, duties or remedies of the parties arising out of or relating to this Agreement, shall be governed by and construed under and in accordance with the laws of the State of Virginia without respect to any conflict of law provision or rule (whether of the State of Virginia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Virginia.

**8.10 Survival; Successors and Assigns.** All covenants, agreements, representations and warranties made herein and in the Loan Documents shall survive the execution and delivery hereof and thereof, and shall continue in full force and effect until all Obligations have been paid in full and there exists no commitment by Secured Party which could give rise to any Obligations. Grantor may not assign this Agreement or any of its rights hereunder without the prior written consent of Secured Party.

**8.11 Severability.** If any term, provision or condition of this Agreement or any of the Loan Documents shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

**8.12 Entire Agreement.** This Agreement and the Loan Documents contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby.

**8.13 Counterparts; Facsimile.** This Agreement may be executed in any number of counterparts (by facsimile, portable document format (pdf) or original) and by different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

**8.14 Headings.** The headings and sub-headings contained in this Agreement are intended to be used for convenience only and shall not be used in construction or deemed to limit or diminish any of the provisions hereof.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, Grantor has caused this Security Agreement to be executed UNDER SEAL by its duly authorized representative as of the date first above written.

BLUE RIDGE MEDIA PARTNERS, INC.

By: \_\_\_\_\_  
Name: Chuck Marsh  
Title: President

THREE RIVERS MEDIA CORPORATION

By: \_\_\_\_\_  
Name: James J. Browne  
Title: President