

THE GREAT MARATHON RADIO CO.  
January 2024

Amendment

Attached is a revised form of security agreement for the transaction.

## **EXHIBIT B**

### **SECURITY AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between MAGNUM BROADCASTING, INC. ("Debtor") and THE GREAT MARATHON RADIO COMPANY, INC. ("Secured Party") in connection with the Promissory Note between these parties ("Promissory Note").

#### **Article I**

1.1 **COLLATERAL.** To secure the payment of all obligations of Debtor under the Promissory Note, Debtor hereby grants to Secured Party a security interest in the following property and all accessories, parts, and other property, whether now existing or after acquired or used in connection therewith, in the management and operation of the Stations as herein defined (the "Collateral"):

- A. **PERSONAL PROPERTY.** All equipment, furnishings and furniture, and all other tangible property of any kind or character now or hereafter owned or leased by the Debtor and used in connection with the operation of Station WGMX(FM) or WFFG(AM) Marathon, Florida (the "Stations"), whether located in Monroe County, Florida, or located elsewhere;
- B. **INTANGIBLES.** All goodwill, trademarks, trade names, option rights, purchase contracts, books and records, FCC Licenses, to the extent allowed by the FCC, and general intangibles of the Debtor relating to the operation of the Stations and all accounts, contract rights, proceeds from any sale of the FCC Licenses relating to the Stations, instruments, chattel paper, and other rights of Debtor for payment of money for property sold or lent, for services rendered, for money lent, for advances or deposits made, and any other intangible property of the Debtor related to the operation of the Stations. The Parties acknowledge that currently the Commission prohibits the creation or taking of a security interest in a broadcast station license or authorization;
- C. **RENTS.** All rents, issues, profits, royalties, avails, income, and other benefits derived or owned by the Debtor directly or indirectly from the operation of the Stations;
- D. **LEASES.** All rights of the Debtor under all leases, licenses (excluding FCC Licenses), or other arrangements, whether written or oral, relating to the Stations;
- E. **OTHER PROPERTY.** All other property or rights of Debtor of any kind, nature, or character directly related to the operation of the Stations and all products and proceeds (including insurance and condemnation proceeds) of any of the foregoing items A through D.

- 1.2 REMEDIES OF SECURED PARTY. The security interest granted hereunder shall be limited to the Collateral identified in Section 1.01 above, and no other asset, license, lease, intangible right or property of Michael M. Stapleford or Magnum Broadcasting, Inc. shall be deemed Collateral hereunder. If, after an event of default as set forth in Section 2.1A hereof, and exercise of the Secured Party's remedies as set forth in Section 2.1B hereof, the Secured Party is unable to realize the amount necessary to discharge all obligations of Debtor arising under the Promissory Note and hereunder, then the Secured Party may exercise and enforce its rights and remedies under a certain Guaranty (the "Guaranty") executed by Michael Stapleford, ("Stapleford") individually, according to its terms.
- 1.3 FINANCING STATEMENT. At the request of Secured Party, Debtor shall join Secured Party in executing one or more financing statements pursuant to the code of the State of Florida in the form satisfactory to Secured Party.
- 1.4 SALE OF COLLATERAL. Debtor shall not seek or offer to sell or otherwise transfer the Collateral or any interest therein without the written consent of Secured Party. Such consent shall not be unreasonably withheld.
- 1.5 USES OF COLLATERAL. The Collateral is and shall be used primarily for business purposes.
- 1.6 POSSESSION OF COLLATERAL. Until default, Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement or with any policy of insurance with respect to the Collateral.
- 1.7 DEBTOR RIGHTS AND PROFITS. During the term hereof and with the exceptions herein provided, the Debtor, subject only to the terms of this Security Agreement, shall be deemed the sole owner of the Collateral and shall have all rights of an owner with respect thereto, including the right to make independent decisions affecting its operations and the right to receive directly and apply to Debtor's own use all profits and other distributions.
- 1.8 INSURANCE. Debtor shall have and maintain insurance at all times with respect to all of the Collateral against loss, damage, and liability to the amount of the Collateral's full insurable value.
- 1.9 TAXES. Debtor shall pay all taxes and assessments on the Collateral or levied on its use or operation.

## ARTICLE II

- 2.1 DEFAULT. Debtor shall be in default under this Agreement on the happening of any one (1) of the following events or conditions;
- A. EVENTS OF DEFAULT. Each of the following events shall become an "event of default" hereunder:

- (1) FAILURE OF PAYMENTS. Debtor fails to make any payment required to be made under the Promissory Note, if not properly cured;
- (2) ASSIGNMENT OF CREDITORS. The Debtor makes an assignment for the benefit of creditors generally, or applies to any tribunal for the appointment of a trustee or receiver of any substantial part of the assets of the Debtor or commences any proceeding under any bankruptcy, reorganization, arrangement, insolvency, or similar law, or if such application is filed against Debtor and the Debtor indicates its approval, consent, or acquiescence, or an order is entered appointing a trustee or receiver, or adjudicating the Debtor bankrupt or insolvent, or approving the petition in any such proceedings, and such order is not dismissed within sixty (60) days after its entry;
- (3) DESTRUCTION OF COLLATERAL. Confiscation, destruction, or substantial damage to the collective whole of the Collateral occurs and such is not adequately covered by insurance; or the Collateral is levied on, seized, or attached;
- (4) CONDITION OF PROPERTIES. Debtor fails to maintain, or causes to fail to be maintained, in good repair, working order, condition, and efficiency such material assets as are used in its business and fails to make or fails to cause to make, all needed renewals and replacements required in the reasonable judgment of Debtor for the efficient operation of such business;
- (5) DISSOLUTION. Debtor suffers or permits dissolution or liquidation, either in whole or in part of the Collateral.

B. RIGHTS OF SECURED PARTY UPON DEFAULT. Whenever a default shall occur, Secured Party may exercise any and all rights and remedies available to it under applicable law, but expressly subject to compliance with the rules and regulations of the FCC governing assignments or transfers of FCC licenses and all conditions and required approvals set forth in such rules and regulations. The Debtor agrees, in case of default, to assemble, at its expense, all the Collateral at a convenient place acceptable to Secured Party and to pay all reasonable costs incurred by Secured Party in enforcing its rights hereunder, including reasonable attorneys' fees and legal expenses, and expenses of any repairs to any realty or other property to which any of the Collateral may be affixed or be a part. Upon default and after complying with the notice requirements of Section 2.01C, below, Secured Party may:

- (1) POSSESSION. Without breaking or breach of peace, enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral;
- (2) SALE. Sell any or all of the Collateral free of all rights and claims of the Debtor therein and thereto, at any public or private sale; and
- (3) PURCHASE. Bid for and purchase any or all of the Collateral at any such sale.

C. In the event of default, if Secured Party deems it necessary to exercise any of its rights granted above, Secured Party is required to give at least thirty (30) days notice to Debtor prior to the disposition of any of Collateral. Such notice shall be in writing and either personally delivered or sent by United States prepaid registered or certified mail, return receipt requested, with a copy to all parties to this Agreement and their counsel, to the

addresses set forth hereinafter, or any other such address as shall be specified by written notice by any such party in conformity herewith.

D. **APPOINTMENT OF RECEIVER, FILING OF FCC APPLICATIONS.** The Debtor agrees that, in an event of default, Secured Party may seek appointment of a receiver for the business and assets of the Stations in a court of competent jurisdiction, and subject to applicable laws. If a receiver is appointed, such receiver may (subject to court and FCC approval) operate the business and assets of the Stations, place the Stations for sale with a nationally recognized broker, and conduct and consummate a commercially reasonable sale of the Stations. The Debtor agrees that, after the occurrence of any event of default and exercise by Secured Party of its rights hereunder during the continuance thereof, Debtor shall take any action which the Secured Party may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Secured Party by this Agreement, including specifically, the use of the Debtors' reasonable 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, to sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of any transaction contemplated thereby.

E. Any proceeds of any of the Collateral may be applied by Secured Party to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Secured Party toward payments due by Debtor under the Promissory Note, and in such manner and order of application, as Secured Party may from time to time elect. No delay on the part of Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

2.2 **WAIVER.** Any waiver by Secured Party of any default hereunder shall not be a waiver of any other default or of the same default on a future occasion.

### ARTICLE III

3.1 **GOVERNING LAW.** This Agreement shall be construed in accordance with and governed by the laws of the State of Florida.

3.2 **NOTICES.** All notices, requests, demands, and other communication required or permitted to be given under this Agreement shall be in writing, sent by United States certified mail, return receipt requested, with a copy to all parties to this Agreement and their counsel, and shall be deemed to have been duly given if delivered personally or sent by prepaid registered or certified mail, return receipt requested, to the addresses set forth hereinafter,

or such other address as shall be specified by written notice by any such party in conformity herewith.

- 3.3 BINDING EFFECT. This Security Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.
- 3.4 FURTHER ASSURANCES. Debtor hereby agrees, at its own expense, to execute and deliver, from time to time, any and all future, or other instruments, and to perform such acts as may reasonably be required to effect the purposes of this Security Agreement. Debtor further agrees to secure to Secured Party the benefits of all rights, authorities, and remedies conferred upon Secured Party by the terms of this Agreement.
- 3.5 EFFECTIVE DATE. This Agreement shall become effective when signed by Debtor and Secured Party.
- 3.6 CUMULATIVE RIGHTS. All rights of the Secured Party hereunder shall be cumulative with any other forms of security hereafter given to Secured Party, and Secured Party shall not be obligated to proceed against any other form of security prior to exercising its rights under this Agreement, provided that this Section shall not apply to the Secured Party's rights and remedies under a Guaranty to be executed by Michael Stapleford, individually, which rights and remedies may only be enforced after the Secured Party's exercise of any and all rights hereunder.
- 3.7 CAPTIONS. The captions used in this Agreement are for convenience only and shall have no legal effect whatsoever.
- 3.8 SEVERABILITY. Wherever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or declared invalid, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- 3.9 TERMINATION. This Agreement may be terminated by the Debtor upon actual delivery of written notice to Secured Party of such intention and payment in full with immediately available funds of any outstanding indebtedness, under the Note, provided that prior to such termination, this Agreement shall be a continuing agreement in every respect.
- 3.10 AMENDMENTS. Neither the provisions of this Agreement nor any term, condition, covenant, or agreement hereof may be changed, waived, discharged, or terminated orally, but wholly by an instrument in writing referring to this Agreement and signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.
- 3.11 COUNTERPARTS. This Agreement may be executed in any number or counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute

one and the same instrument, and any party hereto may execute this Agreement by signing any such counterparts.

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed by its president on the date first written above.

DEBTOR:  
MAGNUM BROADCASTING, INC.  
P.O. Box 436  
State College, PA 16804

By: \_\_\_\_\_  
Michael Stapleford, President

SECURED PARTY:  
THE GREAT MARATHON RADIO COMPANY, INC.

By: \_\_\_\_\_  
Joseph P. Nascone, President/Director

GUARANTOR:

By: \_\_\_\_\_  
Michael Stapleford