

**SECURITY AGREEMENT**

Dated as of [\_\_\_\_\_], 2011

From

The Grantors referred to herein

as Grantors

to

[PAYEE]

as Secured Party

## SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of [\_\_\_\_], 2011, made by MERLIN MEDIA, LLC, a Delaware limited liability company (“Merlin Media”) and [\_\_\_\_], a [\_\_\_\_] (“[\_\_\_\_]”), and together with Merlin Media, collectively the “Grantors”), in favor of [PAYEE], a [\_\_\_\_], as Secured Party (in such capacity, the “Secured Party”).

### W I T N E S S E T H:

WHEREAS, pursuant to that certain Secured Promissory Note dated as of the date hereof, by and between Merlin Media, as payor, and Secured Party, as payee (as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time, the “Promissory Note”), Merlin Media has agreed to pay Secured Party the principal amount of the Promissory Note, plus any accrued and outstanding interest, upon the terms and subject to the conditions set forth therein;

WHEREAS, in accordance with the terms of the Promissory Note, the Grantors have agreed to enter into this Agreement to grant Secured Party a security interest in the Collateral; and

WHEREAS, each Grantor will derive substantial direct and indirect benefit from the transactions contemplated by the Note Documents;

NOW, THEREFORE, in consideration of the premises and to induce the Secured Party to make the extensions of credit to Merlin Media evidenced by the Promissory Note, the Grantors hereby agrees with the Secured Party as follows:

### SECTION 1. DEFINED TERMS

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the Promissory Note and used herein shall have the meanings given to them in the Promissory Note, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, General Intangibles, Goods, Instruments, Intellectual Property, Inventory, Investment Property, Letter of Credit Right, and Proceeds.

(b) The following terms shall have the following meanings:

“Agreement”: this Security Agreement, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time.

“Collateral”: as defined in Section 2.

“Event of Default”: any event of default set forth in Section 2 of the Promissory Note.

“FCC”: the Federal Communications Commission (or any successor agency, commission, bureau, department or other political subdivision of the United States of America).

“FCC License”: any license, permit, certificate of compliance, antenna structure registration, franchise, approval or authorization granted or issued by the FCC.

“Guaranty”: that certain Subsidiary Guaranty, dated as of the date hereof, by and between [\_\_\_\_\_], as guarantor(s), and Secured Party, as secured party.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property owned by any Grantor, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, patents, patent licenses, trademarks, and trademark licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“New York UCC”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“Note Documents”: the Promissory Note, this Agreement, the Guaranty and any other agreement, document or instrument entered into, now or from time to time hereafter, in connection therewith.

“Obligations”: all obligations and liabilities of each Grantor that may arise under or in connection with any Note Document to which such Grantor is a party, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Secured Party that are required to be paid by such Grantor pursuant to the terms of the Note Documents).

“Receivable”: any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

1.2 Other Definitional Provisions. (a) The words “hereof”, “herein”, “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to the Obligations shall mean the unconditional, final and irrevocable payment in full, in immediately available funds, of all of the Obligations, as the case may be.

## SECTION 2. GRANT OF SECURITY INTEREST

Each Grantor hereby grants to the Secured Party a security interest in all of the personal property of such Grantor, including, without limitation, the following property, in each case, wherever located and now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Deposit Accounts;
- (d) all Documents;
- (e) all Equipment;
- (f) all General Intangibles;
- (g) all Goods;
- (h) all Instruments;
- (i) all Intellectual Property;
- (j) all Inventory;
- (k) all Investment Property;
- (l) all Letter of Credit Rights and rights to demand payment or performance under a letter of credit;
- (m) to the extent permitted by applicable law, all licenses and other authorizations issued by the FCC to such Grantor;
- (n) all Proceeds from any sale, transfer, or assignment of any rights in or to any licenses and other authorizations issued by the FCC to such Grantor,
- (o) all Goods and other property not otherwise described above;

(p) all books and records pertaining to the Collateral; and

(q) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Notwithstanding the foregoing, (i) so long as no Event of Default has occurred and is continuing under the Promissory Note, each Grantor shall have the exclusive right and license to use its Intellectual Property, (ii) Collateral shall not include any FCC License, except at such times and to the extent that a security interest in such FCC License is permitted under applicable law, (iii) Collateral shall not include contracts that by their terms are not assignable, require consent for assignment or would violate law if assigned (other than to the extent that any such term would be rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC or any other applicable law or principle of equity); provided, that in all such cases Collateral shall include the proceeds thereof.

### SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Secured Party to make the extensions of credit evidenced by the Promissory Note, each Grantor hereby represents and warrants to the Secured Party that:

3.1 Authorization, Execution, Enforceability, Etc. (a) It is duly organized under the laws of its jurisdiction of organization; (b) it has duly authorized, executed and delivered this Agreement; (c) the execution, delivery, and performance of this Agreement does not (i) violate any applicable law, ruling or regulation, except as would not have a material adverse effect on the results of operations, assets, liabilities or properties of such Grantor, (ii) violate the governing documents of such Grantor, or (iii) violate or cause a breach or default under any contractual obligation to which such Grantor may be bound, except as would not have a material adverse effect on the results of operations, assets, liabilities or properties of such Grantor; and (d) this Agreement constitutes a legally valid and binding obligation of such Grantor, enforceable against such Grantor in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights or remedies of creditors and the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding therefor may be brought.

3.2 Title. Each Grantor has good and marketable title to each item of its Collateral, except as would not have a material adverse effect on the results of operations, assets, liabilities or properties of such Grantor, (ii) violate the governing documents of such Grantor.

3.3 Perfected First Priority Liens. The security interests granted pursuant to this Agreement upon completion of the filings and other actions specified on Schedule 1 and payment of all filing fees, will constitute valid fully perfected first priority security interests in all of the Collateral other than, to the extent constituting Collateral, the FCC Licenses and Deposit Accounts in favor of the Secured Party, as collateral security for such Grantor's Obligations.

3.4 Jurisdiction of Organization, etc. On the date hereof, each Grantor's exact legal name, jurisdiction of organization, organizational identification number, if any, and the location of such Grantor's chief executive office or principal place of business are specified on Schedule 2.

3.5 Inventory, Equipment and Books and Records. On the date hereof, the Inventory and the Equipment (other than mobile goods) and the books and records pertaining to the Collateral are kept at the locations listed on Schedule 3.

3.6 Investment Property.

Each Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder.

#### SECTION 4. COVENANTS

Each Grantor covenants and agrees with the Secured Party that, from and after the date of this Agreement until the Obligations shall have been paid in full:

4.1 Maintenance of Perfected Security Interest; Further Documentation.

(a) Each Grantor shall maintain the security interest created by this Agreement as a perfected first security interest and shall defend such security interest against the claims and demands of all persons whomsoever.

(b) Each Grantor agrees that at any time and from time to time, upon the written request of the Secured Party and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Secured Party may reasonably request for the purpose of maintaining or perfecting its security interest set forth above, including the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby.

4.2 Changes in Locations, Name, Jurisdiction of Organization, etc. No Grantor will without giving prompt written notice to the Secured Party and delivering to the Secured Party all additional executed financing statements and other documents reasonably requested by the Secured Party to maintain the validity and perfection of the security interests provided for herein:

(a) change its legal name, jurisdiction of organization or the location of its chief executive office or principal place of business from that referred to in Section 3.4; or

(b) change its legal name, identity or structure to such an extent that any financing statement filed by the Secured Party in connection with this Agreement would become misleading.

## SECTION 5. REMEDIAL PROVISIONS

5.1 Communications with Obligors; Grantors Remain Liable. (a) Upon the request of the Secured Party at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables and parties to the Contracts that payments in respect thereof shall be made directly to Secured Party. At any time after the occurrence and during the continuance of an Event of Default, if any such Grantor fails to comply with any such request by Secured Party within 5 business days, Secured Party shall have the right to notify obligors on the Receivables and parties to the Contracts that payments in respect thereof shall be made directly to Secured Party.

(b) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. The Secured Party shall not have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment relating thereto, nor shall the Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.2 Pledged Securities. (a) Unless an Event of Default shall have occurred and be continuing and the Secured Party shall have given notice to Merlin Media of the Secured Party's intent to exercise its corresponding rights pursuant to Section 5.2(b), each Grantor shall be permitted to receive all cash dividends paid in respect of any Investment Property and to exercise all voting and corporate rights with respect to any Investment Property.

(b) Subject to Section 5.6 hereof, if an Event of Default shall occur and be continuing and the Secured Party shall give notice of its intent to exercise such rights to Merlin Media, (i) the Secured Party shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in the order set forth in Section 5.3, and (ii) any or all of the Investment Property shall be registered in the name of the Secured Party or its nominee, and the Secured Party or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof, but the Secured Party shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

5.3 Application of Proceeds. If an Event of Default shall have occurred and be continuing, at any time at the Secured Party's election, the Secured Party may apply all or any

part of Proceeds constituting Collateral realized through the exercise by the Secured Party of its remedies hereunder in payment of the Obligations in the following order:

First, to the Secured Party, to pay incurred and unpaid fees and expenses of the Secured Party under the Note Documents:

Second, to the Secured Party, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations;

Third, to the Secured Party, for application by it towards prepayment of the Obligations; and

Fourth, any balance of such Proceeds remaining after the Obligations shall have been paid in full, shall be paid over to the Grantors or to whomsoever may be lawfully entitled to receive the same.

#### 5.4 Code and Other Remedies.

If an Event of Default shall occur and be continuing, the Secured Party, may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC (whether or not the New York UCC applies to the affected Collateral) or any other applicable law. Without limiting the generality of the foregoing, the Secured Party, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Secured Party or elsewhere upon such terms and conditions as are reasonably necessary. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold. Each Grantor further agrees, at the Secured Party's request, to assemble the Collateral and make it available to the Secured Party at places reasonably convenient to such Grantor and Secured Party. The Secured Party shall apply the net proceeds of any action taken by it pursuant to this Section 5.4, after deducting all reasonable, documented, out-of-pocket costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations as set forth in Section 5.3.

5.5 Waiver; Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Secured Party to collect such deficiency.

5.6 FCC Licenses and Authorizations. Notwithstanding anything to the contrary set forth herein, Secured Party agrees that to the extent prior FCC approval (or the approval of a similar or successor governmental authority) is required for (a) the operation and effectiveness of any grant, right or remedy hereunder or under the other Note Documents or (b) taking any action that may be taken by Secured Party hereunder or under the other Note Documents, such grant, right, remedy or actions will be subject to such prior FCC approval (or the approval of a similar or successor governmental authority) having been obtained by or in favor of Secured Party (and the applicable Grantor will use its commercially reasonable efforts to obtain any such approval as promptly as possible). Each Grantor agrees that, upon and during the continuance of an Event of Default and at Secured Party's request, such Grantor will promptly file, or cause to be filed, such applications for approval and shall take all other and further actions reasonably required by the Secured Party to obtain such governmental authorizations as are necessary to transfer ownership and control to Secured Party or a third-party of the FCC Licenses held by such Grantor. Upon the occurrence and continuance of an Event of Default, each Grantor shall further use its commercially reasonable efforts to assist in obtaining approval of the FCC (or the approval of a similar or successor governmental authority), if required, for any action or transactions contemplated by this Agreement or the other Note Documents, including, without limitation, preparation, execution and filing with the FCC (or a similar or successor governmental authority) of such Grantor's portion of any application or applications for consent to the assignment of any FCC License necessary under the FCC's rules and regulations or the rules and regulations of a similar or successor governmental authority for approval of the transfer or assignment of any portion of the Collateral, together with any FCC License.

Notwithstanding anything to the contrary contained in this Agreement or any other Note Document, the Secured Party shall not, without first obtaining the approval of the FCC (or the approval of a similar or successor governmental authority), take any action pursuant to this Agreement or any other Note Document that would constitute or result in any acquisition or transfer of ownership of any Grantor or its assets, assignment of any FCC License, or any change of control of such Grantor or any other Person if such assignment, acquisition, transfer or change in control would require, under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC (or the approval of a similar or successor governmental authority).

Secured Party acknowledges that after the occurrence of an Event of Default, all requisite consents of the FCC or a similar or successor governmental authority must be obtained prior to the exercise by Secured Party and/or a purchaser, at a public or private sale, of any rights as an owner of any FCC License.

## SECTION 6. THE SECURED PARTY

6.1. Secured Party's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Secured Party, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all action and to execute any and all

documents and instruments, in each case, that may be necessary to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Secured Party the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor, take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise necessary for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Secured Party may request to evidence the Secured Party's security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 5.4, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (2) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (3) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (4) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (5) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as are necessary; and (6) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and do, at the Secured Party's option and such Grantor's expense, at any time, or from time to time, all acts and things which are necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interests therein, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Secured Party agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) The expenses of the Secured Party incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable under the Promissory Note, from the date of payment by the Secured Party to the date reimbursed by the Grantors, shall be payable by the Grantors to the Secured Party within 30 days after receipt of a reasonably detailed written invoice therefor.

(c) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

6.2. Duty of Secured Party. The Secured Party's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Secured Party deals with similar property for its own account. Neither the Secured Party, nor any of its respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Party hereunder are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Secured Party nor any of its officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Grantor for any act or failure to act hereunder, except to the extent that any such act or failure to act is found to have resulted from their own gross negligence or willful misconduct.

6.3. Execution of Financing Statements. Each Grantor acknowledges that pursuant to Section 9-509(b) of the New York UCC and any other applicable law, such Grantor authorizes the Secured Party to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Secured Party reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Secured Party under this Agreement. Such financing statements may describe the collateral in the same manner as described in this Agreement or as "all assets" or "all personal property" of the undersigned, whether now owned or hereafter existing or acquired by the undersigned. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

## SECTION 7. MISCELLANEOUS

7.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each Grantor and the Secured Party.

7.2. Notices. All notices, requests and demands to or upon the Secured Party or the Grantors hereunder shall be effected in the manner provided for in Section 5.8 of the Promissory Note.

7.3. No Waiver by Course of Conduct: Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to Section 7.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

7.4. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Party and its successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

7.5. Set-Off. Each Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, upon notice to such Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final, but not trust accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Grantor, or any part thereof, against and on account of any Obligations then due and owing.

7.6. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

7.7. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.8. Integration. This Agreement and the other Note Documents represent the agreement of each Grantor and the Secured Party with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Note Documents.

7.9. GOVERNING LAW, CHOICE OF VENUE, CONSENT TO JURISDICTION, AND ATTORNEYS FEES. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION RELATED TO THIS AGREEMENT SHALL BE VENUED EXCLUSIVELY IN A COURT OF COMPETENT JURISDICTION LOCATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK. EACH GRANTOR HEREBY SUBMITS ITSELF TO THE PERSONAL JURISDICTION OF ANY SUCH COURT. EACH GRANTOR FURTHER AGREES TO PAY WITHIN 30 DAYS OF RECEIPT OF A REASONABLY DETAILED WRITTEN INVOICE THEREOF ALL OF SECURED PARTY'S COSTS AND EXPENSES, INCLUDING ITS REASONABLE ATTORNEYS FEES, INCURRED IN CONNECTION WITH THE ENFORCEMENT OF THIS AGREEMENT.

7.10. Acknowledgments. Each Grantor hereby acknowledges that:

(a) the Secured Party does not have any fiduciary relationship with or duty to such Grantor arising out of or in connection with this Agreement or any of the other Note Documents, and the relationship between such Grantor and the Secured Party, in connection herewith or therewith is solely that of debtor and creditor; and

(b) no joint venture is created hereby or by the other Note Documents or otherwise exists by virtue of the transactions contemplated hereby between such Grantor and the Secured Party.

7.11. Releases. At such time as the Obligations shall have been paid in full, the Collateral shall be released from the liens created hereby, and this Agreement and all Obligations (other than those expressly stated to survive such termination) of the Secured Party and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the applicable Grantors. At the request and sole expense of the Grantors following any such termination, the Secured Party shall deliver to the Grantors any Collateral held by the Secured Party hereunder, and execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

MERLIN MEDIA, LLC, as Grantor

By: \_\_\_\_\_  
Name:  
Title:

[ \_\_\_\_\_ ], as Grantor

By: \_\_\_\_\_  
Name:  
Title:

[PAYEE], as Secured Party

By: \_\_\_\_\_  
Name:  
Title: