

AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 22nd day of September, 2008 by and between **HORIZON CHRISTIAN FELLOWSHIP**, a California not-for-profit corporation ("Seller"), and **GRACE COMMUNITY CHURCH OF AMARILLO, INC.**, a Texas not-for-profit corporation ("Buyer").

Recitals

WHEREAS, Seller has been granted Licenses by the Federal Communications Commission ("FCC") for a non-commercial FM broadcast station in Hereford, Texas (KWDH 88.7 FM) and FM translators in Amarillo, Texas (K280EU 103.9 FM), Canyon, Texas (K237CT 95.3 FM), and Dumas, Texas (K255BO 98.9 FM) (the "Licenses");

WHEREAS, Buyer desires to acquire the Licenses from Seller and Seller desires to assign the Licenses to Buyer as set forth herein; and

WHEREAS, prior FCC approval for the transactions contemplated hereunder is required.

Agreement

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. The Assignment. Seller hereby agrees to assign the Licenses to Buyer, as follows:

a. Purchase Price. The total purchase price for the Licenses shall be TWO HUNDRED AND TEN THOUSAND DOLLARS (\$210,000.00) ("Purchase Price"), which Buyer shall pay to Seller as follows:

i. Upon execution of this Agreement by both parties, Buyer shall deliver to Seller by wire transfer of federal funds the amount of FIFTEEN THOUSAND DOLLARS (\$15,000.00) (the "Deposit"), which amount shall be credited towards the Purchase Price at Closing (defined below);

ii. Buyer shall deliver to Seller by wire transfer of federal funds the amount of FIFTEEN THOUSAND DOLLARS (\$15,000.00) at Closing (defined below);

iii. At Closing Buyer shall execute and deliver to Buyer a Promissory Note in the form of Exhibit 1 in the principal amount of ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000.00); and

iv. At Closing, Buyer shall execute and deliver to Seller a Security Agreement in the form of Exhibit 2.

b. Application. Within ten (10) business days after the signing of this Agreement, the parties shall jointly file an application for assignment of the Licenses from Seller to Buyer with the FCC ("Assignment Application").

c. Closing. The transactions contemplated in this Agreement shall take place on a date mutually agreeable to the parties but no later than the first (1st) business day that is ten (10) days after the FCC issues its public notice announcing approval of the Assignment Application ("Closing" or "Closing Date"). On the Closing Date, Seller shall provide to Buyer an instrument of conveyance assigning the Licenses to Buyer.

d. Additional Consideration.

- i. At Closing Seller will transfer ownership of all equipment owned by Seller located at the translator transmission sites and used in the current licensed operation of the translator stations identified in the first recital above.
- ii. Buyer agrees to assume, as of the Closing Date, the tower lease agreements for all of the stations subject to the Licenses listed in the first recital above. Buyer acknowledges that Seller has provided Buyer with copies of all such tower leases.
- iii. Transmitter site rents, utilities, and other normal operating costs of the stations will be prorated as of the Closing Date.

e. Termination. This Agreement may be terminated prior to Closing as follows:

- i. by mutual written consent of both parties;
- ii. by written notice of Buyer to Seller or Seller to Buyer:
 - (1) if the transaction contemplated in this Agreement is not consummated within nine (9) months from the date of execution of this Agreement; or
 - (2) if Seller or Buyer breaches in any material respect any of its representations, warranties or covenants or any of its agreements contained in this Agreement and such breach or default is not cured within ten (10) business days ("Cure Period") after Seller or Buyer, as the case may be, receives notice of such breach or default from the other party..
- iii. by written notice of one party to the other if the FCC dismisses or denies the Assignment Application.

f. Remedies.

- i. If this Agreement is terminated pursuant to Subsection 1.e.i., or Subsection 1.e.ii.(2) in the event of a breach by Seller, or if this Agreement is terminated pursuant to Subsection 1.e.iii. (unless the FCC's dismissal or denial of the Assignment Application is due to the lack of the qualification of Buyer), Seller shall return the Deposit to Buyer.
- ii. If this Agreement is terminated pursuant to Subsection 1.e.ii (2) due to a breach by Buyer, or if this Agreement is terminated pursuant to Subsection 1.e.iii.due to the lack of the qualification of Buyer, Seller shall retain the Deposit.

2. Buyer Representations; FCC Qualifications. Buyer represents, warrants, and covenants to Seller that Buyer has the legal authority to enter into the transaction contemplated by this Agreement and that Buyer is qualified to be a FCC licensee and to hold the Licenses which are the subject of this Agreement.

3. Seller Representations. Seller represents, warrants, and covenants to Buyer that Seller has the legal authority to enter into the transaction contemplated by this Agreement.

4. Transfer Fees and Taxes. Buyer shall be solely responsible for any and all bulk transfer fees, transfer taxes, sales taxes or other taxes, assessments or FCC fees associated with the purchase of the Licenses.

5. Miscellaneous. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior agreement with respect thereto whether it is in writing or otherwise. This Agreement may be amended only in writing by an instrument duly executed by both parties. This Agreement is to be construed and enforced under the laws of Texas. Venue for any action brought to enforce this Agreement is exclusively in the federal or state courts located in the State of Texas. This Agreement may be executed in counterparts. The undersigned each represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind their respective corporations to perform all of the terms hereof.

[Signature page follows]

Signature Page to Agreement

WHEREFORE, the parties whose names and addresses appear below have caused this Agreement to be executed by them as of the date first above written.

HORIZON CHRISTIAN FELLOWSHIP

5331 Mt Alifan
San Diego, CA. 92111

By: Mike MacIntosh, President
Mike MacIntosh, President

GRACE COMMUNITY CHURCH OF AMARILLO, INC.

4111 Plains Blvd.
Amarillo, TX 79106

By: _____

Name: _____

Title: _____

Signature Page to Agreement

WHEREFORE, the parties whose names and addresses appear below have caused this Agreement to be executed by them as of the date first above written.

HORIZON CHRISTIAN FELLOWSHIP

5331 Mt Alifan
San Diego, CA. 92111

By: _____
Mike MacIntosh, President

GRACE COMMUNITY CHURCH OF AMARILLO, INC.

4111 Plains Blvd.
Amarillo, TX 79106

By: _____

Name: William Gehard

Title: President K.R.B.C.
Pastor Grace Church

PROMISSORY NOTE

\$180,000.00 _____, 2008

FOR VALUE RECEIVED, the undersigned maker, **GRACE COMMUNITY CHURCH OF AMARILLO, INC.**, a Texas not-for-profit corporation ("Maker"), hereby irrevocably and unconditionally promises to pay to the order of **HORIZON CHRISTIAN FELLOWSHIP**, a California not-for-profit corporation ("Payee"), in immediately available funds, the principal amount of **ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000.00)**, due and payable at 5331 Mount Alifan Drive, San Diego, California 92111, as follows:

(a) **THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00)** per month beginning on _____, 2008 [the first day of the second full calendar month following Closing as defined in the Agreement between Maker and Payee pertaining to the sale and purchase of KWDH and associated translators], and on the first business day of each successive month for twenty-nine (29) additional months.

(b) **SIX THOUSAND TWO HUNDRED FIFTY DOLLARS (\$6,250.00)** per month beginning on the first day of _____ [the thirty-third (33rd) calendar month following such Closing] and continuing on the first business day of each successive month for eleven (11) months.

Maker may prepay this Note in whole or in part, without premium or penalty.

This Note evidences a portion of the purchase price for certain assets sold pursuant to that certain Agreement (the "Agreement"), dated September 22, 2008, by and between Maker and Payee concerning Station KWDH, Hereford, Texas, and associated FM translators in Amarillo, Canyon and Dumas, Texas (together, the "Stations"). Maker's obligations under this Note are secured under a Security Agreement between the Maker and the Payee of even date herewith (the "Security Agreement").

Any one or more of the following events shall constitute default under this Note, whereupon subject only to limitations arising under applicable law, including the rules, regulations and policies of the Federal Communications Commission (the "FCC"), the holder of this Note may elect to exercise any or all rights, powers and remedies afforded hereunder or under the Security Agreement or the Uniform Commercial Code as adopted in Texas, or other applicable Texas statutes, and all other documents related hereto and by law, including, without limitation, the right to accelerate the maturity of this Note and declare all amounts owing in respect to this Note to be due and payable in full:

(a) if Maker fails to pay any payment within ten (10) days after the date due and payable hereunder; or

(b) if Maker fails to perform any material obligation of the Maker hereunder or under the Security Agreement; or

(c) if the Security Agreement shall be cancelled, terminated, revoked or rescinded or any proceeding to cancel, revoke, or rescind the Security Agreement shall be commenced; or

(d) if Maker becomes insolvent, make an assignment for the benefit of creditors, or any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt, dissolution or liquidation, shall be commenced with respect to Maker; provided, however, in any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt dissolution, or liquidation commenced against Maker, Maker shall not be in default if said case or proceeding is discharged within thirty (30) days;

(e) if Maker assigns or transfers control of (or seeks authorization to assign or transfer control of) the FCC licenses of any of the Stations without having the prior written approval of Payee.

No delay or omission on the part of Payee in exercising any right hereunder or under the Security Agreement shall operate as a waiver of such right or of any other right of Payee, nor shall any delay, omission or waiver on any one or more occasions be deemed a bar to or waiver of the same or any other right on any future occasion. Maker and every endorser and guarantor of this Note or the obligation represented hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, assent to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable.

If Payee retains an attorney in connection with any default, or to collect, enforce or defend this Note, the Security Agreement or any other instruments intended to secure or guarantee payment of this Note in any lawsuit or in any reorganization, bankruptcy or other proceeding, or

if Maker sues any holder in connection with this Note, the Security Agreement or any other such instrument and does not prevail, then Maker agrees to pay to each such holder, in addition to principal and any imputed interest, all reasonable attorneys' fees, costs and expenses incurred by such holder in attempting to collect this Note or in any such suit or proceeding.

[Signature page follows]

Signature Page to Promissory Note

IN WITNESS WHEREOF, the undersigned has caused this Note to be signed in its corporate name by the duly authorized officer as of the date and year first above written.

**GRACE COMMUNITY CHURCH
OF AMARILLO, INC.**

By: _____

Title: _____

SECURITY AGREEMENT

This Security Agreement (the "*Agreement*") is made as of _____, 2008, by and between HORIZON CHRISTIAN FELLOWSHIP, a California not-for-profit corporation hereinafter referred to as the "*Secured Party*", and GRACE COMMUNITY CHURCH OF AMARILLO, INC., a Texas not-for-profit corporation, hereinafter referred to as the "*Debtor*".

Recitals

A. The Secured Party has extended financial accommodations to the Debtor pursuant to the terms of a Promissory Note of even date herewith in the principal amount of One Hundred Eighty Thousand Dollars (\$180,000.00) (as amended, renewed, restated, replaced, consolidated or otherwise modified from time to time, the "*Note*"). Capitalized terms used and not defined in this Agreement have the meanings given to them in the Note.

B. To induce the Secured Party to extend financial accommodations to the Debtor, the Debtor has agreed to grant to the Secured Party a security interest in all of its existing property related to FM broadcast station KWDH, 88.7 MHz, Hereford, Texas; and FM translator stations K280EU, 103.9 MHz, Amarillo, Texas; K237CT, 95.3 MHz, Canyon, Texas; and K255BO, 98.9 MHz, Dumas, Texas (together, the "*Stations*"), including but not limited to the proceeds from the sale of the Federal Communications Commission ("*FCC*") licenses for the Stations, to secure all of his existing and future obligations to the Secured Party, including, without limitation, all of his obligations under the Note.

NOW, THEREFORE, to induce the Secured Party to extend credit to the Debtor, and in recognition that the Secured Party would not extend credit to the Debtor but for the Debtor's promises hereunder, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor and the Secured Party agree as follows:

1. **Grant of Security Interest.** The Debtor grants to the Secured Party a security interest in all of the Debtor's right, title and interest in and to the following property relating to the Stations, wherever located (collectively, the "*Collateral*"):

Equipment. All equipment listed in Addendum A; and

Leasehold Interests; Proceeds from Sale of FCC Licenses. All leasehold interests pertaining to any of the Stations' transmitter sites, and any and all proceeds from the sale of the FCC licenses of the Stations but excluding, to the extent required by applicable law, the FCC licenses of the Stations; and

Records and Related Property. All books, records (in whatever form maintained by or on behalf of the Debtor, including the KWDH public inspection file).

2. **Security for Obligations.** This Agreement secures the payment and performance of (collectively, the "Obligations"): (a) all existing and future obligations of any nature whatsoever of the Debtor to the Secured Party under the Note or this Agreement (in each case whether for principal, interest, fees, expenses or otherwise); (b) any other obligations of any nature whatsoever of the Debtor to the Secured Party, whether monetary, nonmonetary, direct, indirect, acquired, joint, several, joint and several, liquidated, unliquidated, contractual, noncontractual, existing, future, contingent or otherwise; and (c) any replacements, renewals, restatements, extensions, consolidations and any other modifications of any of the obligations described in subparts (a) and (b) above, together with any interest, fees, expenses and other charges thereon, and any amounts expended by or on behalf of the Secured Party for the protection and preservation of the security interest granted hereby the Debtor to the Secured Party.

3. **Provision Regarding the Stations' FCC Licenses.** The Collateral in which the Debtor grants the Secured Party a security interest includes, without limitation, to the extent permitted by, and in accordance with, applicable law, all of the Debtor's right, title and interest, now or hereafter, in and to the following (collectively, the "*License Rights*"):

(a) all licenses, permits and similar rights or other broadcast or transmission rights, including, without limitation, all licenses, permits and similar rights relating to the Stations, subject to the limitations described below (collectively, the "*Licenses Proper*");

(b) all cash and non-cash proceeds of any nature whatsoever generated from the sale, exchange, disposition or other transfer of the Licenses Proper or any part thereof (collectively, the "*License Proceeds*"), including, without limitation, any such sale, exchange, disposition or other transfer of the Licenses Proper or any part thereof to any person or entity pursuant to any sale, exchange, disposition or other transfer approved at any time by the FCC or any other governmental agency.

Notwithstanding the proceeding provisions or anything else to the contrary in this Agreement, if any law, rule, regulation or policy, including, without limitation, any law, rule, regulation or policy of the FCC or any other governmental agency, at any time on or after the date of this Agreement prohibits or limits the scope of the Secured Party's security interest in any portion of the Collateral or the Secured Party's rights or remedies in respect thereof, then, for the duration of such prohibition or limitation, the Secured Party's rights and remedies under this Agreement or at law or in equity shall be limited to

the extent, but only to the extent, of such prohibition or limitation, in each case without impairing the Secured Party's other rights and remedies which have not been prohibited or limited. To the extent that the Secured Party's security interest in the Licenses Proper or any part thereof is prohibited or otherwise limited by applicable law, rule, regulation or policy, such prohibition or other limitation shall not impair the Secured Party's security interest in the License Proceeds, which security interest is granted by the Debtor to the Secured Party on the date of this Agreement as original collateral and not merely as proceeds of other collateral in which the Secured Party has a security interest.

4. **Further Assurances.** The Debtor agrees that from time to time, at the sole expense of the Secured Party, to promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Debtor shall: (i) if any Collateral is or shall become evidenced by any promissory Note or other instrument or any certificate or document of title or the like, deliver and pledge to the Secured Party such Note, instrument, certificate or document duly endorsed with recourse by the Debtor, and accompanied by duly executed instruments of transfer or assignment, all in form and content satisfactory to the Secured Party; and (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

The Debtor hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral, without the signature of the Debtor to the extent permitted by law. A copy of this Agreement shall be sufficient as a financing statement to the extent permitted by law.

The Debtor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request from time to time, all in reasonable detail.

Debtor shall keep the Collateral insured in such amounts and with such coverages as reasonably required by Secured Party from time to time. Debtor shall not remove any portion of the Collateral from its current location without notifying the Secured Party, provided that Debtor may replace equipment and other portions of the Collateral in the ordinary course of business and further provided that the Debtor may relocate the transmitter site pursuant to FCC authority without the prior consent of Secured Party, so long as Debtor gives notice to Secured Party. Debtor shall not allow any lien, encumbrance, security interest or other charge to be created and/or filed against the Collateral other than the lien of the Secured Party created hereunder without notifying the Secured Party. Debtor will not sell, dispose of, or otherwise transfer the Collateral or any interest therein without notifying the Secured Party. Debtor will keep the Collateral in

good order and repair and will maintain in full force and effect the FCC licenses for the Stations.

5. **The Secured Party's Duties.** The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to any Collateral.

6. **Debtor Remains Liable.** Notwithstanding anything herein to the contrary, (a) the Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) the Secured Party shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

7. **Remedies.** Subject to Section 12 hereof, if any Event of Default (as defined in the Note) shall have occurred and be continuing:

The Secured Party shall have the right to take immediate possession of the Collateral, and (i) to require the Debtor to assemble the Collateral, at the Debtor's expense, and make it available to the Secured Party at a place designated by the Secured Party which is reasonably convenient to both parties, and (ii) to enter any of the premises of the Debtor or wherever any of the Collateral shall be located.

The Secured Party shall have the right to shall sell or otherwise dispose of all or any Collateral at public or private arm's length sale or sales, with such notice as may be required by law, all as the Secured Party, in its sole discretion, may deem advisable. The Debtor agrees that ten (10) days written notice to the Debtor of any public or private sale or other disposition of such Collateral shall be reasonable notice thereof, and such sale shall be at such locations as the Secured Party may designate in such notice. All public or private sales may be adjourned from time to time in accordance with applicable law. The proceeds of any public or private sale hereunder shall be applied first to repay the outstanding Obligations, together with all reasonable expenses incurred in such sale, with all remaining proceeds of such sale paid to Debtor. The Secured Party may purchase all or any part of such Collateral at public or, if permitted by law, private arm's length sale and, in lieu of full cash payment of such purchase price, may set off the amount of the outstanding Obligations, together with the all reasonable expenses incurred in such sale, against such purchase price, provided that the amount of such purchase price in excess of the outstanding Obligations, together with the all reasonable expenses incurred in such sale, shall be paid to Debtor.

The Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or under the Note, all the rights and remedies of a secured party on default under the Code or under the Uniform Commercial Code as in effect in any other state where the Collateral is located, or otherwise available at law or in equity.

The Secured Party shall be entitled to appoint or cause the appointment of, and the Debtor consents to the appointment of and authorizes, a receiver or other person selected by the Secured Party or any court of competent jurisdiction, acting individually or through the use of one or more employees, agents, contractors or other parties (collectively, a "Receiver"), and the Receiver, under the provisions of this Section 7, shall have the authority, to take possession of, operate, manage, repair, improve and otherwise generally deal with the Stations for the purpose of conducting a public or private arm's length sale of all or any part of the Collateral, including, without limitation, that Collateral which is used or is usable in connection with or which otherwise relates to any one or more radio Stations or other broadcast rights, in each case to the extent so directed by the Secured Party or such court, as the case may be, and in each case to the extent not inconsistent with, and subject to such approvals as may be required under, applicable laws, rules and regulations, including, without limitation, those of the FCC. The Debtor agrees to reimburse the Receiver for, and indemnifies the Receiver from and against, all liabilities, damages, losses, expenses and other liabilities of any nature whatsoever incurred or suffered by the Receiver in connection with any activities contemplated by this subsection or otherwise authorized by any court of competent jurisdiction in connection with the enforcement of any of the Secured Party's rights or remedies under this Agreement or applicable law, except to the extent any such liabilities, damages, expenses or other losses result from the gross negligence or willful misconduct of the Receiver.

The Debtor agrees after the occurrence of any Event of Default to take any action which Secured Party may reasonably request, at the Debtor's own cost and expense, in order to obtain approval of the FCC and all other governmental agencies to transfer the License Rights to the holder or purchaser of the Collateral and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of licenses or transfer of control necessary or appropriate under the FCC's rules and regulations with respect to the License Rights and to prosecute such applications in good faith and with due diligence. In the case of Debtor's non-performance or breach of the agreements contained in this paragraph, Debtor shall be subject to a decree of specific performance in addition to a judgment for money damages, it being agreed that the License Rights are an integral part of the value of the Collateral and the Stations and that Secured Party will be irreparably harmed by a failure to realize the full value thereof. In the event of an Event of Default hereunder Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver or itself as an attorney in fact for the benefit of Secured Party and any other creditors of Debtor. In any suit or application for specific performance, attorney in fact or receivership, Secured Party shall only need to prove to the court that an Event of Default shall have occurred and be continuing, and

Debtor agrees not to object to the requirement of equitable relief or the appointment of a receiver or otherwise oppose such application. In the event that the court grants an application for receivership or attorney in fact, such receiver or attorney in fact shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Debtor. Subject to the receipt of prior FCC approvals, the receiver or attorney in fact shall have the power to dispose of the License Rights and the Collateral in any commercially reasonable manner, including the power to conduct a public or private arm's length sale of the License Rights and the Collateral. Secured Party may bid at any such public or private sale.

8. **Indemnity and Expenses.** The Debtor agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities arising out of or relating to this Agreement and/or any of the Obligations (including, without limitation, enforcement of this Agreement and the Secured Party's exercise of its rights and remedies hereunder). The Debtor shall upon demand pay to the Secured Party the amount of any and all expenses, including, without limitation, the reasonable fees and disbursements of its counsel and of any experts and agents, which the Secured Party may incur following Borrower's default in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured party hereunder, and/or (iv) the failure by the Debtor to perform or observe any of the provisions hereof. All such fees, expenses and disbursements shall be deemed Obligations secured by this Agreement.

9. **Governing Law.** **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS;** *provided, however,* that if any of the Collateral is located in any jurisdiction other than Texas, then the laws of such jurisdiction shall govern the method, manner and procedure for foreclosure of the Secured Party's security interest in such Collateral and the enforcement of the Secured Party's other remedies in respect of such Collateral to the extent that the laws of such jurisdiction are different from or inconsistent with the laws of Texas.

10. **Collateral Representations; UCC Filing Offices.** The Debtor represents and warrants to the Secured Party that the Debtor is a not-for-profit corporation in good standing in the State of Texas, and all of the Collateral consisting of inventory, equipment or other tangible personal property is located in only the State of Texas (the "*UCC Filing Jurisdiction*"). If the Debtor changes its address, name, identity, corporate structure or place of residence, or if any Collateral is hereafter located in any place other than the UCC Filing Jurisdiction, then, in each case, the Debtor shall give the Secured Party not less than ten (10) business days prior written notice thereof and shall execute and deliver such financing statements or amendments thereto as are consistent with the filing requirements of the Code and which the Secured Party may request.

11. **Miscellaneous.** No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom, shall in any event be effective unless the same shall be in writing and signed by the party against whom

enforcement of such amendment, waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The paragraph and section headings herein are solely for convenience and shall not be deemed to limit or otherwise affect the meaning or construction of any part of this Agreement. This document shall be construed without regard to any presumption or rule requiring construction against the party causing such document or any portion thereof to be drafted. If any provision or provisions of this Agreement shall be unlawful, then such provision or provisions shall be null and void, but the remainder of the Agreement shall remain in full force and effect and be binding on the parties. This Agreement may be validly executed and delivered by fax or other electronic transmission and in one or more counterpart signature pages by different signatories thereto. Any notice to be given hereunder shall be given in accordance with the terms of the Note.

12. **FCC Authority.** Notwithstanding anything herein to the contrary, the Secured Party's rights hereunder are subject to all applicable rules and regulations of the FCC, the Secured Party shall not take any action pursuant to this Agreement which would constitute or result in any assignment or transfer of control of any FCC license, permit or authorization, whether de jure or de facto, if such assignment or transfer of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval.

[Signature page follows]

Signature Page to Security Agreement

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement by their respective duly authorized representatives as of the date first above written.

DEBTOR

GRACE COMMUNITY CHURCH
OF AMARILLO, INC.

By: _____

Its: _____

SECURED PARTY

HORIZON CHRISTIAN FELLOWSHIP

By: _____
Mike MacIntosh, President