

4. Independent Contractor. In performance of his obligations under this Agreement, the Consultant shall be an independent contractor for the Company and not an agent or employee of the Company. The Consultant shall not make any agreements or commitments, or incur any obligations, which purport to bind or obligate the Company.

5. Exclusive Relationship. The Consultant agrees that he shall represent the Company exclusively with respect to the services to be provided hereunder, and that he shall not engage in any business or activity which is competitive with the business or interests of the Company.

6. Confidentiality. This Agreement and the terms and conditions hereof shall remain absolutely confidential and shall not be disclosed to any third party without the prior written consent of each of the Parties, which consent shall not be unreasonably withheld.

7. Compensation. During the Consulting Term, the Company shall pay to Consultant compensation equal to Two Hundred Fifty Thousand Dollars (\$250,000.00) over a five (5)-year period, payable in equal semi-annual installments of \$25,000 each, due and payable on \_\_\_\_\_ and \_\_\_\_\_ of each calendar year during the Consulting Term.

8. Subordination. The Consultant understands and agrees that all sums due by the Company to the Consultant under this Agreement are subordinated to other indebtedness pursuant to, and to the extent provided in, and is otherwise subject to the terms of, the Subordination Agreement dated \_\_\_\_\_, 2001, as the same may be amended, restated, modified or supplemented and in effect from time to time, by and among UBIK Corporation, as Borrower, Silicon Valley Bank, as Senior Lender and John N. Klapperich.

9. Offset. Subject to the procedures and limitations of indemnification and setoff as described in Article 7 of the Stock Purchase Agreement dated April \_\_\_, 2001, by and between the Company and the Consultant (the "*Stock Purchase Agreement*"), the Company hereby retains the right to set off against all sums due to the Consultant hereunder, any and all sums owed by the Consultant to the Company under the terms of Article 7 (Indemnification) of the Stock Purchase Agreement pursuant to the following provisions:

(a) Upon the Company providing to the Consultant a "Notice of Claim" pursuant to Section 7.4 of the Stock Purchase Agreement, sums otherwise due to the Consultant by the Company under this Agreement (each, a "*Set Off Payment*") shall be placed by the Company in escrow with First National Bank of Anchorage, pending resolution of the Notice of Claim.

(b) If the Notice of Claim is accepted or deemed accepted by the Consultant or is resolved in favor of the Company by binding arbitration (as described in Article 7 of the Stock Purchase Agreement), then the Company shall notify the escrow agent to return any Set Off Payments then held by the escrow agent to the Consultant.

(c) If the Notice of Claim is resolved in favor of the Consultant, then the Company shall promptly notify the escrow agent to disburse any Set Off Payments then held by the escrow agent to the Consultant.

10. Reimbursement of Reasonable Expenses. The Company shall pay or reimburse Consultant for any customary and reasonable expenses incurred by Consultant, which are approved in writing by the Company, in advance, in connection with the performance of Consultant's duties and obligations hereunder.

11. Obligations Binding Upon Company. This Agreement, and the duties and obligations of the Parties pursuant hereto, may be terminated by the Company upon the death of Mr. John N. Klapperich; provided, however, in such event, Mr. Klapperich's estate, personal representative and/or heirs, as the case may be, shall nevertheless be entitled to collect the amounts due the Consultant under this Agreement in accordance with the terms of this Agreement and shall be responsible for delivering the items described in Section 12, below. This Agreement shall be non-cancellable for any cause, and in the event that the Consultant is terminated from this Agreement, nevertheless he shall still be paid all of the amounts remaining and outstanding under the terms of this Agreement. Proceeds of the \$1,000,000 key-man life insurance policy on the life of Mr. John N. Klapperich (which policy has been purchased by the Company) shall be used to pay off the sums due hereunder upon the death of Mr. Klapperich.

12. Duties of Consultant upon Expiration. Upon the expiration of this Agreement at the end of the Consulting Term, Consultant shall immediately deliver to the Company all of the books, records, memoranda, reports, data and documents relating to the Company's business and other assets of the Company in the possession, custody or control of the Consultant.

13. Notices. Any notice or other communication required or permitted hereunder is deemed delivered when delivered in person, on the next business day when sent by Federal Express or a similar overnight delivery service, or on the third business day when sent by ordinary United States mail service as follows:

If to the Company: UBIK Corporation  
907 East Dowling Road, Suite #24  
Anchorage, Alaska 99518  
Attn: Mr. Aaron Wallender, President

With Copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to the Consultant: Mr. John N. Klapperich  
H. C. Box #6551-D  
Wasilla, Alaska 99654

With Copy to: John Davies, Esq.  
1075 Check Street, #202  
Wasilla, Alaska 99654

The parties to this Agreement shall promptly notify each other in the manner provided in this Section 13 of any change in their respective addresses. A notice of change of address shall not be deemed to have been given until received by the addressee, or to such other address either Party shall designate by notice in writing to the other in accordance herewith.

14. Miscellaneous Provisions

14.1 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Alaska.

14.2 Enforceability. If any terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall, to any extent, be found to be invalid or unenforceable, then the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

14.3 Time is of the Essence. The parties agree that time is of the essence for the performance of each covenant and condition contained in this Agreement.

14.4 Costs and Attorneys' Fees. Should any litigation proceeding be commenced between the parties concerning the matters set forth in this Agreement or the rights and duties of either in relation thereto, the prevailing party shall be entitled to recover, in addition to such other relief as may be granted, reasonable and actually incurred attorneys' fees, court and related costs, whether or not such proceeding is prosecuted to judgment.

14.5 Amendments. This Agreement may not be modified or amended, except in writing executed by all of the parties hereto.

14.6 Assignment of Agreement. This Agreement is assignable by the Consultant to an entity in which Mr. Klapperich owns a majority equity interest. Any attempted assignment other than to such entity shall be void.

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the date first written above.

**THE COMPANY**

**UBIK CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONSULTANT**

\_\_\_\_\_  
**JOHN N. KLAPPERICH**

ALL INDEBTEDNESS EVIDENCED BY THIS GUARANTY IS SUBORDINATED TO OTHER INDEBTEDNESS PURSUANT TO, AND TO THE EXTENT PROVIDED IN, AND IS OTHERWISE SUBJECT TO THE TERMS OF, THE SUBORDINATION AGREEMENT, DATED \_\_\_\_\_, 2001 (THE "SUBORDINATION AGREEMENT"), AS THE SAME MAY BE AMENDED, RESTATED, MODIFIED OR SUPPLEMENTED AND IN EFFECT FROM TIME TO TIME, BY AND AMONG UBIK CORPORATION, AS BORROWER, SILICON VALLEY BANK, AS SENIOR LENDER AND JOHN N. KLAPPERICH.

### GUARANTY

This Guaranty is given as of \_\_\_\_\_, 2001, by \_\_\_\_\_, a resident of the State of Alaska (the "*Guarantor*"), in favor of JOHN N. KLAPPERICH ("*Payee*").

#### *Preliminary Statements*

On or about the date of this Guaranty, UBIK Corporation, an Alaska corporation ("*UBIK*") has executed (i) a Non-Negotiable, Subordinated Promissory Note in the face amount of \$550,000 in favor of Payee (as amended, restated, substituted, modified and renewed from time to time, the "*Note*"); (ii) a Management/Consulting Agreement pursuant to which UBIK will owe \$250,000 to Payee (as amended, restated, substituted, modified and renewed from time to time, the "*Consulting Agreement*"); and (iii) a Non-Competition Agreement pursuant to which UBIK will owe \$350,000 to Payee (as amended, restated, substituted, modified and renewed from time to time, the "*Non-Competition Agreement*").

Payee, has requested, and Guarantor has agreed to provide to Payee, a guaranty of the sums due under the Note, the Consulting Agreement and the Non-Competition Agreement pursuant to the terms of this Guaranty.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees as follows:

1. Guaranty. The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of UBIK now or hereafter existing under the Note, the Consulting Agreement and the Non-Competition Agreement, whether for principal, interest, compensation or otherwise, all of which obligations are collectively referred to herein as the "*Obligations*." Any payments due hereunder shall be made within fifteen (15) days after receipt by the Guarantor of written demand therefor from Payee.

2. Guaranty Absolute. The liability of the Guarantor under this Guaranty shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Note, the Consulting Agreement or the Non-Competition Agreement, or any other document given in connection therewith; (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Note, the Consulting Agreement or the Non-Competition Agreement; or (c) any exchange, release, non-perfection or other impairment of any collateral for the Obligations.

3. Waivers. The Guarantor waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty (other than written demand for payment) and any requirement that Payee protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against UBIK or any collateral for the Obligations. No waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom shall be effective unless the same shall be in writing and signed by Payee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4. Addresses for Notices. All notices, requests, and demands to or upon the respective parties hereto to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or when telecopied by facsimile machine, or when deposited in the U.S. mail, certified mail, return receipt requested, or when delivered to a recognized national overnight delivery service addressed as follows or to such other address as to which any party may be hereafter notified by the other party:

The Guarantor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telecopy No: \_\_\_\_\_

With Copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telecopy No: \_\_\_\_\_

If to Payee:

Mr. John N. Klapperich

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telecopy No: \_\_\_\_\_

With Copy to:

John Davies, Esq.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telecopy No: \_\_\_\_\_

5. Continuing Guaranty; Transfer of Obligations. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until payment in full of the Obligations and all other amounts payable under this Guaranty, and (b) be binding upon the Guarantor and the Guarantor's successors and assigns.

6. Governing Law. This Guaranty shall be governed by the laws of the State of Alaska without regard to any choice of law rule thereof giving effect to the laws of any other jurisdiction.

IN WITNESS WHEREOF, the Guarantor has executed and delivered this Guaranty as of the date first above written.

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ALL INDEBTEDNESS EVIDENCED BY THIS SECURITY AGREEMENT IS SUBORDINATED TO OTHER INDEBTEDNESS PURSUANT TO, AND TO THE EXTENT PROVIDED IN, AND IS OTHERWISE SUBJECT TO THE TERMS OF, THE SUBORDINATION AGREEMENT, DATED \_\_\_\_\_, 2001 (THE "SUBORDINATION AGREEMENT"), AS THE SAME MAY BE AMENDED, RESTATED, MODIFIED OR SUPPLEMENTED AND IN EFFECT FROM TIME TO TIME, BY AND AMONG UBIK CORPORATION, AS BORROWER, SILICON VALLEY BANK, AS SENIOR LENDER AND JOHN N. KLAPPERICH.

## SECURITY AGREEMENT (UBIK Corporation)

This Security Agreement (the "*Agreement*") is made as of \_\_\_\_\_, 2001, between UBIK CORPORATION, an Alaska corporation (the "*Debtor*"), and JOHN N. KLAPPERICH, a resident of the State of Alaska (the "*Secured Party*").

### *Preliminary Statements*

(a) The Debtor has executed a Non-Negotiable, Subordinated Promissory Note in favor of Secured Party, dated the date hereof in the face amount of \$550,000 (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) On the date hereof, Debtor and the Secured Party have entered into a Management/Consulting Agreement in the amount of \$250,000 (the "*Consulting Agreement*") and a Non-Competition Agreement in the amount of \$350,000 (the "*Non-Competition Agreement*") pursuant to which Debtor will owe certain sums to the Secured Party.

(c) The Debtor has agreed to grant to the Secured Party a subordinated security interest in all of its property, including but not limited to property related to radio station KNIK-FM, Anchorage, Alaska (the "*Station*") to secure the obligations of Debtor to Secured Party under the Note, the Consulting Agreement and the Non-Competition Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is 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 (subject and subordinate to the Prior Lien, as defined below) in all of the Debtor's right, title and interest in and to all of the Debtor's property, wherever located, whether such property or right, title or interest therein or thereto is now owned or existing or hereafter acquired or arising, together with the proceeds from any sale or transfer thereof (collectively, the "*Collateral*"), subject, however, to the security interest in the Collateral held by Silicon Valley Bank or its successors or assigns (the "*Prior Lien*");

(a) *Equipment.* All of the Debtor's equipment (as defined in the Code), including, without limitation, all studio equipment, broadcast equipment, broadcast tower, as well as



all machinery, tools, fittings, furniture and fixtures, and all parts and accessions relating to any of the foregoing;

(b) *General Intangibles.* All general intangibles (as defined in the Code), including, without limitation, all contract rights, tax refunds, insurance proceeds, rights to receive money or property generally and all License Rights (as defined below);

(c) *Accounts.* All accounts (as defined in the Code), including, without limitation, all accounts receivable and all rights to receive money or property in connection with the sale or other transfer of goods or the rendering of services by the Debtor;

(d) *Instruments.* All instruments (as defined in the Code), including, without limitation, all promissory notes, and any other writings which evidence a right to the payment of money;

(e) *Chattel Paper.* All chattel paper (as defined in the Code), including, without limitation, all writings which evidence both a monetary obligation and a security interest in or a lease of specific goods;

(f) *Records and Related Property.* All books and records (in whatever form maintained by or on behalf of the Debtor), including but not limited to public inspection files, and all trade names, trademarks, service marks and all other intellectual property of any nature or description whatsoever;

(g) *Other Property.* All property (other than that described in subsections (a) through (f) above) in which a security interest may now or hereafter attach or otherwise be created under the Code or other applicable law;

(h) an assignment of all of Debtor's leases, telephone numbers, telecopy/fax numbers, KNIK-FM name, KZND name, trademarks, slogans and websites; and

(i) *Products and Proceeds.* All products and proceeds of the property described in subsections (a) through (h) above and, to the extent not otherwise included, all payments under any insurance policy (whether or not the Secured Party is the loss payee thereof) and under any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.

The term "**Code**," as used herein, means the Uniform Commercial Code as in effect in the State of Alaska from time to time.

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 Debtor to Secured Party under the Note, the Consulting Agreement and the Non-Competition Agreement, and of Debtor to Secured Party under this Agreement (in each case whether for principal,

interest, fees, compensation, expenses or otherwise); and (b) any replacements, renewals, restatements, extensions, consolidations and any other modifications of any of the obligations described in subpart (a) 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 herein by the Debtor to the Secured Party.

3. FCC Licenses; Collateral. The Collateral in which the Debtor grants the Secured Party a security interest includes, without limitation, 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 Station (collectively, the "*Licenses Proper*"); and

(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 Federal Communications Commission ("*FCC*") or any other governmental agency.

Notwithstanding the preceding sentence 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 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. If, and to the extent, 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; Operating Covenants.

(a) The Debtor agrees that from time to time, at the sole expense of the Debtor, the Debtor shall 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 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.

(b) 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.

(c) (i) Until such time as Secured Party is paid in full, KMBQ Corporation shall remain a wholly owned subsidiary of the Debtor, the Station shall remain substantially intact as of the date of this Agreement and the corporate structure of the Debtor shall not change without the prior consent of Secured Party. Debtor shall not remove the Collateral from the Station location without Secured Party's permission other than in the ordinary course of business and provided, however, that, without Secured Party's permission, Debtor may replace items due to obsolescence or disrepair if replaced with items of equal or better value.

(ii) 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.

(d) In its operation of the Station, Debtor shall:

(i) not make any capital expenditures which cost in excess of \$25,000, without the prior consent of Secured Party (which consent shall not be unreasonably withheld or delayed); provided, however, Secured Party agrees that nothing contained herein shall prohibit Debtor from incurring and paying operating expenses in the ordinary course of Debtor's business;

(ii) not increase the compensation paid to employees of the Debtor other than in the ordinary course of business (including normal course, annual merit and/or cost of living wage increases), without the prior consent of Secured Party (which consent shall not be unreasonably withheld or delayed);

(iii) not incur additional indebtedness other than the following:

(A) indebtedness existing on the date hereof (and Debtor hereby represents that as of the date hereof, the principal amount of Debtor's debt to Silicon Valley Bank does not exceed \$2,250,000); provided, however, that the terms of such indebtedness shall not be modified or amended in any material respect, nor shall payment thereof be

modified, nor shall Debtor borrow any money under its \$250,000 loan facility from Silicon Valley Bank, without the prior written consent of Secured Party;

(B) indebtedness in respect of endorsements of negotiable instruments for collection in the ordinary course of business;

(C) indebtedness of the Debtor under capital leases and purchase money indebtedness relating to the purchase price of real estate and equipment to be used in the Debtor's businesses which does not exceed \$25,000 in the aggregate outstanding at any time; and

(D) subordinated debt owed to Debtor's equity holders;

(iv) provide to Secured Party, within thirty (30) days following filing same, a copy of each federal tax return filed by Debtor with regard to the Station, and provide to Secured Party, within three (3) days following submission, a copy of each quarterly compliance certificate that Debtor submits to Silicon Valley Bank in conjunction with its loan from Silicon Valley Bank;

(v) Except for Permitted Investments (as defined below), purchase, invest in or otherwise acquire or hold securities, including without limitation capital stock partnership interests, membership interests and other equity interests and evidences of indebtedness of, or make loans or advances to, or enter into any arrangement for the purposes of providing funds or credit to, any other Person (as defined below). The term "***Permitted Investments***" shall mean: (A) investments in property to be used by a Person in the ordinary course of business; (B) current assets arising from the sale of goods and services in the ordinary course of business; (C) investments (of one year or less) in direct or guaranteed obligations of the United States, or any agency thereof; (D) investments (of 90 days or less) in certificates of deposit of any domestic commercial bank of recognized standing have capital, surplus and undivided profits in excess of \$100,000,000, membership in the Federal Deposit Insurance Corporation and senior debt rated carrying one of the two highest ratings of Standard & Poor's Ratings Service, A Division of McGraw Hill, Inc., or Moody's (an "***Approved Institution***"); (E) investments (of 90 days or less) in commercial paper given one of the two highest ratings by Standard and Poor's Ratings Services, or by Moody's; (F) investments redeemable at any time without penalty in money market instruments placed through Silicon Valley Bank, its successors and assigns or an Approved Institution; (G) repurchase agreements fully collateralized by United States government securities; (H) deposits fully insured by the FDIC; and (I) short-term loans to employees and advances to employees in the ordinary course of business for the payment of bona fide, properly documented, business expenses to be incurred on behalf of the Person, provided that the aggregate outstanding amount of all such loans and advances shall not exceed \$10,000 in the aggregate at any time.

The term "**Person**" shall mean any individual, corporation, partnership, limited liability company, joint venture, trust, business unit, unincorporated organization, or other organization, whether or not a legal entity, or any government or any agency or political subdivision thereof; and

(vi) allow Secured Party reasonable access to the weekly income/expense statements of the Station (provided, however, that any such access shall be at Secured Party's sole expense, during Debtor's normal business hours, and with prior notice to Debtor; and provided, further, that in reviewing such statements, Secured Party shall not interfere with the business operations of Debtor).

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. If any Event of Default shall have occurred and be continuing, Secured Party shall have the following rights (subject, however, to the rights of the holder of the Prior Lien):

(a) 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, and to keep and store the same on such premises until sold or otherwise realized upon.

(b) The Secured Party shall have the right to sell or otherwise dispose of all or any Collateral at public or private 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. The Secured Party shall have the right

to conduct such sales on the Debtor's premises, without charge therefor. All public or private sales may be adjourned from time to time in accordance with applicable law. The Secured Party shall have the right to sell, lease or otherwise dispose of such Collateral, or any part thereof, for cash, credit or any combination thereof, and the Secured Party may purchase all or any part of such Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Obligations.

(c) The Secured Party may take repossession of the Station and all of the secured Collateral upon an Event of Default in its then as-is operational condition so as to permit Secured Party to retake the Station and operate the Station as an integrated operational unit.

(d) The Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in the State of Alaska, or otherwise available at law or in equity.

(e) 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 shall have the authority, to take possession of, operate, manage, repair, improve and otherwise generally deal with, and to sell, exchange, dispose of or otherwise transfer, 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 further agrees that, insofar as any sale, exchange, disposition or other transfer of certain of the Collateral is or may be subject to prior FCC or other governmental approval, any such sale, exchange, disposition or other transfer of all or any part of the Collateral by or on behalf of a Receiver pursuant to any court- or FCC-approved sale, exchange, disposition or other transfer shall constitute a commercially reasonable sale thereof for purposes of Section 9-504 of the Code and other applicable law, and the same shall be the case notwithstanding that the sale, exchange, disposition or other transfer of a portion of the Collateral included in any such sale, exchange, disposition or other transfer is not subject to FCC or other governmental approval.

8. Expenses. 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 custody, preservation, use of, or the sale of, collection from, or other

realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of the Secured Party hereunder, and/or (iii) 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 ALASKA.**

10. Collateral Representations; UCC Filing Offices. The Debtor represents and warrants to the Secured Party that:

- (a) the Debtor is a corporation, organized under the laws of Alaska;
- (b) the Debtor's chief executive office is located at 907 East Dowling Road, Suites 23 and 24, Anchorage, Alaska 99518; and
- (c) all of the Collateral consisting of inventory, equipment or other tangible personal property is located only in Anchorage Borough, Alaska (collectively, the "*UCC Filing Jurisdiction*").

If the Debtor changes the address of its chief executive office, or if the Debtor changes its name, identity, corporate structure or state of incorporation, or if any Collateral is hereafter located in any county 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 Uniform Commercial Code financing statements or amendments thereto as 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.

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:**

**UBIK CORPORATION**

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

**SECURED PARTY:**

\_\_\_\_\_  
**JOHN N. KLAPPERICH**



ALL INDEBTEDNESS EVIDENCED BY THIS SECURITY AGREEMENT IS SUBORDINATED TO OTHER INDEBTEDNESS PURSUANT TO, AND TO THE EXTENT PROVIDED IN, AND IS OTHERWISE SUBJECT TO THE TERMS OF, THE SUBORDINATION AGREEMENT, DATED \_\_\_\_\_, 2001 (THE "SUBORDINATION AGREEMENT"), AS THE SAME MAY BE AMENDED, RESTATED, MODIFIED OR SUPPLEMENTED AND IN EFFECT FROM TIME TO TIME, BY AND AMONG UBIK CORPORATION, AS BORROWER, SILICON VALLEY BANK, AS SENIOR LENDER AND JOHN N. KLAPPERICH.

## SECURITY AGREEMENT (KMBQ Corporation)

This Security Agreement (the "*Agreement*") is made as of \_\_\_\_\_, 2001, between KMBQ CORPORATION, an Alaska corporation (the "*Debtor*"), and JOHN N. KLAPPERICH, a resident of the State of Alaska (the "*Secured Party*").

### *Preliminary Statements*

(a) UBIK Corporation ("*UBIK*") has executed a Non-Negotiable, Subordinated Promissory Note in favor of Secured Party, dated the date hereof in the face amount of \$550,000 (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) On the date hereof, UBIK and the Secured Party have entered into a Management/Consulting Agreement in the amount of \$250,000 (the "*Consulting Agreement*") and a Non-Competition Agreement in the amount of \$350,000 (the "*Non-Competition Agreement*") pursuant to which UBIK will owe certain sums to the Secured Party.

(c) Debtor is a wholly owned subsidiary of UBIK.

(d) The Debtor has agreed to grant to the Secured Party a subordinated security interest in its property related to radio station KMBQ-FM, Wasilla, Alaska (the "*Station*") to secure the obligations of UBIK to Secured Party under the Note, the Consulting Agreement and the Non-Competition Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is 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 (subject and subordinate to the Prior Lien, as defined below) in all of the Debtor's right, title and interest in and to the following property relating to the Station, wherever located, whether such property or right, title or interest therein or thereto is now owned or existing or hereafter acquired or arising, together with the proceeds from any sale or transfer thereof (collectively, the "*Collateral*"), subject, however, to the security interest in the Collateral held by Silicon Valley Bank or its successors or assigns (the "*Prior Lien*");

(a) *Equipment.* All Station equipment (as defined in the Code), including, without limitation, all studio equipment, broadcast equipment, broadcast tower, as well as all machinery, tools, fittings, furniture and fixtures, and all parts and accessions relating to any of the foregoing;

(b) *General Intangibles.* All general intangibles (as defined in the Code), including, without limitation, all contract rights, tax refunds, insurance proceeds, rights to receive money or property generally and all License Rights (as defined below);

(c) *Accounts.* All accounts (as defined in the Code), including, without limitation, all accounts receivable and all rights to receive money or property in connection with the sale or other transfer of goods or the rendering of services by the Debtor;

(d) *Instruments.* All instruments (as defined in the Code), including, without limitation, all promissory notes, and any other writings which evidence a right to the payment of money;

(e) *Chattel Paper.* All chattel paper (as defined in the Code), including, without limitation, all writings which evidence both a monetary obligation and a security interest in or a lease of specific goods;

(f) *Records and Related Property.* All books and records (in whatever form maintained by or on behalf of the Debtor), including but not limited to public inspection files, and all trade names, trademarks, service marks and all other intellectual property of any nature or description whatsoever;

(g) *Other Property.* All property (other than that described in subsections (a) through (f) above) in which a security interest may now or hereafter attach or otherwise be created under the Code or other applicable law;

(h) all corporate stock of Debtor, as well as the name "KMBQ Corporation," "KMBQ-FM," "KMBQ Radio Station," as well as the telephone and telecopy/fax numbers;

(i) an assignment of the KMBQ lease for collateral purposes; and

(j) *Products and Proceeds.* All products and proceeds of the property described in subsections (a) through (i) above and, to the extent not otherwise included, all payments under any insurance policy (whether or not the Secured Party is the loss payee thereof) and under any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.

The term "*Code*," as used herein, means the Uniform Commercial Code as in effect in the State of Alaska from time to time.

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 UBIK to Secured Party under the Note, the Consulting Agreement and the Non-Competition Agreement, and of Debtor to Secured Party under this Agreement (in each case whether for principal, interest, fees, compensation, expenses or otherwise); and (b) any replacements, renewals, restatements, extensions, consolidations and any other modifications of any of the obligations described in subpart (a) 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 herein by the Debtor to the Secured Party.

3. FCC Licenses; Collateral. The Collateral in which the Debtor grants the Secured Party a security interest includes, without limitation, 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 Station (collectively, the “*Licenses Proper*”); and

(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 Federal Communications Commission (“*FCC*”) or any other governmental agency.

Notwithstanding the preceding sentence 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 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. If, and to the extent, 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; Operating Covenants.

(a) The Debtor agrees that from time to time, at the sole expense of the Debtor, the Debtor shall 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 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.

(b) 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.

(c) (i) Until such time as Secured Party is paid in full, the Station shall remain a wholly owned subsidiary of UBIK and shall remain substantially intact as of the date of this Agreement and the corporate structure of UBIK shall not change without the prior consent of Secured Party. Debtor shall not remove the Collateral from the Station location (2200 East Parks Highway, Wasilla, Alaska) without Secured Party's permission other than in the ordinary course of business and provided, however, that, without Secured Party's permission, Debtor may replace items due to obsolescence or disrepair if replaced with items of equal or better value.

(ii) 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.

(d) In its operation of the Station, Debtor shall:

(i) not make any capital expenditures which cost in excess of \$25,000, without the prior consent of Secured Party (which consent shall not be unreasonably withheld or delayed); provided, however, Secured Party agrees that nothing contained herein shall prohibit Debtor from incurring and paying operating expenses in the ordinary course of Debtor's business;

(ii) not increase the compensation paid to employees of the Debtor other than in the ordinary course of business (including normal course, annual merit and/or cost of living wage increases), without the prior consent of Secured Party (which consent shall not be unreasonably withheld or delayed);

(iii) not incur additional indebtedness other than the following:

(A) indebtedness existing on the date hereof (and Debtor hereby represents that as of the date hereof, the principal amount of UBIK's debt to Silicon Valley Bank does not exceed \$2,250,000); provided, however, that the terms of such indebtedness shall not be modified or amended in any material respect, nor shall payment thereof be modified, nor shall UBIK borrow any money under its \$250,000 loan facility from Silicon Valley Bank, without the prior written consent of Secured Party;

(B) indebtedness in respect of endorsements of negotiable instruments for collection in the ordinary course of business;

(C) indebtedness of the Debtor under capital leases and purchase money indebtedness relating to the purchase price of real estate and equipment to be used in the Debtor's businesses which does not exceed \$25,000 in the aggregate outstanding at any time; and

(D) subordinated debt owed to Debtor's equity holders;

(iv) provide to Secured Party, within thirty (30) days following filing same, a copy of each federal tax return filed by Debtor with regard to the Station and provide to Secured Party, within three (3) days following submission, a copy of each quarterly compliance certificate that Debtor submits to Silicon Valley Bank in conjunction with its loan from Silicon Valley Bank;

(v) Except for Permitted Investments (as defined below), purchase, invest in or otherwise acquire or hold securities, including without limitation capital stock partnership interests, membership interests and other equity interests and evidences of indebtedness of, or make loans or advances to, or enter into any arrangement for the purposes of providing funds or credit to, any other Person (as defined below). The term "***Permitted Investments***" shall mean: (A) investments in property to be used by a Person in the ordinary course of business; (B) current assets arising from the sale of goods and services in the ordinary course of business; (C) investments (of one year or less) in direct or guaranteed obligations of the United States, or any agency thereof; (D) investments (of 90 days or less) in certificates of deposit of any domestic commercial bank of recognized standing have capital, surplus and undivided profits in excess of \$100,000,000, membership in the Federal Deposit Insurance Corporation and senior debt rated carrying one of the two highest ratings of Standard & Poor's Ratings Service, A Division of McGraw Hill, Inc., or Moody's (an "***Approved Institution***"); (E) investments (of 90 days or less) in commercial paper given one of the two highest ratings by Standard and Poor's Ratings Services, or by Moody's; (F) investments redeemable at any time without penalty in money market instruments placed through Silicon Valley Bank, its successors and assigns or an Approved Institution; (G) repurchase agreements fully collateralized by United

States government securities; (H) deposits fully insured by the FDIC; and (I) short-term loans to employees and advances to employees in the ordinary course of business for the payment of bona fide, properly documented, business expenses to be incurred on behalf of the Person, provided that the aggregate outstanding amount of all such loans and advances shall not exceed \$10,000 in the aggregate at any time. The term "**Person**" shall mean any individual, corporation, partnership, limited liability company, joint venture, trust, business unit, unincorporated organization, or other organization, whether or not a legal entity, or any government or any agency or political subdivision thereof; and

(vi) allow Secured Party reasonable access to the weekly income/expense statements of the Station (provided, however, that any such access shall be at Secured Party's sole expense, during Debtor's normal business hours, and with prior notice to Debtor; and provided, further, that in reviewing such statements, Secured Party shall not interfere with the business operations of Debtor).

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. If any Event of Default shall have occurred and be continuing, Secured Party shall have the following rights (subject, however, to the rights of the holder of the Prior Lien):

(a) 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, and to keep and store the same on such premises until sold or otherwise realized upon.

(b) The Secured Party shall have the right to sell or otherwise dispose of all or any Collateral at public or private 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. The Secured Party shall have the right to conduct such sales on the Debtor's premises, without charge therefor. All public or private sales may be adjourned from time to time in accordance with applicable law. The Secured Party shall have the right to sell, lease or otherwise dispose of such Collateral, or any part thereof, for cash, credit or any combination thereof, and the Secured Party may purchase all or any part of such Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Obligations.

(c) The Secured Party may take repossession of the Station and all of the secured Collateral upon an Event of Default in its then as-is operational condition so as to permit Secured Party to retake the Station and operate the Station as an integrated operational unit.

(d) The Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in the State of Alaska, or otherwise available at law or in equity.

(e) 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 shall have the authority, to take possession of, operate, manage, repair, improve and otherwise generally deal with, and to sell, exchange, dispose of or otherwise transfer, 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 further agrees that, insofar as any sale, exchange, disposition or other transfer of certain of the Collateral is or may be subject to prior FCC or other governmental approval, any such sale, exchange, disposition or other transfer of all or any part of the Collateral by or on behalf of a Receiver pursuant to any court- or FCC-approved sale, exchange, disposition or other transfer shall constitute a commercially reasonable sale thereof for purposes of Section 9-504 of the Code and other applicable law, and the same shall be the case notwithstanding that the sale, exchange, disposition or other transfer of a portion of the Collateral included in any such sale, exchange, disposition or other transfer is not subject to FCC or other governmental approval.

8. Expenses. 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 custody, preservation, use of, or the sale of, collection from, or other realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of the Secured Party hereunder, and/or (iii) 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 ALASKA.**

10. Collateral Representations; UCC Filing Offices. The Debtor represents and warrants to the Secured Party that:

(a) the Debtor is a corporation, organized under the laws of Alaska;

the Debtor's chief executive office is located at 907 East Dowling Road, Suites 23 and 24, Anchorage, Alaska 99518; and

all of the Collateral consisting of inventory, equipment or other tangible personal property is located only in Matanuska Susitna Borough, Alaska (collectively, the "*UCC Filing Jurisdiction*").

If the Debtor changes the address of its chief executive office, or if the Debtor changes its name, identity, corporate structure or state of incorporation, or if any Collateral is hereafter located in any county 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 Uniform Commercial Code financing statements or amendments thereto as 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.



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:**

**KMBQ CORPORATION**

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

**SECURED PARTY:**

\_\_\_\_\_  
**JOHN N. KLAPPERICH**