

instruments for the payment of money, chattel paper, security agreements or other documents, insurance proceeds or proceeds of other proceeds now or hereafter owned by Grantor or in which Grantor has an interest.

The property set forth in clauses (a) through (i) of the preceding sentence, together with property of a similar nature which Grantor hereafter owns or in which Grantor hereafter acquires any interest, is referred to herein as the "Collateral."

#### 1.2 Perfection of Security Interests.

(a) Grantor hereby authorizes Secured Party to file a financing statement or financing statements (the "Financing Statement") describing the Collateral in any and all jurisdictions where Secured Party deems such filing to be necessary or appropriate including, without limitation, the jurisdiction of the debtor's location for purposes of the Code. The Secured Party shall be responsible for any and all costs incurred in connection with such filings. For purposes of this Section 1.2(a), the Financing Statements shall be deemed to include any amendment, modification, assignment, continuation statement or other similar instrument consistent with the rights granted to Secured Party under this Agreement and the Purchase Agreement.

(b) Grantor shall have possession of the Collateral, except where as expressly otherwise provided in this Security Agreement or where Secured Party chooses to perfect its security interest, to the extent permitted by law, by possession in addition to the filing of a Financing Statement. Where Collateral is in the possession of a third party, Grantor will join with the Secured Party in notifying the third party of the Secured Party's security interest therein and obtaining an acknowledgement from the third party that it is holding the Collateral for the benefit of the Secured Party.

(c) Grantor will cooperate with Secured Party in obtaining control (including "Control" as contemplated by Section 9-312(b) of the Code) with respect to Collateral consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper.

(d) Grantor will not create any chattel paper without a legend on such chattel paper acceptable to the Secured Party indicating that Secured Party has a secured interest in such Chattel Paper.

### ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties. The Grantor represents, warrants and agrees that:

(a) Grantor has and shall have absolute, good and marketable title to all the Collateral owned by it, wherever and whenever acquired, free and clear of any lien except for such liens and/or filings as may be permitted by the Purchase Agreement

("Permitted Liens"). Grantor has not filed, nor is there on record, a financing statement under the Code (or similar statement or instrument of registration under the law of any jurisdiction) covering any Collateral except for Permitted Liens.

(b) Exhibit A hereto lists, as to Grantor, (i) the Grantor's chief executive office and other place(s) of business, (ii) the Grantor's legal organizational structure and its jurisdiction, as applicable, of incorporation, formation, organization or registration, (iii) the address where books and records relating to the Collateral are maintained, (iv) any other location of any other equipment and goods (other than mobile goods) included in the Collateral, and (v) location of leased facilities and name of lessor/sublessor.

(c) The Grantor has paid or will pay when due all taxes, fees, assessments and other charges now or hereafter imposed upon the Collateral except for any tax, fee, assessment or other charge the validity of which is being contested in good faith by appropriate proceedings and so long as Grantor has set aside on its books adequate reserves with respect thereto.

(d) As a result of the execution and delivery of this Security Agreement and the filing of any financing statements or other documents necessary to assure, preserve and perfect the security interest created hereby to the extent a lien may be perfected by filing a financing statement, the Secured Party shall have a valid, perfected, enforceable lien on, and a continuing security interest in, the Collateral, enforceable and superior as such as against creditors and purchasers (other than purchasers of Inventory in the ordinary course of business) and as against any owner of real property where any of the equipment or Inventory is located and as against any purchaser of such real property and any present or future creditor obtaining a mortgage or other lien on such real property, and such lien shall be superior and prior to all other Liens other than the Permitted Liens.

(e) None of the Collateral is held by a third party in any location as assignee, trustee, bailee, consignee or in any similar capacity.

2.2 Survival. All representations, warranties and agreements of the Grantor contained in this Security Agreement shall survive the execution, delivery and performance of this Security Agreement until the termination of this Security Agreement pursuant to Section 5.5 hereof.

### ARTICLE 3 COVENANTS

#### 3.1 Covenants.

(a) The Grantor hereby covenants and agrees with the Secured Party that so long as this Security Agreement shall remain in effect or any Obligations shall remain unpaid or unperformed: (a) Grantor shall promptly give written notice to the Secured

Party of any levy or attachment, execution or other process against any of the Collateral; (b) at Grantor's own cost and expense, Grantor shall take any and all actions reasonably necessary or desirable to defend the Collateral against the claims and demands of all Persons other than the Secured Party and to defend the security interest of the Secured Party in the Collateral and the priority thereof against any Lien of any nature other than those permitted under the Purchase Agreement; (c) Grantor shall keep all tangible Collateral properly insured and in good order and repair (normal wear and tear excepted) and immediately notify the Secured Party of any event causing any material loss, damage or depreciation in value of the Collateral in the aggregate and of the extent of such loss, damage or depreciation; (d) Grantor shall mark any Collateral that is chattel paper with a legend showing the Secured Party's lien and security interest therein; (e) Grantor shall promptly give written notice to the Secured Party of any change in the intellectual property rights material to their respective businesses; and (f) Grantor shall not (i) amend or terminate any contract or other document or instrument constituting part of the Collateral, except for transactions in the ordinary course of business substantially consistent with customary practice, (ii) voluntarily or involuntarily exchange, lease, sell, transfer or otherwise dispose of any Collateral without the consent of Secured Party; provided that, so long as no default of Grantor shall have occurred hereunder or under the Note, Grantor shall have the right without the consent of the Secured Party to (A) sell inventory in the ordinary course of business, and (B) sell or other dispose of obsolescent items of equipment in the ordinary course of business consistent with past practices, (iii) make any compromise, settlement, discharge or adjustment or grant any extension of time for payment with respect to any Account or any Lien, Guaranty or remedy pertaining thereto, except for transactions in the ordinary course of business substantially consistent with past practice, (iv) change its name or use any fictitious or trade name or (vi) permit any of the Collateral (other than Collateral that constitutes goods that are mobile and that are of a type normally used in more than one jurisdiction or otherwise in the ordinary course of business (including, without limitation, sales and shipments of inventory in the ordinary course of business)) to be removed from or located in any place not identified as the location of such Collateral to the Secured Party, as the case may be, except after written notice to and with written consent of the Secured Party and compliance with such procedures as the Secured Party reasonably may impose to prevent any interruptions or discontinuity in the security interest granted pursuant to this Security Agreement.

(b) Notwithstanding the terms of Section 3.1(a) or any other provision of this Agreement to the contrary, Grantor shall not be required to obtain the consent of Secured Party to the consummation of any Mandatory Prepayment Event so long as, on or before the consummation of such Mandatory Prepayment Event, all obligations of Grantor under the Note and this Security Agreement are satisfied in full.

(c) All FCC licenses used or reasonably required to be used in connection with the operation of the Station (as defined in the Purchase Agreement) or otherwise granted to Grantor by the FCC (collectively, "FCC Licenses") shall be held by Grantor and shall not be transferred to any other person, including any affiliate or subsidiary of Grantor, without the consent of the Secured Party.

(d) Grantor shall give prompt written notice to Secured Party of any event that would require a mandatory prepayment of the Note pursuant to Section 6 thereof (a "Mandatory Prepayment Event") on the earlier to occur of (i) the date on which Grantor enters into a binding agreement with respect to such Mandatory Prepayment Event or (ii) ten (10) days prior to the consummation of such Mandatory Prepayment Event. Nothing in this Section 3.1(e) shall relieve Grantor of any obligation it may have to obtain the consent of Secured Party to any Mandatory Prepayment Event to the extent required under this Agreement.

#### ARTICLE 4 REMEDIAL MATTERS

4.1 Event of Default. An "Event of Default" shall exist hereunder (a) if Purchaser shall breach any of its representations, covenants or obligations under the Purchase Agreement, (b) if Word of God Fellowship, Inc. a Georgia not-for-profit corporation (the "Guarantor") shall breach any of its representations, covenants or obligations under that certain Guaranty dated of even date herewith, made by Guarantor for the benefit of Secured Party ("Guaranty"), (c) if Purchaser shall breach any of its obligations under the Note, (d) upon the filing of a voluntary or involuntary petition for bankruptcy, insolvency, receivership or similar event involving Grantor, or (e) if Grantor shall breach in any material respect any agreement contained herein or otherwise default in any material respect in the observance or performance of any of the covenants, terms, conditions or agreements on the part of Grantor contained in this Security Agreement and, with respect to non-monetary covenants, terms, conditions or agreements, such non observance or non performance continues for a period of ten (10) days after the earlier of (i) written notice from the Secured Party of such default or (ii) actual knowledge of the Grantor of such default.

#### 4.2 Powers of Attorney.

(a) Grantor hereby irrevocably appoints the Secured Party (and any officer or agent of the Secured Party) as its true and lawful attorney-in-fact, with power of substitution for and in the name of the Secured Party or otherwise, for the use and benefit of the Secured Party, effective upon the occurrence and during the continuance of an Event of Default: (i) to receive, endorse the name of the Grantor upon and deliver any notes, acceptances, checks, drafts, money orders or other evidences of payment that may come into the possession of the Secured Party with respect to the Collateral; (ii) to cause the Grantor's mail to be transferred to the Secured Party's own offices and to receive and open all mail addressed to the Grantor for the purposes of removing any such notes, acceptances, checks, drafts, money orders or other evidences of payment; (iii) to demand, collect and receive payment in respect of the Collateral and to apply any such payments directly to the payment of the Obligations in accordance with Section 4.5 hereof; (iv) to receive and give discharges and releases of all or any of the Collateral; (v) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of

competent jurisdiction, to collect or otherwise realize on all or any part of the Collateral or to enforce any rights in respect thereof; (vi) to sign the name of the Grantor on any invoice or bill of lading relating to any of the Collateral; (vii) to send verification of any Accounts to any Account Debtor or customer; (viii) to notify any Account Debtor or other obligor of the Grantor with respect to any Collateral to make payment to the Secured Party; (ix) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating or pertaining to all or any of the Collateral; (x) to take any action for purposes of carrying out of the terms of this Security Agreement; (xi) to enforce all of the Grantor's rights and powers under and pursuant to any and all agreements with respect to the Collateral; and (xii) generally, to sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out this Security Agreement, as fully and completely as though the Secured Party were the absolute owner of the Collateral for all purposes; provided, however, nothing herein contained shall be construed as requiring or obligating the Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken by the Secured Party or omitted to be taken with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of Grantor or to any claim or action against the Secured Party. It is understood and agreed that the power of attorney granted to the Secured Party for the purposes set forth above in this Section 4.2 is coupled with an interest and is irrevocable, and Grantor hereby ratifies all actions taken by its attorney-in-fact by virtue hereof. The provisions of this Section 4.2 shall in no event relieve Grantor of any of its obligations hereunder or under any of the other Security Documents with respect to the Collateral or any part thereof or impose any obligation on the Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Secured Party of any other or further right which it may have on the date of this Security Agreement or hereafter, whether hereunder, under any of the other Security Documents, by law or otherwise.

(b) Beyond the duty of the Secured Party to exercise reasonable care in the custody of any Collateral in its possession, the Secured Party shall not, under any circumstance or in any event whatsoever, have any liability for any part of the Collateral, nor shall the Secured Party have any liability for any error or omission or delivery of any kind incurred in the good faith settlement, collection or payment of any of the Collateral or any monies received in payment therefor or for any damages resulting therefrom, nor shall this Security Agreement impose upon the Secured Party any obligation to perform any obligation with respect to the Collateral. The costs of collection, notification and enforcement, including but not limited to, reasonable attorneys' fees and reasonable out-of-pocket expenses, shall be borne solely by the Grantor whether the same are incurred by the Grantor or the Secured Party. The Grantor agrees to indemnify, defend and hold the Secured Party harmless from and against any and all other claims, demands, losses, judgments and liabilities (including, but not limited to, liabilities for penalties) of any nature, and to reimburse the Secured Party for all reasonable costs and expenses,

including but not limited to reasonable attorneys' fees and expenses, arising from this Security Agreement or the exercise of any right or remedy granted to the Secured Party hereunder other than those incurred solely as a result of the gross negligence and willful misconduct of the Secured Party. In no event shall the Secured Party be liable for any matter or thing in connection with this Security Agreement other than to account for moneys actually received by the Secured Party in accordance with the terms hereof, and matters arising out of the gross negligence or willful misconduct of the Secured Party.

4.3 Collections. Upon the occurrence and during the continuance of an Event of Default, the Secured Party may, in its sole discretion, in its name or in the name of Grantor, or otherwise: (a) demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for, or make any compromise or settlement deemed desirable with respect to any of the Collateral, but shall be under no obligation to do so; or (b) extend the time of payment, arrange for payment in installments, or otherwise modify the term of, or release, any of the Collateral, without thereby incurring responsibility to, or discharging or otherwise affecting any liability of, Grantor, other than to discharge Grantor in so doing with respect to liabilities of Grantor to the extent that the liabilities are paid or repaid. After the occurrence and during the continuance of an Event of Default, any money, checks, notes, bills, drafts, or commercial paper received by Grantor shall be held in trust for the Secured Party and any other secured party having rights thereto senior to the Secured Party and shall be promptly turned over to the Secured Party or any other secured party having rights thereto senior to the Secured Party as their interest shall appear. The Secured Party may make such payments and take such actions as the Secured Party, in its sole discretion, deems necessary to protect its security interest in the Collateral or the value thereof, and the Secured Party is hereby unconditionally and irrevocably authorized (without limiting the general nature of the authority hereinabove conferred) to pay, purchase, contest or compromise any Liens which in the judgment of the Secured Party appear to be equal to, prior to or superior to its security interest in the Collateral and any Liens not expressly permitted by this Security Agreement.

#### 4.4 Possession; Sale of Collateral.

(a) Upon the occurrence and during the continuance of an Event of Default, the Secured Party may (subject to obtaining prior regulatory approval to the extent required): (i) require Grantor to assemble the tangible assets that comprise part of the Collateral and make them available to the Secured Party at any place or places reasonably designated by the Secured Party; (ii) to the extent permitted by applicable law, with or without notice or demand for performance and without liability for trespass, enter any premises where the Collateral may be located and peaceably take possession of the same, and may demand and receive such possession from any person who has possession thereof, and may take such measures as it may deem necessary or proper for the care or protection thereof (including, but not limited to, the right to remove all or any portion of the Collateral); and (iii) with or without taking such possession may sell or cause to be sold, in one or more sales or parcels, for cash, on credit or for future delivery, without assumption of any credit risk, all or any portion of the Collateral, at public or private sale

or at any broker's board or any securities exchange, without demand of performance or notice of intention to sell or of time or place of sale, except ten (10) business days' written notice to the Grantor of the time and place of such sale or sales (and such other notices as may be required by applicable statute, if any, and which cannot be waived), which Grantor hereby expressly acknowledges is commercially reasonable. The Secured Party shall have no obligation to clean-up or otherwise prepare any Collateral for sale. The Collateral may be sold or disposed of for cash, upon credit or for future delivery as the Secured Party shall deem appropriate. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of Grantor, and Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal that Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Secured Party may (in its sole and absolute discretion) determine. The Secured Party shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any disposition of the Collateral. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Secured Party until the sale price is paid by the purchaser or purchasers thereof. The Secured Party shall not incur any liability for the failure to collect or realize upon any or all of the Collateral or for any delay in doing so and, in case of any such failure, shall not be under any obligation to take any action with respect thereto; provided, such Collateral may be sold again upon like notice. If any Collateral is sold upon credit, Grantor will be credited only with payments actually made by the purchaser, received by the Secured Party and applied to the Obligations in accordance with Section 4.5. In the event the purchasers fail to pay for the Collateral, the Secured Party may resell the Collateral. At any public sale made pursuant to this Section 4.4, the Secured Party may bid for or purchase, free from any right of redemption, stay or appraisal and all rights of marshalling, the Collateral and any other security for the Obligations or otherwise on the part of the Grantor (all said rights being also hereby waived and released by Grantor to the fullest extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to the Secured Party from the Grantor as a credit against the purchase price, and the Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Secured Party shall be free to carry out such sale pursuant to such agreement, and the Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Secured Party shall have entered into such an agreement, all Events of Default shall have been remedied and any

obligations to the Secured Party shall have been paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Secured Party may proceed by a suit or suits at law or in equity to foreclose this Security Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. In any action hereunder, the Secured Party shall be entitled to the appointment of a receiver without notice, to peaceably take possession of all or any portion of the Collateral and to exercise such powers as the court shall confer upon the receiver. Notwithstanding the foregoing, if an Event of Default shall occur and be continuing, the Secured Party shall be entitled to apply, without notice to Grantor, any cash or cash items constituting Collateral in their possession to payment of the Obligations. All notices of a public or private sale shall specify that the assignment of any or all of the FCC Licenses for the Station is subject to the prior approval of the FCC. The Parties agree that, to the extent required by FCC rules and regulations, the FCC Licenses and the other Collateral shall not be assigned and sold to separate parties.

(b) If an Event of Default shall occur and be continuing, the Secured Party shall, in addition to exercising any and all rights and remedies afforded to them hereunder, have all the rights and remedies of a secured party under all applicable provisions of law, including but not limited to, the Code (subject to obtaining prior regulatory approval to the extent required).

(c) If an Event of Default shall occur and be continuing, the Secured Party shall have the right, in its sole discretion, in addition to any other remedies available in this Agreement, at law or equity, to have a receiver appointed by a court of competent jurisdiction in any action taken by the Secured Party to enforce its rights and remedies hereunder in order to manage, protect and preserve the Collateral and continue the operation of the business of Grantor and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including, but not limited to, the compensation of the receiver, until a sale or other disposition of such Collateral shall be finally made and consummated. Any receiver so appointed shall have such powers as may be conferred by the appointing authority, including any or all powers, rights or remedies which the Secured Party is authorized to exercise under this Agreement, and shall have the right to incur such obligations and to issue such certificates as the appointing authority shall authorize. The Secured Party and Grantor acknowledge and agree that in connection with any exercise by the Secured Party of its rights hereunder to dispose of or operate the business of Grantor, it may be necessary to obtain the prior consent or approval of certain governmental authorities. Upon the exercise by the Secured Party of any power, right, privilege or remedy pursuant to this Agreement which requires any consent or approval of any governmental authorities, Grantor shall execute and deliver, or shall cause the execution and delivery of, all applications, certificates and other documents which may reasonably be required to obtain such approval or consent. Grantor shall cooperate in good faith with the Secured Party and any purchaser of the Collateral in obtaining any such approvals or consents. Grantor hereby acknowledges and agrees that, in the event that Grantor breaches or otherwise fails to fulfill its obligations under this Section 4.4, the Secured Party's



remedies at law are inadequate to protect the interests of the Secured Party and that Secured Party may seek an order or decree from a court of competent jurisdiction compelling Grantor to execute such applications, forms, responses, and other documents and instruments reasonably required or otherwise advisable in connection with obtaining the consent of any governmental authority (including without limitation the FCC) to the Secured Party's exercise of its rights hereunder in connection with such exercise.

(d) Notwithstanding anything to the contrary in this Agreement, Secured Party shall not have the right to exercise its remedies under Section 4.4(c) of this Agreement in the event of a breach by Guarantor of Section 12 of the Guaranty so long as (1) Grantor is in compliance with its obligations under the Note and (2) Guarantor is "Cash Flow Positive" (hereinafter defined). For purposes of this Section 4.4(d), the term "Cash Flow Positive" as of any date means that, for the three (3)-month period immediately preceding such date, (i) all cash revenues of Guarantor from any source for such period exceed the sum of (ii) cash expenditures and other costs and expenses incurred in connection with the normal conduct of the business of Guarantor, (x) all payments during such period by Guarantor, of principal of and interest on loans and other obligations for borrowed money, (y) all cash expenditures of Guarantor, during such period for capital improvements and/or replacements, and (z) such reserves as are established by the Guarantor for working capital, maintenance, repairs, replacements, capital improvements, contingent or unforeseen liabilities or obligations and to meet anticipated expenses during such period.

(e) Grantor agrees that notwithstanding anything to the contrary contained in this Security Agreement, the Grantor shall remain liable under each contract or other agreement giving rise to Accounts and general intangibles and all other contracts or agreements constituting part of the Collateral and the Secured Party shall not have any obligation or liability in respect thereof.

(f) After the occurrence and during the continuance of an Event of Default, upon the Secured Party's request, the Grantor shall deliver to the Secured Party all original and other documents, evidencing and relating to the sale and delivery of Inventory or Accounts, including but not limited to, all original orders, invoices and shipping receipts. The Grantor shall also furnish to the Secured Party, promptly upon the request of the Secured Party, such reports, reconciliations and aging balances regarding Accounts as the Secured Party may request from time to time.

(g) Grantor agrees that it will join and cooperate fully with the Secured Party and with the successful bidder or bidders at any public or private sale in the filing of an application or applications with the FCC requesting the FCC's consent to the assignment of any or all of the FCC Licenses to Secured Party or the successful bidder or bidders, and Grantor will furnish any additional information that may be required in connection with such application(s). Grantor will take any further actions, or cause any further actions to be taken, that may be necessary or desirable to obtain such FCC consent, and will execute and deliver, or will cause the execution and delivery of, all applications, certificates, instruments and other documents that may be necessary or desirable in connection therewith. Because of the unique value of the Station to the

Secured Party, the Secured Party shall be entitled to specific performance of the foregoing provisions of this Section 4.4(g), and if the Grantor refuses to execute any applications or other documents referenced in this Section 4.4(g), the clerk of a court of competent jurisdiction may affix the signature of the Grantor pursuant to an order of such court.

4.5 Application of Proceeds. Unless the Secured Party otherwise directs, the proceeds of any sale of Collateral pursuant to this Security Agreement or otherwise, as any Collateral consisting of cash, shall be applied after receipt by the Secured Party as follows:

First, to the payment of all reasonable costs, fees and expenses of the Secured Party and its agents, representatives and attorneys incurred in connection with such sale or with the retaking, holding, handling, preparing for sale (or other disposition) of the Collateral or otherwise in connection with the Note, this Security Agreement or any of the Obligations, including, but not limited to, the reasonable fees and expenses of the Secured Party's agents and attorneys' and court costs (whether at trial, appellate or administrative levels), if any, incurred by the Secured Party in so doing;

Second, to the payment of the outstanding principal balance and accrued interest and fees on the Obligations in such order as the Secured Party may determine;

Third, to pay all other amounts payable by the Grantor under the Note; and

Fourth, to the Grantor or to such other Person as a court may direct.

4.6 Authority of Secured Party. The Secured Party shall have and be entitled to exercise all such powers hereunder as are specifically delegated to the Secured Party by the terms hereof, together with such powers as are reasonably incidental thereto. The Secured Party may execute any of its duties hereunder by or through its agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its duties hereunder.

4.7 Certain Waivers; Grantor Not Discharged. Grantor expressly and irrevocably waives (to the extent permitted by applicable law) presentment, demand of payment and protest of nonpayment in respect of its Obligations under this Security Agreement. The obligations and duties of the Grantor hereunder are irrevocable, absolute, and unconditional and shall not be discharged, impaired or otherwise affected by (a) the failure of the Secured Party to assert any claim or demand or to enforce any right or remedy against the Grantor or any grantee under the provisions of this Security Agreement or any waiver, consent, extension, indulgence or other action or inaction in respect thereof, (b) any extension or renewal of any part of the Obligations, (c) any rescission, waiver, amendment or modification of any of the terms or provisions of any agreement related to this Security Agreement, (d) the release of any liens on or security

interests in any part of the Collateral or the release, sale or exchange of or failure to foreclose against any security held by or for the benefit of the Secured Party for payment or performance of the Obligations, (e) the bankruptcy, insolvency or reorganization of Grantor or any grantee or any other Persons, (f) any change, restructuring or termination of the corporate structure or existence of Grantor or any grantee or any restructuring or refinancing of all or any portion of the Obligations, or (g) any other event that under law would discharge the obligations of a surety.

4.8 Transfer of Security Interest. The Secured Party may transfer to any other Person all or any part of the liens and security interests granted hereby, and all, or any part of the Collateral which may be in the Secured Party's possession after the occurrence and during the continuance of an Event of Default or, if to a successor Secured Party or Noteholder, at any time. Upon such transfer, the transferee shall be vested with all the rights and powers of the Secured Party hereunder with respect to such of the Collateral as is so transferred, but, with respect to any of the Collateral not so transferred, the Secured Party shall retain all of their rights and powers (whether given to it in this Security Agreement, or otherwise). The Secured Party or any of them may, at any time, assign their rights as the secured party hereunder to any Person, in the Secured Party's discretion, and upon notice to the Grantor, but without any requirement for consent or approval by or from Grantor, and any such assignment shall be valid and binding upon the Grantor, as fully as it had expressly approved the same.

## ARTICLE 5 MISCELLANEOUS

5.1 Further Assurances. Grantor agrees, at its expense, to do such further things, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Secured Party may from time to time reasonably request for the better assuming and preserving of the security interests and the rights and remedies created hereby, including but not limited to, the execution and delivery of such additional conveyances, assignments, agreements and instruments, the payment of any fees and taxes required in connection with the execution and delivery of this Security Agreement, the granting of the security interests created hereby and the execution, filing and recordation of any financing statements (including fixture filings) or other documents as the Secured Party may deem reasonably necessary or desirable for the perfection of the security interests granted hereunder. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Secured Party, duly endorsed in a manner satisfactory to the Secured Party. If at any time Grantor shall take and perfect a security interest in any property to secure payment and performance of an Account, Grantor, upon the request of the Secured Party, shall promptly assign such security interest to the Secured Party. Grantor agrees to notify the Secured Party thirty (30) days prior to any change (a) in its corporate name, (b) its jurisdiction of incorporation or organization, (c) in the location of its chief executive office, (d) in its chief place of business, or (e) in the office or offices where it keeps its records relating to the Collateral. Grantor agrees that, after the occurrence and

during the continuance of an Event of Default, it shall upon request of the Secured Party, take any and all actions, to the extent permitted by applicable law, at its own expense, to obtain the approval of any governmental authority for any action or transaction contemplated by this Security Agreement that is then required by law, and specifically, without limitation, upon request of the Secured Party, to prepare, sign and file with any governmental authority Grantor's portion of any application or applications for consent to the assignment of licenses held by Grantor, or for consent to the possession and sale of any of the Collateral by or on behalf of such Secured Party. The Grantor further agrees that they shall at all times, at their own expense and cost, keep accurate and complete records with respect to the Collateral, including but not limited to, a record of all payments and proceeds received in connection therewith or as a result of the sale thereof and of all credits granted, and agrees that the Secured Party or its representatives shall have the right at any reasonable time and from time to time to call at Grantor's place or places of business to inspect the Collateral and to examine or cause to be examined all of the books, records, journals and other data relating to the Collateral and to make extracts therefrom or copies thereof as are reasonably requested.

5.2 Effectiveness. This Security Agreement shall take effect immediately upon execution by the Grantor.

5.3 Indemnity; Reimbursement of Secured Party; Deficiency. In connection with the Collateral, this Security Agreement and the administration and enforcement or exercise of any right or remedy granted to the Secured Party hereunder or under the other Security Documents, the Grantor agrees, subject to the limitations set forth hereafter (a) to indemnify, defend and hold harmless the Secured Party from and against any and all claims, demands, losses, judgments and liabilities (including but not limited to, liabilities for penalties) of whatever nature, relating thereto or resulting therefrom, and (b) to reimburse the Secured Party for all reasonable costs and expenses, including but not limited to, the reasonable fees and disbursements of attorneys, relating thereto or resulting therefrom. The foregoing indemnity agreement includes all reasonable costs incurred by the Secured Party in connection with any litigation relating to the Collateral whether or not the Secured Party shall be a party to such litigation, including but not limited to, the reasonable fees and disbursements of attorneys for the Secured Party, and any out-of-pocket costs incurred by the Secured Party in appearing as a witness or in otherwise complying with legal process served upon it. The obligations of Grantor in this Section 6.3 are limited to the extent claims for indemnity, defense, or reimbursement do not arise from the gross negligence or willful misconduct of the Secured Party. In no event shall the Secured Party be liable, in the absence of gross negligence, willful misconduct on its part, for any matter or thing in connection with this Security Agreement other than to account for moneys actually received by it in accordance with the terms hereof, and Grantor hereby releases the Secured Party from any and all claims, causes of action and demands at any time arising out of or with respect to this Security Agreement or the Collateral. All indemnities contained in this Section 6.3 and elsewhere in this Security Agreement shall survive the expiration or earlier termination of this Security Agreement. After application of the proceeds by the Secured Party pursuant to

Section 4.5 hereof, the Grantor shall remain liable to the Secured Party for any deficiency.

5.4 Continuing Lien. It is the intent of the parties hereto that (a) this Security Agreement shall constitute a continuing agreement as to any and all future, as well as existing transactions, between the Grantor and the Secured Party under or in connection with the Note, and (b) the security interest provided for herein shall attach to after-acquired as well as existing Collateral.

5.5 Termination. Upon payment in full of the Note and all other amounts due in connection therewith and termination of all commitments relating thereto, the Secured Party shall reassign, redeliver and release (or cause to be so reassigned, redelivered and released), without recourse upon or warranty by the Secured Party, and at the sole expense of the Grantor, to the Grantor, against receipt therefor, such of the Collateral (if any) as shall not have been sold or otherwise applied by the Secured Party pursuant to the terms hereof and not theretofore reassigned, redelivered and released to the Grantor, together with appropriate instruments of reassignment and release.

5.6 Notices. All notices and other communications given to or made upon any party hereto in connection with this Security Agreement be in writing and shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of transmission, if sent by confirmed facsimile, (c) one (1) business day after having been dispatched via a nationally recognized overnight courier service, charges prepaid for next business day delivery or (d) three (3) business days after being sent by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 5.6):

If to Grantor:

Marcus D. Lamb  
5000 Westgrove Lane  
Colleyville, TX 76034-5175  
Fax:

with a copy to:

Robert L. Olender, Esq.  
Koerner & Olender, P.C.  
5809 Nicholson Lane  
Suite 124  
North Bethesda, MD 20852

If to the Secured Party:

North Texas Public Broadcasting, Inc.  
3000 Harry Hines Boulevard  
Dallas, Texas 75201  
Attention:  
Fax:

with a copy to:

Arnold & Porter  
555 12<sup>th</sup> Street, N.W.  
Washington, DC 20004  
Attention: Theodore Frank, Esq.  
Fax: 202-942-5999

5.7 Successors and Assigns. Whenever in this Security Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Secured Party that are contained in this Security Agreement shall bind and inure to the benefit of its respective successors and assigns. Grantor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Secured Party.

5.8 APPLICABLE LAW. THIS SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO TEXAS CHOICE OF LAW DOCTRINE.

5.9 Waivers. No failure or delay of the Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or future exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder are cumulative and not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Security Agreement or consent to any departure by Grantor therefrom shall in any event be effective unless the same shall be authorized as provided in Section 5.1 or Section 6.10, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Grantor in any case shall entitle Grantor to any other or further notice or demand in similar or other circumstances.

5.10 Amendments. Neither this Security Agreement nor any provision hereof may be amended or modified except pursuant to an agreement or agreements in writing entered into by the Grantor and the Secured Party.

5.11 Severability. In the event any one or more of the provisions contained in this Security Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby.

5.12 Counterparts. This Security Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one contract, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto shall be delivered or mailed to the Secured Party.

5.13 Headings. Article and Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Security Agreement.

5.14 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, OR REMEDY UNDER OR IN CONNECTION WITH THIS SECURITY AGREEMENT AND AGREE THAT ANY SUCH ACTION SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE TERMS AND PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS SECURITY AGREEMENT.

[signatures on following pages]

**IN WITNESS WHEREOF**, the Grantor has executed this Security Agreement as of the date first above written.

**GRANTOR:**

COMMUNITY TELEVISION EDUCATORS  
OF DFW, INC.

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

**SECURED PARTY:**

NORTH TEXAS PUBLIC BROADCASTING,  
INC.

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



# EXHIBIT A

Pursuant to Section 2.1(b), the following information is disclosed:

Grantor	Chief Executive Office	Other Place(s) of Business	Jurisdiction of Incorporation	Collateral Location	Equipment and Goods Location	Location of Leased Facilities
Community Educators of DFW, Inc.	5000 Westgrove Lane Colleyville, TX 76034-5175	None	Texas	Texas	Texas	Texas

Grantor	Chief Executive Office	Other Place(s) of Business	Jurisdiction of Incorporation	Collateral Location	Equipment and Goods Location	Location of Leased Facilities
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