

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made this ____ day of _____, 2003, by and between Jerry Evans (hereinafter called the "Debtor"), and Carson Valley Radio, Inc. or its successors and assigns (hereinafter called the "Secured Party"), both of whom also are parties to an Asset Purchase Agreement dated as of October ____, 2003:

WITNESSETH:

1. Debtor, for valuable consideration receipt of which is hereby acknowledged, hereby grants to the Secured Party a security interest in, and lien upon all tangible and intangible property, used and/or useful in the operation of Station KGVM(FM), Gardnerville-Minden, Nevada (the "Station"), whether now owned or hereafter acquired, including without limitation, the property of Debtor described in Schedule 1 attached hereto (hereinafter referred to as the "Collateral") and shall include the proceeds, products, additions and accessions of and to any thereof. It is expressly understood that the security interest granted herein shall also attach to all property of the class and character described above which the Debtor may hereafter acquire at any time for use in connection with the Station, but Secured Party's interest in all such later acquired replacement property will be secondary to any purchase money mortgages on such property. Subject to the foregoing it is expressly understood the security interest granted herein shall attach to all property of the class and character described above which the Debtor may hereafter acquire at any time until the termination of this Security Agreement. Should Debtor finance the purchase of replacement property for the Station and should the purchase terms require that the Vendor take a "purchase money security interest" in the property that is senior to Secured Party, Debtor agrees to limit any such purchase to only such property prudently required and reasonably priced in order to maintain Station operations.

Debtor also grants Secured Party a security interest in the proceeds of the sale of the broadcast license(s) held in connection with the Station.

2. The security interest granted herein is to secure the payment of the following:

a. Note from Jerry Evans to Carson Valley Radio, Inc., of even date herewith in the amount of Six Hundred Thirty Seven Thousand Five Hundred Dollars (\$637,500.00); together with interest and any other charges are herein provided.

b. Extensions of further advances by Secured Party to Debtor, and;

c. All other liabilities, primary, secondary, direct or contingent or that may be later constructed or acquired and due to become due from Debtor to Secured Party.

3. The Debtor agrees:

a. The collateral will be kept at the Debtor's principal place of business, and will not be sold, transferred, leased or otherwise disposed of without the prior written consent of the Secured Party. Debtor will defend the collateral against claims and demands of all persons or otherwise disposed of without the written consent of the Secured Party.

b. The Debtor will at all times keep accurate and complete records of its business affairs, and, at any time if the Buyer is in default in any of its obligations to Secured Party, then Secured Party shall have the right to call at the Debtor's place of business and without hindrance or delay to inspect, audit, check, and make extracts from the books, records, journals, order, receipts, correspondence, and other data relating to the conduct of business and the Collateral.

c. The Debtor shall use reasonable care in the custody and preservation of the Collateral and shall keep it in good order and repair and will not waste or destroy the Collateral.

d. Subject to the provisions of paragraph 1 above, the Debtor shall keep the Collateral free from any adverse security interest, liens, claims, charges, encumbrances, and will pay when due all taxes and assessments upon the Collateral and the Debtor shall keep the Collateral adequately insured at all times against loss by fire or other risks. Debtor shall use any such insurance proceeds covering the Collateral to replace any Collateral lost by fire or other risk.

e. Debtor nominates and appoints Secured Party as attorney-in-fact to perform any obligation of Debtor hereunder that Debtor fails to perform and to do all acts and things that Secured Party deems necessary and advisable for the maintenance or preservation of any of the Collateral or the interest of the Secured Party herein. Debtor shall immediately reimburse Secured Party for all expenses incurred by Secured Party in connection with the foregoing with interest thereon at the rate of seven percent (7%) annum from the date incurred.

f. Upon Debtor's default under the Promissory Note hereby secured, under this Security Agreement, insolvency, including without limitation bankruptcy, receivership, reorganization, assignment for the benefit of creditors, composition, or arrangement, whether voluntary or involuntary, pending or threatened (each an "Event of Default"), the Secured Party may at its option, discharge security interests, liens, claims, charges, and other encumbrances, taxes, or assessments levied or placed on the Collateral, may pay for insurance on the Collateral, and may pay the maintenance and preservation of the Collateral. The Debtor agrees to reimburse the Secured Party on demand for any payments made or expense incurred under the foregoing authorization and the payment of such sum shall be secured by this Security Agreement. Secured Party may exercise at any time any rights and

remedies available to it under the Nevada Uniform Commercial Code. And, the Secured Party under such circumstances is authorized and empowered at any time in its sole discretion:

- i. to require the Debtor to notify any debtor in the accounts or any party obligated under a contract of the fact of this assignment;

- ii. to demand, collect, or compromise any and all sums which are not or would later become due;

- iii. to enforce payment thereof, either in its name or in the name of the Debtor; and

- iv. to endorse in the name of the Debtor and to collect any negotiable instruments tendered or received in payment of any obligation to the Debtor. But the Secured Party under no circumstances shall be under any duty to act in regard to the foregoing matters, but, if it should, all costs of collection and enforcement, including attorneys' fees, and out-of-pocket expenses, shall be borne solely by the Debtor whether incurred by the Secured Party or the Debtor. Any sums collected by the Secured Party shall be held as security for the indebtedness or may be applied to the payment of the indebtedness then due.

- g. The Debtor will not without prior written consent of the Secured Party borrow from anyone except the Secured Party or pledge or grant any security interest in any of the Collateral and in any after acquired property to any person except the Secured Party, except as indicated in paragraph 1 hereinabove.

In addition, if and when applicable laws, rules, and regulations shall permit, Debtor hereby grants to Secured Party a security interest in the FCC licenses, authorizations, and permits of Station

used by Debtor in the operation of the Station, which grant shall be effective at and from such time as such applicable laws, rules, and regulations shall permit such exercise such security interest; provided, however, that Secured Party will not exercise such security interest to operate or control the Station without first obtaining any necessary approval from the FCC. The parties acknowledge that no further action by the parties is necessary to effectuate provisions of this paragraph; however, Debtor hereby agrees that upon request of Secured Party, it will (at Debtor's expense) execute and deliver such documents and take such other actions as Secured Party shall request to effectuate the provisions of this paragraph.

4. Upon the occurrence of an Event of Default, Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver for the benefit of the creditors of Debtor. If the court grants the application for receivership, such receiver shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Debtor. Debtor shall not oppose any reasonable effort of the Receiver to manage the Collateral, including without limitation, the execution of documents to be filed with the FCC that are requested by the Receiver. Subject to the receipt of prior FCC approvals, the receiver shall have the power to dispose of the Station' FCC licenses, permits, and other authorizations (the "FCC Authorizations") and the Collateral in any manner lawful in the jurisdiction in which his or her appointment is confirmed, including the power to conduct a public or private sale of the FCC Authorizations and the Collateral. Secured Party may bid at any such public or private sale.

5. Upon the occurrence of an Event of Default, Secured Party shall have the right to require that Debtor join with the successful bidder or other purchaser at a foreclosure sale regarding the Collateral in seeking from the FCC all applicable prior approvals of the assignment of the FCC Authorizations to such bidder or other purchaser. In that regard, Debtor agrees to execute and

deliver all applications, certificates, instruments, assignments and other documents and papers that may be required to obtain any necessary FCC consent, approval, or authorization. It is expressly understood that such sale shall be subject to all applicable consents and prior approvals of the FCC.

6. The Debtor warrants that, except for the security interest granted herein, or as otherwise provided in paragraph 1 above, to the extent that this Security Agreement grants a security interest in after acquired property, the Collateral is free from any adverse lien, security interest, or encumbrances, and the Debtor will defend the Collateral against all claims and demands of all forms at any time claiming the same in any interest therein.

7. Upon the occurrence of an Event of Default, the Secured Party shall have all of the rights, powers, and remedies set forth in the Note and this Agreement, together with the rights and remedies of a secured party under the Uniform Commercial Code of the jurisdictions where the Collateral is located, including without limitation the right to sell, lease, or otherwise dispose of any or all of the Collateral and to take possession of the Collateral. The Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at the place which is reasonably convenient to both parties and shall pay all costs incurred by Secured Party in collecting on said Note and enforcing the rights of Secured Party hereunder including expenses of any repairs to any real or other property to which any of the collateral is affixed. Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment or expenses in connection with the Collateral, including reasonable attorneys fees and legal expenses, and any balance of such proceeds may be applied by the Secured Party toward the payment of the indebtedness secured herein. Any required notice by the Secured Party of the sale or other disposition on default, when placed in the mail addressed to the Debtor at its offices or any subsequent offices, at least fifteen (15) days prior to such action, shall constitute reasonable notice.

If Debtor defaults on this Security Agreement or the associated Promissory Note, Debtor will cooperate fully in transferring all of the Collateral to Secured Party. It will cooperate likewise with any related public or private sale of the broadcast licenses and related public or private sale of the broadcast licenses and applying to the FCC for consent to any related assignment or transfer of said licenses.

8. The right is expressly granted to the Secured Party, at its discretion, to file one or more financing statements under the Uniform Commercial Code naming the Debtor and the Secured Party and indicating therein the types or describing the items of Collateral herein specified. Debtor shall execute or join in executing such financing statements and other documents and do such other acts as Secured Party may request to perfect, establish and maintain a valid security interest in the collateral, including, without limitation, any of the foregoing, the deposit with Secured Party of any certificate of title issuable with respect to any of the collateral and/or making a notation therein of the security interest hereunder.

9. The laws of Nevada shall govern the construction of this Agreement and the rights and duties of the parties hereto. The Secured Party's failure to exercise any right or take any action hereunder shall not constitute a waiver of that or any other right or action or preclude other or further exercise of any right or remedy.

10. This Security Agreement shall be binding upon the Debtor, its successors and assigns, and the benefits hereof shall inure to the Secured Party, its successors and assigns.

JERRY EVANS

By: _____

Name: Jerry Evans

CARSON VALLEY RADIO, INC.

By: _____

Name: _____

Title: _____

STATE OF NEVADA _____
COUNTY OF _____

The foregoing instrument was acknowledge before me this ____ day of _____
2003 by _____, who is personally known to be or has produced
_____ as identification.

Notary Public

Print Name:

My commission expires: