

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made and entered into as of this ___ day of _____, 2010, by and between Trevecca Nazarene University, a Tennessee not-for-profit corporation (the "Secured Party"), and Community Broadcasting, Inc., a Delaware not-for-profit corporation (the "Debtor").

W I T N E S S E T H :

WHEREAS, the Secured Party has extended financial accommodations to the Debtor, pursuant to the terms of a Promissory Note of even date herewith, in the principal amount of One Million Dollars (\$1,000,000.00) (as amended, renewed, restated, replaced, consolidated or otherwise modified from time to time, the "Note");

WHEREAS, the Debtor has become the owner of Non-Commercial Educational FM Broadcast Stations WNAZ-FM, Nashville, Tennessee (FCC Facility ID 67633), and WNRZ(FM), Dixon, Tennessee (FCC Facility ID 67638) (the "Stations"); and FM Translator Stations W230AD, Gallatin, Tennessee (FCC Facility ID 67635); W258AD, Clarksville, Tennessee (FCC Facility ID 63446); and W270AB, Lebanon, Tennessee (FCC Facility ID 67634) (the "FM Translators"); pursuant to an Asset Purchase Agreement (the "APA") dated as of October ___, 2010, between the Debtor and Secured Party; and

WHEREAS, to induce the Secured Party to extend financial accommodations to the Debtor as provided in the APA, the Debtor has agreed to grant to the Secured Party a security interest in all of the Assets (as defined in the APA) and other assets utilized in the operation of the Stations and FM Translators, including but not limited to the proceeds from the sale of the FCC licenses for the Stations and FM Translators, to secure all of its existing future obligations to the Secured Party, including without limitation all of its obligations under the Note.

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

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

Equipment. All broadcast equipment used in the operation of the Stations and FM Translators. An inventory of the equipment is attached as Addendum A;

Proceeds from Sale of FCC Licenses. Subject to the limitations set forth herein or as otherwise prescribed by law, the FCC licenses for the Stations and FM Translators, including the proceeds of the sale of any such licenses;

Leasehold Interests. All of the leasehold interests pertaining to the Stations' and FM Translators' transmitter sites; and

Other Assets. All accounts receivable, intellectual property (including call letters, websites, domain names and computer software), contract rights and other rights or property used in the operation of the Stations or the FM Translators.

Notwithstanding the foregoing, it is agreed and understood that the security interest granted through this Agreement does not extend to any assets or other property of Debtor or commonly-controlled entities that is not used exclusively in the operation of the Stations or the FM Translators.

It is further agreed and understood, except with respect to the Collateral used or useful in the operation of Station WNAZ-FM, Nashville, Tennessee, (the "WNAZ Collateral") with respect to which a first priority security interest is granted to Secured Party, that the security interests granted through this Agreement with respect to the Collateral used or useful in the operation of Station WNRZ(FM) and the FM Translators (the "Second Position Liens") shall be subject to and subordinated to first priority liens granted by Debtor to UMB Bank, N.A., Kansas City, Missouri (the "Bank"), until such time as Debtor's indebtedness to the Bank, and any associated liens or security interests in favor of the Bank, are fully paid, released and discharged. Debtor will advise Secured Party of such payment, release and discharge of the Bank's liens whereupon the Second Position Liens will become first priority liens. All UCC-1 Financing Statements reflecting the Second Position Liens will bear the following legend: "This instrument and the underlying debt obligation it reflects is subordinate in every respect to a first priority lien held by UMB Bank, N.A., Kansas City, Missouri." Debtor shall furnish, with this Agreement, an acknowledgement from the Bank that it is subordinated to Lender as to the WNAZ-FM Collateral until such time as the indebtedness under the Note is fully paid, released and discharged.

2. Security for Obligations. Subject to the subordination provisions in Section 1, this Agreement secures the payment and performance of (collectively, the "Obligations"): (a) all existing and future obligations of any nature whatsoever of the Debtor to the Secured Party under the Note or this Agreement (in each case whether for principal, interest, fees, expenses or otherwise); (b) any other obligations of any nature whatsoever of the Debtor to the Secured Party, whether monetary, nonmonetary, direct, indirect, acquired, joint, several, joint and several, liquidated, un-liquidated, contractual, non-contractual, existing, future, contingent or otherwise; and (c) any replacements, renewals, restatements, extensions, consolidations and any other modifications of any of the obligations described in subparts (a) and (b) above, together with any interest, fees, expenses and other charges thereon, and any amounts expended by or on behalf of the Secured Party for the protection and preservation of the security interest granted hereby the Debtor to the Secured Party.

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

(a) All licenses, permits and similar rights or other broadcast or transmission rights, including, without limitation, all licenses, permits and similar rights relating to the Stations and FM Translators, subject to the limitations described below (collectively, the “Licenses Proper”):

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

Notwithstanding the proceeding provisions or anything else to the contrary in this Agreement, if any law, rule, regulation or policy, including, without limitation, any law, rule, regulation or policy of the FCC or any other governmental agency, at any time on or after the date of this Agreement prohibits or limits the scope of the Secured Party’s security interest in any portion of the Collateral or the Secured Party’s rights or remedies in respect thereof, then, for the duration of such prohibition or limitation, the Secured Party’s rights and remedies under this Agreement or at law or in equity shall be limited to the extent, but only to the extent, of such prohibition or limitation, in each case without impairing the Secured Party’s other rights and remedies which have not been prohibited or limited. To the extent that the Secured Party’s security interest in the Licenses Proper or any part thereof is prohibited or otherwise limited by applicable law, rule, regulation or policy, such prohibition or other limitation shall not impair the Secured Party’s security interest in the License Proceeds, which security interest is granted by the Debtor to the Secured Party on the date of this Agreement as original collateral and not merely as proceeds of other collateral in which the Secured Party has a security interest.

4. Further Assurances. The Debtor agrees that from time to time, at the sole expense the Debtor, to promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Debtor shall, subject to the subordination provisions set forth in Section 1: (i) if any Collateral is or shall become evidenced by any promissory note or other instrument or any certificate or document of title or the like, deliver and pledge to the Secured Party such Note, instrument, certificate or document duly endorsed with recourse by the Debtor, and accompanied by duly executed instruments of transfer or assignment, all in form and content satisfactory to the Secured Party; and (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

The Debtor hereby authorizes the Secured Party to file one or more financing or continuation statements (Form UCC-1 and UCC-3, respectively), and amendments thereto, relating to all or any part of the Collateral, without the signature of the Debtor to the extent

permitted by law. A copy of this Agreement shall be sufficient as a financing statement to the extent permitted by law.

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

Debtor shall keep the Collateral insured in such amounts and with such coverages as reasonably required by Secured Party from time to time. Debtor shall not remove any portion of the Collateral from its current location without notifying the Secured Party, provided that Debtor may replace equipment and other portions of the Collateral in the ordinary course of business and further provided that the Debtor may relocate the Stations' and FM Translators' transmitter sites or either of them pursuant to FCC authority without the prior consent of Secured Party, so long as Debtor gives notice to Secured Party. Notwithstanding the foregoing, if Debtor files an application to move the WNAZ-FM transmitter site, Debtor shall, upon grant of Construction Permit by the FCC for such relocation, satisfy all remaining obligations due under the Note at that time. Debtor shall not allow any lien, encumbrance, security interest or other charge to be created and/or filed against the Collateral other than the lien of the Secured Party created hereunder without notifying the Secured Party. Debtor will not sell, dispose of, or otherwise transfer the Collateral or any interest therein without notifying the Secured Party. Debtor will keep the Collateral in good order and repair and will maintain in full force and effect the FCC licenses for the Stations and FM Translators.

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

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

7. Remedies. Subject to the subordination provisions in Section 1, and subject to Section 12 hereof, if any Event of Default (as defined in the Note) shall have occurred and be continuing:

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

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

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

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

liabilities, damages, expenses or other losses result from the gross negligence or willful misconduct of the Receiver.

The Debtor agrees after the occurrence of any Event of Default to take any action which Secured Party may reasonably request, at the Debtor's own cost and expense, in order to obtain approval of the FCC and all other governmental agencies to transfer the License Rights to the holder or purchaser of the Collateral and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of licenses or transfer of control necessary or appropriate under the FCC's rules and regulations with respect to the License Rights and to prosecute such applications in good faith and with due diligence. To that end, Debtor hereby appoints any officer of any competent court of jurisdiction to execute on its behalf any FCC applications which may be necessary and/or appropriate to assign the FCC licenses for the Stations and FM Translators to the successful purchaser at the foreclosure sale. In the case of Debtor's non-performance or breach of the agreements contained in this paragraph, Debtor shall be subject to a decree of specific performance in addition to a judgment for money damages, it being agreed that the License Rights are an integral part of the value of the Collateral and the Stations and FM Translators and that Secured Party will be irreparably harmed by a failure to realize the full value thereof. In the event of an Event of Default hereunder Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver or itself as an attorney in fact for the benefit of Secured Party and any other creditors of Debtor, and Debtor waives any requirement for a receiver to post a bond for such appointment. In any suit or application for specific performance, attorney in fact or receivership, Secured Party shall only need to prove to the court that an Event of Default shall have occurred and be continuing, and Debtor agrees not to object to the requirement of equitable relief or the appointment of a receiver or otherwise oppose such application. In the event that the court grants an application for receivership or attorney in fact, such receiver or attorney in fact shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Debtor, and the order appointing such receiver shall serve as legal authority for the receiver to file such involuntary transfer of control application without Debtor's execution of same. Subject to the receipt of prior FCC approvals, the receiver or attorney in fact shall have the power to dispose of the License Rights and the Collateral in any commercially reasonable manner, including the power to conduct a public or private arm's length sale of the License Rights and the Collateral. Secured Party may bid at any such public or private sale.

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

perform or observe any of the provisions hereof. All such fees, expenses and disbursements shall be deemed Obligations secured by this Agreement.

9. **Governing Law.** This Note shall be governed by the laws of the State of Tennessee without regard to its choice-of-laws provisions. Any action to enforce the Note may be brought in any federal or state court having jurisdiction over the subject matter

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

11. **Miscellaneous.** No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom, shall in any event be effective unless the same shall be in writing and signed by the party against whom enforcement of such amendment, waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The paragraph and section headings herein are solely for convenience and shall not be deemed to limit or otherwise affect the meaning or construction of any part of this Agreement. This document shall be construed without regard to any presumption or rule requiring construction against the party causing such document or any portion thereof to be drafted. If any provision or provisions of this Agreement shall be unlawful, then such provision or provisions shall be null and void, but the remainder of the Agreement shall remain in full force and effect and be binding on the parties. This Agreement may be validly executed and delivered by fax or other electronic transmission and in one or more counterpart signature pages by different signatories thereto. Any notice to be given hereunder shall be given in accordance with the terms of the Note.

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

[Signature page follows]

Signature Page to Security Agreement

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

DEBTOR

COMMUNITY BROADCASTING, INC.

By: _____
Richard P. Bott, II, Vice President

SECURED PARTY

TREVECCA NAZARENE UNIVERSITY

By: _____

Its: _____