

SCHEDULE 1.2(b)
SECURITY AGREEMENT

This Security Agreement ("this Agreement") is made _____, 2017 by and between Rocking M Media, LLC, a Kansas limited liability company ("Debtor") and Banning Radio, LLC, a California limited liability company, (collectively referred to herein as "Secured Party").

1 Section. Grant of Security Interest. Debtor, in consideration of the indebtedness described in this Agreement, hereby grants, conveys, and assigns to Secured Party for security all of Debtor's existing and future right, title and interest in, to and under the property listed in Section 2 of this Agreement. This security interest is granted to the Secured Party to (a) secure the payment of the indebtedness evidenced by Debtor's note payable to Secured Party dated _____ (collectively, the "Note") each in the principal sum of \$85,000.00 with interest thereon, and all renewals, extensions, and modifications of the Note; (b) the payment, performance and observance of all obligations, covenants and agreements to be paid, performed or observed by Debtor under that certain Purchase and Sale Agreement dated April 9, 2017, as amended, between Secured Party and the Debtor ("Purchase Agreement"); (c) the payment of all other sums, with interest thereon, advanced under the terms of this Agreement, the Purchase Agreement and the Note; and (d) the performance of the agreements and warranties of Debtor contained in this Agreement, the Purchase Agreement, and the Note (the "Lease") or incorporated in either Agreement by reference.

2 Section. Property. The property subject to the security interest (the Collateral) is as follows:

.1 Equipment. The Broadcasting Assets (as defined in the Purchase Agreement of the Debtor.

.2 Accounts Receivable and Other Intangibles. All of the Debtor's accounts, chattel paper, contract rights, commissions, warehouse receipts, bills of lading, delivery orders, drafts, acceptances, notes, securities and other instruments; documents; general intangibles and all other forms of receivables, and all guaranties and securities therefor.

.3 After-Acquired Property. All property of the types described in Sections 2.1 and 2.2, or similar thereto, that at any time hereafter may be acquired by Debtor, including all replacements.

.4 Proceeds. All proceeds of the sale or other disposition of any of the Collateral described or referred to in Sections 2.1-2.3.

Secured Party acknowledges that the Federal Communications Commission (“*FCC*”) currently prohibits granting a security interest in any license or other authorization by the FCC. Debtor’s FCC Licenses (defined below) issued by the FCC shall not, therefore, be subject to the security interest created by this Security Agreement to the extent such a security interest violates applicable laws. Notwithstanding the foregoing, nothing in this Paragraph shall be deemed to limit Secured Party’s security interests in all License Proceeds of Sale to the extent such security interest does not violate applicable laws. “*License Proceeds of Sale*” means any and all rights of payment Debtor may have as a result of the sale of any and all licenses or similar rights relating to the Station and its operation, including without limitation, all FCC Licenses relating thereto, regardless whether such rights of payment are attributable to the actual sale of such licenses or whether such rights of payment are attributable to such purchaser’s rights to apply for and receive any such licenses from any licensing entity as a result of purchasing such assets. “*FCC Licenses*” means all of the licenses, permits and other authorizations issued by the FCC to Debtor and applications to the FCC relating to or used in the business or operations of the Station, including those listed on any Schedule attached to that certain Asset Purchase Agreement by and between Debtor and Secured Party, dated April 9, 2017.

3 Section. Covenants of Debtor. The Debtor agrees and covenants as follows:

.1 Payment of Principal and Interest. The Debtor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note, and all other sums secured by this Agreement and/or the Purchase Agreement.

.2 Corporate Existence. The Debtor is a limited liability company, duly organized and existing under the laws of the state of Kansas and is duly qualified in every other state in which it is doing business.

.3 Corporate Authority. The execution, delivery, and performance of this Agreement, the Purchase Agreement, and the execution and payment of the Note are within Debtor's corporate powers, have been duly authorized, and are not in contravention of law or the terms of the Debtor's articles of incorporation and bylaws, or of any indenture, agreement, or undertaking to which the Debtor is a party or by which it is bound.

.4 Ownership of Collateral. The Debtor is the sole owner of the Collateral and will defend the Collateral against the claims and demands of all other persons at any time claiming the same or any interest therein.

4 Section. Removal of Collateral Prohibited. The Debtor shall not remove the

Collateral from its premises except in the ordinary course of business without the written consent of the Secured Party.

5 Section . Perfection of Security Interest. The Debtor agrees to execute and file financing statements, and do whatever may be necessary under the applicable Uniform Commercial Code in the state where the Collateral is located, to perfect and continue the Secured Party's interest in the Collateral, all at the Debtor's expense.

6 Section . Taxes and Assessments. The Debtor will pay or cause to be paid promptly when due all taxes and assessments on the Collateral, this Agreement, the Purchase Agreement, and the Note. The Debtor may, however, withhold payment of any tax assessment or claim if a good faith dispute exists as to the obligation to pay.

7 Section . Insurance. The Debtor shall have and maintain, or cause to be maintained, insurance at all times with respect to all Collateral except accounts receivable, against such risks as the Secured Party may reasonably require, in such form, for such periods, and written by such companies as may be satisfactory to the Secured Party. All policies of insurance shall have endorsed a loss payable clause acceptable to the Secured Party and/or such other endorsements as the Secured Party may from time to time request, and the Debtor will promptly provide the Secured Party with the original policies or certificates of such insurance. The Debtor shall promptly notify the Secured Party of any loss or damage that may occur to the Collateral. The Secured Party is hereby authorized to make proof of loss if it is not made promptly by the Debtor. All proceeds of any insurance on the Collateral shall be held by the Secured Party as a part of the Collateral. Such proceeds shall be paid out from time to time upon order of the Debtor for the purpose of paying the reasonable cost of repairing or restoring the property damaged. Any proceeds that have not been so paid out within 120 days following their receipt by the Secured Party shall be applied to the prepayment of principal on the Note. In the event of failure to provide insurance as herein provided, the Secured Party may, at the Secured Party's option, provide such insurance at the Debtor's expense.

8 Section . Application of Payments. Unless applicable law provides otherwise, all payments received by the Secured Party from the Debtor under the Note, this Agreement, and/or the Purchase Agreement shall be applied by the Secured Party in the following order of priority: (i) interest payable on the Note in the manner provided therein; (ii) principal of the Note in the manner provided therein; and (iii) any other sums secured by this Agreement and/or the Purchase Agreement in such order as the Secured Party, at the Secured Party's option, may determine.

9 Section . Protection of Secured Party's Security. If the Debtor fails to perform the covenants and agreements contained or incorporated in this Agreement, the Note and/or the Purchase Agreement, or if any action or proceeding is commenced which affects the Collateral or title thereto or the interest of the Secured Party therein, including, but not

limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then the Secured Party, at the Secured Party's option, may make such appearance, disburse such sums, and take such action as the Secured Party deems necessary, in its sole discretion, to protect the Secured Party's interest, including but not limited to (i) disbursement of attorneys' fees, (ii) entry upon the Debtor's property to make repairs to the Collateral, and (iii) procurement of satisfactory insurance. Any amounts disbursed by Secured Party pursuant to this Section, with interest thereon, shall become additional indebtedness of the Debtor secured by this Agreement. Unless the Debtor and the Secured Party agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the default rate stated in the Note unless collection from the Debtor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from the Debtor under applicable law. Nothing contained in this Section shall require the Secured Party to incur any expense or take any action.

10 Section . Inspection. The Secured Party may make or cause to be made reasonable entries upon and inspections of the Debtor's premises to inspect the Collateral.

11 Section . Debtor and Lien Not Released. From time to time, the Secured Party may, at the Secured Party's option, without giving notice to or obtaining the consent of the Debtor, the Debtor's successors or assigns or of any other lienholder or guarantors, without liability on the Secured Party's part, and notwithstanding the Debtor's breach of any covenant or agreement of the Debtor in this Agreement and/or the Purchase Agreement, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and the time of payment of said indebtedness, release from the lien of this Agreement any part of the Collateral, take or release other or additional security, reconvey any part of the Collateral, consent to any map or plan of the Collateral, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with the Debtor to modify the rate of interest or period of amortization of the Note or change the amount of any installments payable thereunder. Any actions taken by the Secured Party pursuant to the terms of this Section shall not affect the obligation of the Debtor or the Debtor's successors or assigns to pay the sums secured by this Agreement and/or the Purchase Agreement and to observe the covenants of the Debtor contained herein, shall not affect the guaranty of any person, corporation, partnership, or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Collateral. The Debtor shall pay the Secured Party a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred at the Secured Party's option for any such action if taken at the Debtor's request.

12 Section . Forbearance by Secured Party Not a Waiver. Any forbearance by the

Secured Party in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by the Secured Party of payment of any sum secured by this Agreement and/or the Purchase Agreement after the due date of such payment shall not be a waiver of the Secured Party's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes, rents or other liens or charges by the Secured Party shall not be a waiver of the Secured Party's right to accelerate the maturity of the indebtedness secured by this Agreement, nor shall the Secured Party's receipt of any awards, proceeds or damages as provided in this Agreement operate to cure or waive the Debtor's default in payment of sums secured by this Agreement.

13 Section . Uniform Commercial Code Security Agreement. This Agreement is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Collateral which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Debtor hereby grants the Secured Party a security interest in said items. The Debtor agrees that the Secured Party may file any appropriate document in the appropriate index as a financing statement for any of the items specified above as part of the Collateral. In addition, the Debtor agrees to execute and deliver to the Secured Party, upon the Secured Party's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Agreement and/or the Purchase Agreement in such form as the Secured Party may require to perfect a security interest with respect to said items. The Debtor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the Secured Party may reasonably require. Without the prior written consent of the Secured Party, the Debtor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in the Collateral, including replacements and additions thereto. Upon the occurrence of an event of default, the Secured Party shall have the remedies of a secured party under the Uniform Commercial Code and, at the Secured Party's option, may also invoke the other remedies provided in this Agreement and/or the Purchase Agreement as to such items. In exercising any of said remedies, the Secured Party may proceed against the items of real property and any items of personal property specified above as part of the Collateral separately or together and in any order whatsoever, without in any way affecting the availability of the Secured Party's remedies under the Uniform Commercial Code or of the other remedies provided in this Agreement and/or the Purchase Agreement.

14 Section . Events of Default. The Debtor shall be in default under this Agreement when any of the following events or conditions occurs:

- .1 The Debtor shall be in default under the Note or the Lease.

.2 The Debtor fails to comply with any term, obligation, covenant, or condition contained in this Agreement and/or in the Purchase Agreement, within 10 days after receipt of written notice from the Secured Party demanding such compliance.

.3 Any warranty, covenant, or representation made to the Secured Party by the Debtor under this Agreement, and/or under the Purchase Agreement, proves to have been false in any material respect when made or furnished.

.4 Any event that results in acceleration of the maturity of any indebtedness of Debtor in the outstanding principal amount of \$10,000.00 or more, under any note, indenture, contract, or agreement.

.5 Any levy, seizure, attachment, lien, or encumbrance of or on the Collateral which is not discharged by the Debtor within 10 days or, any sale, transfer, or disposition of any interest in the Collateral, other than in the ordinary course of business, without the written consent of the Secured Party.

15 Section . Acceleration in Case of Debtor's Insolvency. If the Debtor shall voluntarily file a petition under the federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if the Debtor shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for the Debtor's property, or if the Collateral shall become subject to the jurisdiction of a federal bankruptcy court or similar state court, or if the Debtor shall make an assignment for the benefit of its creditors, or if there is an attachment, receivership, execution or other judicial seizure, then the Secured Party may, at the Secured Party's option, declare all of the sums secured by this Agreement to be immediately due and payable without prior notice to the Debtor, and the Secured Party may invoke any remedies permitted by this Agreement. Any attorneys' fees and other expenses incurred by the Secured Party in connection with the Debtor's bankruptcy or any of the other events described in this Section shall be additional indebtedness of the Debtor secured by this Agreement.

16 Section . Rights of Secured Party.

.1 Upon default Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at the place to be designated by the Secured Party which is reasonably convenient to both parties. The Secured Party may sell all or any part of the Collateral as a whole or in parcels either by public auction, private sale, or other method of disposition. The Secured Party may bid at any public sale on all or any portion of the Collateral. Unless the Collateral is perishable or threatens to decline

speedily in value or is of the type customarily sold on a recognized market, the Secured Party shall give the Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Collateral is to be made, and notice given at least 10 days before the time of the sale or other disposition shall be conclusively presumed to be reasonable. A public sale in the following fashion shall be conclusively presumed to be reasonable:

.1 Notice shall be given at least 10 days before the date of sale by publication once in a newspaper of general circulation published in the county in which the sale is to be held;

.2 The sale shall be held in a county in which the Collateral or any part is located or in a county in which the Debtor has a place of business;

.3 Payment shall be in cash or by certified check immediately following the close of the sale;

.4 The sale shall be by auction, but it need not be by a professional auctioneer;

.5 The Collateral may be sold as is and without any preparation for sale.

.2 Notwithstanding any provision of this Agreement, the Secured Party shall be under no obligation to offer to sell the Collateral. In the event the Secured Party offers to sell the Collateral, the Secured Party will be under no obligation to consummate a sale of the Collateral if, in its reasonable business judgment, none of the offers received by it reasonably approximates the fair value of the Collateral.

.3 In the event the Secured Party elects not to sell the Collateral, the Secured Party may elect to follow the procedures set forth in the Uniform Commercial Code for retaining the Collateral in satisfaction of the Debtor's obligation, subject to the Debtor's rights under such procedures.

.4 In addition to the rights under this Agreement and/or the Purchase Agreement, in the event of a default by the Debtor, the Secured Party shall be entitled to the appointment of a receiver for the Collateral as a matter of right whether or not the apparent value of the Collateral exceeds the outstanding principal amount of the Note and any receiver appointed may serve without bond. Employment by the Secured Party shall not disqualify a person from serving as receiver.

17 Section. Waiver of Marshalling. Notwithstanding the existence of any other security interest in the Collateral held by the Secured Party or by any other party, the Secured Party shall have the right to determine the order in which any or all of the

Collateral shall be subjected to the remedies provided by this Agreement and/or the Purchase Agreement. The Secured Party shall have the right to determine the order in which any or all portions of the indebtedness secured by this Agreement are satisfied from the proceeds realized upon the exercise of the remedies provided in this Agreement and/or the Purchase Agreement. The Debtor, any party who consents to this Agreement, and any party who now or hereafter acquires a security interest in the Collateral and who has actual or constructive notice of this Agreement, hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or by this Agreement and/or the Purchase Agreement.

18 Section . Provisions of Agreement. The Debtor agrees to comply with the covenants and conditions of the Purchase Agreement which is hereby incorporated by reference in and made a part of this Agreement. All sums disbursed by the Secured Party to protect the security of this Agreement and/or the Purchase Agreement up to the principal amount of the Note shall be treated as disbursements pursuant to such Agreements. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from the Debtor of interest at such rate would be contrary to applicable law in which event such amount shall bear interest at the highest rate which may be collected from the Debtor under applicable law. In case of a breach by the Debtor of the covenants and conditions of the Agreement, the Secured Party at the Secured Party's option (i) may invoke any of the rights or remedies provided in the Agreement, (ii) may accelerate the sums secured by this Agreement and invoke the remedies provided in this Agreement or, (iii) may do both.

19 Section . Remedies Cumulative. Each remedy provided in this Agreement and/or the Purchase Agreement is distinct and cumulative to all other rights or remedies under this Agreement and/or the Purchase Agreement or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

20 Section . Notices. Any notices permitted or required under this Agreement shall be deemed given upon the date of personal delivery or 48 hours after deposit in the United States mail, postage fully prepaid, return receipt requested, as follows:

addressed to Secured Party at:

Banning Radio, LLC
1286 E. Calaveras St.
Altadena, CA 91011-2536
Attn: James Dillavou

addressed to the Debtor at:

Rocking M Media, LLC
1707 Thomas Circle, Suite A
Manhattan, KS 66502
Attention: Christopher Miller, President

or at any other address as any party may, from time to time, designate by notice given in compliance with this Section.

21 Section . Law Governing. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22 Section . Titles and Captions. All section titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the context nor effect the interpretation of this Agreement.

23 Section . Entire Agreement. This Agreement and the Note and other agreements executed contemporaneously hereto contain the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement.

24 Section . Agreement Binding. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

25 Section . Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall be included, unless it is a Saturday, Sunday or a legal holiday, in which event the period shall begin to run on the next day which is not a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day thereafter which is not a Saturday, Sunday or legal holiday.

26 Section . Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.

27 Section . Arbitration. If at any time during the term of this Agreement any dispute, difference, or disagreement shall arise upon or in respect of the Agreement, and the meaning and construction hereof, every such dispute, difference, and disagreement shall be referred to a single arbiter agreed upon by the parties, or if no single arbiter can be agreed upon, an arbiter or arbiters shall be selected in accordance with the rules of the American Arbitration Association and such dispute, difference, or disagreement shall be settled by arbitration in accordance with the then prevailing commercial rules of the American Arbitration Association, and judgment upon the award rendered by the arbiter may be entered in any court having jurisdiction thereof

28 Section. Presumption. This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by said party.

29 Section. Further Action. The parties hereto shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement and the Purchase Agreement.

30 Section. Parties in Interest. Nothing herein shall be construed to be to the benefit of any third party, nor is it intended that any provision shall be for the benefit of any third party.

31 Section. Savings Clause. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Dated: _____, 2017

DEBTOR:
ROCKING M MEDIA, LLC

By: _____
Name: Christopher Miller
Title: President

SECURED PARTY:
BANNING RADIO, LLC

By: _____
Name: James Dillavou
Title: Managing Member