

## FIRST PRIORITY SECURITY AGREEMENT

THIS FIRST PRIORITY SECURITY AGREEMENT (the "*RAAD Security Agreement*") is made and entered into as of the 2<sup>nd</sup> day of August, 2012, between **RAAD BROADCASTING CORPORATION**, a Puerto Rico Corporation ("hereinafter referred to as "*Secured Party*") and **AMOR RADIO GROUP, INC.**, a Puerto Rico Corporation (hereinafter referred to as "*Debtor*")

### RECITALS

*7/31/12*  
A. Debtor and Secured Party, as of the date first shown above, have entered into a Promissory Note (as defined below in **Section 2**) of even date herewith (the "*Note*") pursuant to which Secured Party has agreed to take in consideration of the amount of **FOUR HUNDRED AND SEVENTY FIVE THOUSAND AND NO/100 U.S. DOLLARS** (\$475,000.00) loan (the "*Loan*") due by Debtor in connection with that certain Loan Agreement (the "*Loan Agreement*") dated August 2, 2012; and

B. As a condition to entering into the Loan Agreement and making the Loan for the construction and operation of a new FM radio broadcasting station to serve Santa Isabel, Puerto Rico, FCC File No. BPH-19950907MD, Facility ID Number 77881 to operate on FM Channel 251A (the "*Permit*" or, when constructed, the "*Station*"), Debtor has agreed to execute and deliver the RAAD Security Agreement;

**NOW, THEREFORE**, in consideration of the undertakings pursuant to the Note, and intending to be legally bound, Debtor and Secured Party hereby agree as follows:

1. ***Creation of Security Interest.*** Debtor, to secure the indebtedness of Debtor described below, grants to Secured Party, its successors and assigns, a security interest in those certain assets listed in **Exhibit A** hereto, which exhibit is incorporated herein by reference, and all additions and accessions thereto, and replacements therefore, and sale proceeds thereof, ***and in addition all of the issued and outstanding stock of Debtor not already issued in the name of Creditor*** (hereinafter collectively referred to as the "*Collateral.*") Debtor agrees to execute any document, including, but not limited to UCC-1 financing statements, necessary to secure and/or perfect Secured Party's security interest in the Collateral. The Collateral will be located and will remain located at Debtor's businesses, located as described on **Exhibit B**, hereto.

1.1. ***Secured Interest in Sale Proceeds.*** 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 RAAD Security Agreement to the extent such a security interest violates applicable laws. However, if applicable laws subsequently do not prohibit such security interest, in whole or in part, then Debtor's FCC Licenses, whether now held or later acquired, shall automatically become part of the Collateral and subject to Secured Party's lien under this RAAD Security Agreement to the maximum extent permitted by applicable laws then in effect. 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

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laws, or, in the FCC Licenses to the extent it is determined by the FCC or other Governmental Authority that the FCC's prohibition is not effective in whole or in part. "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.

2. **Indebtedness.** Debtor is indebted to Secured Party as evidenced by that certain Loan Agreement between the parties dated August 2, 2012 and the promissory note of even date herewith (and/or any subsequent additional or successor promissory note) executed by Debtor in favor of Secured Party in the amount of **FOUR HUNDRED AND SEVENTY FIVE THOUSAND AND NO/100 U.S. DOLLARS (\$475,000.00)** (the "*RAAD Promissory Note*").

3. **Payment of Indebtedness.** Debtor agrees that the RAAD Promissory Note shall be paid as it becomes due. Debtor shall perform in accordance to the terms of the RAAD Promissory Note, this RAAD Security Agreement, the Loan Agreement, and the Option Agreement between the Parties dated August 2, 2012, and shall observe and perform any and all covenants, agreements, obligations, and conditions on the Debtor's part to be performed or observed in connection with the Note, this RAAD Security Agreement and other Agreements between the parties hereto

4. **Default and Remedies.** Upon the occurrence of an Event of Default under the terms of the Note, this RAAD Security Agreement, the Loan Agreement or the Option Agreement, Secured Party may exercise any one or more of the remedies available to it under the Uniform Commercial Code in force in the Commonwealth of Puerto Rico at the date of this RAAD Security Agreement or the date occurrence of such Event of Default.

4.1. **Additional Rights in the Collateral.** In addition to these rights, it shall be lawful for Secured Party, and Debtor authorizes and empowers Secured Party, with the aid or assistance of any other persons, with or without legal process, to enter the premises described above or any other place where the Collateral is or may be placed or stored, and to take exclusive possession thereof, and to sell it either in bulk or singly in public or private sale upon the premises above mentioned or at such other place as Secured Party shall designate, or to take and carry the Collateral away and to sell and dispose of the same at public or private sale either in bulk or singly, at the same time to sell and dispose of all the right, title and interest of Debtor in and to the Collateral in the absolute discretion of Secured Party. Out of the monies arising therefrom, Debtor authorizes and empowers Secured Party to retain and pay Secured Party any and all sums then owing to Secured Party, including principal and interest on the Promissory Note and all costs, fees, charges and expenses in connection therewith, with interest, attorney's fees, custodian's fees, fees of public officers and auctioneers fees and expenses, and any and all other expenses or disbursements made by Secured Party in connection with the taking, maintaining, storage or disposing of the Collateral, and all reasonable expenses, including reasonable attorney's fees, incident to any enforcement of payment of

any obligations of Debtor, including bankruptcy proceedings, rendering the excess, if any to Debtor or its successors or assigns. Debtor shall be bound by the result of any sales made in accordance herewith.

4.2. **Possession by Debtor.** Until there shall be a default hereunder, Debtor is to remain and continue in the quiet and peaceable possession of the Collateral and the full and free enjoyment of same.

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4.3. **Application of Collateral and Proceeds.** The proceeds of any sale of, or other realization upon, all or any part of the Collateral shall be applied in the following order of priorities:

4.3.1. **First.** To pay the expenses of such sale or other realization, including reasonable commission to Secured Party's agent, and all expenses, liabilities and advances incurred or made by Secured Party in connection therewith, and any other unreimbursed expenses for which the Secured Party is entitled to be reimbursed pursuant to the terms of any of the Agreements between the parties hereto.

4.3.2. **Second.** To the payment of the debt arising under the Note.

4.3.3. **Third.** Unless applicable law otherwise provides, to pay to the Debtor, or its successors or assigns, or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds.

4.4. **Expenses; Secured Party's Lien.** Debtor will forthwith upon demand pay to the Secured Party:

4.4.1. **Taxes.** The amount of any taxes which the Secured Party may at any time be required to pay by reason of the Security Interests (including any applicable transfer taxes) or to free any of the Collateral from any lien thereon; and

4.4.2. **Expenses.** The amount of any and all reasonable out-of-pocket expenses, including the reasonable fees and disbursements of its counsel and of any agents not regularly in its employ, which the Secured Party may incur in connection with (a) the collection, sale or other disposition of any of the Collateral, (b) the exercise by the Secured Party of any of the powers, rights or remedies conferred upon it hereunder, or (c) any default on the Debtor's part hereunder.

5. **Warranties and Agreements of Debtor.** Debtor warrants and agrees that:

5.1. **Title.** The Collateral is or will be owned by Debtor and is not subject to any security interest except that created by this RAAD Security Agreement, or to any liens or encumbrances, and Debtor will defend the Collateral against the claims and demands of all persons arising by, through or under Debtor.

5.2. **Transfer.** Debtor will not sell, exchange, lease, encumber or pledge the Collateral, create any security interest therein, or otherwise dispose of the Collateral or any of Debtor's rights therein or under this RAAD Security Agreement without the prior written

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consent of Secured Party. Debtor shall keep all of the Collateral in good condition and clear of all other encumbrances and will not do, or suffer to be done, any acts or thing, whereby the security interest created hereby might or could be impaired.

5.3. **Maintenance; Taxes.** Debtor will maintain the Collateral in good condition and repair, reasonable wear and tear excepted, and will pay and discharge all taxes, levies, and other impositions levied on the Collateral as well as the cost of repairs to or maintenance of the same. If Debtor fails to pay such sums, Secured Party may do so for Debtor's account, adding the amount to the secured debt.

5.4. **Insurance.** Debtor will insure the Collateral against such risks and casualties and in such amounts as are required by Secured Party shall require, which amount shall not exceed the reasonable replacement value of the Collateral. All insurance policies shall be written for the benefit of Debtor and Secured Party as their interests may appear, and such policies or certificates evidencing the same shall be furnished to Secured Party. Such policies shall require that 30 days prior written notice be provided to Secured Party before any amendment of, or alteration to, the policy and before any cancellation of the policy. If Debtor fails to pay the premium on any such insurance, Secured Party may do so for Debtor's account adding the amount thereof to the debt secured hereby. Debtor assigns to Secured Party any returned or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and all proceeds of such policies and directs the insurers to pay Secured Party any amounts so due. Secured Party is hereby appointed Debtor's attorney-in-fact to endorse any draft or check which may be payable to Debtor in order to collect any return or unearned premiums or the proceeds of such insurance. Any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to Debtor.

5.5. **Location.** Debtor will not permit any of the Collateral to be removed from the Commonwealth of Puerto Rico without the prior written consent of Secured Party, and will permit Secured Party to inspect the Collateral at any reasonable time.

5.6. **Other Liens.** Debtor will not permit any other security interest to attach to any of the Collateral, permit the Collateral to be levied upon under any legal process, or permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this RAAD Security Agreement.

5.7. **Financing Statements.** Other than financing statements filed or to be filed in Puerto Rico public records to perfect the security interest in favor of Secured Party pursuant to this RAAD Security Agreement, no financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement.

6. **Covenants of the Debtor.** Debtor hereby covenants and agrees as follows:

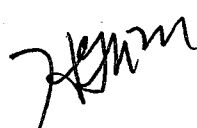
6.1. **Defend Collateral.** Debtor will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein.

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6.2. **Notice of Address Change.** Debtor will provide the Secured Party, at least fifteen (15) business days prior to occurrence, with written notice of any change in the location of the Collateral or the office where Debtor maintains its books and records pertaining to the Collateral to any address other than that set forth in **Exhibit C**.

6.3. **Payment of Taxes.** Debtor will promptly pay any and all taxes, assessments and governmental charges upon the Collateral prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges shall be contested in good faith by Debtor and adequate reserves have been set aside therefor.

6.4. **Notice of Loss in Value.** Debtor immediately will notify the Secured Party of (i) any event causing a substantial loss or diminution in the value of all or any material part of the Collateral, and (ii) the amount or an estimate of the amount of such loss or diminution.

 6.5. **Sale Prohibition.** Debtor will not sell or offer to sell or otherwise assign, transfer or dispose of the Collateral or any interest therein, without the prior written consent of the Secured Party.

6.6. **Maintain Collateral Free and Clear.** Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and will not waste or destroy the Collateral or any part thereof.

6.7. **Lawful Use of Collateral.** Debtor will not use the Collateral in violation of any statute or ordinance.

6.8. **Name Change Prohibition.** Debtor will not change its corporate name, identity or structure without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld.

7. **Records Relating to Collateral.** Debtor will keep its records concerning the Collateral, including all receivables and all chattel paper included in the receivables, at the office specified in **Exhibit C**, or at such other place or places of business as the Secured Party may approve in writing. Debtor will hold and preserve such records and chattel paper and will permit representatives of the Secured Party at any time during normal business hours to examine and inspect the Collateral and to make abstracts from such records and chattel paper, and will furnish to the Secured Party such information and reports regarding the Collateral as the Secured Party may from time to time reasonably request.

8. **Collections with Respect to Receivables.** Debtor will, at its sole expense, and subject at all times to the rights of the Secured Party to give reasonable directions and instructions, endeavor to collect or cause to be collected from customers indebted on receivables, as and when due, any and all amounts, including interest, owing under or on account of each receivable; **provided, however,** that (a) Debtor will at all times use its best judgment to protect the interests of the Secured Party, and (b) Debtor shall not be required under this Section to take any action which would be contrary to any applicable law, court order or standard practice in the broadcasting industry. Debtor shall, at the request of the Secured Party following the occurrence of an Event of Default, notify the account debtors of the security interests of Secured Party in any of the receiv-

ables and the Secured Party may itself at any such time so notify account debtors. The Secured Party shall have full power at any time after such notice to collect, compromise, endorse, sell or otherwise deal with any or all outstanding receivables or the proceeds thereof in the name of either the Secured Party or Debtor, as the Secured Party shall determine. In the event that, after notice to any account debtors to pay the Secured Party, Debtor receives any payment on a receivable, all such payments shall be held by Debtor in trust for the Secured Party and immediately turned over to the Secured Party.

9. **No Conflicting Agreements.** The Secured Party and Debtor each warrants and represents that neither the execution nor delivery of this RAAD Security Agreement, nor fulfillment nor compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms, conditions, or provisions for, or constitute a default under, any agreement or instrument to which each is now subject.

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10. **Filings.** Debtor will pay all costs of filing any financing statements with respect to the security interest created by this RAAD Security Agreement, including the customary fees of Secured Party's counsel. Secured Party is hereby appointed Debtor's attorney-in-fact to do all acts and things which Secured Party may deem necessary to perfect and continue perfected the security interest created by this RAAD Security Agreement and to protect the Collateral. Upon the payment in full of the Note, Secured Party will execute any reasonable documents necessary to evidence the termination of this RAAD Security Agreement, and of Secured Party's security interest herein.

11. **Due on Transfer.** NOTICE: THIS SECURITY AGREEMENT GIVES SECURED PARTY THE OPTION TO ACCELERATE PRINCIPAL UPON ALIENATION OF THE COLLATERAL OR THE PROPERTY OR THE OWNERSHIP OF DEBTOR WITHOUT CONSENT ALL AS PROVIDED HEREIN. In the event Debtor shall sell, convey, alienate, or transfer any interest or be divested of any interest, or the right to any interest, in the Collateral, whether by voluntary acts of Debtor or by any involuntary means imposed on Debtor, without the prior express written consent of Secured Party, Secured Party shall have the right, at its option, to declare any indebtedness or obligations secured hereby immediately due and payable in full notwithstanding any maturity date or dates specified in any note or evidence of indebtedness secured hereby, or, in the alternative, Secured Party may, at its option, increase the rate of interest due under the Note secured hereby up to the maximum rate of interest allowed by law. Secured Party shall also have the foregoing rights and options in the event of a dissolution of Debtor or a transfer of any ownership interest in Debtor, whether voluntary or involuntary without the prior written consent of Secured Party, which consent may be withheld for any reason at the sole discretion of the Secured Party.

12. **Benefit.** The rights and privileges of Secured Party under this RAAD Security Agreement shall inure to the benefit of Secured Party's successors and assigns.

13. **Attorneys' Fees.** If any party employs counsel to enforce or interpret this RAAD Security Agreement, including, without limitation the commencement of any legal proceeding whatsoever (including without limitation, arbitration, declaratory relief or other litigation) the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs (including without limitation the service of process fees, filing fees, court and court reporter costs, in-

vestigative fees, expert witness fees, and the cost of any bonds, whether taxable or not) in addition to any other remedy it may obtain or be awarded. Debtor promptly shall pay, upon the presentation of any statement from Secured Party, the customary fees and expenses of Secured Party's counsel in connection with the execution and delivery of this Amended and Restated Security Agreement, as well as the Replacement Promissory Note, and/or any reasonable documentation ancillary thereto.

14. **Governing Law and Venue.** This RAAD Security Agreement is entered into in and shall be governed by and construed under the laws of the Commonwealth of Puerto Rico.

15. **Severability.** If any term, provision, covenant, or condition of this RAAD Security Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated, and this RAAD Security Agreement shall be construed in all respects as if such term, provision, covenant, or condition was omitted herefrom.

16. **Interpretation.** All words herein in the neuter gender shall be deemed to include words in the male or female gender, and vice versa, wherever the context shall so require. Likewise, all words herein in the singular, shall be deemed to include words in the plural, and vice versa, wherever the context shall so require. The paragraph headings used herein are descriptive only and shall have no legal force or effect whatsoever.

17. **Time.** Time is of the essence in this RAAD Security Agreement, and accordingly all time limits shall be strictly construed and rigidly enforced.

18. **Waiver.** No waiver of any of the terms and conditions of this RAAD Security Agreement or of the exercise of any right or remedy hereunder shall be valid unless signed by the party against whom such waiver is asserted. A failure or delay to enforce the rights set out herein by the holder thereof shall not constitute a waiver of said rights or be considered as a basis for estoppel. The holder may exercise his rights hereunder despite said delay or failure to enforce said rights. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which Secured Party or any subsequent holder of the notes given by Debtor to Secured Party would otherwise have. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances or shall constitute a waiver of the right of Secured Party to any other or further action in any circumstances without notice or demand.

19. **Survival of Covenants, Representations, and Warranties.** Any and all covenants, representations and warranties made or given by any of the parties hereto under the terms and provisions hereof shall survive the execution of this RAAD Security Agreement and shall remain binding upon and enforceable against the appropriate party or parties hereto and their respective heirs, personal representatives, successors and assigns for such period of time as specified by the applicable statute of limitations under the laws of the State of Florida.

20. **Amendments.** This RAAD Security Agreement embodies the entire agreement between the parties hereto in regard to the subject matter of this RAAD Security Agreement and supersedes any prior agreement, oral or written, between the parties. This RAAD Security

Agreement may be revised or modified only pursuant to a written amendment hereto, executed by the parties to this RAAD Security Agreement.

21. **Notice.** Any notice required hereunder shall be in writing, including by facsimile, and any payment, notice or other communications shall be delivered personally, or mailed by certified mail, postage prepaid, with return receipt requested, or delivered to FedEx (Federal Express), or any other nationally recognized overnight delivery service for next morning delivery or when dispatched by facsimile transmission (with the facsimile transmission confirmation being deemed conclusive evidence of such dispatch), or by electronic mail with such notice attached in Portable Document Format (PDF) and sent with requests for delivery and read receipts, the return of such receipts being deemed conclusive evidence of such dispatch, in each case addressed to the persons, parties or entities identified on **Exhibit D**, hereto.

21.1. **Alternate Addressees.** Notice, as provided by this Section, may be given to any other person or party, as any Party hereto may in the future designate in writing, upon due notice to the other Party(ies).

21.2. **Date of Notice, Action.** The date of personal delivery or the delivery date (or date of attempted delivery and refusal by the addressee) specified on any receipt from the U.S. Mail or courier service specified herein shall establish the date of such notification or communication. If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a federal legal holiday or legal holiday by law in the Commonwealth of Puerto Rico, the last day for such notification, communication or action shall be extended to the first day thereafter which is not a Saturday, Sunday or such legal holiday.

21. **Counterparts.** This RAAD Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **Headings.** The headings and captions in this RAAD Security Agreement are solely for the convenience of reference and shall not affect its interpretation.

23. **Waiver of Jury Trial.** DEBTOR EXPRESSLY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS RAAD SECURITY AGREEMENT.

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[ SIGNATURE PAGE TO AMENDED AND RESTATED SECURITY AGREEMENT ]

IN WITNESS WHEREOF, the Debtor has caused this RAAD Security Agreement to be executed and delivered by its duly authorized President this 2nd day of August, 2012.

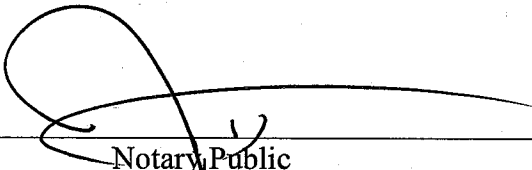
**DEBTOR:**

**AMOR RADIO GROUP, INC.**

By:   
Hilda G. Nazario, Vice President

**COMMONWEALTH OF PUERTO RICO  
MUNICIPIO DE PONCE**

The foregoing instrument was acknowledged before me the 2nd day of August 2012, by Hilda G. Nazario, Vice-President of **AMOR RADIO GROUP, INC.**, a Puerto Rico corporation, on behalf of the corporation, who is personally known to me.

  
Notary Public

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**COLLATERAL**

Includes all property, plant and equipment purchased or built by Amor with proceeds from "Loan". For details see preliminary estimate list; Exhibit 2 of Loan Agreement

*Amor*

**LOCATION OF COLLATERAL**

Transmitting, broadcasting and related equipment located at Crown Castle's facilities:

Coamo Sur Business Unit Number 5800188

Carr. PR-153, Km. 9.0,

Bo. Jauca Segunda,

Santa Isabel, Puerto Rico.

Transmitting, broadcasting, studio and office equipment located at Amor's principal office and studio facilities.

*Hom*

**RECORDS RELATING TO COLLATERAL – LOCATION**

Amor's principal office and studio facilities.

*7/2/2020*

**LISTING OF PARTIES TO RECEIVE NOTICE**

Notice to be provided under this Amended and Restated Second Priority Security Agreement shall be made to the following persons and addresses:

If to Debtor, to: AMOR Radio Group, Inc.  
P.O. Box 263  
Mercedita, Puerto Rico 00715-0263  
Attention: Hilda Nazario, Vice President  
Fax:

With a copy to:† Frank R. Jazzo, Esq.  
Fletcher, Heald & Hildreth, PLC  
1300 North 17<sup>th</sup> Street, 11<sup>th</sup> Floor  
Arlington, VA 22209  
Fax: 703-812-0486

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If to Secured Party, to: RAAD Broadcasting Corporation  
HC-71, Box 15390  
Bayamón, Puerto Rico 00956-9535  
Attention: Roberto Davila Rodríguez, President  
Fax: 787-785-9377

With a copy to:† Booth, Freret, Imlay & Tepper, P.C.  
14356 Cape May Road  
Silver Spring, MD 20904-6011  
Attn.: Christopher D. Imlay, Esq.  
Tel: 301-384-5525  
Fax: 301-384-6384  
E-mail: bfitpc@aol.com

†Which shall not constitute notice.