

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of _____, 2012, is by and between EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("*Debtor*"), and AMATURO GROUP OF L.A., LLC a Florida limited liability company (the "*Secured Party*").

Concurrently herewith, and in accordance with that certain Asset Purchase Agreement, dated as of November ____, 2012 (the "*Purchase Agreement*"), entered into by and between Debtor and Secured Party, pursuant to which Debtor agreed to purchase from Secured Party the assets and licenses used in the operation of radio stations KLST-FM, Fountain Valley, CA; KLSN, Adelanto, CA; KLSI Thousand Oaks, CA; and KLSI-1, Malibu Vista, CA (the "*Stations*"), Secured Party is lending a maximum aggregate principal amount of Seven Million Nine Hundred Fifty Thousand Dollars (\$7,950,000) to Debtor, evidenced by Promissory Note(s) in favor of Secured Party (the "*Notes*") executed in connection with the Purchase Agreement and delivered to Secured Party.

All capitalized terms, unless otherwise defined herein, shall have the meanings set forth in the Notes.

SECTION 1. Security.

(a) As security for the payment of the principal indebtedness owed Holder by Maker pursuant to the terms of the Notes referenced above, and any interest that may accrue thereon (collectively, the "*Obligations*"), Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1 hereto.

(b) Debtor irrevocably appoints Secured Party as its lawful attorney-in-fact and agent to execute, on its behalf, financing statements and any assignment documents and to file on its behalf appropriate financing statements.

(c) Debtor hereby represents and warrants to Secured Party that: (i) except for the lien granted by Debtor in favor of Secured Party pursuant to this Security Agreement, Debtor is, or to the extent that certain of the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance; and (ii) to the best of Debtor's knowledge, no financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement.

SECTION 2. Covenants of Debtor.

Debtor hereby covenants that:

(a) Debtor will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any claim or interest of Secured Party. Debtor will maintain the tangible property included within the

Collateral in good operating condition and repair, and use it only in connection with the operation of the Stations unless disposed of in the ordinary course of business and replaced with equipment of substantially equivalent value. Debtor will not encumber, sell, transfer, assign, abandon or otherwise dispose of the Collateral except for: (i) liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty or which are being contested in good faith by appropriate proceedings, (ii) liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings, (iii) liens created by this Security Agreement, (iv) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, (v) trade-ins, replacements or exchanges of items of Equipment for other items of Equipment having an equal or greater value (in excess of any purchase money liens on such items) and useful in Debtor's business, and (vi) sale of the Stations in which the net proceeds as defined in the Note(s) are paid to Secured Party at the closing of the sale transaction.

(b) Debtor will have and maintain insurance on the Collateral with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or a similar business and similarly situated, including without limitation, property and casualty insurance and public liability insurance.

(c) Upon reasonable advance notice to Debtor, Secured Party may examine and inspect the Collateral owned by Debtor at any reasonable time and at any reasonable place, wherever located.

(d) Debtor will pay promptly when due all taxes and assessments upon the Collateral owned by Debtor or upon its use or sale unless such taxes or assessments are being contested in good faith by Debtor. At its option, Secured Party may discharge taxes, liens or other encumbrances at any time levied against or placed on the Collateral which have not been stayed as to execution and contested with due diligence in appropriate legal proceedings, and Secured Party may pay for insurance on the Collateral if Debtor has failed to comply with such obligation and may pay for maintenance and preservation of the Collateral if Debtor fails to do so. Debtor shall reimburse Secured Party on demand for any such expense incurred by Secured Party pursuant to the foregoing authorization.

(e) Debtor will from time to time upon demand furnish to Secured Party such further information and will execute and deliver to Secured Party such financing statements and assignments and other papers and will do all such acts and things as may be necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security for the Obligations (including but not limited to a UCC-1 Financing Statement), and Debtor hereby authorizes Secured Party to execute and file at any time and from time to time one or more financing statements or copies thereof or of this Security Agreement with respect to the Collateral signed only by Secured Party.

(f) In the event that Debtor removes any of the Equipment referred to in Schedule 1 hereto, Secured Party shall maintain its continuing security interest in the Equipment

regardless of such Equipment's location.

SECTION 3. Events of Default.

(a) Debtor shall be in default under this Agreement upon the occurrence of any of following events or conditions (each, an "Event of Default"):

(i) an "Event of Default" shall occur under one or more of the Notes and Secured Party's acceleration of such Note(s); or

(ii) any representation or warranty made by Debtor in this Security Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made, and such inaccuracy is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure; or

(iii) Debtor shall fail to perform or observe any material term, covenant, or agreement contained in this Security Agreement, and such failure is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure.

(b) Upon the occurrence of an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in the Notes and this Agreement, together with the rights and remedies of a secured party under the applicable Uniform Commercial Code, 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. Secured Party may require Debtor to assemble its Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor hereby agrees that its address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send to Debtor reasonable advance notice of the time and place of any public sale or reasonable advance notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable advance notice shall be met if such notice is mailed, postage prepaid, to Debtor at least ten (10) days before the time of the sale or disposition. After deducting all expenses incurred by Secured Party in protecting or enforcing its rights in the Collateral, the residue of any proceeds of collection or sale of the Collateral shall be applied to the payment of principal, first, and then interest of Debtor's Obligations, and Debtor shall remain liable for any deficiency.

(c) If an Event of Default shall have occurred the Secured Party may, at its sole option, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy under the Uniform Commercial Code: (a) to enforce payment of the Note(s) or the performance of any term hereof or any other right; (b) to foreclose this Security Agreement and to sell, as an entirety or in separate lots, the Collateral, under the judgment or decree of a court or courts of competent jurisdiction; and, (c) to pursue any other remedy lawfully available to it, all as the Secured Party shall deem most effectual for such purposes. The Secured Party shall take

action either by proceedings or by the exercise of its powers with respect to entry or taking possession, as the Secured Party may determine. The Secured Party shall have the continuing option to enforce payment of all sums secured by this Security Agreement by action at law on the Note(s) or by suit in equity to foreclose this Security Agreement, either or both, concurrently or singularly, and one action or suit shall not abate or be a bar to or waiver of Secured Party's right to institute or maintain the other.

(d) Upon the occurrence and continuing existence 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 Station's FCC Licenses 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.

(e) The Debtor agrees to the full extent permitted by law, that in case of a default under the Note(s) or this Security Agreement, neither the Debtor nor anyone claiming through or under it shall or will seek to abuse the process of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to unduly delay, prevent or hinder the enforcement or foreclosure of this Security Agreement, or the absolute sale of the property hereby conveyed, to the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat; and the Debtor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all rights to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof and agrees that the Secured Party or any court having jurisdiction to foreclose such lien may sell the Collateral as an entirety or in separate lots. Nothing herein contained shall be construed to prevent the Debtor, upon default or thereafter from paying off Secured Party in full and redeeming the property from foreclosure.

(f) If an Event of Default shall occur, then upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Secured Party, the Secured Party to the extent permitted by law shall be entitled to seek the appointment of a receiver to enter upon and take possession of the Collateral, subject to the prior consent and approval of the FCC. The receiver shall collect all rents, revenues, issues, income, products and profits thereof, pending such FCC approval proceedings and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the State of California and such other powers as the court making such appointment shall confer, but further subject to the rules and regulations of the FCC. The expenses, including receiver's fees, counsel fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Security Agreement. The right to enter and take possession of, to manage and operate, the Collateral, to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrent therewith or independently thereof. Secured Party shall be liable to account only for such rents, issues and profits actually received by Secured Party.

(g) In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Debtor, its creditors, or its property, the Secured Party, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Secured Party allowed in such proceedings for the entire amount due and payable by the Debtor under this Security Agreement at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Debtor hereunder after such date.

SECTION 4. Collection.

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof:

(a) Debtor hereby irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact, with full power of substitution, in Secured Party's name or Debtor's name or otherwise for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise at any time after the occurrence and continuing existence of an Event of Default pursuant to Section 3(a), the power to sell, transfer, assign or otherwise deal in or with the same or the proceeds thereof and to apply for and obtain any required consents of any governmental authority for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof, including but not limited to FCC and FAA consents and/or authorizations.

(b) Secured Party shall have the right to notify the contract obligors obligated on any or all of Debtor's Insurance to make payment thereof directly to Secured Party, and Secured Party may take control of all proceeds of any of the Insurance or General Intangibles.

SECTION 5. Limitations.

(a) With respect both to Obligations and Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising thereof, all in such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of Collateral not in Secured Party's possession, and Secured Party's duty with reference to Collateral in its possession shall be to use reasonable care in the custody and preservation of such Collateral, but such duty shall not require Secured Party to engage in:

- (i) the collection of income thereon;
- (ii) the collection of debt; or
- (iii) the taking of steps necessary to preserve rights against prior parties, although Secured Party is authorized to reasonably undertake any such action if deemed appropriate by Secured Party.

(b) Upon payment in full of the Primary Note in the amount of Six Million Five Hundred Thousand Dollars (\$6,500,000) this Security Agreement shall terminate and any and all rights in and to the Collateral created in favor of Secured Party shall cease. At such time Secured Party, upon request of Debtor, shall execute such termination agreements, releases or other documents reflecting the termination of this Security Agreement as Debtor may reasonably require. *In a perfect situation where there are no LPFMs or translators at 92.7 granted, both the primary and the secondary notes would be paid off at the same time. In the event such station is granted and the note payments are abated while the Buyer appeals the grant and the appeal is successful presumably the payments on the secondary note would continue beyond the 10 year period without being secured. Can we address this, Please*

SECTION 6. Successors and Assigns.

The covenants, representations, warranties and agreements herein set forth shall be binding upon Debtor, its legal representatives, successors and assigns, as joint and several obligations, and shall inure to the benefit of Secured Party, its successors and assigns.

SECTION 7. Miscellaneous.

(a) All rights and remedies of Secured Party hereunder shall be cumulative and may be exercised singularly or concurrently.

(b) This Agreement shall be governed by and construed under the laws of the State of Mississippi, without regard to its principles of conflict of laws, except to the extent that the Uniform Commercial Code of a jurisdiction shall govern assets located in that specific jurisdiction. None of the terms or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Secured Party and Debtor.

(c) All notices, statements, requests and demands herein provided for shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Secured Party, to:

Amaturo Group of L.A., LTD
3101 Federal Highway
Suite 601
Ft. Lauderdale, FL 33306
Attn: Joseph C. Amaturo

with a copy (which shall not constitute notice) to:

Cara Ebert Cameron Esq.
Cara Ebert Cameron P.A.
2929 East commercial Blvd. Suite 410
Fort Lauderdale, FL 33308

If to Debtor, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Mike Novak, President

with a copy (which shall not
constitute notice) to:

David D. Oxenford, Esq.
Wilkinson Barker Knauer, LLP
2300 N Street, NW
Suite 700
Washington, DC 20037

(d) No waiver of any default hereunder shall extend to or shall affect any subsequent or any other then existing default or shall impair any right, power or remedy consequent thereon. If the Secured Party: (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Note(s); (d) releases any part of the Collateral from the Note(s) or Security Agreement; or, (e) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note(s), Security Agreement or otherwise of the Debtor or any subsequent purchaser of the Collateral or any part thereof; nor shall any such act or omission preclude the Secured Party from exercising any right, power or remedy herein granted or intended to be granted in the event of any other default then made or of any subsequent default nor, except as otherwise expressly provided in an instrument or instruments executed by the Secured Party, shall the lien of this Security Agreement be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Collateral, the Secured Party, without notice to any person or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Collateral or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

(e) Secured Party shall not assume or be responsible for the performance of any of Debtor's obligations with respect to the Collateral under any circumstances. Debtor shall immediately

provide Secured Party with written notice of and indemnify and hold Secured Party and its shareholders, directors, officers, employees and agents harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively 'Claims') pertaining to Debtor's business operations or the Collateral. Debtor, upon the request of Secured Party, shall hire legal counsel to defend Secured Party from such Claims, and pay the attorneys' fees, legal expenses and other costs incurred in connection therewith. In the alternative, Secured Party shall be entitled to employ its own legal counsel to defend such Claims at Debtor's cost.

(f) Debtor agrees to pay to the Secured Party, on demand, all costs, charges, expenses, disbursements and reasonable attorney's fees not to exceed ten per cent of the amount of principal and interest then outstanding under the Note(s) ("Attorney's Fees and Expenses"):

1. in enforcing the terms of the Note(s) and/or this Security Agreement, whether suit be brought or not;
2. in collecting amounts owed under the Note(s), whether suit be brought or not;
3. in any action, proceeding or dispute concerning the Note(s) or this Security Agreement;
4. in any action, proceeding or dispute in which the Secured Party is made a party or appears as a party plaintiff or party defendant because of the failure of the Debtor to promptly and fully to perform and comply with all conditions and covenants of this Security Agreement or the Note(s),

provided, however, that if Secured Party is not the prevailing party in any such litigation, then Secured Party shall be liable to Maker for its Attorney's Fees and Expenses.

All such costs, charges, expenses, disbursements and attorney's fees, shall bear interest thereon at the rate of interest specified in the Note(s), from the date incurred by the Secured Party until paid.

All such costs, charges, expenses, disbursements and attorney's fees, and all of the accrued interest thereon: (a) shall become due and payable whether or not there be notice, demand, attempt to collect or suit pending; (b) shall be secured by the lien of this Security Agreement.

Wherever provision is made for payment of attorney's or counsel's fees or expenses incurred by the Secured Party, said provision shall include, but not be limited to, reasonable attorney's or counsel's fees or expenses incurred in any and all judicial, bankruptcy, reorganization, administrative, or other proceedings, including appellate proceedings, whether such proceedings arise before or after entry of a final judgment.

(g) SECURED PARTY AND DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE PROMISSORY NOTE(S), THIS AGREEMENT AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION

HEREWITH OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR SECURED PARTY MAKING THE LOAN EVIDENCED BY THE PROMISSORY NOTE(S).

SECTION 8. FCC Approval.

Notwithstanding anything to the contrary contained herein, any foreclosure on, sale, transfer or other disposition of any Collateral or any other action taken or proposed to be taken hereunder that would affect the operational, voting, or other control of Debtor or affect the ownership of the FCC Licenses, shall be pursuant to Section 310(d) of the Communications Act of 1934, as amended (the "Communications Act"), and to the applicable rules and regulations of the FCC and, if and to the extent required thereby, subject to the prior consent to the FCC and any other applicable governmental authority. Notwithstanding anything to the contrary contained herein, Secured Party will not take any action pursuant hereto that would constitute or result in any assignment of the FCC Licenses if such assignment of license would require under then existing law (including the Communications Act), the prior approval of the FCC, without first obtaining such approval of the FCC and notifying the FCC of the consummation of such assignment (to the extent required to do so).

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed by their duly authorized officers as of the date and year first above written.

EDUCATIONAL MEDIA FOUNDATION

By: _____
Mike Novak, President and CEO

AMATURO GROUP OF L.A., LLC.

By: _____
Joseph C. Amaturro, Manager/Member

SCHEDULE 1

The following assets used or useful in the operation of radio stations KLST-FM, Fountain Valley, CA; KLSN, Adelanto, CA; KLSI Thousand Oaks, CA; and KLSI-1, Malibu Vista, CA are collectively referred to as the "Collateral":

(a) All personal property of Debtor located at the Stations' tower facility site and used in connection with the operation of the Stations (the "Equipment"). Debtor shall not remove any of the Equipment from its location at the Stations' tower facility site except for dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business that are replaced by items of equivalent or greater value to be retained at the Stations' tower facility site.

(b) All of the Debtor's inventory, merchandise and goods in all forms, used solely in connection with the operation of the Stations, whether now existing or hereafter acquired, and the proceeds and products thereof (but excluding any inventory, merchandise and goods which are also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities) (the "Inventory");

(c) All of Debtor's presently existing and hereafter acquired or arising general intangibles and other intangible personal property used solely in the operation of the Stations, including without limitation rights under all contract rights and all present and future authorizations, permits, licenses, franchises, government authorizations, including Debtor's rights under present and future authorizations, permits and licenses issued or granted to Debtor by the Federal Communications Commission (each, an "FCC License") for the ownership and operation of the Stations, and all rights incident or appurtenant to such authorizations, permits and licenses (but only to the extent it currently is, or hereafter may become, lawful to grant a security interest in such FCC License), together with the rights to receive all proceeds derived from or in connection with the sale, assignment or transfer of any FCC License used for ownership or operations of the Stations (the "General Intangibles"); and

(d) All insurance policies held by the Debtor or naming the Debtor as loss payee (or naming Debtor as an additional insured as its interest may appear) relating to the operation of the Stations, including without limitation, casualty insurance and property insurance, and the proceeds thereof (the "Insurance").

(e) All accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above.

(f) All proceeds and products of any of the above.

(g) All books and records pertaining to any of the above.

Notwithstanding anything contained herein to the contrary, as used herein the term "Collateral" does not include (a) any personal property of Debtor which is not located within the

54 dBu coverage area of the Stations, (b) any interest in Debtor's listener pledges and donations, (c) any of Debtor's slogans, logos, jingles, programming, program formats, trademarks, trade names, service marks, copyrights and applications for any of the foregoing, and all goodwill associated therewith, and other similar intangible rights and interests issued to or owned by Debtor in connection with the operation of the Stations, or (d) any intangible property of Debtor which is also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities.

Except for principal indebtedness of the Note(s) outstanding from time to time and any interest that may accrue thereon, the Obligations do not include, and this Security Agreement does not secure, any liability, obligation or indebtedness of Debtor to Secured Party, whether now existing or hereafter arising and howsoever evidenced.