

## **SECURITY AGREEMENT**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, VP BROADCASTING, LLC. hereinafter referred to as the "DEBTOR", hereby grants and transfers to WHOL RADIO, INC. hereinafter referred to as the "SECURED PARTY", a security interest in the all the tangible and intangible personal property of Debtor used or held for use in the operation of Radio Stations WHOL(AM) Allentown, Pennsylvania and WEST(AM), Easton, Pennsylvania and FM Translator stations W258BM, W288DS, and W295CR (collectively, the "Stations") as well as the proceeds of the future sale of the Stations including any and all additions, accessions, after-acquired property, substitutions and proceeds all of which are hereinafter referred to as the "COLLATERAL", to secure the payment of One Million One Hundred Thousand (\$1,100,000.00) as provided in the Secured Installment Promissory Note (the "Note") of DEBTOR of even date herewith, and any and all other liabilities, indebtedness and obligations of DEBTOR to SECURED PARTY presently existing or hereafter arising, now due or to become due, absolute or contingent, liquidated or unliquidated, direct or indirect, primary or secondary, related or unrelated to the COLLATERAL or proceeds or DEBTOR's acquisition or financing thereof, and any and all full extensions or renewals of such indebtedness and obligations, all of which are hereinafter referred to as the "OBLIGATIONS".

### **COVENANTS AND WARRANTIES OF DEBTOR**

DEBTOR hereby covenants and warrants that:

1. Except for the security interest hereby transferred, DEBTOR is, or, to the extent of the after-acquired property covered, will be, the owner of the COLLATERAL, free from any and all liens, encumbrances, charges or claims of any nature or kind whatsoever; DEBTOR has not done or suffered, nor will he do, anything to prejudice, frustrate, or destroy the SECURED PARTY'S security interest; and, DEBTOR will defend the COLLATERAL and every part thereof against any and all claims and demands of all persons claiming the same or any interest therein, at any time.
2. No Financing Statement, Security Agreement, or other instrument required or permitted to be filed or recorded, covering or affecting any COLLATERAL, is on file or recorded in any public office or place.
3. The COLLATERAL is, or to the extent of the after acquired property covered, will

be, used or bought for use primarily for business use.

4. DEBTOR will not remove the COLLATERAL from the Commonwealth of Pennsylvania without the consent in writing of the SECURED PARTY.

5. DEBTOR will not sell or attempt to sell or otherwise transfer or dispose of the COLLATERAL or any interest therein without the written consent of the SECURED PARTY.

6. DEBTOR shall maintain the COLLATERAL in good condition and shall cause the COLLATERAL to be insured.

7. DEBTOR agrees to pay promptly when due all taxes, assessments, or other charges arising by reason of the use, maintenance or management of the COLLATERAL or any proceeds thereof, and DEBTOR shall pay and perform when due all indebtedness and OBLIGATIONS of DEBTOR under all leases or other agreements under which DEBTOR has possession.

8. DEBTOR will keep the COLLATERAL in good order and repair, and will not waste or destroy it or any part of it, or use it in violation of any statute or ordinance.

9. At its option, SECURED PARTY may discharge taxes, liens, security interests, or other encumbrances at any time levied or placed upon the COLLATERAL or proceeds, may pay for the maintenance and preservation of the COLLATERAL, may procure and/or pay for insurance on the COLLATERAL, and may pay any indebtedness or other OBLIGATIONS of DEBTOR with regard to said COLLATERAL.

10. The COLLATERAL will not be attached or fixed in such a manner that it will become a fixture.

11. DEBTOR is a limited liability company duly organized and validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. DEBTOR has the full and unrestricted power and authority to own, lease and operate the COLLATERAL, to carry on its business as now conducted, and to enter into and perform the terms of this Agreement.

12. The execution, delivery and performance of this Agreement and the

performance of the obligations provided for herein have been duly and validly authorized by all necessary actions on the part of DEBTOR. This Agreement constitutes a legal, valid and binding obligation and agreement of DEBTOR, enforceable in accordance with its terms.

## **RIGHTS AND REMEDIES OF PARTIES**

13. Until Default in the payment of the Note secured hereby, or in any other provision hereof or obligations to the SECURED PARTY Default, the DEBTOR may, in the ordinary course of his business process, manufacture, sell, lease and otherwise use in any lawful manner the Inventory, and may collect, hold and use all proceeds from the disposition thereof, and may grant any rebate, refund or adjustment, and accept the return of goods and dispose of such returned goods in connection therewith; provided, however, that upon default and upon receiving written notice from the SECURED PARTY to do so, the DEBTOR will forthwith, upon receipt, assign, endorse and deliver to the SECURED PARTY, in the form received, all proceeds, including cash, checks, drafts, accounts receivable, contract rights, leases notes and other OBLIGATIONS arising from the sale, lease or other disposition of the Inventory, and the SECURED PARTY may notify the obligors on any of such proceeds of such assignment to the SECURED PARTY, and the SECURED PARTY shall have full power and authority to collect, endorse, compromise, sell or otherwise deal with such proceeds in its own name, or in the name of the DEBTOR, and such proceeds may be applied forthwith by the SECURED PARTY to the payment of the Indebtedness secured hereby on the SECURED PARTY may determine.

14. Upon the occurrence of a Default, and in addition to all of the rights, remedies and powers set forth in this agreement, SECURED PARTY shall have all of the rights, powers and remedies of a secured party under the Uniform Commercial Code ("UCC") or any other applicable law, including without limitation, the right to sell, lease or otherwise dispose of any or all of the COLLATERAL and to collect all amounts payable thereunder. SECURED PARTY will send to DEBTOR reasonable notice of the time and place of any public sale or reasonable notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to DEBTOR at least five (5) days before the time of the sale or disposition of the COLLATERAL. 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 the Obligations, and any excess shall be returned to DEBTOR, or any other person entitled thereto, and DEBTOR shall remain liable for any deficiency. The SECURED PARTY may exercise its rights with respect to the COLLATERAL without resorting or regard to any other COLLATERAL or sources of reimbursement for the Obligations.

15. Upon demand by SECURED PARTY, after the occurrence of Default hereunder, DEBTOR will immediately deliver to SECURED PARTY possession of all proceeds of the COLLATERAL, all original evidences of the COLLATERAL, including, without limitation, all notes or other instruments or contracts for the payment of money, appropriately endorsed to SECURED PARTY's order and, regardless of the form of such endorsement, DEBTOR hereby waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto; and DEBTOR hereby appoints SECURED PARTY as its lawful attorney-in-fact and agent, with full power of substitution, to make such endorsement on behalf of and in the name of DEBTOR. Until so delivered, DEBTOR shall hold the same separate and apart and upon an express trust for SECURED PARTY.

16. With respect to the obligations created by this agreement, DEBTOR hereby irrevocably appoints SECURED PARTY as its lawful attorney-in-fact and agent, 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 of a Default all or any of the following additional rights, remedies and powers with respect to al or any of the COLLATERAL:

- (i) to demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due upon or by virtue thereof;
- (ii) to receive, take, endorse, assign and deliver any and all checks, notes, drafts and other negotiable and non-negotiable instruments taken or received by SECURED PARTY in connection therewith, and DEBTOR waives notice of presentment, protest and non-payment of any instrument so endorsed or assigned;
- (iii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

- (iv) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if SECURED PARTY were the absolute owner thereof;
- (v) to make any reasonable allowances and other reasonable adjustments with reference thereto;

17. If, at any time, SECURED PARTY in good faith, supported by verifiable information, believes that the prospect of payment or performance of any of the indebtedness is impaired by insufficiency of the value of the COLLATERAL or by any other condition or event, SECURED PARTY may require DEBTOR to furnish such additional security as SECURED PARTY deems sufficient, and DEBTOR shall have the obligation to do so.

18. In the event DEBTOR defaults in the payment of the Note or obligations to the SECURED PARTY secured hereby, or in any other provisions hereof, or if a proceeding in bankruptcy, receivership or insolvency is instituted by or against the DEBTOR, then the SECURED PARTY may declare the full amount of the Indebtedness secured hereby immediately due and payable, without notice or demand, and shall have all of the remedies of a SECURED PARTY under the Pennsylvania Uniform Commercial Code and any other applicable laws.

### **WAIVERS**

19. To the extent permitted by law, DEBTOR expressly waives all rights to any notice of hearing and to any hearing prior to the taking of any action by SECURED PARTY under and pursuant to this Agreement, including without limitation, the taking of possession by SECURED PARTY of the COLLATERAL by court process or otherwise.

20. DEBTOR waives demand, notice, protest, notice of acceptance of this Agreement, notice of credit extended, notice of COLLATERAL received or delivered or other action taken in reliance hereon and all other demands and notices of any description except as herein provided. With respect both to any of the Obligations and the 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 to the settlement, compromise or adjustment thereof, all in such time or times SECURED PARTY may deem advisable, and DEBTOR agrees that SECURED PARTY may so act without regard to any requests or demands by DEBTOR and without thereby incurring any liability to DEBTOR or releasing DEBTOR hereunder.

21. DEBTOR hereby waives promptness by SECURED PARTY in making any demand upon DEBTOR, and agrees that no delay or omission by SECURED PARTY in exercising any of its rights, powers or remedies hereunder or under any other agreement or instrument between DEBTOR and SECURED PARTY or issued to SECURED PARTY by DEBTOR shall be deemed to constitute a waiver thereof. All rights, powers and remedies of SECURED PARTY hereunder shall be cumulative and may be exercised singly or concurrently.

22. SECURED PARTY shall not be required to marshal any present or future security (including, but not limited to, the COLLATERAL granted hereunder), or guarantees of, the Obligations or any of them, or to resort to each security or guarantees in any particular order.

## **GENERAL**

23. This Security Agreement shall become fully effective when signed by the DEBTOR.

24. No delay on the part of SECURED PARTY in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by SECURED PARTY of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

25. All rights of the SECURED PARTY hereunder shall inure to the benefit of his heirs, next of kin, personal representatives, successors and assigns, and the OBLIGATIONS of DEBTOR shall bind and be enforceable against his heirs, next of kin, personal representatives, successors and assigns.

26. This Security Agreement may be executed in counterparts.

27. DEBTOR agrees to execute all UCC filings and other documentation

reasonably requested by SECURED PARTY to secure its interests hereunder.

### **STATE LAW**

28. This Security Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, and all terms used herein, unless otherwise defined or the context otherwise requires, shall have the meanings given to them by the Pennsylvania Uniform Commercial Code.

### **FEDERAL COMMUNICATIONS COMMISSION LICENSES**

29. Notwithstanding anything to contrary, no licenses authorized or issued by the Federal Communications Commission shall be included in or be used as collateral.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 2019.

**WITNESS:**

\_\_\_\_\_

**DEBTOR:**

**VP BROADCASTING, LLC**

By: \_\_\_\_\_

Victor Martinez  
Managing Member

**ACCEPTED BY SECURED PARTY:**

**WHOL RADIO, INC.**

\_\_\_\_\_

By: \_\_\_\_\_

Matthew Braccili  
President

## **SCHEDULE A**

- 1. LEGAL DESCRIPTION OF MAKER'S BUILDING LOCATED AT 647 MARSHALL STREET, ELIZABETH, New Jersey 07206.**
- 2. REAL PROPERTY IDENTIFIED ON THE TAX MAP OF THE MUNICIPALITY OF PARSIPPANY-TROY HILLS, NEW JERSEY, BLOCK 621, LOT 81 (WHICH SERVES AS THE TRANSMITTING SITE FOR RADIO STATION WXMAC-AM)**
- 3. LIST OF BROADCAST EQUIPMENT ASSETS OF THE BROADCAST STATIONS**