

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into this _____ day of _____, 2004 by and between **Shawnee Broadcasting Inc.**, an Arkansas corporation (hereinafter referred to as "Secured Party"), and **Oklahoma Land Company, L.L.C.**, an Oklahoma limited liability company (hereinafter referred to as "Debtor").

WITNESSETH:

WHEREAS, Debtor has purchased from Secured Party certain of Secured Party's assets and personal property (the "Assets"), pursuant to a certain Asset Purchase Agreement, dated April 16, 2004 (the "Agreement"), and has delivered a Promissory Note (the "Note") to Secured Party in the original principal plus interest amount of One Million Dollars (\$1,000,000.00) in partial payment for the Assets; and

WHEREAS, in consideration of the credit extended by Secured Party to Debtor under the Promissory Note, Debtor has agreed to give to Secured Party a security interest in and to all of the personal property which Debtor has acquired from Secured Party this date; and

WHEREAS, the Closing on said Agreement has been consummated as of the date hereof; and

NOW THEREFORE, the parties, intending to be legally bound thereby, hereby mutually covenant and agree as follows:

1. CREATION OF SECURITY INTEREST. Debtor hereby grants to Secured Party a security interest, subject to the exceptions shown below, in all machinery, equipment, accounts receivables, furniture and fixtures, and all proceeds thereof, conveyed to Debtor pursuant to the Asset Purchase Agreement and used in the operation of Television Station KQOK (TV), Shawnee, Oklahoma, now owned by Debtor, as listed in Exhibit 1, attached hereto, or hereafter acquired as substitute and replacement property (hereinafter referred to as the "Collateral"); provided, however, that:

1.1 Debtor may acquire new or additional equipment, which is not a substitution or replacement for existing equipment, to be used in the operation of Television Station KQOK (TV), on an installment basis, whereby the vendor shall take a first security position in such new or additional equipment;

1.2 Debtor may acquire replacement or substitute equipment, to be used in the operation of Television Station KQOK (TV), on an installment basis, whereby the vendor shall take a first security position on such replacement or substitute equipment, and Secured Party a second security position thereon, for the duration of the installment loan, whereupon Secured Party shall assume a first security position on such replacement or substitute equipment; provided, however, that Debtor shall have equity in such replacement or substitute equipment equivalent to, or in excess of, the fair market value of the existing equipment to be substituted or replaced.

1.3 The security interest given pursuant to this Agreement is for obligations owed by Debtor to the Secured Party. All of the assets described in this Paragraph 1, together with the assets listed in Exhibit 1 attached hereto, shall hereinafter collectively be referred to as the "Collateral".

1.4 The security interest does not include any permits or licenses granted by the Federal Communications Commission to the extent that Debtor is prohibited from granting a security interest therein pursuant to the Communications Act of 1934, as amended, and the regulations promulgated thereunder, and any other licenses to the extent that the transfer or pledging thereof is prohibited by the granting authority, but such security interest shall include Debtor's interest in such permits, licenses, and other authorizations vis-à-vis parties other than the Federal Communications Commission or other granting authority, and shall include to the maximum extent permitted by law all rights incident or appurtenant to any such permit or license and the right to receive all proceeds, money or other consideration derived or derivable from the sale, assignment or transfer of control of any such permits or licenses.

2. OBLIGATION SECURED. The security interest granted hereby is to secure the payment and performance of the indebtedness and payments due Secured Party under Debtor's Promissory Note payable to Secured Party of even date herewith, given pursuant to the Agreement.

3. MAINTENANCE OF COLLATERAL. Debtor covenants that, without the prior written consent of the Secured Party, so long as the secured liability has not been paid in full, the Personal Property will:

3.1 Not be misused, abused or wasted, except for ordinary wear and tear in the normal course of business; and

3.2 Be used by Debtor primarily for the purpose of conducting the operations of Television Station KQOK (TV); and

3.3 Be insured against all reasonable expected risks to which it is exposed in accordance with ordinary industry standards, and Debtor will provide Secured Party with copies of all insurance policies in force on the Personal Property; and

3.4 Be kept in reasonable working order and repair.

4. ADDITIONAL COVENANTS OF DEBTOR. Debtor hereby represents, covenants and warrants that, so long as the Secured Liability remains unpaid, Debtor will pay, prior to delinquency, all uncontested claims, bills, taxes, charges, liens and assessments against the Collateral, or any part thereof, and upon the failure of Debtor to do so, Secured Party, at its option, may pay the same; provided, however, that Secured Party may not pay or discharge any such claim, tax, charge, lien or assessment so long as the same does not materially adversely affect Secured Party's interest or rights with respect to the Collateral and Debtor is contesting the validity or amount thereof in good faith.

5. FINANCING STATEMENTS. Debtor will sign and execute with Secured Party one or more UCC Financing Statements to perfect the security interest created under this Security Agreement against the rights or interests of third persons. The terms and conditions of said

Financing Statement shall be consistent with the terms and conditions herein stated and with the terms and conditions of the Agreement.

6. EVENTS OF DEFAULT. At the option of the Secured Party, and upon immediate written Notice to the Debtor as provided herein below, the Promissory Note secured by this Security Agreement shall become due and payable in full upon the happening of one or more of the following events:

6.1 If the Debtor shall default under the terms of the Promissory Note in the payment of sums due and owing;

6.2 If the Debtor shall fail to perform any obligation incurred under this Security Agreement to the material detriment of Secured Party, and fails to cure said default within five (5) days written Notice thereof by Secured Party;

6.3 If the Collateral be levied upon by virtue of an execution issued upon any judgment or any other legal process, and Debtor, after notice thereof, is not in good faith defending in proper proceedings against any such judgment, writ of attachment or any other legal proceedings for execution or seizure of the Collateral (subject to the procedures and conditions set forth in the Agreement); or if a receiver or similar officer be appointed for Debtor and is not discharged within ninety (90) days; or if a petition or arrangement in bankruptcy be filed by or against the Debtor or a general assignment for the benefit of creditors be made by Debtor, and Debtor is not in good faith diligently contesting any insolvency or related type proceeding instituted against it or does not obtain a dismissal within ninety (90) days.

7. SECURED PARTY'S RIGHTS ON DEFAULT. In the event of Debtor's Default as defined hereinabove, Secured Party may exercise its rights under the laws of the State of Oklahoma to take possession or dispose of the personal property, subject to the limitations as hereinafter set forth.

8. DISPOSITION OF COLLATERAL. Subject to the provisions of Paragraph 9 herein, if any notification of intended disposition of the Collateral is required by law, such notification, if mailed, shall be deemed reasonable and properly given if mailed by certified mail at least thirty (30) days before such disposition, postage prepaid, addressed to Debtor in accordance with Paragraph 13 hereof. Debtor further agrees that Secured Party may apply the proceeds of any disposition of the Collateral first to the payment of all reasonable costs and expenses Secured Party incurred in connection with such sale or other disposition thereof, including the reasonable fees and expenses of its attorneys and counsel; second, to the payment of any accrued interest due on the Secured Liabilities under the terms of the Promissory Note; third, to the payment or satisfaction of the Secured Liability; and fourth, to the payment and satisfaction of any indebtedness secured by any subordinate interest in the Collateral. All remaining proceeds, if any, shall be delivered to Debtor.

9. LIMITATIONS ON EXERCISE OF SECURED PARTY'S RIGHTS UPON DEFAULT. Notwithstanding any other provision of this Security Agreement, the Secured Party's rights upon Default, are subject to the following terms and conditions:

9.1 There shall be no reversion or reacquisition of the broadcast License of Television Station KQOK to, or in favor of Secured Party, or any third party without the prior approval of the Federal Communications Commission as provided in Section 310(d) of the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission.

9.2 It is mutually understood and agreed by the parties that, in the event of a default, as previously defined herein, Secured Party shall refrain from exercising its rights under this Security Agreement to dispose of the Collateral so long as the parties are in good faith pursuing a sale of the Collateral, or the assets to a good faith purchaser; provided, however, that should a contract of sale of the Collateral, or the Assets fail to be executed within six (6) months of the date Secured Party gives Debtor written notice of default, Secured Party shall be at liberty to pursue any and all of its rights under this Security Agreement; provided further, that, in the event of default, Debtor shall cooperate fully in any attempt by Secured Party to locate and assign to a good faith purchaser, subject to the prior approval of the Federal Communications Commission, the FCC License of Station, or the Assets of Debtor, and Debtor shall execute such documents as are necessary to effectuate such assignment.

10. TERMINATION. This Agreement shall terminate and Secured Party shall deliver any of the Collateral in its possession to the owner thereof at such time as all obligations and liabilities of the Debtor under the Secured Liability shall have been paid or performed in full.

11. AGREEMENT TO GOVERN. The Parties hereto mutually understand and agree that nothing in this Security Agreement shall be deemed to supersede or modify the respective rights and obligations on the parties as set forth in the Asset Purchase Agreement between the parties. This Security Agreement shall be subject to, and construed in a manner consistent with, the terms and conditions of that Agreement.

12. PERSONS BENEFITED. This Security Agreement shall inure to the benefit of Secured Party, its representatives, successors and assigns, specifically including, but not limited to, any stockholder or stockholders of Secured Party as successors in interest by virtue of liquidation of Secured Party, and to any other Person who derives from Secured Party title to or an interest in any Secured Liabilities and shall be binding upon Debtor and its successors and assigns.

13. NOTICES. All notices, requests, demands, payments and other communications hereunder shall be in writing and shall be deemed to have been duly given and delivered if mailed, certified mail, return receipt requested, postage prepaid, or by Federal Express courier as of the date marked received to the following:

If to Debtor:

Ty A. Tyler, Managing Member
Oklahoma Land Company, L.L.C.
5101 South Shields Blvd.
Oklahoma City, OK73129

with copy to:

John C. Trent, Esquire
Putbren, Hunsaker & Trent, P.C.
200 S. Church Street
Woodstock, VA 22664

If to Secured Party:

Lori Withrow, Secretary
Shawnee Broadcasting, Inc.
#1 Shackelford Drive
Suite 400
Little Rock, AR 72211

And

Jason Roberts, Esq.
Shawnee Broadcasting, Inc.
#1 Shackelford Drive
Suite 400
Little Rock, AR 72211

with a copy to:

Peter Tannenwald, Esq.
Irwin, Campbell & Tannenwald, PC
1730 Rhode Island Ave., N.W.
Suite 200
Washington, DC 20036-3101

Any party hereto may substitute another address by written Notice in accordance with the foregoing provisions to the other party or parties hereto.

14. COUNTERPARTS. This Security Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

15. CHOICE OF LAW. This Security Agreement shall be governed by and construed according to the laws of Oklahoma.

16. ATTORNEYS' FEES. In the event any action be instituted by a party to enforce any of the terms and provisions contained herein, the prevailing party in such action shall be entitled to such reasonable attorneys' fees, costs and expenses as may be fixed by the Court.

17. MODIFICATIONS OR AMENDMENTS. No amendment, change or modification of this document shall be valid unless in writing and signed by all of the parties hereto.

18. EXHIBITS, SCHEDULES AND OTHER DOCUMENTS. All exhibits, attachments, and schedules attached hereto and referred to herein are hereby incorporated herein as though set forth at length.

19. ENTIRE AGREEMENT. Subject to the provisions of the Agreement, this document constitutes the entire understanding and agreement of the parties with respect to the subject matter of this Security Agreement, and any and all prior agreements, understandings or representations are hereby terminated and canceled in their entirety and are of no further force or effect.

20. SUBORDINATION TO DEBTORS LENDER. It is agreed and understood that this Security Agreement and related Promissory Note of Debtor shall be subordinated to the Debtor's Lender. Such subordination shall be agreed to in a Subordination Agreement between Secured Party and the Debtors Lender, which debt shall not exceed Sixteen Million Dollars.

[THE NEXT PAGE IS THE SIGNATURE PAGE ONLY]

[SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals to the Security Agreement by their duly authorized officers as of the year and date first above written.

{SEAL}

SECURED PARTY:

Shawnee Broadcasting, Inc.

By: _____
James Hearnberger, Vice President of

Administration

{SEAL}

DEBTOR:

Oklahoma Land Company, LLC

By: _____
Ty A. Tyler, Managing Member

EXHIBIT 1