

## SECURITY AGREEMENT

This Security Agreement made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between ALBERT G. BENAVIDES and RICKY G. BENAVIDES, individual residents of the State of Texas (hereinafter "*Debtor*"), in connection with the purchase by Debtor of the assets of Radio Broadcasting Station KRBL(FM), Idalou, Texas (hereinafter the "*Station*"), and TRIUMPH COMMUNICATIONS, INC., a Kentucky corporation, with a principal place of business at 6915 Harrodsburg Road, Nicholasville, KY 40356 (hereinafter "*Secured Party*").

### WITNESSETH:

WHEREAS, the Debtor is indebted to the Secured Party and such indebtedness is evidenced by a Promissory Note ("*Note*"), dated the date hereof, in the principal balance of Three Hundred Fifty Thousand Dollars (\$350,000.00) delivered by the Debtor to the Secured Party; and

WHEREAS, the Secured Party is willing to accept the Note from the Debtor so long as, inter alia, the Debtor grants to the Secured Party a security interest in the equipment, inventory, accounts receivable, instruments, contract rights, documents, and all other assets used in connection with the Station pursuant to the terms hereof.

NOW, THEREFORE, in consideration of these premises, of the extension of credit by the Secured Party to the Debtor as recited above, and of the mutual covenants and obligations hereinafter set forth, the parties hereto warrant, represent, and agree as follows:

As security for all indebtedness and obligations now or hereafter owing from Debtor to Secured Party of whatever kind or nature, direct or indirect, absolute or contingent, due or to become due

pursuant to the Note (the “*Obligations*”, which term shall include all expenses, including reasonable attorney fees incurred or paid by Secured Party in exercising, reserving, defending, enforcing or protecting any of its rights under the Obligations or with respect to the Collateral, as such term is hereafter defined) or hereunder existing of the Debtor to the Secured Party, the Debtor hereby grants to the Secured Party a present and continuing security interest in all equipment, machinery, tools, motor vehicles, fixtures, furniture and furnishings, inventory, goods, accounts, chattel paper, instruments, documents and general intangibles, together with all accessions and additions thereto, and substitutions and replacements therefore, and proceeds (including insurance and condemnation proceeds) thereof, including the Station Proceeds of Sale as hereinafter defined, as all of such terms are defined in the UCC as in effect in Texas as of the date hereof, solely to the extent such Collateral is used or useful in its broadcast operations of the Station, now owned or hereafter acquired (hereinafter individually and collectively “*Collateral*”). Secured Party acknowledges that the Federal Communications Commission (“*FCC*”) currently prohibits granting a security interest to non-government entities in any license or other authorization by the FCC. The Station’s FCC Licenses (defined below) shall not, therefore, be subject to the security interest created by this Security Agreement. 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 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 Station Proceeds of Sale, as defined herein, to the extent such security interest does not violate applicable laws. “*Station Proceeds of Sale*” means any and all rights of payment Debtor may have as a result of

the subsequent sale of any and all licenses or all assets 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 assets or whether such rights of payment are attributable to such purchaser's rights to apply for and receive any such assets from any 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 in that certain Asset Purchase Agreement by and between Debtor (as Buyer) and Secured Party (as Seller), the terms and provisions of which are incorporated herein and made a part hereof by reference.

1. The Debtor hereby represents and warrants:

(a) That the Debtor is two United States citizens.

(b) That, except for the security interest granted hereunder, the Debtor is and will be, for so long as all sums under the Note have not been paid in full ("*Indebtedness Term*"). the owner of the Collateral free from all liens, security interests, or encumbrances, except for the lien of taxes not yet due and payable; and Debtor agrees that it will defend said Collateral and proceeds and products thereof against all claims and demands of all persons at any time claiming the same or any interest therein.

(c) That, during the Indebtedness Term, none of the Collateral described in herein hereof shall be sold, transferred, assigned, or in any way encumbered by the Debtor, nor shall the Debtor permit or suffer the same to be sold, transferred, assigned, or encumbered, except in the ordinary course of business or with the express prior written consent of the Secured Party. It is expressly acknowledged that Debtor may not sell or transfer any Collateral with a value in excess of \$10,000 without Secured Party's prior written consent, which consent shall not

release the security interest held by Secured Party hereunder. Nothing herein shall be deemed to restrict, affect or preclude the Debtor's ability to seek FCC approval to assign, or to assign pursuant to FCC approval, the FCC license for the Station to any third party whatsoever.

2. During the Indebtedness Term, the Debtor hereby covenants and agrees:

(a) To have and maintain, in full force and effect, adequate insurance coverage of the Collateral against loss or damage customarily insured against in the broadcasting industry, and in form and amount reasonably acceptable to the Secured Party.

(b) The Debtor will pay promptly when due all taxes and assessments upon the Debtor and the Collateral.

(c) At the request of the Secured Party, the Debtor will join with the Secured Party in executing one or more Financing Statements pursuant to the Uniform Commercial Code in form reasonably acceptable to the Secured Party. The Debtor further agrees to pay all necessary or required filing and recording fees, government imposed charges, and taxes incurred in connection with the filing or recording of any instrument executed pursuant hereto.

(d) The Debtor shall operate the business of the Station in the normal and ordinary manner.

(e) The Debtor shall promptly repair all machinery and equipment used in its business and shall operate same in a manner consistent with reasonable and customary business practices.

(f) The Debtor shall not sell, lease, transfer, assign, or otherwise dispose of the Collateral, by bulk sale or otherwise, except in the ordinary course of business or as expressly authorized herein. Further, the Debtor shall not fail to maintain in full force and effect each of the FCC licenses, permits, or authorizations issued to the Debtor for the Station.

3. The security interests arising under this Security Agreement may, to the extent permitted by local law, be perfected in the State of Texas, and in all other states where the Debtor now or in the future does business and all states where any of the Collateral is now or in the future located.

4. Upon the occurrence of any one or more of the following events, all indebtedness, liabilities, or obligations owed by the Debtor to the Secured Party shall immediately become due and payable:

(a) Default under the Note which is not cured pursuant to the cure provisions of the Note;

(b) Dissolution, termination of existence, cessation of business, insolvency, business failure, any act of bankruptcy (voluntary, or involuntary, including reorganization), or appointment of a receiver over any part of the property of, or assignment for the benefit of creditors by, or the commencement of any bankruptcy or insolvency action by or against the Debtor or the Station; or

(c) Breach of any provision, warranty, or representation hereunder and the failure to cure such breach within thirty (30) days of written notice to the Debtor of such breach. Upon the Debtor's failure to pay and to discharge all such indebtedness, liabilities, or obligations forthwith, the Secured Party shall have the rights and remedies set forth in the Note.

5. In the event of default as described above, the Secured Party shall have the right to cause, with respect to the Station, a public or private sale of the Collateral, and to require that the Debtor join with the successful bidder at a foreclosure sale regarding the Collateral in seeking from the FCC all applicable prior approvals of the assignment of the broadcast licenses and authorizations to the successful bidder. It is expressly understood that such sale shall be

subject to all applicable consents and prior approvals of the FCC. All notices of any such foreclosure sale shall specify that such sale and any assignment of the Station is subject to all applicable prior approvals of the FCC. The proceeds from any such foreclosure sale shall first be used to satisfy all obligations of the Debtor to the Secured Party.

6. The Secured Party shall not, by any act, delay, omission, or otherwise, be deemed to have waived any of its rights or remedies hereunder, or under any other instrument or agreement or implied by law, unless such waiver is in writing, signed by the Secured Party, and then only to the extent expressly set forth therein.

7. The Secured Party shall be entitled to recover from the Debtor all damages sustained by Secured Party as a result of a breach of any warranty or covenant by the Debtor contained herein, or in any other instrument or agreement either presently or hereafter existing between the Debtor and the Secured Party, including without limitation the right for Secured Party to recover from Debtor the deficiency, if any, resulting from any foreclosure sale authorized hereunder, or any other instrument or agreement presently or hereafter existing between the Debtor and the Secured Party, or implied by law. Secured Party shall also have the right to recover all reasonable attorneys' fees and all other reasonable expenses incurred by the Secured Party in enforcing payment of all indebtedness owing from the Debtor to the Secured Party, or in the prosecution or defense of any proceeding arising from the efforts of the Secured Party to recover money or things of value, or the enforcement of any rights granted to the Secured Party hereunder, or any other instrument hereafter arising between the Debtor and the Secured Party, or implied by law.

8. This Agreement shall not be modified or amended except by written instrument signed by both parties hereto. This Agreement and all of the rights of the parties hereunder shall be governed by the laws of the State of Kentucky.

9. This Agreement shall remain in full force and effect until the payment in full of all indebtedness owing by the Debtor to the Secured Party under the Note.

10. This Agreement shall not be assignable in any way by the Debtor without the prior written consent of the Secured Party.

11. This Agreement may be executed in counterparts, which, when assembled, shall constitute one single and entire Agreement.

12. If this Agreement is held or determined to be void, invalid, or unenforceable, in whole or in part, such holding or determination shall not impair or affect the validity or enforceability of any clause or provision not so held to be void, invalid, or unenforceable.

13. All notices required or permitted to be given hereunder shall be in writing and given in accordance with the Notices provision of the Asset Purchase Agreement, by and between the Debtor and the Secured Party.

14. The Debtor acknowledges that specific performance would be an appropriate remedy for the Secured Party for the Debtor's breach hereunder.

15. In the event of any inconsistency between the Note and this Security Agreement, the parties hereto acknowledge that the terms and conditions of this Security Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

**Secured Party**

**TRIUMPH COMMUNICATIONS, INC.**

By \_\_\_\_\_

Its \_\_\_\_\_

**Debtor**

**ALBERT G. BENAVIDES**

\_\_\_\_\_

**RICKY G. BENAVIDES**

\_\_\_\_\_