

7. if disposition of the collateral leaves the obligation unsatisfied, collect the deficiency from Debtor.

General Provisions

1. Parties Bound. Secured Party's rights under this agreement shall inure to the benefit of its successors and assigns. Assignment of any part of the obligation and delivery by Secured Party of any part of the collateral will fully discharge Secured Party from responsibility for that part of the collateral. If Debtor is more than one, all their representations, warranties, and agreements are joint and several. Debtor's obligations under this agreement shall bind Debtor's personal representatives, successors, and assigns.

2. Waiver. Neither delay in exercise nor partial exercise of any of Secured Party's remedies or rights shall waive further exercise of those remedies or rights. Secured Party's failure to exercise remedies or rights does not waive subsequent exercise of those remedies or rights. Secured Party's waiver of any default does not waive further default. Secured Party's waiver of any right in this agreement or of any default is binding only if it is in writing. Secured Party may remedy any default without waiving it.

3. Reimbursement. If Debtor fails to perform any of Debtor's obligations, Secured Party may perform those obligations and be reimbursed by Debtor on demand at the place where the note is payable for any sums so paid, including attorney's fees and other legal expenses, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amount. The sum to be reimbursed shall be secured by this security agreement.

4. Interest Rate. Interest included in the obligation shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited to the principal of the obligation or, if that has been paid, refunded. On any acceleration or required or permitted prepayment of the obligation, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal amount of the obligation or, if the principal amount has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the obligation.

5. Modifications. No provision of this agreement shall be modified or limited except by written agreement.

6. Severability. The unenforceability of any provision of this agreement will not affect the enforceability or validity of any other provision.

7. After-Acquired Consumer Goods. This security interest shall attach to after-acquired consumer goods only to the extent permitted by law.

8. Applicable Law. This agreement will be construed according to Texas law.

9. Place of Performance. This agreement is to be performed in the county of Secured Party's mailing address.

10. Financing Statement. A carbon, photographic, or other reproduction of this agreement or any financing statement covering the collateral is sufficient as a financing statement.

11. Presumption of Truth and Validity. If the collateral is sold after default, recitals in the bill of sale or transfer will be prima facie evidence of their truth, and all prerequisites to the sale specified by this agreement and by the Texas Uniform Commercial Code will be presumed satisfied.

12. Singular and Plural. When the context requires, singular nouns and pronouns include the plural.

13. Priority of Security Interest. This security interest shall neither affect nor be affected by any other security for any of the obligation. Neither extensions of any of the obligation nor releases of any of the collateral will affect the priority or validity of this security interest with reference to any third person.

14. Cumulative Remedies. Foreclosure of this security interest by suit does not limit Secured Party's remedies, including the right to sell the collateral under the terms of this agreement. All remedies of Secured Party may be exercised at the same or different times, and no remedy shall be a defense to any other. Secured Party's rights and remedies include all those

granted by law or otherwise, in addition to those specified in this agreement.

15. Agency. Debtor's appointment of Secured Party as Debtor's agent is coupled with an interest and will survive any disability of Debtor.

16. Attachments Incorporated. The addendum indicated below is attached to this agreement and incorporated into it for all purposes:

- (x) addendum relating to accounts, inventory, documents, chattel paper, and general intangibles
- (x) addendum relating to instruments

This Security Agreement and any addendums hereto are being given pursuant and subject to that certain Contract for Assignment of Note and Security Interests ("Contract") dated April 10, 1990, by and between Dr. Herbert Wren and Earl Jones and American Plastic Products, Inc., filed under Clerk's File No. 006764 to be recorded in the Land Records of Gregg County, Texas, which Contract is incorporated herein by reference.

Secured Parties:

Debtor:

AMERICAN PLASTIC PRODUCTS, INC.

Herbert B Wren III
HERBERT WREN

By: Vincent McGonagle
VINCENT MCGONAGLE,
Vice President

Earl Jones
EARL JONES

OWNERSHIP STRUCTURE OF PRAISE MEDIA, INC.

On March 19, 1992, Praise was incorporated in the state of Texas. Initially, Eugene Washington was President, Ray Lee Williams was Vice-President, and Janet Washington was Treasurer. Although the company never issued any stock certificates, the planned ownership structure was, initially, for Mr. Washington to own 60 percent of the corporation, Ms. Washington to own 15 percent, and Mr. Williams had the option of obtaining a 25 percent share by contributing cash or allowing the station to retain his commission for any ad sales he made. Mr. Williams never contributed under either option, and he is no longer considered a shareholder of Praise Media, Inc. Mr. Williams was voted out of his position as Vice-President in December of 1992. No one other than Janet Washington and Eugene Washington has contributed money or other consideration to Praise as equity capital.

At present, Ms. Washington is the only active owner, officer or director of Praise, Mr. Washington having given her power of attorney due to his incarceration on drug charges in Chicago. (Case No. 94CR339-1, U.S. District Court for the Northern District of Illinois.) Mr. Washington is being formally removed as an officer and director and any equity ownership interest he has in Praise is being transferred to Ms. Washington.

For the first six months of the station's operation under Praise Media, Inc.'s ownership, Mr. Williams served as General Manager. Mr. Washington, although living in Chicago, would make extended visits to the station and insisted upon making all important decisions regarding the station's operation. After deciding that Mr. Williams was not qualified for the position and discovering that he had converted station funds to his own use, Mr.

PRAISE EXHIBIT 3

Williams was removed as General Manager. Ms. Washington began to serve in that capacity in late August 1992, a position she has retained to this date. Since that time Ms. Washington has made all decisions relevant to the station's day-to-day operations, including personnel, programming, sales, etc. Ms. Washington was also responsible for paying the station's bills, as well as generally overseeing the station's operations.

RESPONSE TO FCC CORRESPONDENCE

On September 9, 1992, the Commission sent a letter to KARW to ascertain the identity of the persons operating the station in order determine whether an unauthorized transfer of control had occurred. The letter also requested information concerning the apparent rule violations observed by the Commission's staff during its inspection of the station. This information concerned the station's public file, operating logs, tower painting and Emergency Broadcast System equipment. *Hearing Designation Order and Notice of Forfeiture*, 8 FCC Rcd 7591 (1993) ("*HDO*"). A ruined brick building on the property near the station's tower also needed to be demolished. On September 23, 1992, the Commission notified KARW via letter that the renewal application was incomplete, and requested a corrective response. Having received no response to the September 9, 1992, letter, the Commission again wrote to the station on December 3, 1992, to request a response to the letter of September 9, 1992, and to remind the station that failure to respond could result in administrative sanctions.

When Ms. Washington received the FCC letter of September 9, 1992, she initially took no action on it because it was addressed to Mr. Ferrell and Pine Tree Media, Inc., and apparently related to time period when American Plastic Products, Inc., operated the station. She placed the letter in the station's files. Mr. Jim Shook of the FCC's staff called the station to inquire as to why no response had been returned to the FCC. Ms. Washington informed him that she did not think the letter applied to her, and that she had no information regarding the operation of the station under Mr. Ferrell or American Plastic Products, Inc. Mr. Shook said that the questions needed to be answered and that if the requested information was not readily

PRAISE EXHIBIT 4

available, she needed to do research to find it. Ms. Washington made every effort to contact Mr. Murray and Mr. Ferrell, who apparently were involved in the operation of KARW under American Plastics. She could not locate Mr. Ferrell, and Mr. Murray would not discuss the matter. Ms. Washington believed that Mr. Williams would have some information regarding American Plastics, but he also would not discuss the matter with Ms. Washington, because of her concerns with his handling of the station's revenues. Ms. Washington called Mr. Washington to explain the situation. Mr. Washington was not inclined to take the matter seriously until he spoke directly with Mr. Shook and Ms. Washington in a conference call. After the conference call, Mr. Washington told Ms. Washington that he would obtain the information regarding American Plastics and Ms. Washington should gather any information as to the other questions. Mr. Washington thought that Mr. Williams would be more likely to discuss American Plastics with him. He also asked that Ms. Washington forward future correspondence from the FCC to him in Chicago. From that time on, when Ms. Washington received a letter from the FCC, she would send it on to Mr. Washington without review.

After her initial phone conversation with Mr. Shook, Ms. Washington spoke with him on several occasions to discuss their progress in gathering information. Finally, Ms. Washington informed Mr. Shook that some information simply could not be located. Mr. Shook told her that he needed the information by the next day, and that the information should be submitted in typewritten form. She hurriedly prepared a response to the questions by hand based on the information available to her, and gave it to her secretary to type, along with the supporting information. Ms. Washington intended that a cover letter would accompany the

PRAISE EXHIBIT 4

response, but it was mailed by her secretary to Mr. Shook without a covering letter. In light of her many conversations with Mr. Shook, Ms. Washington assumed that he would know who sent the response.

Because the January 26, 1993 response did not answer all of the Commission's questions and was not signed, the Commission sent the station a final letter on February 10, 1993, enclosing the previous three letters and seeking clarification of some of the information in the January 26, 1993, response, as well as requesting additional information.

Mr. Shook and Ms. Washington spoke several times after the January 26, 1993, response was submitted. He stated that the response did not cover all the questions. Ms. Washington replied that the response submitted included all the information available to her. Ms. Washington and Mr. Shook spoke at length, and it was her understanding that any required clarification of her January 26, 1993, response was covered during that conversation. Mr. Shook indicated that if she had no further information, a hearing would probably be required. He asked that Ms. Washington forward to the FCC any relevant information she found in the future.

COMPLIANCE WITH COMMISSION RULES

At the time Praise Media, Inc. ("Praise") negotiated and closed on the purchase of station KARW on February 10, 1992, the principals of Praise were made aware of the results of the inspection conducted by the FCC staff and the rule compliance items which needed to be corrected. *HDO*, 8 FCC Rcd 7951. Following Praise's purchase of the station the following improvements/corrections were made by Praise and at its expense: KARW's tower was painted in April of 1992; a new Emergency Broadcast System was purchased and installed in November of 1992; the ruined brick building was demolished; and the station's transmitter power has been monitored and regulated since February 1992. In addition, the transmitter logs and public reference file are up-to-date.

Due to the cloud over the station's license, Praise has had difficulty obtaining the financing necessary to make needed improvements and obtain access to network programming, as well as expanding and improving its staff situation. Nevertheless, even with its extremely limited resources and inexperienced management, Praise has tried to provide a unique radio service. As the only minority-owned station in Longview, Praise is unique in that sense, and since purchasing the station, Praise has broadcast a Rhythm and Blues/Gospel format targeted to its minority audience (demographically, the station is targeted to the 30-55 age group). Gospel is broadcast Monday-Friday from 12-6 am and all day Sunday. The station's slogan has been "KARW AM 1280 - The Voice of the Black Community - Committed to Caring and Willing to Serve." Programming targeted to Longview's growing Hispanic community is broadcast (in Spanish and English) from 10 - 3 on Saturday. Public affairs programming

PRAISE EXHIBIT 5

includes several church-service broadcasts by local congregations as well as public service announcements and other programming.

Praise is particularly proud of its efforts to be a positive force in the community. For example, when Longview High School students wanted access to the high school auditorium during Black History Month for plays and programs, KARW sponsored a show to achieve a dialogue among students, teachers, parents and School Board Members. As a result of the discussions begun during that program, the interested parties were able to reach an agreement to make the school's facilities available.

FILING OF RENEWAL APPLICATION

According to the Commission's records, on August 17, 1990, an application to renew the license for KARW(AM) was filed. See Praise Exhibit 6, Attachment A, KARW's renewal application as taken from the Commission's files. The applicant was identified as "KLGV - Ken Tuck - Pine Tree Media, Inc."³ The application was signed by "Robert D. [or Dub] Murray" who was identified on the form as "General Manager" of the station.

Neither Praise Media, Inc., nor Mr. or Ms. Washington were involved with the station at the time the renewal application was filed. Mr. Williams may have had a show on the station at that time, but he was not involved in station management. Attempts to contact Mr. Murray to respond to the FCC's letters of inquiry were met with hostility and a complete lack of any effort to cooperate in providing any information to the Commission regarding this matter. Mr. Murray has never been associated with Praise Media, Inc.

³ KLGV was the call sign of KARW(AM) at the time the renewal application was filed.

PRAISE EXHIBIT 6, ATTACHMENT A

Approved by OMB
3060-0440
Expires 12/31/90

FEDERAL COMMUNICATIONS COMMISSION
FEE PROCESSING FORM

FOR
FCC
USE
ONLY

FCC/MELLON AUG 17 1990

08-20-90 8190174 002

Please read instructions on back of this form before completing it. Section I **MUST** be completed. If you are applying for concurrent actions which require you to list more than one Fee Type Code, you must also complete Section II. This form must accompany all payments. Only one Fee Processing Form may be submitted per application or filing. Please type or print legibly. All required blocks must be completed or application/filing will be returned without action.

SECTION I

APPLICANT NAME (Last, first, middle initial)

KLGU AM 1280 (KEN TUCK) Pine Tree Media Inc

MAILING ADDRESS (Line 1) (Maximum 35 characters - refer to Instruction (2) on reverse of form)

P.O. Box 7100

MAILING ADDRESS (Line 2) (if required) (Maximum 35 characters)

CITY

LONGVIEW

STATE OR COUNTRY (if foreign address)

Texas

ZIP CODE

75607

CALL SIGN OR OTHER FCC IDENTIFIER (if applicable)

KLGU

Enter in Column (A) the correct Fee Type Code for the service you are applying for. Fee Type Codes may be found in FCC Fee Filing Guides. Enter in Column (B) the Fee Multiple, if applicable. Enter in Column (C) the result obtained from multiplying the value of the Fee Type Code in Column (A) by the number entered in Column (B), if any.

(A)	(B)	(C)	FOR FCC USE ONLY
FEE TYPE CODE	FEE MULTIPLE (if required)	FEE DUE FOR FEE TYPE CODE IN COLUMN (A)	
(1) <i>MGR</i>	<i>1</i>	<i>\$100⁰⁰</i>	

SECTION II — To be used only when you are requesting concurrent actions which result in a requirement to list more than one Fee Type Code.

(A)	(B)	(C)	FOR FCC USE ONLY
FEE TYPE CODE	FEE MULTIPLE (if required)	FEE DUE FOR FEE TYPE CODE IN COLUMN (A)	
(2) <input type="text"/>	<input type="text"/>	\$ <input type="text"/>	
(3) <input type="text"/>	<input type="text"/>	\$ <input type="text"/>	
(4) <input type="text"/>	<input type="text"/>	\$ <input type="text"/>	
(5) <input type="text"/>	<input type="text"/>	\$ <input type="text"/>	

ADD ALL AMOUNTS SHOWN IN COLUMN C, LINES (1) THROUGH (5), AND ENTER THE TOTAL HERE. THIS AMOUNT SHOULD EQUAL YOUR ENCLOSED EMITTANCE.



TOTAL AMOUNT REMITTED WITH THIS APPLICATION OR FILING
\$100⁰⁰

FOR FCC USE ONLY
100.00

APPLICATION FOR RENEWAL OF LICENSE FOR
COMMERCIAL AND NONCOMMERCIAL AM, FM OR TV BROADCAST STATION

For <u>Commission</u> Fee Use Only	FEE NO:	For <u>Applicant</u> Fee Use Only
	FEE TYPE:	
	FEE AMT:	
	ID SEQ:	
For <u>Commission</u> Use Only: File No. 900817UF		Is a fee submitted with this application? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, indicate reason therefor (check one box): <input type="checkbox"/> Nonfeeable application <input type="checkbox"/> Fee Exempt (See 47 C.F.R. Section 1.1112) <input type="checkbox"/> Noncommercial educational licensee <input type="checkbox"/> Governmental entity

1. Name of Applicant **KLGV - KEN TUCK - Pine Tree Media, Inc.**

Mailing Address
P.O. Box 7100

City **Longview** State **TX** ZIP Code **75607**

2. This application is for: AM FM TV

(a) Call Letters: **KLGV-LD** (b) Principal Community: **City Longview State TX**

3. Attach as Exhibit No. _____ an identification of any FM booster or TV booster station for which renewal of license is also requested.

4. Have the following reports been filed with the Commission:

(a) The Broadcast Station Annual Employment Reports (FCC Form 395-B) as required by 47 C.F.R. Section 73.3612? Yes No
If No, attach as Exhibit No. _____ an explanation.

(b) The applicant's Ownership Report (FCC Form 323 or 323-E) as required by 47 C.F.R. Section 73.3615? Yes No
If No, give the following information:
Date last ownership report was filed **1988**
Call letters of station for which it was filed **KLGV**

7

THIS APPLICATION WILL HAVE NO ENVIRONMENTAL IMPACT UPON THE AREA, SINCE THE STATION AND TOWER SITE ARE BOTH LOCATED WITHIN THE CITY LIMITS OF LONGVIEW TEXAS. NO WILD LIFE OR BIRD SANTUARAY ARE LOCATED IN THE AREA. THE AREA IS FENCED AND POSTED WITH WARNING SIGNS.

5. Is the applicant in compliance with the provisions of Section 317 of the Communications Act of 1934, as amended, relating to interests of aliens and foreign governments?

If No, attach as Exhibit No. _____ an explanation.

6. Since the filing of the applicant's last renewal application for this station or other major application, has an adverse finding been made or final action been taken by any court or administrative body with respect to the applicant or parties to the application in a civil or criminal proceeding, brought under the provisions of any law relating to the following: any felony; broadcast related antitrust or unfair competition; criminal fraud or fraud or another governmental unit; or discrimination?

Yes No

Yes, attach as Exhibit No. _____ a full description of the persons and matters involved, including an identification of the court or administrative body and the proceeding (by dates and file numbers) and the disposition of the litigation.

7. Would a Commission grant of this application come within 47 C.F.R. Section 1.1307, such that it may have a significant environmental impact?

Yes No

If Yes, attach as Exhibit No. _____ an Environmental Assessment required by 47 C.F.R. Section 1.1311.

If No, explain briefly why not. *TOWER IN AREA NOT USED BY PEOPLE. TOWER HAS FENCE AND HAS 4 WARNING SIGNS.*

8. Has the applicant placed in its station's public inspection file at the appropriate times the documentation required by 47 C.F.R. Sections 73.3526 or 73.3527?

Yes No

If No, attach as Exhibit No. _____ a complete statement of explanation.

The APPLICANT hereby waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. (See Section 304 of the Communications Act of 1934, as amended.)

The APPLICANT acknowledges that all the statements made in this application and attached exhibits are considered material representations and that all the exhibits are a material part hereof and are incorporated herein as set out in full in the application.

CERTIFICATION: I certify that the statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Name	<i>Robert Dub Murray</i>	Signature	<i>Robert D. Murray</i>
Title	<i>General Manager</i>	Date	<i>8/11/90</i>

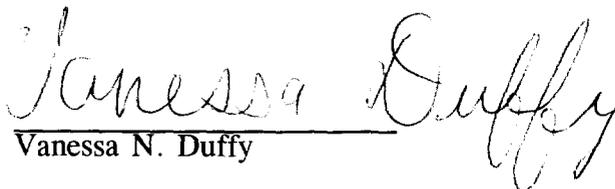
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.

CERTIFICATE OF SERVICE

I, Vanessa Duffy, hereby certify that on this 5th day of October, 1994, copies of the foregoing Direct Written Case of Praise Media, Inc. have been served by hand delivery or first-class United States mail, postage prepaid, upon the following:

- * Charles E. Dziejic, Esquire
Gary Schonman, Esquire
Robert A. Zauner, Esquire
Federal Communications Commission
2025 M Street, N.W.
Room 7212
Washington, D.C. 20554

- * Honorable John M. Frysiak
Administrative Law Judge
Federal Communications Commission
2000 L Street, N.W.
Suite 223
Washington, D.C. 20554


Vanessa N. Duffy

* By Hand Delivery