

To evidence their agreement, the parties have caused this Agreement to be executed on the date first written above.

GEW:

GARY E. WILLSON

By: _____
Gary E. Willson, Individually

MOONBEAM:

MOONBEAM, INC.

By:  _____
Mary F. Constant, President

ESCROW AGENTS:

GAMMON & GRANGE

By: _____
Name:
Title:

HALEY, BADER & POTTS

By: _____
Name:
Title:

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By: _____
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ESCROW AGENTS:

GAMMON & GRANGE, P.C.

By: _____
Name: _____
Title: _____

HALEY BADER & POTTS P.L.C.

By: _____
Name: _____
Title: MEMBER

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Gary E. Willson, Individually

MOONBEAM:

MOONBEAM, INC.

By: _____

Mary F. Constant, President

ESCROW AGENTS:

GAMMON & GRANGE

By: _____

Name:

Title:

HALEY ↔ BADER & POTTS P.L.C.

By: _____

Name:

Title:

GUARANTY

GUARANTY

This Guaranty (the "Guaranty"), dated as of _____, 1995, is made by Fred Constant and Mary Constant ("Guarantors"), in favor of Gary Willson ("Willson"):

RECITALS:

WHEREAS, Moonbeam, Inc. (Moonbeam) and Willson have entered into a Settlement Agreement contemplating the grant of the Moonbeam application and the dismissal of the Willson application for a new Class A FM radio station in Calistoga, California (the "Station") in exchange for payment of certain consideration and;

WHEREAS, Moonbeam and Willson have also entered into an Agreement whereby Willson in exchange for payment of certain consideration agrees *inter alia* not to purchase or lease a radio station for three (3) years within the predicted 1 mv contour of the Moonbeam Station;

WHEREAS, Mary Constant is the sole shareholder of Moonbeam and Fred Constant is her husband;

WHEREAS, Willson is not willing to enter into the Agreement or Settlement Agreement unless Moonbeam's obligations under the Agreement are guaranteed by the Guarantors; and

WHEREAS, as a condition precedent to Willson's obligations to enter into the Settlement Agreement, dismiss his application, and abide by the terms of the Agreement, the Guarantors are required to execute and deliver this Guaranty to Willson.

NOW THEREFORE, to induce Willson to accept the terms of the Agreement, the Guarantors, in consideration of the foregoing and for the benefits and advantages to be derived therefrom by the Guarantors, hereby agree as follows:

AGREEMENT

NOW THEREFORE, in order to induce Willson to enter into the aforementioned Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Guarantors jointly and severally hereby represent, warrant, covenant, agree, and guaranty as follows:

1. **Definition.** "Guarantied Obligations" means all obligations of Moonbeam under the Agreement referenced in the second Whereas clause above, whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including obligations of performance as well as obligations of payment, and including interest that accrues after the commencement of any bankruptcy or insolvency proceeding by or against Moonbeam.

2. **Guaranty of Guaranteed Obligations.** For valuable consideration, Guarantors jointly and severally hereby irrevocably and unconditionally guaranty and promise to pay and perform on demand the Guaranteed Obligations and each and every one of them including, without limitation, all amendments, modifications, supplements, renewals or extensions of any of them, whether such amendments, modifications, supplements, renewals or extensions are evidenced by new or additional instruments, documents or agreements or the rate of interest is charged on any Guaranteed Obligation or the security therefor, or otherwise. Without limiting the generality of the foregoing, Guarantors agree to pay to Willson, upon written demand by Willson, any amount owed to Willson by Moonbeam on or with respect to any of the Guaranteed Obligations which Moonbeam shall not have paid when due.

3. **Nature of Guaranty.** This Guaranty is irrevocable and continuing in nature and relates to any Guaranteed Obligations now existing or hereafter arising. This Guaranty is a guaranty of prompt and punctual payment and performance and is **not merely a guaranty of collection.** This Guaranty is an absolute, unconditional, continuing guaranty of payment and not of collectability, is in no way conditioned upon any attempt to collect from Moonbeam or upon any other event or contingency, and shall be binding upon and enforceable against the Guarantors without regard to the genuineness, regularity, validity or enforceability of the Agreement, or of any term thereof or lack of power or authority of any party to execute it.

4. **Relationship to Other Agreements.** Nothing herein shall in any way modify or limit the effect of terms or conditions set forth in any other document, instrument or agreement executed by the Guarantors or in connection with the Guaranteed Obligations, but each and every term and condition hereof shall be in addition thereto.

5. **Subordination of Indebtedness of Moonbeam to the Guarantors to the Guaranteed Obligations.** The Guarantors agree that:

(a) Any indebtedness of Moonbeam now or hereafter owed to the Guarantors hereby is subordinated to the Guaranteed Obligations.

(b) If Willson so requests, any such indebtedness of Moonbeam now or hereafter owed to the Guarantors shall be collected, enforced and received by such Guarantors as trustee for Willson and shall be paid over to Willson in kind on account of the Guaranteed Obligations.

6. **Statute of Limitations and Other Laws.** Until the Guaranteed Obligations shall have been paid and performed in full, all of the rights, privileges, powers and remedies granted to Willson hereunder shall continue to exist and may be exercised by Willson at any time and from time to time irrespective of the fact that any of the Guaranteed Obligations may have become barred by any statute of limitations. The Guarantors expressly waive the benefit of any and all statutes of limitation, and any and all laws providing for exemption of property from execution or for valuation and appraisal upon foreclosure, to the maximum extent permitted by applicable law.

7. **Waivers and Consents.** Upon the occurrence and during the continuance of any default under the Agreement, Willson may enforce this Guaranty independently of any other remedy or security Willson at any time may have or hold in connection with the Guaranteed Obligations, and it shall not be necessary for Willson to marshal assets in favor of Moonbeam or any Guarantors or to proceed upon or against and/or exhaust any security or remedy before proceeding to enforce this Guaranty. The Guarantors expressly waive any right to require Willson to marshal assets in favor of Moonbeam or any Guarantor or to proceed against Moonbeam or any Guarantor, and agrees that Willson may proceed against Moonbeam, any Guarantor and/or any collateral in such order as it shall determine in its sole and absolute discretion. The Guarantors expressly waive any and all defenses now or hereafter arising or asserted by reason of: (a) any disability or other defense of Moonbeam with respect to the Guaranteed Obligations, (b) the unenforceability or invalidity of any security or guaranty for the Guaranteed Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations, (c) the cessation for any cause whatsoever of the liability of Moonbeam or any other guarantor (other than by reason of the actual or deemed full payment and performance of all Guaranteed Obligations), (d) any failure of Willson to marshal assets in favor of Moonbeam, (e) any failure of Willson to give notice of sale or other disposition of any collateral to Moonbeam or any Guarantor or any defect in any notice that may be given in connection with any sale or disposition of any collateral, (f) any failure of Willson to comply with applicable laws in connection with the sale or other disposition of any collateral or other security for any Guaranteed Obligation, including, without limitation, any failure of Willson to conduct a commercially reasonable sale or other disposition of any collateral or other security for any Guaranteed Obligation, or (g) any act or omission of Willson or others that directly or indirectly results in or aids the discharge or release of Moonbeam or the Guaranteed Obligations or any security or guaranty therefor by operation of law or otherwise. The Guarantors expressly waive all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Guaranteed Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurring of new or additional Guaranteed Obligations.

8. **Condition of Moonbeam.** The Guarantors represent and warrant to Willson that they have established adequate means of obtaining financial and other information pertaining to the businesses, operations and condition (financial and otherwise) of Moonbeam and its properties on a continuing basis, and that such Guarantors now are and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of Moonbeam and its properties. With respect to any of the Guaranteed Obligations, Willson need not inquire into the powers of Moonbeam or the officers or employees acting or purporting to act on its behalf, and all Guaranteed Obligations made or created in good faith reliance upon the professed exercise of such powers shall be guaranteed hereby.

9. **Understandings With Respect to Waivers and Consents.** The Guarantors warrant and agree that each of the waivers and consents set forth herein are made after consultation with legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or

otherwise adversely affect rights which such Guarantors otherwise may have against Moonbeam, Willson or others, or against any collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or law. If any of the waivers or consents herein are determined to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law.

10. **Costs and Expenses.** The Guarantors agree to pay to Willson all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Willson in the enforcement or attempted enforcement of this Guaranty, whether or not an action is filed in connection therewith, and in connection with any waiver or amendment of any term or provision hereof. All advances, charges, costs and expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Willson in exercising any right, privilege, power or remedy conferred by this Guaranty, or in the enforcement or attempted enforcement thereof, shall be subject hereto and shall become a part of the Guaranteed Obligations and shall be paid to Willson by the Guarantor, immediately upon demand, together with interest thereon as provided under the Agreement.

11. **Construction of This Guaranty.** This Guaranty is intended to give rise to absolute and unconditional obligations on the part of the Guarantors; hence, in any construction hereof, this Guaranty shall be construed strictly in favor of Willson in order to accomplish its stated purpose.

12. **Liability.** The liability of the Guarantors hereunder is several and is independent of any other guaranties at any time in effect with respect to all or any part of the Guaranteed Obligations, and the Guarantors' liability hereunder may be enforced regardless of the existence of any such guaranties. Any termination by or release of any Guarantors in whole or in part shall not affect the continuing liability of the Guarantors hereunder, and no notice of any such termination or release shall be required.

13. **Continuing Liability of Guarantors.** In the event that the Agreement shall be terminated as a result of the rejection or disaffirmance thereof by any trustee, receiver or liquidating agency of Moonbeam, or any of its properties in any assignment for the benefit of creditors, or in any bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar proceeding, the Guarantors' obligations hereunder shall continue to the same extent as if such obligation had not been so rejected or disaffirmed. The Guarantors shall and do hereby waive all rights and benefits which might relieve, in whole or in part, the Guarantors from the performance of their duties and obligations hereunder by reason of any such proceeding and the Guarantors agree that they shall be liable for all sums, including all damages imposed, provided for or payable under the terms of the Agreement, irrespective of, and without regard to, any modification, limitation or discharge of the liability of Moonbeam that may result from any such proceedings.

14. **Guarantors' Obligations Unconditional.** The obligations of the Guarantors shall be absolute and unconditional and shall not be subject to any counterclaim, setoff, deduction, or defense based on any claim they may have against Moonbeam.

15. **Subrogation.** The Guarantors agree not to exercise any right which they may acquire by way of subrogation hereunder, by any payment made by them on or with respect to any of the Guaranteed Obligations hereunder or otherwise, until all of the Guaranteed Obligations and all other expenses to be paid shall have been satisfied in full. If any amount shall be paid to Guarantors on account of such subrogation rights at any time when all of the Guaranteed Obligations and all such other expenses shall not have been paid in full, such amount shall be held in trust for the benefit of Willson, and shall forthwith be paid over to Willson to be applied in whole or in part by Willson against the Guaranteed Obligations, whether matured or unmatured, and all such other expenses.

16. **Miscellaneous.**

(a) No amendment of any provision of this Guaranty shall be effective unless it is in writing and signed by the Guarantors and Willson, and no waiver of any provision of this Guaranty, and no consent to any departure by either Guarantor therefrom, shall be effective unless it is in writing and signed by Willson, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No failure on the part of Willson to exercise and no delay in exercising, any right hereunder or under the Agreement shall operate as a waiver, nor shall any single or partial exercise or the exercise of any other right operate as a waiver. The rights and remedies of Willson provided herein and in the Agreement are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

(c) Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) This Guaranty shall: (i) be binding on the Guarantors and their respective heirs, successors or assigns, and (ii) inure, together with all rights and remedies of Willson hereunder, to the benefit of Willson and his successors and assigns. None of the rights or obligations of the Guarantors may be assigned or otherwise be transferred without prior written consent of Willson.

(e) This Guaranty shall be governed by, construed and enforced in accordance with the law of the State of California.

IN WITNESS WHEREOF, the Guarantors have executed this Guaranty as of the date first written above.

"Guarantors"

FRED CONSTANT

An Individual

MARY CONSTANT

An Individual

SECURITY AGREEMENT

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of the ___ day of _____, 1995 ("Agreement"), by and between Moonbeam, Inc., a California corporation ("Debtor") and Gary E. Willson ("Secured Party").

W I T N E S S E T H:

WHEREAS, Debtor is or will be the permittee and operator of a new Station to be licensed to Calistoga, California ("Station");

WHEREAS, Secured Party has agreed to enter an Agreement whereby Secured Party agrees inter alia not to apply for or purchase radio stations located within the 1 Mv contour of Station in exchange for consideration in the amount of \$143,000.

WHEREAS, Secured Party is willing to extend credit to Debtor for the purchase of Station so long as Debtor grants to Secured Party a security interest in Debtor's existing and future equipment, inventory, instruments, contract rights, documents and other assets relating to the operation of Station pursuant to the terms hereof.

WHEREAS, the parties understand and agree that certain of the collateral secured by this Security Agreement and certain of the rights and remedies afforded Secured Party hereunder are subject to the jurisdiction and consent of the Federal Communications Commission ("FCC").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Security Interest

(a) As security for the payment of the Indebtedness and any increases or extensions thereof, together with interest and costs of enforcement of this Agreement, including all reasonable attorneys' fees and disbursements incurred by Secured Party (collectively, the "Liabilities"), Debtor hereby grants to Secured Party a continuing security interest in, and Debtor hereby assigns to Secured Party, the following assets:

(i) All machinery, equipment, furniture, furnishings, fixtures, tools, motors, motor vehicles and other goods, whether now owned or hereafter acquired, relating to the operation of the Station, including, without limitation, amplifiers, transmitters, converters, cables, antennas, radio and television broadcast facilities, connections, towers, studios, decoder boxes, converter boxes, microwave parts, improvements, additions, attachments, replacements and accessories, substitutions thereto and the proceeds thereof (the "Equipment");

(ii) All inventory, merchandise and goods in all of its forms, whether now existing or hereafter acquired, directly relating to the operation of the Station, and the proceeds and products thereof (the "Inventory");

(iii) All general intangibles and, contract rights, and other intangible personal property, whether presently existing or hereafter acquired or arising, relating to the operation of the Station, including, without limitation, rights under all present and future authorizations, permits, licenses, franchises, government authorizations (including Debtor's rights under all present and future authorizations, permits and licenses issued or granted to Debtor for the ownership and operation of the Station, but only to the extent it currently is, or hereafter may become, lawful to grant a security interest in such authorizations, permits and licenses) and all rights incident or appurtenant to such authorizations, permits and licenses, including without limitation, the right to receive all proceeds derived from or in connection the sale, assignment, or transfer of such authorizations, permits and licenses, whether now owned or hereafter acquired by Debtor (the "General Intangibles");

(iv) All of the Debtor's accounts and rights to payment, arising out of the sale or lease of goods or air time or the retention of services by Debtor, now existing or hereinafter acquired, relating to the operation of Station (these "Accounts").

(v) All books, records and other property relating to or referring to any of the foregoing, including, without limitation, all books, records, ledger cards and other property and general intangibles at any time evidencing or relating to the General Intangibles, and the proceeds thereof (the "Instruments"); and

(vi) All insurance policies held by Debtor or naming Debtor as loss payee relating to the operation of the Station, including, without limitation, casualty insurance, property insurance and business interruption insurance, and all such insurance policies entered into after the date hereof, and the proceeds thereof (the "Insurance").

The Equipment, Inventory, General Intangibles, Instruments, Accounts and Insurance are hereinafter collectively referred to as the "Collateral."

(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) This Agreement is in addition to and without limitation of any right of Secured Party under any other security agreement, pledge or leasehold assignment granted by Debtor or any third party to Secured Party.

(d) 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 Agreement, Debtor is, or to the extent of that certain of the Collateral that 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) no financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Agreement.

2. Covenants of Debtor. Debtor hereby covenants that:

(a) Debtor shall 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 shall not encumber, sell, transfer, assign, abandon or otherwise dispose the Collateral except for:

(i) collection, discharge, discount, compromise or expiration of the Instruments or General Intangibles in the ordinary course of business;

(ii) sale or transfer of Inventory, and cancellation of Insurance (subject to Section 2(c) hereof) in the ordinary course of business;

(iii) 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;

(iv) 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;

(v) liens created by this Agreement;

(vi) disposition of items of Equipment no longer useful to Debtor in the ordinary course of business; and

(vii) 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.

(b) Debtor shall have and maintain insurance 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. Secured party shall at all times be named as a loss payee on any property and casualty insurance and be named additional insured on any public liability insurance. Each insurance policy shall provide that upon cancellation of such insurance policy or a material change of the coverage of such insurance policy, the insurer shall furnish to Secured Party notice thereof no later than thirty (30) days after such cancellation or material change, during which 30-day period each insurance policy shall remain in full force and effect. Debtor shall deliver certificates evidencing (and, upon Secured party's request copies of) each policy of insurance with respect to the Collateral to Secured Party. Debtor shall

apply all insurance proceeds to repair and/or replace the Collateral. Otherwise, Secured Party may apply any insurance proceeds received by it to Debtor's Liabilities, whether due or not.

(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 shall at all times keep materially accurate and complete records of the Collateral. If Secured party reasonably deems itself to be insecure, upon reasonable advance notice, Secured Party, or any of its agents shall have the right to call at Debtor's place or places of business during normal business hours and without disrupting Debtor's operations, at intervals to be determined by Secured Party, to inspect, audit, make test verifications and otherwise check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral or to any other transactions between the parties hereto.

(e) Debtor shall from time to time upon reasonable demand furnish to Secured Party such further information and shall execute and deliver to Secured party such financing statements and assignments and other papers and shall do all such acts and things as may be reasonably necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security for the Liabilities, and Debtor hereby authorizes Secured Party to execute and file at any time from time to time one or more financing statements or copies thereof or of this Agreement with respect to the Collateral signed only by Secured Party.

3. Events of Default.

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

(i) Debtor shall fail to pay the Indebtedness as such Indebtedness becomes due, and such failure is not cured within fifteen (15) days after the date on which Secured Party give Debtor written notice of such failure; or

(ii) any representation or warranty made by Debtor in this Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made, or any time thereafter if the same becomes untrue or incorrect in any material respect, and the untrue or incorrect warranty or representation is not cured or remedied by the Debtor within thirty (30) days of: (1) the warranty or representation becoming untrue or incorrect, if known to Debtor, or (2) notice by Secured Party of existence or occurrence of an untrue or incorrect warranty or representation; or

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

(iv) Any default under the terms of the agreement (Noncompete) between Willson and Moonbeam referenced in the second Whereas clause.

(b) Upon the occurrence of an uncured Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in this Agreement, and any other instrument or other evidence of the Liabilities secured hereby, together with the rights and remedies of a secured party under the Uniform Commercial Code of the jurisdictions where the Collateral is located, 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, and for that purpose Secured Party may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom and Debtor shall not resist or interfere with such action. 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 which is reasonably convenient to both parties. Debtor hereby agrees that its address and the place or 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 shall send to Debtor reasonable advance notice of the time and place of any public sale or reasonable advance notice of the time after which 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) business days before the time of the sale or disposition. Subject to prior FCC consent, as may be necessary, Secured Party may at any time in its reasonable discretion transfer any property constituting Collateral into its own name or that of its nominee and receive the income thereon and hold the same as security for the Liabilities. Insofar as Collateral shall consist of Instruments, Insurance, General Intangibles or the like, Secured Party may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon the Collateral as Secured Party may determine whether or not Liabilities or Collateral are then due and for the purpose of realizing Secured Party's rights therein, Secured Party may receive, open and dispose of mail addressed to Debtor, may take possession of Debtor's books and records pertaining to any Collateral, and may endorse notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage of any form of Collateral on behalf of and in the name of Debtor. 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 or interest of Debtor's Liabilities in such order as Secured Party may determine, and Debtor shall remain, liable for any deficiency. Secured Party may exercise its rights with respect to Collateral without resorting to or regard to other collateral or sources of reimbursement for Liability.

(c) Upon the occurrence of an uncured Event of Default, Debtor consents that Secured Party may use whatever means it may reasonably consider necessary or advisable to sell any or all of the Collateral at any time or times after default thereunder, including but not restricted to the giving of an option to purchase any or all of the Collateral to any party and the extending of credit to any purchaser or such Collateral. Secured Party may sell any or all of the Collateral or commit itself to public or private sale without limiting the amount sold to the amount of indebtedness secured thereby, plus costs of collection.

(d) Upon the occurrence of an Event of Default, Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver for the benefit of the creditors of Debtor. In such receivership application, Secured Party shall only need to prove to the court that a Event of Default shall have occurred and be continuing, and Debtor agrees not to object to the appointment of a receiver or otherwise oppose such application. In the event that the court grants the application for receivership, such receiver shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Debtor. Subject to the receipt of prior FCC approvals, the receiver shall have the power to dispose of the Station's FCC licenses, permits and other authorizations (the "FCC Authorizations") and the Collateral in any manner lawful in the jurisdiction in which his or her appointment is confirmed, including the power to conduct a public or private sale of the FCC Authorizations and the Collateral. Secured Party may bid at any such public or private sale.

(e) Upon the occurrence 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 FCC authorizations 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.

4. Collection.

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof, Secured Party shall have the following rights and powers in addition to those specified in Section 3 above:

(a) Secured Party shall have the right to notify the contract obligors obligated on any or all of Debtor's Insurance, Instruments, Insurance or General Intangibles to make payment thereof directly to Secured Party, and Secured Party may take control of all proceeds of any of the Insurance, Instruments, Insurance or General Intangibles. the costs of collection and enforcement, including reasonable attorney's fees and out-of-pocket expenses, shall be borne solely by Debtor, whether the same are incurred by Secured Party or Debtor. Debtor shall not thereafter without Secured Party's written consent extend, compromise, compound or settle any of the Insurance, Instruments or General Intangibles, or release, wholly or partly, any person liable for payment thereof, or allow any credit or discount thereon which is not customarily allowed by Debtor in the ordinary conduct of its business.

(b) 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 all or any of the following powers with respect to all or any of the Collateral, but only after the occurrence of an Event of Default pursuant to Section 3(a):

(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;

(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 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; and

(v) to make any reasonable allowances and other reasonable adjustments with reference thereto.

(c) Upon the occurrence of an Event of Default pursuant to Section 3(a), Debtor shall within thirty (30) days of Secured Party's written request deliver to Secured Party all proceeds of the Collateral and all original evidence of Instruments, Insurance, or General Intangibles, 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 Debtor's agent and attorney-in-fact to make such endorsement on behalf of and in the name of Debtor.

(d) The exercise by Secured Party of or failure to so exercise any authority granted hereinabove shall in no manner affect any liability of Debtor to Secured Party, and provided, further, that Secured Party shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and it shall be without liability for any act or failure to act in connection with the collection of, or the preservation of any rights under any of the Collateral.

5. Waivers.

Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description except as hereinbefore provided. With respect both to Liabilities 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 or adjusting of any 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;

(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.

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. The purchaser, assignee, transferee or pledgee of any evidence of the Liabilities and Secured Party's security interest hereunder shall forthwith become vested with and entitled to exercise all the powers and rights given by this Agreement to Secured Party, as if said purchaser, assignee, transferee or pledgee were originally named as Secured Party herein.

7. Miscellaneous.

(a) No delay or omission by Secured Party in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. 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 California without regard to its principles of conflict of laws. 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 delivered by hand, overnight delivery service, or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to Debtor: Mary Constant
Moonbeam, Inc.
2121 Diamond Mountain Road
Calistoga, 94515

With a Copy To: Lee W. Shubert, Esq.
(which shall not Haley Bader & Potts
constitute notice) 4350 North Fairfax Drive
Suite 900
Arlington, VA 22203-1633

If to Secured Party: Gary E. Willson
2 Corte Del Bayo
Larkspur, CA 94939

With a Copy To: A. Wray Fitch III, Esq.
Gammon & Grange, P.C.
8280 Greensboro Drive
Seventh Floor
McLean, VA 22102-3807

All such notices and communications shall when hand delivered be effective when received and when sent by registered or certified mail, be effective three (3) business days after being deposited in the mails addressed as aforesaid and when sent via overnight delivery service be effective two (2) business days after delivery with the overnight service.

(d) No material dispute, right of setoff, counterclaim, or defense exists with respect to all or any part of the Collateral.

(e) This Agreement constitutes the legal, valid, and binding obligation of the Debtor, enforceable against the Debtor and the Collateral in accordance with its provisions (subject to limitations as to enforceability which might result from bankruptcy, reorganization, arrangement, insolvency, or other similar laws affecting creditors' rights generally);

(f) The Debtor has complied, and throughout the term of this Agreement will continue to comply, with the terms and provisions of the Agreement, and has not caused and will not cause the occurrence of any breach or default on its part which would materially impair the value of the Collateral;

(g) All information furnished by the Debtor to the Secured Party concerning the Collateral and the proceeds thereof, and the Debtor's financial condition, is and will be complete, accurate, and correct in all material respects at the time the same is furnished. The Debtor shall immediately notify the Secured party in writing of any material adverse change in the Debtor's financial condition, and any material change adversely affecting the value of the Collateral; and

(h) Debtor shall file all required governmental reports, schedules, and other documentation on a timely basis.

(i) Upon the occurrence of an uncured Event of Default, Debtor agrees to pay reasonable costs and expenses (including reasonable attorney fees) incurred by Secured Party in connection with the enforcement by Secured Party of its rights hereunder.

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 Authorizations, 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 an other applicable governmental authority. Notwithstanding anything to the contrary contained herein, Secured Party shall not take any action pursuant hereto that would constitute or result in any assignment of the FCC Authorizations 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).

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

MOONBEAM, INC.

Attest: _____

By _____

GARY E. WILLSON

By _____