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In re Applications of ) MM DOCKET NO. 92-6  
 )  
 NORMANDY BROADCASTING CORP. ) BRH-910129UR  
 )  
 For Renewal of License of )  
 Station WCQL(FM), Glens )  
 Falls, New York )  
 )  
 LAWRENCE N. BRANDT ) BPH-910430MB  
 )  
 )  
 For Construction Permit for )  
 New FM Station, 95.9 MHz, )  
 Glens Falls, New York )  
 )

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TO: The Commission

SUPPLEMENT TO JOINT REQUEST FOR APPROVAL OF AGREEMENT

Normandy Broadcasting Corporation ("Normandy") and Lawrence E. Brandt ("Brandt") (jointly, "Petitioners"), hereby submit this Supplement to their Joint Request for Approval of Agreement ("Joint Request") filed with the Commission on January 30, 1998. In support of their Supplement, the Petitioners show and state as follows:

1. As part of the Settlement Agreement submitted with the Joint Request, the parties agreed that the \$137,500 due Brandt at Closing was to be placed in escrow to be disbursed at Closing. The party upon which Normandy was relying for funds, Entertronics, Inc. ("Entertronics"), has been unable to raise that sum in cash for immediate deposit into escrow. Accordingly, the parties hereto have agreed to reduce the amount to be immediately paid into escrow to \$30,000. See "Amendment to Settlement Agreement" attached in Attachment A. The remainder of the amount owed at Closing has been

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reduced to a Promissory Note, payable at Closing. See Promissory Note, Attached in Attachment B. The assets of Entertronics' radio station WCKM-FM, Lake George, New York, will secure the debtor's payment of the Promissory Note, as set forth in the Security Agreement attached in Attachment C.

2. The public interest benefits which flow from the settlement of the WCQL renewal proceeding, not the least of which is the end of the administrative quagmire which has consumed so much of the Commission's time and resources, is not effected by the revisions to the Petitioner's agreements which are outlined in the Attachments hereto. Each of these revisions effects the wholly private interests of the parties and the manner in which the funds consideration promised to Brandt will be paid. In fact, these details are normally not even the concern of the Commission.

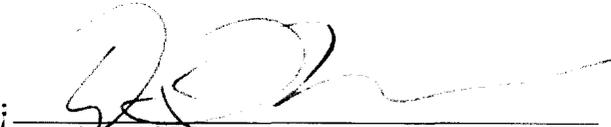
3. In fact, there is only one aspect of the revised agreements which concern the Commission at all. Because all of Brandt's funds are not in escrow, there is an increased risk that Entertronics will not perform under the agreements. Unfortunately, for Brandt, Closing cannot be scheduled until after the Commission issues its decision(s) with respect to the Joint Request and the renewal of WCQL, and the assignment applications from Normandy to Entertronics. Even though Brandt will have some time between the scheduled Closing and the time when the Commission's decisions become a final order, there is a real possibility that the Commission will issue its decision in two parts--i.e., provide for the dismissal of Brandt's application and the approval of the Joint

Request in one decision, and the grant of the assignment applications in another. There is, therefore, a palpable risk that the FCC's decision with respect to the dismissal of Brandt's application will be final before the Closing of the transaction, which is contingent on the grant of the already filed assignment applications. In fairness to Brandt, and to protect its hard-fought litigation rights in the frequency, the parties request that the Commission's decision with respect to the Joint Request and the assignment applications be issued in one decision. In addition, the parties hereto also request that the Commission protect Brandt's hearing rights by making its decision concerning the termination of Brandt's hearing rights effective on the date the parties inform the Commission that the Closing of the assignments of WWSC(AM) and WCQL(FM) are consummated. The FCC's action in this regard will add materially to Brandt's security and assist the parties to consummate the agreement if closed. The FCC's action would aide all parties to the agreements, and the FCC has made similar concessions to other dismissing renewal applicants who were giving up their hearing rights as part of a settlement of a contested application proceeding. See, e.g., RKO General, Inc. (WRKO), 65 RR2d 837, 838, n.5(1988). Other instances in which the Commission delayed the effectiveness of an order dismissing a renewal applicant as party to protect the dismissing applicants. Banks Broadcasting Co., Inc., 60 RR2d 1450, 1451(1986); RKO General, Inc. (WHBO), 65 RR2d 207 (1988).

**WHEREFORE**, the premises considered, it is respectfully requested that: the instant Petition be granted; the Settlement Agreement submitted herewith, as amended, be approved; the application for a construction permit submitted by Brandt be dismissed with prejudice; the application for the renewal of the WYLR license be granted; and, the applications to assign the Stations from Normandy to Entertronics be expeditiously granted. Furthermore the parties jointly request that any decision made concerning these matters expressly delay the effective date of the Commission's decision until after the Commission is informed that the parties have consummated their agreement.

Respectfully submitted,

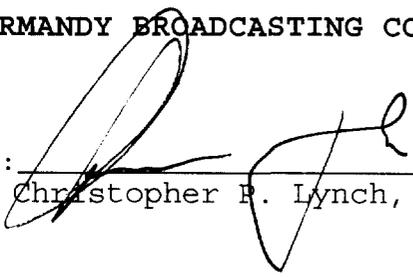
**LAWRENCE N. BRANDT**

By: 

David Tillotson  
His Attorney

David Tillotson, Attorney  
4606 Charleston Terrace, N.W.  
Washington, D.C. 20007-1911  
(202) 625-6241

**NORMANDY BROADCASTING CORP.**

By: 

Christopher R. Lynch, President

**SUPPLEMENT TO JOINT REQUEST**

**ATTACHMENT A**

**AMENDMENT TO SETTLEMENT AGREEMENT**

**AMENDMENT TO SETTLEMENT AGREEMENT**

**THIS AMENDMENT TO SETTLEMENT AGREEMENT** is made this 26<sup>th</sup>

day of February, 1998, by and between Normandy Broadcasting Corporation ("Normandy"), Lawrence N. Brandt ("Brandt"), and Entertronics, Inc. ("Entertronics");

**WHEREAS**, the parties hereto entered into an Settlement Agreement dated January 30, 1998 (hereinafter referred to as "Settlement Agreement"), which is now on file with the Federal Communications Commission (the "FCC" or the "Commission") and which is contingent on Commission approval, whereby Brandt has agreed to dismiss his mutually exclusive application for 95.9 MHz, Glens Falls, New York (BPH-910430MB), with prejudice, contingent on Normandy's promise to pay Brandt a specified amount; and,

**WHEREAS**, the parties have determined that an amendment to the Settlement Agreement will permit the parties to more easily and quickly consummate the proposed settlement, thereby serving the public interest;

**THEREFORE**, it is mutually agreed, and the parties intend to be legally bound, as follows.

1. **All Terms and Conditions the Same**. All terms and conditions of the Settlement Agreement not specifically revised by this Amendment to Settlement Agreement remain in full force and effect. All terms used in the Settlement Agreement shall have the same meaning herein.

2. Payment Procedures. The sum owed Brandt shall

be payable to Brandt as follows:

a. Escrow Deposit. Normandy shall deposit with the Escrow Agent THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00) ("Escrowed Funds") within five business days of the date the Amendment to the Settlement Agreement is signed, in accordance with the Escrow Agreement and Amendment to Escrow Agreement attached hereto as Attachment B.

b. Promissory Note. Within five business days of the date the Amendment to the Settlement Agreement is signed Entertronics shall execute the Promissory Note, in the principal amount of \$107,500.00, in the form attached as Attachment C. The Promissory Note shall be secured by the assets of radio station WCKM(FM), Lake George, New York, as shown in the Security Agreement attached in Attachment D. The Promissory Note, Security Agreement, and a UCC-1 shall be delivered to David Tillotson, Esq. within five days of the date they are executed.

b.Closing. Closing shall occur within ten (10) business days after the effective date of an action or actions by the Federal Communications Commission ("FCC" or "Commission") or its staff acting pursuant to delegated authority which:

(1) Grants the Joint Request for Approval of Agreement between Normandy and Brandt providing for the dismissal of Brandt's application for a new FM station on 95.9 MHz in Glens Falls, New York, and the grant of Normandy's renewal application for Station WCQL, Glens Falls, New York, and

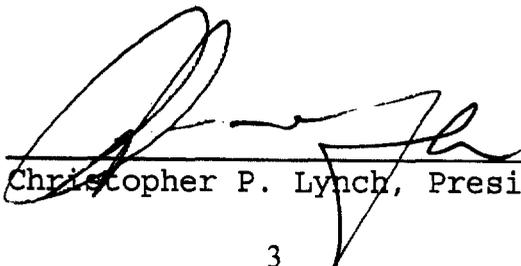
(2) Grants the applications of Normandy and Entertronics to assign Normandy's licenses for Station WCQL(FM) and WWSC(AM), Glens Falls, New York.

In the event the actions referred to above are not taken simultaneously, payment of the Promissory Note shall be due ten (10) business days after the effective date of the two actions. For the purposes of this Amendment, the "effective date" of the FCC actions referred to herein is the date on which the FCC takes such actions whether acting *en banc* or by staff action, not the date on which the action becomes final.

c. Voidable Action. The parties hereto shall urge the Commission that the termination of Brandt's rights to a hearing in connection with its application for 95.9 MHz, Glens Falls, shall not be effective until the parties have closed the transaction contemplated by this Settlement Agreement. See RKO General, Inc., 60 RR2d 837, 838, n.5.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date written above.

**NORMANDY BROADCASTING CORPORATION**

By:   
Christopher P. Lynch, President

LAWRENCE N. BRANDT

By: Lawrence N. Brandt  
Lawrence N. Brandt, individually

ENTERTRONICS, INC.

By: David Covey  
David Covey, President

**SUPPLEMENT TO JOINT REQUEST**

**ATTACHMENT B**

**PROMISSORY NOTE**

PROMISSORY NOTE

\$ 107,500.00

February 24, 1998

FOR VALUE RECEIVED, ENTERTRONICS, INC., a New York corporation ("Maker"), promises to pay LAWRENCE N. BRANDT ("Brandt") the principal sum of ONE HUNDRED SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$107,500.00) in lawful money of the United States (the "Principal Sum") ten (10) business days after the effective date of an action or actions by the Federal Communications Commission ("FCC") or its staff acting pursuant to delegated authority which:

(1) Grants the Joint Request for Approval of Agreement between Normandy Broadcasting Corp. ("Normandy") and Brandt providing for the dismissal of Brandt's application for a new FM station on 95.9 MHz in Glens Falls, New York, and grant of Normandy's application for renewal of its license for Station WCQL(FM), Glens Falls, New York, and

(2) Grants the application of Normandy and Maker for consent for Normandy to assign its licenses for Station WCQL and for Station WWSC(AM), Glens Falls, New York, to Maker without any conditions materially adverse to Maker.

In the event the two actions referred to above are not taken simultaneously, payment of this Note will be due ten (10) business days after the effective date of the two actions. For the purpose of this Note, the "effective date" of the FCC actions referred to herein is the date on which the FCC takes such actions whether acting on banc or by staff action, not the date on which the actions become final.

Payment of the Principal Sum shall be delivered to Brandt on the due date, by certified or cashier's check, c/o David Tillotson, Escrow Agent, 4606 Charleston Terrace, N.W., Washington, DC 20007.

Payment of this Note is secured by a perfected security interest in the assets of Station WCKM(FM), Lake George, New York pursuant to a Security Agreement of even date herewith.

Maker hereby waives demand, presentment for payment, notice of dishonor, protest and notice of protest and hereby agrees to all extensions and renewals of this Note, without notice.

This Note shall be deemed to have been made in and shall be governed by the laws of the District of Columbia except for the conflict of law rules utilized in that jurisdiction.

In the event that the Principal Sum is not paid in full when due, an unpaid portion of the Principal Sum shall bear interest at the rate of twelve percent (12%) per annum from the date the

Principal Sum was to be paid to Brandt until full the date on which full payment is made.

In the event of default and the placing of this Note in the hands of an attorney for collection, Maker agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred by Brandt to collect this Note.

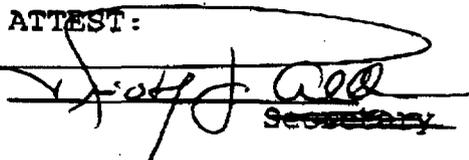
Maker hereby agrees to the exclusive jurisdiction of the Superior Court of the District of Columbia, or the Federal District Court for the District of Columbia, if such court has jurisdiction over any action to enforce this Note, and Maker waives objection to venue in any such court based *forum non conveniens*.

Each right, power and remedy of Brandt under this Note or under applicable laws shall be cumulative and concurrent, and the exercise of any one or more of them shall not preclude the simultaneous or later exercise by Brandt of any or all such other rights, powers or remedies. No failure or delay by Brandt to insist upon the strict performance of any one or more provisions of this Note or to exercise any right, power or remedy consequent upon a breach thereof or default hereunder shall constitute a waiver thereof, or preclude Brandt from exercising any such right, power or remedy. No modification, change, waiver or amendment of this Note shall be deemed to be made unless in writing signed by Brandt

This Note shall inure to the benefit of Brandt and his successors and assigns and shall be binding upon the Maker and its successors and assigns

IN WITNESS WHEREOF, Entertronics, Inc. has caused this Promissory Note to be executed by its duly authorized corporate officers this 9<sup>th</sup> day of ~~February~~ <sup>March</sup>, 1998.

ATTEST:

  
Secretary

[Corporate Seal]

TIMOTHY J. ALDEN

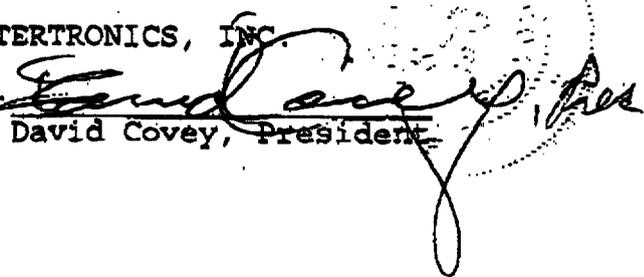
Notary Public, State of New York

County of Saratoga No. 4725153

My Commission Expires ~~Mar 30, 1999~~

10/31/99

ENTERTRONICS, INC.

By:   
David Covey, President

## SECURITY AGREEMENT

This **SECURITY AGREEMENT**, made as of the 26<sup>th</sup> th day of February, 1998, by and between LAWRENCE N. BRANDT ("Secured Party") and ENTERTRONICS, INC. ("Debtor").

### WITNESSETH:

**WHEREAS**, Debtor has delivered to Secured Party Debtor's Promissory Note (the "Note") of even date herewith for the principal sum of One Hundred Seven Thousand Five Hundred Dollars (\$107,500.00) to guaranty payment of a portion of the consideration that Secured Party is to receive for dismissing his application for a new FM Station in Glens Falls, New York, pursuant to a Settlement Agreement ("Settlement Agreement") between Secured Party and Normandy Broadcasting Company ("Normandy");

**WHEREAS**, Debtor will benefit directly from the dismissal of Brandt's application pursuant to the Settlement Agreement as such dismissal will enable Debtor to acquire Radio Stations WCQL and WWSC from Normandy;

**WHEREAS**, Debtor has agreed to execute and deliver this instrument to Secured Party as security for the faithful and timely performance of Debtor's obligations under the Note;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. **Grant of Security Interest.** Debtor hereby grants to Secured Party an interest in all the tangible and intangible personal property of Debtor used or held for use in the operation of Station WCKM(FM), Lake George, New York (the "Station"), whether now owned or hereafter acquired, including, without limitation, Debtor's right to receive the proceeds from any sale, transfer, assignment or other disposition of any and all authorizations issued to Debtor by the FCC for the operation of the Station ("FCC Licenses"); all transmission and studio equipment, fixtures, physical assets and other equipment acquired by Debtor for use at the Station; all contracts, agreements, rights, privileges, non governmental licenses, permits and leases entered into by, or granted to, Debtor in connection with Debtor's ownership or operation of the Station; all slogans, jingles, trademarks, trade names, service marks, logos, copyrights, and similar materials relating to the Station; and

the goodwill and other intangible assets owned by Debtor, or hereafter created or acquired by Debtor, used in the operation of the Station (all of the foregoing hereinafter referred to as the "Collateral").

2. **Purpose of Secured Interest.** The security interest granted hereby is to secure the timely performance by Debtor and its successors and assigns of all obligations of Debtor to Secured Party under the Note, however created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due.

3. **Possession and Use.** Until Default (as hereinafter defined), Debtor may have possession of the Collateral and use same in any lawful manner not inconsistent with this Security Agreement or with any policy of insurance on any of the Collateral.

4. **Representations and Warranties.** Debtor hereby represents, warrants and covenants that:

(a) The Collateral will not be misused or abused, wasted, or allowed to deteriorate except for ordinary wear and tear occasioned by its intended primary use.

(b) The Collateral will be used by Debtor only for the purpose of conducting the operations of the Station.

(c) The Collateral will be insured until this Security Agreement is terminated against all standard risks to which it is exposed in such amounts (which need not exceed the outstanding balance on the Loan from time to time), with such companies, under such policies, and in such form, all as shall be reasonably satisfactory to Secured Party, with benefits payable to Secured Party as its interests may appear. Duplicate policies or certificates thereof shall be deposited with Secured Party at Secured Party's request.

(d) Debtor will pay or cause to be paid when due all rents, royalties, or other amounts payable, and perform or cause to be performed each of its obligations when performable, under all agreements and other instruments affecting the Collateral or any part thereof, and will do all things necessary to keep unimpaired Debtor's rights thereunder.

(e) The Collateral may be inspected by Secured Party at any reasonable time during regular business hours upon three days advance notice to Debtor.

(f) Debtor will join Secured Party in executing and, filing and re-filing under the Uniform Commercial Code such financing statements, continuation statements, and other documents in such offices as Secured Party may reasonably deem necessary or appropriate and wherever required or permitted by law to perfect and preserve Secured Party's security interest in the Collateral. Debtor hereby authorizes Secured Party to file financing statements and amendments thereto relative to all or any part of the Collateral without the signature of Debtor where permitted by law, and agrees to do such further acts and things and to execute and deliver to Secured Party such additional conveyances, assignments, agreements and instruments as Secured Party may reasonably require or deem advisable to effectuate this Security Agreement.

(g) The Collateral will be used in the business of the Station and will remain in Debtor's possession or control at all times, provided that Debtor may sell, lease, transfer or otherwise dispose of portions of the Collateral in the ordinary course of business, provided, however, that if such Collateral is replaced, it will be replaced by assets of comparable value, which replacements shall be subject to this Security Agreement.

(h) Except as may be contested by Debtor in good faith, Debtor will pay all taxes on the Collateral promptly and when due, and should Debtor fail to do so and a tax lien attaches, Secured Party may pay such taxes and such monies so expended will bear simple interest at the rate of ten percent (10%) per annum until repaid.

(i) Debtor will operate the Station in material compliance with the rules and regulations of the FCC and all federal, state and local laws applicable to the ownership and use of the Collateral and the operation of the business of the Station, including health, zoning and police regulations.

(j) The Collateral is not currently subject to any liens or encumbrances other than the liens securing Debtor's obligations to: William H. Walker III; Suzanne Nolan; Keybank; Keylease; KeyCorp; Smith Barney Visa; and David L. Covey (the "Senior Lenders"), the current principal balance of which obligations do not exceed \$225,000.

**5. Events of Default.** Any one or more of the following shall constitute a Default hereunder:

(a) If a Default shall occur under the Note;

(b) If Debtor fails to perform any material covenant, condition or provision of this Security Agreement;

(c) If Debtor shall fail to comply with a Final Order or Decree, no longer subject to administrative or judicial review, of any federal, state, municipal, or other governmental authority relating to the Collateral requiring compliance with any applicable statute, requirement, rule or regulation;

(d) If the Collateral is levied upon by virtue of an execution issued upon any judgment or any other legal process, and Debtor is not in good faith diligently defending in proper proceedings against any such judgment, writ, or other proceeding seeking to seize the Collateral; or if Debtor becomes insolvent, if a petition or arrangement in bankruptcy is filed by or against Debtor, provided that it shall not be an event of default in the case of a petition filed against Debtor unless such petition is not dismissed within sixty (60) days of filing, or if a general assignment for the benefit of creditors be made by Debtor;

(f) If Debtor suspends or terminates the operation of the Station for a period of thirty (30) or more consecutive days;

(g) If Debtor sells all or substantially all of the assets used or useful in the operation of the Station or if there is a sale, transfer, or other conveyance of a controlling interest in the Debtor's stock, provide that a sale of the Station's assets or a transfer of control of the Station pursuant to a transaction for which the consent of the FCC may properly be requested and obtained on a "short form" (FCC Form 316) application shall not be an Event of Default;

(i) If Debtor permits the Collateral to be subjected to any mortgage, lien, encumbrance or pledge other than the lien securing Debtor's obligations to the Senior Lenders;

(j) If any statement, representation or warranty of Debtor herein or in any other writing at any time furnished by Debtor to Secured Party pursuant to or in connection with the Note or this Security Agreement is untrue in any material respect as of the date made.

**6. Remedies on Default.** Upon the occurrence of a Default, Secured Party shall give Debtor notice of such Default. If such Default has not been cured, in the case of a monetary default, within five (5) business days after Debtor's receipt of such notice, or, in the case of a non monetary default, within

ten (10) business days after Debtor's receipt of such notice, then Secured Party may exercise its rights of enforcement under the Uniform Commercial Code in force in District of Columbia. In conjunction with, addition to, or substitution for those rights, at Secured Party's discretion, it may:

(a) Require Debtor to assemble the Collateral and to make it available to Secured Party, to allow Secured Party to take possession or dispose of the Collateral; or

(b) Waive any Default or remedy without waiving any other prior or subsequent Default or any other prior or subsequent exercise of such remedy.

Notwithstanding the foregoing, if a Default results from a default by Debtor under the Note which has not been cured within the cure period specified in the Note, the cure period provided for in this Section shall not be applicable and Secured Party may exercise its rights hereunder immediately upon the occurrence of such Default.

#### **7. Sale of Collateral.**

(a) Secured Party shall give the Debtor reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice of the sale or other intended disposition is mailed, as provided in Paragraph 12, at least ten (10) days prior to the time of such sale or other intended disposition. Upon any sale of Collateral by the Secured Party hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process, or otherwise), the receipt of the Secured Party or the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Secured Party or such officer, or be answerable in any way for the misapplication or nonapplication thereof.

(b) All notices of public or private sale shall specify that the assignment of the broadcast authorizations for the Station is subject to the prior approval of the FCC, and such notice shall be given to all persons attending a public sale. Debtor agrees that it will join and cooperate fully with Secured Party and with the successful bidder or bidders at any public or private sale in the filing of an application or applications with the FCC

requesting the FCC's consent to the assignment of the FCC authorizations for the Station to Secured Party or the successful bidder or bidders, and Debtor will furnish any additional information that may be required in connection with such application(s). Debtor will diligently and in good faith take any further actions, or cause any further actions to be taken, that may be necessary or desirable to obtain such FCC consent, and will execute and deliver, or will cause the execution and delivery of, all applications, certificates, instruments and other documents that may be necessary or desirable in connection therewith. The parties agree that the Collateral and FCC authorizations shall not be sold and assigned to separate parties.

**8. FCC Consent to the Exercise of Certain Remedies.** FCC Application. Notwithstanding any provision herein to the contrary, Secured Party may not, in the event of a default or otherwise, exercise any control over the operation of the Station or take possession of or exercise any rights with respect to the Station's FCC licenses or other authorizations without first obtaining the prior written consent of the FCC as required by Section 310 of the Communications Act and the rules and regulations of the FCC.

**9. Agreement Remains in Effect.** The parties agree to each of the following:

(a) This Security Agreement shall remain in effect, without waiver or surrender of any of the parties' rights hereunder, notwithstanding any one or more of the following:

(i) Extension of time of payment of the whole or any part of the Note;

(ii) Any change in the terms and conditions of the Note;

(iii) Substitution or assignment of the Note in whole or in part;

(iv) Surrender, release, exchange or alteration of any Collateral or other security given, either in whole or in part;

(v) The release, settlement, discharge, compromise, change or amendment, in whole or in part, of any claim of Secured Party against Debtor.

(b) Secured Party shall be under no duty to select any of the Collateral over any other property securing payment of the Note, but may select, sell and/or foreclose against such property as Secured Party in its sole discretion may determine; provided, however, that the Secured Party may not attempt to foreclose against the FCC licenses or other authorizations for the Station, except in connection with a foreclosure on substantially all of the tangible assets used in the operation of the Station conducted in compliance with the requirements of the Communications Act and the rules and regulations of the FCC.

(c) No delay or failure of Secured Party in the exercise of any power or right shall operate as a waiver or an acquiescence, nor shall any single or partial exercise of any power or right preclude any other future exercise of such power or right, and any rights and remedies of the Secured Party are cumulative.

10. **Costs.** In the event of a Default by Debtor hereunder, Debtor shall pay all reasonable costs, fees and expenses actually incurred by Secured Party for the enforcement of Secured Party's rights hereunder, including reasonable attorneys' fees and legal expenses, and expenses of any reasonable repairs to any realty or other property to which any of the Collateral may be affixed or be a part.

11. **Application of Proceeds of Sale.** All proceeds of any sale of Collateral hereunder shall be applied as follows:

FIRST: To the payment of all expenses reasonably incurred by Secured Party in connection with such sale, including, but not limited to, the expenses of taking, advertising, processing, preparing and storing the Collateral to be sold, and all court costs and reasonable fees of counsel to Secured Party in connection with the exercise of any right or remedy hereunder, to the extent that such costs and expenses shall not theretofore have been reimbursed to Secured Party;

SECOND: then, to the payment of the obligations owed the Senior Lenders;

THIRD: Then, to the payment accrued interest under the Note;

FOURTH: Then, to the payment of the then outstanding principal balances of the Note;

FIFTH: In the case of any surplus remaining after the application of the proceeds of the sale of Collateral as aforesaid, to Debtor, its successors or assigns, or as a court of competent jurisdiction may direct.

12. **Notices.** Any notice, demand, or request required or permitted to be given under the provisions of the Agreement shall be deemed effective if made in writing and delivered to recipient's address or set forth under its name below by any of the following means: (a) hand delivery, (b) registered or certified mail, postage pre-paid, or (c) Federal Express, express mail or like courier service. Notice made in accordance with this section shall be deemed delivered upon receipt.

To Secured Party : Lawrence N. Brandt  
c/o David Tillotson, Esquire  
4606 Charleston Terrace, N.W.  
Washington, D.C. 20007

To Debtor: Entertronics, Inc.  
128 Glenn Street  
Glens Falls, NY 12801  
Attn: David Covey

with copies that shall not constitute notice to:

Joseph E. Dunne, III, Esq.  
Attorney at Law  
Suite 300  
150 E. Ninth Street  
Durango, CO 81301

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as set forth in this Section shall be deemed ineffective.

13. **Termination.** This Security Agreement (including, without limitation, all remedies provided hereunder) shall terminate at the date on which the Note, including all interest and charges due thereunder and/or under this Security Agreement, has been fully paid. At the time this Security Agreement has been terminated, Secured Party shall re-assign and deliver to Debtor or such person as Debtor shall designate in writing all Collateral in which Secured Party shall have any interest hereunder or which shall then be held by Secured Party or in its possession and, if requested by Debtor, Secured Party shall execute and deliver to Debtor for filing in each office in which

any financing statement relative to the Collateral or any part thereof, shall have been filed, a termination statement under the Uniform Commercial Code releasing Secured Parties' interest therein and/or an assignment statement under the Uniform Commercial Code assigning Secured Parties' interest therein to any person designated by Debtor.

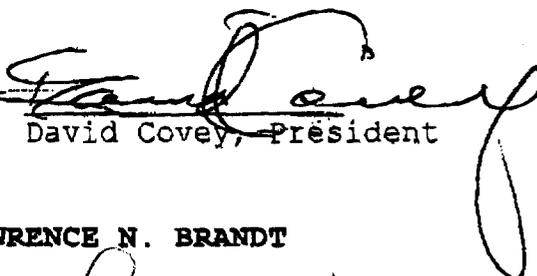
14. **Binding Agreement; Assignment.** This Security Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of Debtor, Secured Party and the holders from time to time of the indebtedness secured hereby and their respective successors and assigns. This Security Agreement may not be assigned by Debtor without the written consent of the Secured Party.

15. **Governing Law.** This Security Agreement shall be governed, construed and enforced in accordance with the laws of the District of Columbia without reference to that jurisdiction's conflict of law principles.

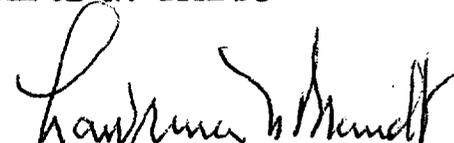
16. **Venue.** Debtor agrees to the exclusive jurisdiction of the Superior Court of the District of Columbia, or the Federal District Court for the District of Columbia, if such court has jurisdiction, in any legal action brought by either party in connection with the interpretation or enforcement of this Agreement and Debtor waives objection to venue in any such court based forum non conveniens.

**IN WITNESS WHEREOF,** the parties hereto have executed this Security Agreement, or caused it to be executed on the day and year first above written.

**ENTERTRONICS, INC.**

By:   
David Covey, President

**LAWRENCE N. BRANDT**

By:   
Lawrence N. Brandt

any financing statement relative to the Collateral or any part thereof, shall have been filed, a termination statement under the Uniform Commercial Code releasing Secured Parties' interest therein and/or an assignment statement under the Uniform Commercial Code assigning Secured Parties' interest therein to any person designated by Debtor.

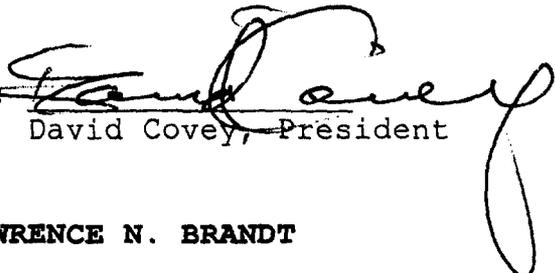
14. **Binding Agreement; Assignment.** This Security Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of Debtor, Secured Party and the holders from time to time of the indebtedness secured hereby and their respective successors and assigns. This Security Agreement may not be assigned by Debtor without the written consent of the Secured Party.

15. **Governing Law.** This Security Agreement shall be governed, construed and enforced in accordance with the laws of the District of Columbia without reference to that jurisdiction's conflict of law principles.

16. **Venue.** Debtor agrees to the exclusive jurisdiction of the Superior Court of the District of Columbia, or the Federal District Court for the District of Columbia, if such court has jurisdiction, in any legal action brought by either party in connection with the interpretation or enforcement of this Agreement and Debtor waives objection to venue in any such court based forum non conveniens.

**IN WITNESS WHEREOF**, the parties hereto have executed this Security Agreement, or caused it to be executed on the day and year first above written.

**ENTERTRONICS, INC.**

By:   
David Covey, President

**LAWRENCE N. BRANDT**

By: \_\_\_\_\_  
Lawrence N. Brandt

**SUPPLEMENT TO JOINT REQUEST**

**ATTACHMENT D**

**AMENDMENT TO ESCROW AGREEMENT**

**AMENDMENT TO ESCROW AGREEMENT**

**THIS AMENDMENT TO ESCROW AGREEMENT** is made this 26<sup>th</sup> day of February, 1998, by and between Normandy Broadcasting Corporation ("Normandy"), Lawrence N. Brandt ("Brandt"), and Joseph E. Dunne III ("Escrow Agent");

**WHEREAS**, the parties hereto entered into an Escrow Agreement dated January 30, 1998 (hereinafter referred to as the "Escrow Agreement"), wherein Brandt promised to dismiss his application for 95.9 MHz, Glens Falls, New York (BPH-910430MB), with prejudice, contingent on Normandy's promise to pay Brandt a certain amount, all of which was to be placed in escrow with the Escrow Agent; and,

**WHEREAS**, the parties have determined that it is impossible for Normandy to deposit that amount in escrow; and,

**WHEREAS**, the parties have decided to amend their Escrow Agreement;

**NOW THEREFORE**, it is mutually agreed, and the parties intend to be legally bound, as follows.

**FIRST.** All terms and conditions of the Escrow Agreement not specifically revised by this Amendment to Escrow Agreement remain in full force and effect. All terms used in the Escrow Agreement shall have the same meaning herein.

**SECOND.** Normandy shall deposit with the Escrow Agent THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00) ("Escrowed Funds")

within five business days of the date the Amendment to the Settlement Agreement is signed. The Escrow Agent shall hold the escrowed funds in an interest-bearing account at the First National Bank, Durango, Colorado, and disburse the funds in accordance with the terms and conditions specified in Paragraph 3 below. The Escrow Agent shall promptly inform all parties of the deposit of the Escrowed Funds.

**THIRD.** The Escrow Agent shall hold and disburse the funds as follows:

(1) The Escrow Agent shall deliver \$30,000.00 of the Escrowed Funds, as approved by the FCC, to Brandt, and/or in accordance with Brandt's written instructions, on the Closing Date as specified in the Amendment to Settlement Agreement.

(2) The Escrow Agent shall deliver any funds remaining following the payment made in 3.1 above, including any accrued interest on the Escrowed Funds, to Normandy and/or in accordance with its written instructions on the Closing Date.

**FOURTH.** If this transaction does not close within 15 days after the date specified for Closing in the Amendment to Settlement Agreement, then Brandt, in that event, shall have an additional ten days to inform the Escrow Agent in writing of its claim to the escrowed funds. If Normandy does not inform the Escrow Agent of a dispute over the funds within 15 days after the Escrow Agent receives Brandt's notice then, in that event, the Escrow Agent shall pay Brandt \$30,000.00 from the escrowed funds.