

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Security Agreement") is entered into effective as of July 29, 2011, by and between **GEORGE HAWES** (together with his heirs and/or assigns, the "Lender"), whose address is 49 Central Drive, Plandome, NY 11030 and **MADISON AVE. MEDIA, INC.**, a Delaware corporation, whose address is 1515 South Federal Highway, Suite 100, Boca Raton, Florida 33432 (the "Borrower").

### RECITALS:

A. In addition to amounts represented by the Convertible Promissory Note dated February 11, 2011 by Borrower in favor of Lender (the "Existing Note"), which is secured by the Security Agreement (Chattel Mortgage) dated February 18, 2011 between Borrower and Lender (the "Existing Security Agreement") Lender has loaned to Borrower an additional \$500,000 as of the date hereof, and may loan additional amounts in the future (the "Loan"), which Loan is evidenced by that certain Convertible Promissory Note, from Borrower to Lender dated July 29, 2011 (as the same may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time, the "Note" together with this Security Agreement, the "Loan Documents");

B. In order to secure the Loan, Borrower desires to grant to Lender a security interest in all of Borrower's assets, on the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Lender and Borrower hereby agree as follows:

1. **Recitals and Definitions.** The recitals are incorporated herein by reference. The definitions set forth on Exhibit A are incorporated herein by this reference.

2. **Security Interest.**

(a) To secure the Obligations (defined below), Borrower hereby pledges, assigns, hypothecates, sets over and conveys to the Lender a security interest in and to, all of its rights in and to all Collateral (as defined below) now or hereafter owned or acquired by such Borrower or in which such Borrower now has or hereafter has or acquires any rights, and wherever located. The Security Interest shall be a first priority security interest, except with respect to interests granted under the Existing Security Agreement.

(b) "Collateral" shall mean, collectively, all of the following:

- i. all Accounts;
- ii. all Chattel Paper;
- iii. all Deposit Accounts;
- iv. all Documents;

- v. all Equipment;
- vi. all Fixtures;
- vii. all General Intangibles;
- viii. all Instruments;
- ix. all Inventory;
- x. all Investment Property;
- xi. all Software;
- xii. all money, cash or cash equivalents;
- xiii. all other goods and personal property, whether tangible or intangible;
- xiv. all Supporting Obligations and Letter-of-Credit Rights of any Grantor;
- xv. all books and records pertaining to any of the Collateral (including, without limitation, credit files, Software, computer programs, printouts and other computer materials and records but excluding customer lists); and
- xvi. all products and Proceeds of all or any of the Collateral described in clauses (i) through (xv) hereof.

3. **Obligations.** The Security Interest granted by this Security Agreement is given as security for all indebtedness and obligations owed by Borrower to Lender, including, without limitation, the following (collectively, the "Obligations"):

- i. payment of the Loan, with interest thereon, evidenced by the Note;
- ii. payment of all sums advanced by Lender to protect the Collateral
- iii. payment of all other sums, with interest thereon, that may hereafter be loaned to Borrower, or its successors or assigns, by Lender, or its successors or assigns when evidenced by a promissory note or notes reciting that they are secured by this Security Agreement;
- iv. performance of every obligation of Borrower contained in this Security Agreement or the other Loan Documents;
- v. performance of every obligation of Borrower contained in any agreement, document, or instrument now or hereafter executed by Borrower reciting that the obligations thereunder are secured by this Security Agreement; and

vi. all modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not, in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note.

4. **Representations, Warranties and Covenants.** Borrower represents, warrants, and covenants for the benefit of Lender that:

i. the execution of this Security Agreement by Borrower will not violate or conflict with (i) any legal requirement affecting Borrower or any of its properties, including the Collateral, or (ii) other than the Existing Security Agreement any agreement by which Borrower or the Collateral is bound or to which it is a party and will not result in or require the creation (except as provided in or contemplated by this Security Agreement) of any lien upon any of such properties;

ii. this Security Agreement has been validly executed and delivered by Borrower and is the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles;

iii. there is no action, suit, investigation, proceeding or arbitration (whether or not purportedly on behalf of Borrower) at law or in equity or before or by any foreign or domestic court or other governmental entity (a "Legal Action") pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of its assets which could reasonably be expected to result in any material adverse change in the business, operations, assets (including the Collateral) or condition (financial or otherwise) of Borrower or would materially and adversely affect Borrower's ability to perform its obligations under the Note, this Security Agreement and each of the other Loan Documents. There is no basis known to Borrower for any such action, suit or proceeding. Borrower is not (i) in violation of any applicable law which violation materially and adversely affects or may materially and adversely affect the business, operations, assets (including the Collateral) or condition (financial or otherwise) of Borrower, (ii) subject to, or in default with respect to any other legal requirement that would have a materially adverse effect on the business, operations, assets (including the Collateral) or condition (financial or otherwise) of Borrower, or (iii) in default with respect to any agreement to which Borrower is a party or by which it is bound. There is no Legal Action pending or, to the knowledge of Borrower, threatened against or affecting Borrower questioning the validity or the enforceability of this Security Agreement or, the Note.

iv. at any time upon the written request of Lender and at the sole expense of Borrower, Borrower will promptly execute and deliver any and all such further instruments and documents and take such further actions as Lender may reasonably deem

necessary to obtain the full benefits of this Security Agreement and of the rights and powers granted herein, including, without limitation, the execution and filing of any financing or continuation statements under the UCC with respect to the Security Interest granted hereby and, if otherwise required hereunder, giving notice to any party of Lender's security interest in the Collateral;

v. Borrower will defend the right, title and interest hereunder of Lender as a continuing first priority security interest (other than the Security Interest under the Existing Security Agreement) in the Collateral against the claims and demands of all persons whomsoever;

vi. Borrower's exact legal name and principal office is as set forth in the introductory paragraph to this Security Agreement, and Borrower is a Delaware corporation;

vii. without providing at least thirty (30) days' prior written notice to Lender, Borrower will not change its name, its principal office or its jurisdiction of incorporation (or merger or combine with any other legal person); and

viii. no default, and no event which, with the giving of notice or passage of time or both, would constitute a default under the Loan Documents has occurred.

5. **Filing.** Borrower covenants that so long as any portion of the Obligations remain unpaid, Borrower will not or file or authorize the filing of a financing statement or security agreement covering the Collateral to anyone other than Lender without the written consent of Lender. Borrower authorizes Lender to prepare and file one or more financing statements or supplements thereto or other instruments as Lender may from time to time reasonably require to comply with the UCC or other applicable law to preserve, protect and enforce the Security Interest of Lender in the Collateral. In addition, Borrower hereby authorizes Lender to file any change, financing statement or continuation statement in such form, with or without Borrower's signature, and in such places as may be appropriate.

6. **Care of Collateral.** Borrower will: (a) keep in effect all licenses, permits and franchises required by law or contract relating to Borrower's business (if applicable), property or the Collateral; (b) at all times defend Borrower's ownership and possession of the Collateral; (c) keep the Collateral free from all liens, claims, encumbrances and security interests; (d) pay when due all taxes, license fees and other charges upon the Collateral or upon Borrower's business, property or the income therefrom; and (e) not misuse, conceal or in any way use or dispose of the Collateral unlawfully or contrary to the provisions of this Security Agreement or of any insurance coverage.

7. **Payment of Taxes and Other Charges.** Borrower shall pay all taxes, assessments and charges relating to or levied against the Collateral, including, without limitation, real and personal property taxes, general and special assessments, assessments, utility charges, mechanics' and materialmen's charges, and charges arising from any covenants, conditions or restrictions relating to the Collateral.

8. **No Modification or Amendments.** Borrower shall not amend, restate, supplement, replace, assign, surrender, invalidate, terminate, settle, compromise, waive, or otherwise modify the terms of any of the Collateral, without Lender's prior written consent, which consent may be withheld in Lender's sole discretion.

9. **Transfers and Encumbrances.** Borrower shall not, voluntarily or involuntarily, sell, convey, hypothecate, encumber, lease, mortgage, grant a security interest in or otherwise transfer the Collateral or any portion thereof without the prior, written consent of Lender, which may be withheld in Lender's sole discretion.

10. **Default.** Each of the following shall constitute an event of default ("Event of Default");

(a) Failure by Borrower to pay any monetary amount due hereunder or under the other Loan Documents when due;

(b) Any failure by Borrower to perform any obligation not involving the payment of money, and not otherwise addressed in this Section 10, or to comply with any other term or condition applicable to Borrower under any Loan Document and the expiration of fifteen (15) days after written notice of such failure by Lender to Borrower, unless cured within such 15-day period;

(c) Any representation or warranty by Borrower in any Loan Document is materially false, incorrect, or misleading as of the date made;

(d) The occurrence of any event (including, without limitation, a change in the financial condition, business, or operations of Borrower for any reason whatsoever) that materially and adversely affects the ability of Borrower to perform any of its obligations under the Loan Documents;

(e) Borrower (i) is unable or admits in writing Borrower's inability to pay Borrower's monetary obligations as they become due, (ii) makes a general assignment for the benefit of creditors, or (iii) applies for, consents to, or acquiesces in, the appointment of a trustee, receiver, or other custodian for Borrower or the property of Borrower or any part thereof, or in the absence of such application, consent, or acquiescence, a trustee, receiver, or other custodian is appointed for Borrower or the property of Borrower or any part thereof, and such appointment is not discharged within sixty (60) days;

(f) Commencement of any case under the Bankruptcy Code, Title 11 of the United States Code, or commencement of any other bankruptcy arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal, state, or foreign law by or against Borrower and with respect to any such case or proceeding that is involuntary, and such case or proceeding is not dismissed with prejudice within sixty (60) days of the filing thereof;

(g) Any litigation or proceeding is commenced before any governmental authority against or affecting Borrower or the property of Borrower or any part thereof,

and such litigation or proceeding (i) if adversely determined, as determined by Lender in its reasonable discretion, would materially adversely affect the ability of Borrower to perform its obligations under the Note, and (ii) is not defended diligently and in good faith by Borrower;

(h) A final judgment or decree for monetary damages or a monetary fine or penalty (not subject to appeal or as to which the time for appeal has expired) is entered against Borrower by any government authority, which, together with the aggregate amount of all other such judgments or decrees against Borrower that remain unpaid or that have not been discharged or stayed, exceeds Fifty Thousand Dollars (\$50,000.00), and such judgment or decree is not paid and discharged or stayed or appealed within thirty (30) days after the entry thereof;

(i) All or any part of the property of Borrower is materially attached, levied upon, or otherwise seized by legal process, and such material attachment, levy, or seizure is not quashed, stayed, or released within sixty (60) days of the date thereof;

(j) The violation of Section 8 or Section 9 of this Security Agreement; or

(k) The occurrence of any Event of Default, as such term is defined in any other Loan Document, including, without limitation, any default in any agreement, obligation or instrument between Borrower and any affiliate of Lender.

11. **Remedies.** If an Event of Default shall have occurred and be continuing, Lender, without any other notice to or demand upon Borrower, shall have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a Lender under the UCC and any additional rights and remedies which may be provided to a Lender in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose Lender may, so far as Borrower can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Lender may in its discretion require Borrower to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of Borrower's principal office(s) or at such other locations as Lender may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give to Borrower at least ten (10) calendar days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Borrower hereby acknowledges that ten (10) calendar days' prior written notice of such sale or sales shall be reasonable notice. In addition, Borrower waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Lender's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

12. **Standards for Exercising Rights and Remedies.** To the extent that applicable law imposes duties on Lender to exercise remedies in a commercially reasonable manner, Borrower acknowledges and agrees that it is not commercially unreasonable for Lender (a) to fail

to incur expenses reasonably deemed significant by Lender to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against Account Debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against Account Debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Borrower, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Lender against risks of loss, collection or disposition of Collateral or to provide to Lender a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Lender, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Lender in the collection or disposition of any of the Collateral. Borrower acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Lender would fulfill Lender's duties under the UCC or other law of the State of New York or any other relevant jurisdiction in Lender's exercise of remedies against the Collateral and that other actions or omissions by Lender shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Borrower or to impose any duties on Lender that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section.

13. **No Waiver by Lender, etc.** Lender shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of Lender with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Lender deems expedient.

14. **Suretyship Waivers by Borrower.** Borrower waives demand, notice, protest, notice of acceptance of this Security 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. With respect to both the Obligations and the Collateral, Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any

substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Lender may deem advisable. Lender shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof. Borrower further waives any and all other suretyship defenses.

15. **Marshalling.** Lender shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of Lender's rights and remedies under this Security Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Borrower hereby irrevocably waives the benefits of all such laws.

16. **Proceeds of Dispositions; Expenses.** Borrower shall pay to Lender on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Lender in protecting, preserving or enforcing Lender's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as Lender may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by the UCC, any excess shall be returned to Borrower. In the absence of final payment and satisfaction in full of all of the Obligations, Borrower shall remain liable for any deficiency.

17. **Overdue Amounts.** Until paid, all amounts due and payable by Borrower hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Loan Documents.

18. **CHOICE OF LAW.** THIS SECURITY AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK AND DELIVERED TO LENDER IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND THE UNDERLYING TRANSACTIONS EMBODIED HEREBY. IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, PERFORMANCE OF THIS SECURITY AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER, THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE AND



ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES. LENDER WOULD NOT HAVE MADE THE LOAN OR ENTERED INTO OR ACCEPTED THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENTS BUT FOR THE FOREGOING STIPULATION AND AGREEMENT AS TO THE CHOICE OF NEW YORK LAW TO GOVERN THIS SECURITY AGREEMENT. IF, NOTWITHSTANDING THIS SECTION, AT ANY TIME THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK IS DETERMINED TO BE APPLICABLE TO THIS SECURITY AGREEMENT, THEN TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER EXPRESSLY WAIVES ANY AND ALL BENEFITS OF THE LAW AND RULES OF SUCH JURISDICTION THAT CONFLICT WITH ANY PROVISION OF THIS SECURITY AGREEMENT AND TO THE EXTENT THAT THE SAME ARE APPLICABLE.

19. **WAIVER OF JURY TRIAL.** EACH OF BORROWER AND LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED UPON CONTRACT, TORT OR ANY OTHER THEORY). EACH OF BORROWER AND LENDER (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

20. **WAIVER OF SPECIAL DAMAGES.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST LENDER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS SECURITY AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

21. **MISCELLANEOUS WAIVERS.** WITH RESPECT TO ANY LEGAL ACTION RELATING TO THIS SECURITY AGREEMENT, BORROWER IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF NEW YORK, NEW YORK, AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY LEGAL ACTION BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY LEGAL ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH LEGAL ACTION, THAT SUCH COURT DOES NOT HAVE

JURISDICTION OVER SUCH PARTY. NOTHING IN THIS SECURITY AGREEMENT SHALL PRECLUDE LENDER FROM BRINGING A LEGAL ACTION IN ANY OTHER JURISDICTION NOR WILL THE BRINGING OF A LEGAL ACTION IN ANY ONE OR MORE JURISDICTIONS PRECLUDE THE BRINGING OF A LEGAL ACTION IN ANY OTHER JURISDICTION. BORROWER FURTHER AGREES AND CONSENTS THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY LEGAL ACTION IN ANY NEW YORK STATE OR UNITED STATES COURT SITTING IN THE CITY OF NEW YORK MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO BORROWER AT THE ADDRESS INDICATED IN SECTION 22(a) BELOW, AND SERVICE SO MADE SHALL BE COMPLETE UPON RECEIPT; EXCEPT THAT IF BORROWER SHALL REFUSE TO ACCEPT DELIVERY, SERVICE SHALL BE DEEMED COMPLETE THREE (3) DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED.

22. **Miscellaneous.**

i. All notices, requests, demands and consents to be made hereunder to the parties hereto shall be in writing and shall be delivered by hand, overnight courier, or sent by registered mail or certified mail, postage prepaid, return receipt requested (except for any notice address which is a post office box, in which case notice may be given by first class mail), through the United States Postal Service to the addresses shown below, or such other address which the parties may provide to one another in accordance herewith. Such notices, requests, demands and consents, if sent by mail, shall be deemed given three (3) days after deposit in the United States mail, and if delivered by hand or overnight courier, shall be deemed given when delivered.

If to Lender: At the address of Lender set forth in the introductory paragraph

And if to Borrower: At the address of Borrower set forth in the introductory paragraph

(b) Borrower may not assign any of its obligations hereunder without the prior written consent of Lender. The terms and conditions of this Security Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties.

(c) This Security Agreement, the Note and the other documents and instruments contemplated by this Security Agreement set forth the entire agreement between Borrower and Lender with respect to all matters herein, and supersede all prior and contemporaneous security agreements, representations and understandings of the parties, written or oral, other than the Existing Security Agreement. No supplement, amendment or modification of this Security Agreement shall be binding unless executed in writing by Borrower and Lender.

(d) Subject to the provisions of this Security Agreement requiring the consent of Lender, no waiver of any of the provisions of this Security Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, and no waiver shall be binding unless executed in writing by Borrower and Lender.

(e) Any provision of this Security Agreement that 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 provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(f) Borrower hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Borrower or in Lender's own name, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of Borrower, without notice to or assent by Borrower, to do the following:

(i) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC and as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do, at Borrower's expense, at any time, or from time to time, all acts and things which Lender deems necessary or useful to protect, preserve or realize upon the Collateral and Lender's security interest therein, in order to effect the intent of this Security Agreement, all at least as fully and effectively as Borrower might do, including, without limitation, (A) the filing and prosecuting of registration and transfer applications with the appropriate federal, state, local or other agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, and (B) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(ii) to the extent that Borrower's authorization given in Section 6 is not sufficient, to file such financing statements with respect hereto, with or without Borrower's signature, or a photocopy of this Security Agreement in substitution for a financing statement, as Lender may deem appropriate and to execute in Borrower's name such financing statements and amendments thereto and continuation statements which may require Borrower's signature.

(iii) To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

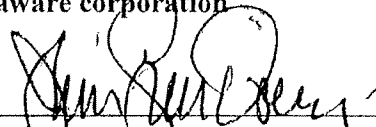
(g) Borrower hereby ratifies and confirms each and every obligation of Borrower under the Loan Documents.

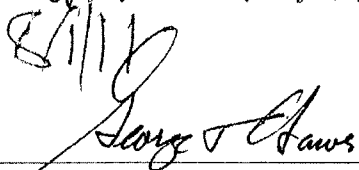
[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first above written.

**BORROWER**

**MADISON AVE. MEDIA, INC., a  
Delaware corporation**

By:   
Its: Chairman/President

  
GEORGE T. HAWES

**LENDER**

Exhibit A

Certain Defined Terms

“Account Debtor” shall mean any person or entity that is obligated under an Account.

“Accounts” shall mean all “accounts” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights, and, in any event, shall mean and include, without limitation, (a) all accounts receivable, contract rights, book debts, notes, drafts and other obligations or indebtedness owing to any Grantor arising from the sale or lease of goods or other property by any Grantor or the performance of services by any Grantor (including, without limitation, any such obligation which might be characterized as an account, contract right or general intangible under the UCC in effect in any jurisdiction), (b) all of each Grantor’s rights in, to and under all purchase and sales orders for goods, services or other property, and all of each Grantor’s rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid sellers’ rights of rescission, replevin, reclamation and rights to stoppage in transit), (c) all monies due to or to become due to any Grantor under all contracts for the sale, lease or exchange of goods or other property or the performance of services by any Grantor (whether or not yet earned by performance on the part of such Grantor), and (d) all collateral security and guarantees of any kind given to any Grantor with respect to any of the foregoing.

“Chattel Paper” shall mean all “chattel paper” (as defined in the UCC) owned or acquired by any Grantor or in which any Grantor has or acquires any rights.

“Copyright License” shall mean any and all rights of any Grantor under any written agreement granting any right to use any Copyright or Copyright registration.

“Copyrights” shall mean all of the following now owned or hereafter acquired by any Grantor or in which any Grantor now has or hereafter acquires any rights: (a) all copyrights and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

“Deposit Accounts” shall mean all “deposit accounts” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights, or other receipts, of any Grantor covering, evidencing or representing rights or interest in such deposit accounts.

“Documents” shall mean all “documents” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights, or other receipts, of any Grantor covering, evidencing or representing goods.

“Equipment” shall mean all “equipment” (as defined in the UCC) now owned or hereafter acquired by any Grantor and wherever located, and, in any event, shall include without limitation all machinery, furniture, furnishings, processing equipment, conveyors, machine tools, engineering processing equipment, manufacturing equipment, materials handling equipment, trade fixtures, trucks, trailers, forklifts, vehicles, computers and other electronic data processing and other office equipment of any Grantor, and any and all additions, substitutions and replacements of any of the foregoing, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, all fuel therefore and all manuals, drawings, instructions, warranties and rights with respect thereto.

“Event of Default” shall have the meaning set forth for such term in Section 10 hereof.

“General Intangibles” shall mean all “general intangibles” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights and, in any event, shall include all right, title and interest in or under all contracts, all customer lists, Licenses, Copyrights, Trademarks, Patents, and all applications therefor and reissues, extensions or renewals thereof, rights in Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Trademark or Trademark License), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights of indemnification, all books and records, correspondence, credit files, invoices, tapes, cards, computer runs, domain names, prospect lists, customer lists and other papers and documents.

“Instruments” shall mean all “instruments” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights and, in any event, shall include all promissory notes, all certificates of deposit and all letters of credit evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts or other obligations owed to any Grantor.

“Intellectual Property” shall mean all of the following now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights: (a) all Patents, patent rights and patent applications, Copyrights and copyright applications, Trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, applications for registration of trademarks, trade names and service marks, fictitious names registrations and trademark, trade name and service mark registrations, and all derivations thereof; and (b) Patent Licenses, Trademark Licenses, Copyright Licenses and other licenses to use any of the items described in the preceding clause (a), and any other similar items necessary to conduct or operate the business of each Grantor.

“Inventory” shall mean all “inventory” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights and, in any event, shall include all goods owned or held for sale or lease to any other Persons.

“Investment Property” shall mean all “investment property” (as defined in the UCC) now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights and, in any event, shall include all “certificated securities”, “uncertificated securities”, “security entitlements”, “securities accounts”, “commodity contracts” and “commodity accounts” (as all such terms are defined in the UCC) of each Grantor.

“Letter-of-Credit Rights” shall mean “letter-of-credit rights” (as defined in the UCC), now owned or hereafter acquired by any Grantor, including rights to payment or performance under a letter of credit, whether or not any Grantor, as beneficiary, has demanded or is entitled to demand payment or performance.

“License” shall mean any Copyright License, Patent License, Trademark License or other license of rights or interests of each Grantor in Intellectual Property.

“Patent License” shall mean any written agreement now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights granting any right with respect to any property, process or other invention on which a Patent is in existence.

“Patents” shall mean all of the following now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any rights: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country; and (b) all reissues, continuations, continuations-in-part and extensions thereof.

“Proceeds” shall mean all “proceeds” (as defined in the UCC) of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, the Collateral, and, in any event, shall mean and include all claims against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of any Collateral, and any condemnation or requisition payments with respect to any Collateral and the following types of property acquired with cash proceeds: Accounts, Inventory, General Intangibles, Documents, Instruments and Equipment.

“Security Interests” shall mean the security interests granted to the Lender pursuant to Section 2, as well as all other security interests created or assigned as additional security for the Obligations pursuant to the provisions of this Security Agreement.

“Software” shall mean all “software” (as defined in the UCC), now owned or hereafter acquired by any Grantor, including all computer programs and all supporting information provided in connection with a transaction related to any program.



“Supporting Obligations” means all “supporting obligations” (as defined in the UCC), including letters of credit and guaranties issued in support of Accounts, Chattel Paper, Documents, General Intangibles, Instruments, or Investment Property.

“Trademark License” shall mean any written agreement now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any such rights granting to any Grantor any right to use any Trademark.

“Trademarks” shall mean all of the following now owned or hereafter acquired by any Grantor or in which any Grantor has or acquires any such rights: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), now owned or existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, (ii) all reissues, extensions or renewals thereof and (iii) all goodwill associated with or symbolized by any of the foregoing.

“UCC” shall mean the Uniform Commercial Code as in effect, from time to time, in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interests in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction (including Delaware) other than New York, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“United States” or “U.S.” shall mean the United States of America, any of the fifty states thereof, and the District of Columbia.