

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

---

**FORM 8-K**

---

**CURRENT REPORT  
Pursuant to Section 13 Or 15(d)  
of the Securities Exchange Act Of 1934**

**Date of Report (Date of earliest event reported): May 19, 2017**

---

**SALEM MEDIA GROUP, INC.**

(Exact Name of Registrant as Specified in its Charter)



---

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-26497**  
(Commission  
File Number)

**77-0121400**  
(IRS Employer  
Identification No.)

**4880 Santa Rosa Road, Camarillo, California**  
(Address of Principal Executive Offices)

**93012**  
(Zip Code)

**Registrant's telephone number, including area code: (805)987-0400**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

---

[Table of Contents](#)

TABLE OF CONTENTS

<a href="#">ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT</a>	2
<a href="#">ITEM 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT</a>	5
<a href="#">ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT</a>	5
<a href="#">ITEM 8.01 OTHER EVENTS</a>	6
<a href="#">ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS</a>	6
<a href="#">EXHIBITS</a>	6
<a href="#">SIGNATURE</a>	7
<a href="#">EXHIBIT INDEX</a>	8
<a href="#">EXHIBIT 4.1</a>	
<a href="#">EXHIBIT 4.2</a>	
<a href="#">EXHIBIT 4.3</a>	
<a href="#">EXHIBIT 10.1</a>	
<a href="#">EXHIBIT 10.2</a>	
<a href="#">EXHIBIT 10.3</a>	
<a href="#">EXHIBIT 99.1</a>	

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

**6.75% Senior Secured Notes due 2024**

On May 19, 2017 (the “Closing Date”), in connection with the closing of an offering (the “Notes Offering”) by Salem Media Group, Inc. (the “Company”) of \$255 million aggregate principal amount of 6.75% senior secured notes due 2024 (the “Notes”) at an issue price of 100% of principal amount, the Company entered into an indenture, dated as of May 19, 2017 (the “Indenture”), with the subsidiary guarantors named therein (the “Subsidiary Guarantors”) and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”) and collateral agent (in such capacity, the “Notes Collateral Agent”). The Indenture provides for the issuance and sets forth the terms of the Notes.

The Company used the net proceeds from the Notes Offering, together with borrowings under a new \$30 million senior secured asset-based revolving credit facility (the “ABL Facility”), to repay its then existing senior credit facilities (the “Prior Facility”), to pay fees and expenses incurred in connection with the Notes Offering and the ABL Facility and to pay accrued and unpaid interest on its then-existing term loan.

*General.* The Notes bear interest at a rate of 6.75% per year and mature on June 1, 2024, unless earlier redeemed or repurchased. Interest accrues on the Notes from May 19, 2017 and is payable semi-annually, in cash in arrears, on June 1 and December 1 of each year, commencing December 1, 2017.

The Notes are guaranteed on a senior secured basis by the Subsidiary Guarantors. The Notes and the ABL Facility are secured by liens on substantially all of the Company’s and the Subsidiary Guarantors’ assets, other than certain excluded assets. The ABL Facility has a first-priority lien on the Company’s and the Subsidiary Guarantor’s accounts receivable, inventory, deposit and securities accounts, certain real estate and related assets (the “ABL Priority Collateral”). The Notes are secured by a first-priority lien on substantially all other assets of the Company and the Subsidiary Guarantors (the “Notes Priority Collateral”). There is no direct lien on the Company’s Federal Communications Commission (“FCC”) licenses to the extent prohibited by law or regulation.

---

## Table of Contents

The Company may redeem the Notes, in whole or in part, at any time on or after June 1, 2020 at a price equal to 100% of the principal amount of the Notes plus a “make-whole” premium as of, and accrued and unpaid interest, if any, to, but not including, the redemption date. At any time on or after June 1, 2020, the Company may redeem some or all of the Notes at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth in the Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, the Company may redeem up to 35% of the aggregate principal amount of the Notes before June 1, 2020 with the net cash proceeds from certain equity offerings at a redemption price of 106.75% of the principal amount plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Company may also redeem up to 10% of the aggregate original principal amount of the Notes per twelve month period before June 1, 2020 at a redemption price of 103% of the principal amount plus accrued and unpaid interest to, but not including, the redemption date.

*Covenants.* The Indenture contains covenants that, among other things and subject in each case to certain specified exceptions, limit the ability of the Company and of its restricted subsidiaries to: (i) incur additional debt; (ii) declare or pay dividends, redeem stock or make other distributions to stockholders; (iii) make investments; (iv) create liens or use assets as security in other transactions; (v) merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets; (vi) engage in transactions with affiliates; and (vii) sell or transfer assets.

*Events of Default.* The Indenture provides for the following events of default (each, an “Event of Default”): (i) default in payment of principal or premium on the Notes at maturity, upon repurchase, acceleration, optional redemption or otherwise; (ii) default for 30 days in payment of interest on the Notes; (iii) the failure by the Company or certain restricted subsidiaries to comply with other agreements in the Indenture or the Notes, in certain cases subject to notice and lapse of time; (iv) the failure of any guarantee by certain significant Subsidiary Guarantors to be in full force and effect and enforceable in accordance with its terms, subject to notice and lapse of time; (v) certain accelerations (including failure to pay within any grace period) of other indebtedness of the Company or any restricted subsidiary if the amount accelerated (or so unpaid) is at least \$15 million; (vi) certain judgments for the payment of money in excess of \$15 million; (vii) certain events of bankruptcy or insolvency with respect to the Company or any significant subsidiary; and (viii) certain defaults with respect to any collateral having a fair market value in excess of \$15 million. If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately, subject to remedy or cure in certain cases. Certain events of bankruptcy or insolvency are Events of Default which will result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

*Change of Control.* In the event of a change of control (as defined in the Indenture) of the Company, holders of the Notes have the right to require the Company to repurchase their Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to, but not including, the repurchase date.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction, and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any state securities laws. This current report on Form 8-K is neither an offer to sell nor the solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

---

## **Table of Contents**

*Intercreditor Arrangements.* On May 19, 2017, in connection with the issuance of the Notes, the Company, the Subsidiary Guarantors, the Notes Collateral Agent and Wells Fargo Bank, National Association, as administrative agent and collateral agent under the ABL Facility and related agreements, entered into an Intercreditor Agreement (the “Intercreditor Agreement”) to define the rights of lenders and certain other parties under the ABL Facility, collateral and related agreements and the holders with respect to the Notes and collateral. Pursuant to the terms of the Intercreditor Agreement, the Notes Collateral Agent holds a first-priority security interest in the Notes Priority Collateral and a second-priority lien in the ABL Priority Collateral, for the benefit of holders of the Notes, equally and ratably with any permitted additional pari passu indebtedness. So long as the obligations under the ABL Facility have not been discharged, the Notes Collateral Agent is not permitted to exercise remedies against the ABL Priority Collateral. A release of ABL Priority Collateral by the Notes Collateral Agent may result in a release of the same ABL Priority Collateral securing the Notes on a second-priority basis without the consent of the holders of the Notes, and the rights of the Notes Collateral Agent to exercise rights with respect to the ABL Priority Collateral in a bankruptcy proceeding are restricted under the Intercreditor Agreement.

A copy of each of the Indenture, the form of the Notes, Security Agreement (the “Notes Security Agreement”), dated as of May 19, 2017, among the Company, the subsidiary guarantors party thereto and U.S. Bank National Association, as collateral agent, and the Intercreditor Agreement is attached as Exhibit 4.1, Exhibit 4.2, Exhibit 4.3 and Exhibit 10.1, respectively, to this current report on Form 8-K. The foregoing descriptions of the Indenture, the form of the Notes, the Notes Security Agreement and the Intercreditor Agreement are qualified in their entirety by reference to such exhibits, which are incorporated herein by reference.

### **ABL Facility**

On May 19, 2017, the Company entered into the ABL Facility pursuant to a Credit Agreement (the “Credit Agreement”) by and among the Company, as a borrower, the subsidiaries of the Company party thereto, as borrowers, Wells Fargo Bank, National Association, as administrative agent and lead arranger, and the lenders that are parties thereto. On the Closing Date, the Company used the proceeds of the ABL Facility, together with the net proceeds from the Notes Offering, to repay the Prior Facility and related fees and expenses. Going forward, the proceeds of the ABL Facility will be used to provide ongoing working capital and for other general corporate purposes (including permitted acquisitions) of the Company and its subsidiaries.

*General.* The new ABL Facility described in the Credit Agreement is a five-year \$30.0 million revolving credit facility, which includes a \$5.0 million subfacility for standby letters of credit and a \$7.5 million subfacility for swingline loans. All borrowings under the ABL Facility accrue at a rate equal to a base rate or LIBOR rate plus a spread. The spread, which is based on an availability-based measure, ranges from 0.50% to 1.00% for base rate borrowings and 1.50% to 2.00% for LIBOR rate borrowings. If an event of default occurs, the interest rate may increase by 2.00% per annum. Amounts outstanding under the ABL Facility may be paid and then reborrowed at the Company’s discretion without penalty or premium.

The ABL Facility is secured by a first-priority lien on the ABL Priority Collateral and by a second-priority lien on the Notes Priority Collateral. There is no direct lien on the Company’s FCC licenses to the extent prohibited by law or regulation (other than the economic value and proceeds thereof).

---

## Table of Contents

*Covenants.* The Credit Agreement includes a springing fixed charge coverage ratio of 1.0 to 1.0, which is tested during the period commencing on the last day of the fiscal month most recently ended prior to the date on which Availability (as defined in the Credit Agreement) is less than the greater of 15% of the Maximum Revolver Amount (as defined in the Credit Agreement) and \$4.5 million and continuing for a period of 60 consecutive days after the first day on which Availability exceeds such threshold amount. The Credit Agreement also includes other negative covenants that are customary for credit facilities of this type, including covenants that, subject to exceptions described in the Credit Agreement, restrict the ability of the borrowers and their subsidiaries (i) to incur additional indebtedness; (ii) to make investments; (iii) to make distributions, loans or transfers of assets; (iv) to enter into, create, incur, assume or suffer to exist any liens, (v) to sell assets; (vi) to enter into transactions with affiliates; (vii) to merge or consolidate with, or dispose of all assets to a third party, except as permitted thereby; (viii) to prepay indebtedness; and (ix) to pay dividends.

*Events of Default.* The Credit Agreement provides for the following events of default: (i) default for non-payment of any principal or letter of credit reimbursement when due or any interest, fees or other amounts within five days of the due date; (ii) the failure by any borrower or any subsidiary to comply with any covenant or agreement contained in the Credit Agreement or any other loan document, in certain cases subject to applicable notice and lapse of time; (iii) any representation or warranty made pursuant to the Credit Agreement or any other loan document is incorrect in any material respect when made; (iv) certain defaults of other indebtedness of any borrower or any subsidiary of indebtedness of at least \$10 million; (v) certain events of bankruptcy or insolvency with respect to any borrower or any subsidiary; (vi) certain judgments for the payment of money of \$10 million or more; (vii) a change of control; and (viii) certain defaults relating to the loss of FCC licenses, cessation of broadcasting and termination of material station contracts. If an event of default occurs and is continuing, the Administrative Agent and the Lenders may accelerate the amounts outstanding under the ABL Facility and may exercise remedies in respect of the collateral.

A copy of each of the Credit Agreement and the Guaranty and Security Agreement (the “ABL Security Agreement”), dated as of May 19, 2017, by and among Salem Media Group, Inc., the subsidiaries party thereto and Wells Fargo Bank, National Association, as administrative agent, is attached as Exhibit 10.2 and Exhibit 10.3, respectively, to this current report on Form 8-K. The foregoing descriptions of the Credit Agreement and the ABL Security Agreement are qualified in their entirety by reference to such exhibits, which are incorporated herein by reference.

### ITEM 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT

On May 19, 2017, as further discussed in Item 1.01 above, the Company used the net proceeds from the Notes Offering, together with borrowings under the ABL Facility, to repay the Prior Facility, to pay fees and expenses incurred in connection with the Notes Offering and the ABL Facility and to pay accrued and unpaid interest on its then-existing term loan. All loan documents relating to the Prior Facility were terminated as of May 19, 2017.

### ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

As described above in Item 1.01, on May 19, 2017, Salem consummated the issuance and sale of the Notes and entered into a new ABL Facility. The information included in Item 1.01 of this current report on Form 8-K under the headings “6.75% Senior Secured Notes due 2024” and “ABL Facility” is incorporated herein by reference into this Item 2.03.

---

## Table of Contents

### ITEM 8.01 OTHER EVENTS

On May 19, 2017, the Company issued a press release announcing the closing of the Notes Offering and the concurrent entry into the ABL Facility by the Company. In accordance with Rule 135c promulgated under the Securities Act, a copy of the press release is being filed as Exhibit 99.1 to this current report on Form 8-K and is incorporated herein by reference.

### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits. The following exhibits are furnished with this current report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
4.1	Indenture, dated as of May 19, 2017, by and among Salem Media Group, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee and collateral agent
4.2	Form of 6.750% Senior Secured Note due 2024 (included in Exhibit 4.1 hereto)
4.3	Security Agreement, dated as of May 19, 2017, among Salem Media Group, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as collateral agent
10.1	Intercreditor Agreement, dated as of May 19, 2017, by and between Wells Fargo Bank, National Association, as administrative agent, and U.S. Bank National Association, as collateral agent
10.2	Credit Agreement, dated as of May 19, 2017, by and among Salem Media Group, Inc., as parent and a borrower, the subsidiaries party thereto, as borrowers, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Bank, National Association, as lead arranger, and the lenders that are parties thereto
10.3	Guaranty and Security Agreement, dated as of May 19, 2017, by and among Salem Media Group, Inc., the subsidiaries party thereto and Wells Fargo Bank, National Association, as administrative agent
99.1	Press release, dated May 19, 2017, of Salem Media Group, Inc. entitled "Salem Media Group Announces Closing of Offering of \$255 Million of Senior Secured Notes Due 2024"

---

[Table of Contents](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 23, 2017

SALEM MEDIA GROUP, INC.

/s/ Christopher J. Henderson

Christopher J. Henderson

Senior Vice President, General Counsel & Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
4.1	Indenture, dated as of May 19, 2017, by and among Salem Media Group, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee and collateral agent
4.2	Form of 6.750% Senior Secured Note due 2024 (included in Exhibit 4.1 hereto)
4.3	Security Agreement, dated as of May 19, 2017, among Salem Media Group, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as collateral agent
10.1	Intercreditor Agreement, dated as of May 19, 2017, by and between Wells Fargo Bank, National Association, as administrative agent, and U.S. Bank National Association, as collateral agent
10.2	Credit Agreement, dated as of May 19, 2017, by and among Salem Media Group, Inc., as parent and a borrower, the subsidiaries party thereto, as borrowers, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Bank, National Association, as lead arranger, and the lenders that are parties thereto
10.3	Guaranty and Security Agreement, dated as of May 19, 2017, by and among Salem Media Group, Inc., the subsidiaries party thereto and Wells Fargo Bank, National Association, as administrative agent
99.1	Press release, dated May 19, 2017, of Salem Media Group, Inc. entitled "Salem Media Group Announces Closing of Offering of \$255 Million of Senior Secured Notes Due 2024"



SALEM MEDIA GROUP, INC.

as Issuer

and

THE GUARANTORS PARTY HERETO

---

6.750% SENIOR SECURED NOTES DUE 2024

---

INDENTURE

DATED AS OF MAY 19, 2017

---

U.S. BANK NATIONAL ASSOCIATION

as Trustee and Collateral Agent

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I		
DEFINITIONS AND INCORPORATION BY REFERENCE		
SECTION 1.1	Definitions	1
SECTION 1.2	Other Definitions	30
SECTION 1.3	Rules of Construction	30
ARTICLE II		
THE NOTES		
SECTION 2.1	Form and Dating	31
SECTION 2.2	Execution and Authentication	32
SECTION 2.3	Registrar; Paying Agent	33
SECTION 2.4	Paying Agent to Hold Money in Trust	33
SECTION 2.5	Holder Lists	33
SECTION 2.6	Book-Entry Provisions for Global Securities	34
SECTION 2.7	Replacement Notes	37
SECTION 2.8	Outstanding Notes	37
SECTION 2.9	Treasury Notes	37
SECTION 2.10	Temporary Notes	38
SECTION 2.11	Cancellation	38
SECTION 2.12	Defaulted Interest	38
SECTION 2.13	Record Date	38
SECTION 2.14	Computation of Interest	38
SECTION 2.15	CUSIP Number	39
SECTION 2.16	Special Transfer Provisions	39
SECTION 2.17	Issuance of Additional Notes	40
ARTICLE III		
REDEMPTION AND PREPAYMENT		
SECTION 3.1	Notices to Trustee	41
SECTION 3.2	Selection of Notes to Be Redeemed	41
SECTION 3.3	Notice of Redemption	41
SECTION 3.4	Effect of Notice of Redemption	42
SECTION 3.5	Deposit of Redemption of Purchase Price	42
SECTION 3.6	Notes Redeemed in Part	42
SECTION 3.7	Optional Redemption	43
SECTION 3.8	Mandatory Redemption	43
SECTION 3.9	Offer to Purchase	43

## ARTICLE IV

## COVENANTS

SECTION 4.1	Payment of Notes	44
SECTION 4.2	Maintenance of Office or Agency	45
SECTION 4.3	Provision of Financial Information	45
SECTION 4.4	Compliance Certificate	45
SECTION 4.5	Taxes	46
SECTION 4.6	Stay, Extension and Usury Laws	46
SECTION 4.7	Limitation on Restricted Payments	46
SECTION 4.8	Limitation on Dividends and Other Payments Affecting Restricted Subsidiaries	49
SECTION 4.9	Limitation on Incurrence of Debt	51
SECTION 4.10	Limitation on Asset Sales	51
SECTION 4.11	Limitation on Transactions with Affiliates	54
SECTION 4.12	Limitation on Liens	55
SECTION 4.13	[Intentionally Omitted]	55
SECTION 4.14	Offer to Purchase upon Change of Control	55
SECTION 4.15	Maintenance of Properties and Corporate Existence	56
SECTION 4.16	Events of Loss	56
SECTION 4.17	Limitation on Business Activities	57
SECTION 4.18	Additional Note Guarantees	57
SECTION 4.19	Limitation on Creation of Unrestricted Subsidiaries	58
SECTION 4.20	Further Assurances	58

## ARTICLE V

## SUCCESSORS

SECTION 5.1	Consolidation, Merger, Conveyance, Transfer or Lease	59
SECTION 5.2	Successor Person Substituted	60

## ARTICLE VI

## DEFAULTS AND REMEDIES

SECTION 6.1	Events of Default	61
SECTION 6.2	Acceleration	63
SECTION 6.3	Other Remedies	63
SECTION 6.4	Waiver of Past Defaults	63
SECTION 6.5	Control by Majority	64
SECTION 6.6	Limitation on Suits	64
SECTION 6.7	Rights of Holders of Notes to Receive Payment	64
SECTION 6.8	Collection Suit by Trustee	64
SECTION 6.9	Trustee May File Proofs of Claim	65
SECTION 6.10	Priorities	65
SECTION 6.11	Undertaking for Costs	66

## ARTICLE VII

## TRUSTEE

SECTION 7.1	Duties of Trustee	66
SECTION 7.2	Rights of Trustee	67
SECTION 7.3	Individual Rights of Trustee	68
SECTION 7.4	Trustee's Disclaimer	68
SECTION 7.5	Notice of Defaults	68
SECTION 7.6	[Reserved]	69
SECTION 7.7	Compensation and Indemnity	69
SECTION 7.8	Replacement of Trustee	70
SECTION 7.9	Successor Trustee by Merger, Etc.	70
SECTION 7.10	Eligibility; Disqualification	71
SECTION 7.11	Preferential Collection of Claims Against the Issuer	71
SECTION 7.12	Trustee's Application for Instructions from the Issuer	71
SECTION 7.13	Limitation of Liability	71
SECTION 7.14	Collateral Agent	72
SECTION 7.15	Co-Trustees; Separate Trustee; Collateral Agent	72

## ARTICLE VIII

## LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.1	Option to Effect Legal Defeasance or Covenant Defeasance	73
SECTION 8.2	Legal Defeasance	73
SECTION 8.3	Covenant Defeasance	74
SECTION 8.4	Conditions to Legal Defeasance or Covenant Defeasance	74
SECTION 8.5	Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions	75
SECTION 8.6	Repayment to Issuer	76
SECTION 8.7	Reinstatement	76
SECTION 8.8	Discharge	77

## ARTICLE IX

## AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.1	Without Consent of Holders of the Notes	77
SECTION 9.2	With Consent of Holders of Notes	79
SECTION 9.3	Revocation and Effect of Consents	80
SECTION 9.4	Notation on or Exchange of Notes	80
SECTION 9.5	Trustee to Sign Amendments, Etc.	80

## ARTICLE X

## SECURITY

SECTION 10.1	Security Documents; Additional Collateral	81
SECTION 10.2	[Reserved]	81
SECTION 10.3	Releases of Collateral	81

		<u>Page</u>
SECTION 10.4	Form and Sufficiency of Release	82
SECTION 10.5	Possession and Use of Collateral	82
SECTION 10.6	Purchaser Protected	82
SECTION 10.7	Authorization of Actions to Be Taken by the Collateral Agent Under the Security Documents	83
SECTION 10.8	Authorization of Receipt of Funds by the Trustee Under the Security Agreement	83
SECTION 10.9	Powers Exercisable by Receiver or Collateral Agent	83
SECTION 10.10	Appointment, Authorization and Rights of U.S. Bank National Association as Collateral Agent	83
ARTICLE XI		
[RESERVED]		
ARTICLE XII		
NOTE GUARANTEES		
SECTION 12.1	Note Guarantees	85
SECTION 12.2	Execution and Delivery of Note Guarantee	86
SECTION 12.3	Severability	87
SECTION 12.4	Limitation of Guarantors' Liability	87
SECTION 12.5	Guarantors May Consolidate, Etc., on Certain Terms	87
SECTION 12.6	[Intentionally Omitted]	88
SECTION 12.7	Release of a Guarantor	88
SECTION 12.8	Benefits Acknowledged	88
SECTION 12.9	Future Guarantors	88
ARTICLE XIII		
MISCELLANEOUS		
SECTION 13.1	Trust Indenture Act Controls	89
SECTION 13.2	Notices	89
SECTION 13.3	Communication by Holders of Notes with Other Holders of Notes	90
SECTION 13.4	Certificate and Opinion as to Conditions Precedent	91
SECTION 13.5	Statements Required in Certificate or Opinion	91
SECTION 13.6	Rules by Trustee and Agents	91
SECTION 13.7	No Personal Liability of Directors, Officers, Employees and Stockholders	91
SECTION 13.8	Governing Law	91
SECTION 13.9	No Adverse Interpretation of Other Agreements	92
SECTION 13.10	Successors	92
SECTION 13.11	Severability	92
SECTION 13.12	Counterpart Originals	92
SECTION 13.13	Table of Contents, Headings, Etc.	92
SECTION 13.14	Acts of Holders	92
SECTION 13.15	Intercreditor Agreement	93

---

EXHIBITS

Exhibit A	FORM OF 6.750% SENIOR SECURED NOTE
Exhibit B	FORM OF NOTATIONAL GUARANTEE
Exhibit C	FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS PURSUANT TO RULE 144A
Exhibit D	FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS PURSUANT TO REGULATION S

SCHEDULES

Schedule A	Mortgaged Property
Schedule B	Post-Closing Matters

This Indenture, dated as of May 19, 2017, is by and among Salem Media Group, Inc., a Delaware corporation (the “Company” or the “Issuer”), the Guarantors (as defined herein) and U.S. Bank National Association., as trustee (in such capacity and not in its individual capacity, the “Trustee”) and collateral agent (in such capacity and not in its individual capacity, the “Collateral Agent”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the holders of (i) the Issuer’s 6.750% Senior Secured Notes due 2024 issued on the date hereof that contain the restrictive legend in Exhibit A (the “Initial Notes”) and (ii) Additional Notes (as defined herein) issued from time to time (together with the Initial Notes, the “Notes”).

## ARTICLE I

### DEFINITIONS AND INCORPORATION BY REFERENCE

#### SECTION 1.1 Definitions.

“*ABL Agent*” means Wells Fargo Bank, N.A. and its successors and assigns or any other applicable administrative agent or collateral agent under the ABL Documents or the Credit Agreement.

“*ABL Credit Documents*” means the Credit Agreement, the other Loan Documents (as defined in the Credit Agreement), and each of the other agreements, documents, and instruments providing for or evidencing any other ABL Obligation and any other document or instrument executed or delivered at any time in connection with any ABL Obligation (including any intercreditor or joinder agreement among holders of ABL Obligations but excluding documents governing the Hedging Obligations), to the extent such are effective at the relevant time, as each may be amended, modified, restated, supplemented, replaced or refinanced from time to time.

“*ABL Documents*” means the ABL Credit Documents and any and all documents governing the Hedging Obligations and Bank Product Obligations secured pursuant to the ABL Credit Documents.

“*ABL Lenders*” means the “Lenders” from time to time party to, and as defined in, each Credit Agreement, together with their respective successors and assigns; *provided that* the term “ABL Lender” shall in any event also include each letter of credit issuer and swingline lender under each Credit Agreement, including, without limitation, the “Issuing Bank,” the “Swing Lender” and any “Agent” under (and each as defined in) the Credit Agreement.

“*ABL Obligations*” means (i) all Obligations under (and as defined in) each Credit Agreement and under any other document relating to such Credit Agreement, (ii) all Hedging Obligations secured pursuant to the ABL Credit Documents and owing by the Company or any of its Restricted Subsidiaries to an ABL Lender or affiliate of an ABL Lender, and (iii) all Bank Product Obligations secured pursuant to the ABL Credit Documents. ABL Obligations shall in any event include: all principal, premium, interest, fees, attorneys fees, costs, charges, expenses, reimbursement obligations, indemnities, guarantees, and all other amounts payable under or secured by or pursuant to any ABL Credit Document (including, in each case, all amounts (including interest) accruing on or after the commencement of any Insolvency or Liquidation Proceeding relating to the Company or any Guarantor and all amounts that would have accrued or become due under the terms of the ABL Credit Documents but for the effect of the Insolvency or Liquidation Proceeding and irrespective of whether a claim for all or any portion of such amounts is allowable or allowed in such Insolvency or Liquidation Proceeding).

“*Acquired Debt*” means Debt of a Person (including an Unrestricted Subsidiary) existing at the time such Person becomes a Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person.

“*Additional Notes*” means Notes (other than the Initial Notes) issued pursuant to Article II hereof and otherwise in compliance with the provisions of this Indenture.

“*Affiliate*” of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings that correspond to the foregoing. For purposes of this definition, any Person who owns more than 10% of the outstanding Voting Interests of any Person shall be deemed to be an Affiliate of such Person.

“*Agent*” means any Registrar, Paying Agent (so long as Trustee serves in such capacity) orco-registrar.

“*Applicable Premium*” means, as calculated by the Company, with respect to any Note on any applicable redemption date, the greater of:

(1) 1.0% of the then outstanding principal amount of the Note; and

(2) the excess of:

(a) the present value at such redemption date of (i) the Redemption Price of the Note at June 1, 2020 (such Redemption Price being set forth in the table appearing in Section 3.7(b)) plus (ii) all required interest payments due on the Note through June 1, 2020 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of the Note.

The Trustee shall have no duty to calculate or verify the Company’s calculation of the Applicable Premium.

“*Asset Acquisition*” means:

(i) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary, or shall be merged with or into the Company or any Restricted Subsidiary; or

(ii) the acquisition by the Company or any Restricted Subsidiary of the assets of any Person which constitute all or substantially all of the assets of such Person, any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business and consistent with past practices.

“*Asset Sale*” means any transfer, conveyance, sale, lease or other disposition (including, dispositions pursuant to any consolidation or merger) by the Company or any of its Restricted Subsidiaries to any Person (other than to the Company or one or more of its Restricted Subsidiaries) in any single transaction or series of transactions of



(i) Capital Interests in another Person (other than Capital Interests in the Company or directors' qualifying shares or shares or interests required to be held by foreign nationals pursuant to local law); or

(ii) any other property or assets (other than in the normal course of business, including any sale or other disposition of obsolete or permanently retired equipment and any sale of inventory in the ordinary course of business);

*provided, however, that the term "Asset Sale" shall exclude:*

(a) any asset disposition permitted by Section 5.1 that constitutes a disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole;

(b) any transfer, conveyance, sale, lease or other disposition of property or assets, the gross proceeds of which (exclusive of indemnities) do not exceed, in any one or related series of transactions, \$1.0 million;

(c) sales or other dispositions of cash or Eligible Cash Equivalents;

(d) sales of interests in Unrestricted Subsidiaries;

(e) the sale and leaseback of any assets within 90 days of the acquisition thereof;

(f) the disposition of assets that, in the good faith judgment of the Board of Directors of the Company, are no longer used or useful in the business of such entity;

(g) a Restricted Payment or Permitted Investment that is otherwise permitted by this Indenture;

(h) any trade-in of equipment in exchange for other equipment in the ordinary course;

(i) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien);

(j) leases or subleases in the ordinary course of business to third persons not interfering in any material respect with the business of the Company or any of its Restricted Subsidiaries and otherwise in accordance with the provisions of this Indenture;

(k) dispositions of accounts receivable in connection with the collection or compromise thereof in the ordinary course of business;

(l) licensing of intellectual property in accordance with industry practice in the ordinary course of business; or

(m) any exchange of assets for assets related to a Permitted Business of a comparable or greater market value, as determined in good faith by the Company, which in the event of an exchange of assets with a Fair Market Value in excess of (1) \$5.0 million shall be evidenced by an Officers' Certificate and (2) \$10.0 million shall be set forth in a resolution approved in good faith by at least a majority of the Board of Directors of the Company.

For purposes of this definition, any series of related transactions that, if effected as a single transaction, would constitute an Asset Sale shall be deemed to be a single Asset Sale effected when the last such transaction which is a part thereof is effected.

“*Asset Sale Offer*” means an Offer to Purchase required to be made by the Company pursuant to Section 4.10 to all Holders.

“*Average Life*” means, as of any date of determination, with respect to any Debt, the quotient obtained by dividing (i) the sum of the products of (x) the number of years from the date of determination to the dates of each successive scheduled principal payment (including any sinking fund or mandatory redemption payment requirements) of such Debt multiplied by (y) the amount of such principal payment by (ii) the sum of all such principal payments.

“*Bank Product Obligations*” means all obligations, liabilities, reimbursement obligations owing from the Company or any of its Restricted Subsidiaries to an ABL Lender or affiliate of an ABL Lender with respect to (a) credit cards (including commercial cards (including so-called “purchase cards”, “procurement cards” or “p-cards”), (b) payment card processing services, (c) debit cards, (d) stored value cards, (e) cash management services (including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other customary cash management arrangements), and in each case irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

“*Bankruptcy Law*” means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

“*Beneficial Owner*” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act.

“*Board of Directors*” means (i) with respect to the Company or any Restricted Subsidiary, its board of directors or, other than for purposes of the definition of “Change of Control,” any duly authorized committee thereof; (ii) with respect to any other corporation, the board of directors of such corporation or any duly authorized committee thereof; and (iii) with respect to any other entity, the board of directors or similar body of the general partner or managers of such entity or any duly authorized committee thereof.

“*Board Resolution*” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or any Restricted Subsidiary to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification and delivered to the Trustee.

“*Business Day*” means any day other than a Legal Holiday.

“*Capital Interests*” in any Person means any and all shares, interests (including Preferred Interests), participations or other equivalents in the equity interest (however designated) in such Person and any rights (other than Debt securities convertible into an equity interest), warrants or options to acquire an equity interest in such Person.

“*Capital Lease Obligations*” means any obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; and the amount of Debt represented by such obligation shall be the capitalized amount of such obligations determined in accordance with GAAP; and

the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of Section 4.12, a Capital Lease Obligation shall be deemed secured by a Lien on the property being leased.

“*Certificated Notes*” means Notes that are in the form of Exhibit A attached hereto.

“*Change of Control*” means the occurrence of any of the following events:

(i) the acquisition by any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, that is or becomes the “beneficial owner” (as such term is used in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (i) such person or group or Permitted Holder shall be deemed to have “beneficial ownership” of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the Voting Interests in the Company; *provided* that if such person is a group of investors which group includes one or more Permitted Holders, the shares of Voting Interests of such Person beneficially owned by the Permitted Holders that are part of such group shall not be counted for purposes of determining whether this clause (i) is triggered; or

(ii) the Company or any Restricted Subsidiary sells, conveys, transfers or leases (either in one transaction or a series of related transactions) all or substantially all of the Company’s and its Restricted Subsidiaries’ assets (determined on a consolidated basis) to any Person (other than a Person that is controlled by any of the Permitted Holders), or the Company merges or consolidates with a Person other than a Restricted Subsidiary of the Company (unless the shareholders holding Voting Interests of the Company immediately prior to such merger or consolidation control in excess of 50% of the Voting Interests in the surviving Person immediately following such merger or consolidation).

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

“*Collateral*” means all of the assets of the Company and the Guarantors, whether real, personal or mixed, with respect to which a Lien is granted (or purported to be granted) as security for any Secured Obligations (including proceeds and products thereof).

“*Collateral Agent*” has the meaning set forth in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

“*Commission*” means the Securities and Exchange Commission and any successor thereto.

“*Common Interests*” of any Person means Capital Interests in such Person that do not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to Capital Interests of any other class in such Person.

“*Company*” or “*Issuer*” has the meaning set forth in the preamble hereto until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

“*Consolidated Cash Flow*” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

- (i) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*
- (ii) Consolidated Income Tax Expense (other than income tax expense (either positive or negative) attributable to extraordinary gains or losses), to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*
- (iii) the Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period, to the extent that such Consolidated Interest Expense was deducted in computing such Consolidated Net Income; *plus*
- (iv) Consolidated Non-cash Charges, to the extent that such Consolidated Non-cash Charges were deducted in computing such Consolidated Net Income; *plus*
- (v) severance costs and charges and closure costs; *plus*
- (vi) any expenses or charges related to the Transactions or any equity offering (whether or not successful); *plus*
- (vii) non-cash interest expense; *plus*
- (viii) interest incurred in connection with Investments in discontinued operations; *minus*
- (ix) non-cash items increasing such Consolidated Net Income, other than (a) the accrual of revenue in the ordinary course of business and (b) reversals of prior accruals or reserves for cash items previously excluded in the calculation of Consolidated Non-cash Charges.

“*Consolidated Income Tax Expense*” means, with respect to any Person for any period, the provision for federal, state, local and foreign income taxes of such Person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

“*Consolidated Interest Expense*” means, with respect to any Person for any period, without duplication, the sum of:

- (i) the interest expense of such Person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including:
  - (a) any amortization of debt discount;
  - (b) the net cost under non-speculative Hedging Obligations (including any amortization of discounts);
  - (c) the interest portion of any deferred payment obligation;
  - (d) all commissions, discounts and other fees and charges owed with respect to letters of credit, bankers’ acceptance financing or similar activities; and
  - (e) all accrued interest; *plus*

- (ii) the interest component of Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period determined on a consolidated basis in accordance with GAAP; *plus*
- (iii) the interest expense on any Debt guaranteed by such Person and its Restricted Subsidiaries; *plus*
- (iv) all capitalized interest of such Person and its Restricted Subsidiaries for such period; *less*
- (v) interest income of such Person and its Restricted Subsidiaries for such period;

*provided, however*, that Consolidated Interest Expense will exclude the amortization or write-off of debt issuance costs and deferred financing fees, commissions, fees and expenses.

“*Consolidated Net Income*” means, with respect to any Person, for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income, by:

- (i) excluding, without duplication:
  - (a) all extraordinary gains or losses (net of fees and expense relating to the transaction giving rise thereto), income, expenses or charges;
  - (b) the portion of net income of such Person and its Restricted Subsidiaries allocable to minority interest in unconsolidated Persons or Investments in Unrestricted Subsidiaries to the extent that cash dividends or distributions have not or could not have actually been received by such Person or one of its Restricted Subsidiaries;
  - (c) gains or losses in respect of any Asset Sales after the Issue Date by such Person or one of its Restricted Subsidiaries (net of fees and expenses relating to the transaction giving rise thereto), on an after-tax basis;
  - (d) the net income (loss) from any operations disposed of or discontinued after the Issue Date and any net gains or losses on such disposition or discontinuance, on an after-tax basis;
  - (e) solely for purposes of determining the amount available for Restricted Payments under clause (c) of the first paragraph of Section 4.7, the net income of any Restricted Subsidiary (other than a Guarantor) of such Person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders;
  - (f) any gain or loss realized as a result of the cumulative effect of a change in accounting principles;
  - (g) any fees and expenses, including deferred finance costs, paid in connection with the issuance of the Notes and the entering into of the Credit Agreement contemplated by the Offering Memorandum (including ratings agency fees);

- (h) non-cash compensation expense incurred with any issuance of equity interests to an employee of such Person or any Restricted Subsidiary; and
- (i) any net after-tax gains or losses attributable to the early extinguishment of Debt; and
- (ii) including, without duplication, dividends from Persons that are not Restricted Subsidiaries actually received in cash by the Company or any Restricted Subsidiary.

“*Consolidated Non-cash Charges*” means, with respect to any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other intangibles) and other non-cash charges and expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charges constituting an extraordinary item or loss and excluding any such charges constituting an extraordinary item or loss or any charge which requires an accrual of or a reserve for cash charges for any future period).

“*Consolidated Total Debt*” means, as of any date of determination, an amount equal to the aggregate principal amount of all outstanding Debt of the Company and its Restricted Subsidiaries (excluding (x) Hedging Obligations and (y) any undrawn letters of credit issued in the ordinary course of business).

“*Consolidated Total Debt Ratio*” means, as of any date of determination (the “*Determination Date*”), the ratio of (a) the Consolidated Total Debt of the Company and its Restricted Subsidiaries on the Determination Date to (b) the aggregate amount of Consolidated Cash Flow for the four full fiscal quarters, treated as one period, for which financial information in respect thereof is available immediately preceding the Determination Date (such four full fiscal quarter period being referred to herein as the “*Four Quarter Period*”). For purposes of this definition, Consolidated Total Debt and Consolidated Cash Flow shall be calculated after giving effect on *apro forma* basis for the period of such calculation to:

- (i) the Incurrence of any Debt (other than working capital borrowings under any revolving credit facility in the ordinary course of business) of the Company or any Restricted Subsidiary (and the application of the proceeds thereof) and any repayment of other Debt (other than working capital borrowings under any revolving credit facility in the ordinary course of business) occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Determination Date, as if such Incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period; and

- (ii) any Asset Sale or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Company or any Restricted Subsidiary (including any Person who becomes a Restricted Subsidiary as a result of such Asset Acquisition) incurring Acquired Debt and also including any Consolidated Cash Flow (including any pro forma expense and cost reductions calculated on a basis in accordance with Regulation S-X under the Exchange Act or including the amount of net cost savings projected by the Company in good faith to be realized as a result of specified actions taken during such period in connection with acquisitions or dispositions (which cost savings shall be calculated as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided, that (A) such cost savings are reasonably identifiable and factually supportable and expected to be realized in the twelve month period commencing after the date of such acquisition or disposition, (B) such cost savings do not amount to greater than \$5,000,000 for any Four Quarter Period and (C) the calculation of such

cost savings and their compliance with this definition shall be set forth in a certificate of a Responsible Officer (as defined in the Credit Agreement) delivered to the Trustee, associated in each case with any such Asset Acquisition, or Asset Sale) occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Determination Date, as if such Asset Sale, or Asset Acquisition (including the Incurrence of, or assumption or liability for, any such Debt or Acquired Debt) occurred on the first day of the Four Quarter Period;

*provided*, that no *pro forma* effect shall be given to the Incurrence of any Permitted Debt Incurred on such Determination Date or the discharge on such Determination Date of any Debt from the proceeds of any such Permitted Debt.

“*Corporate Trust Office*” means the office of the Trustee, or the Collateral Agent, as applicable, at which at any time its corporate trust business related to this Indenture shall be administered, which office at the date hereof is located at U.S. Bank National Association, Global Corporate Trust Services, 633 West Fifth Street, 24<sup>th</sup> Floor, Los Angeles, California 90071, Attention: P. Oswald (Salem Media), or such other address as the Trustee or the Collateral Agent, as applicable, may designate from time to time by written notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee or the Collateral Agent, as applicable (or such other address as such successor Trustee or the Collateral Agent, as applicable, may designate from time to time by notice to the Holders and the Company).

“*Credit Agreement*” means one or more debt facilities, including the ABL Documents, among the Company and the other borrowers named therein and the ABL Lenders, together with all related notes, letters of credit, collateral documents, guarantees, and any other related agreements and instruments executed and delivered in connection therewith, in each case as amended, modified, supplemented, restated, refinanced, refunded or replaced in whole or in part from time to time including by or pursuant to any agreement or instrument that extends the maturity of any Debt thereunder, or increases the amount of available borrowings or obligations thereunder (whether pursuant to the same agreement or one or more replacement or additional agreements), or adds Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, in each case with respect to such agreement or any successor or replacement agreement and whether by the same or any other agent, lender, group of lenders, purchasers or debt holders.

“*Debt*” means at any time (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person, omon-recourse, the following, if and to the extent the following items (other than clauses (iii), (vi), (vii), (viii) and (ix) below) would appear as liabilities on a balance sheet of such Person prepared in accordance with GAAP: (i) all indebtedness of such Person for money borrowed or for the deferred purchase price of property, excluding any trade payables or other current liabilities incurred in the normal course of business and excluding trade accounts payable arising in the ordinary course of business and accrued expenses and any obligations to pay a contingent purchase price as long as such obligation remains contingent; (ii) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments; (iii) all obligations of such Person for the reimbursement of any obligor on any letters of credit (other than letters of credit that are secured by cash or Eligible Cash Equivalents), bankers’ acceptances or similar facilities (other than obligations with respect to letters of credit securing obligations (other than obligations described under clauses (i) through (iii) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon, or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit; (iv) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property or assets acquired by such Person (excluding trade accounts payable arising in the ordinary course of business and accrued expenses and any obligations to pay a contingent purchase price as long as such obligation remains contingent); (v)

all Capital Lease Obligations of such Person (but excluding obligations under operating leases); (vi) the maximum fixed redemption or repurchase price of Redeemable Capital Interests in such Person at the time of determination (but excluding any accrued dividends); (vii) net Obligations under any Hedging Obligations of such Person at the time of determination; and (viii) all obligations of the types referred to in clauses (i) through (vii) of this definition of another Person and all dividends and other distributions of another Person, the payment of which, in either case, (A) such Person has Guaranteed or (B) is secured by any Lien upon the property or other assets of such Person, even though such Person has not assumed or become liable for the payment of such Debt, dividends or other distributions. For purposes of the foregoing: (a) the maximum fixed repurchase price of any Redeemable Capital Interests that do not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Interests as if such Redeemable Capital Interests were repurchased on any date on which Debt shall be required to be determined pursuant to this Indenture; *provided, however*, that, if such Redeemable Capital Interests are not then permitted to be repurchased, the repurchase price shall be the book value of such Redeemable Capital Interests; (b) the amount outstanding at any time of any Debt issued with original issue discount is the principal amount of such Debt less the remaining unamortized portion of the original issue discount of such Debt at such time as determined in conformity with GAAP, but such Debt shall be deemed Incurred only as of the date of original issuance thereof; (c) the amount of any Debt described in clause (viii)(A) above shall be the maximum liability under any such Guarantee; (d) the amount of any Debt described in clause (viii)(B) above shall be the lesser of (I) the maximum amount of the obligations so secured and (II) the Fair Market Value of such property or other assets; and (e) interest, fees, premium, expenses and additional payments, if any, will not constitute Debt.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term "Debt" will exclude (x) customary indemnification obligations and (y) post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment is otherwise contingent; *provided, however*, that such amount would not be required to be reflected on the face of a balance sheet prepared in accordance with GAAP.

The amount of Debt of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligations, of any contingent obligations at such date; *provided, however*, that in the case of Debt sold at a discount, the amount of such Debt at any time will be the accreted value thereof at such time.

"*Default*" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

"*Depository*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.3 hereof as the Depository with respect to the Notes, until a successor shall have been appointed and become such pursuant to Section 2.6 hereof, and, thereafter, "Depository" shall mean or include such successor.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Company or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers' Certificate setting forth the basis of such valuation executed by the principal financial officer of the Company and another officer of the Company, less the amount of cash received in connection with a subsequent sale of, or collection on, such Designated Non-cash Consideration.



---

“*Determination Date*” has the meaning set forth in the definition of “Consolidated Total Debt Ratio.”

“*DTC*” means The Depository Trust Company (55 Water Street, New York, New York).

“*Eligible Bank*” means a bank or trust company that (i) is organized and existing under the laws of the United States of America, or any state, territory or possession thereof, (ii) as of the time of the making or acquisition of an Investment in such bank or trust company, has combined capital and surplus in excess of \$500.0 million and (iii) the senior Debt of which is rated at least “A-2” by Moody’s or at least “A” by Standard & Poor’s.

“*Eligible Cash Equivalents*” means any of the following Investments: (i) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof), maturing not more than one year after the date of acquisition; (ii) time deposits in and certificates of deposit of any Eligible Bank; *provided* that such Investments have a maturity date not more than two years after date of acquisition and that the Average Life of all such Investments is one year or less from the respective dates of acquisition; (iii) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (i) above entered into with any Eligible Bank; (iv) direct obligations issued by any state of the United States or any political subdivision or public instrumentality thereof; *provided* that such Investments mature, or are subject to tender at the option of the holder thereof, within 365 days after the date of acquisition and, at the time of acquisition, have a rating of at least A from Standard & Poor’s or A-2 from Moody’s (or an equivalent rating by any other nationally recognized rating agency); (v) commercial paper of any Person other than an Affiliate of the Company; *provided* that such Investments have one of the two highest ratings obtainable from either Standard & Poor’s or Moody’s and mature within 180 days after the date of acquisition; (vi) overnight and demand deposits in and bankers’ acceptances of any Eligible Bank and demand deposits in any bank or trust company to the extent insured by the Federal Deposit Insurance Corporation against the Bank Insurance Fund; (vii) money market funds substantially all of the assets of which comprise Investments of the types described in clauses (i) through (vi); and (viii) instruments equivalent to those referred to in clauses (i) through (vi) above or funds equivalent to those referred to in clause (vii) above denominated in Euros or any other foreign currency comparable in credit quality and tender to those referred to in such clauses and customarily used by corporations for cash management purposes in jurisdictions outside the United States to the extent reasonably required in connection with any business conducted by any Restricted Subsidiary organized in such jurisdiction, all as determined in good faith by the Company.

“*Equity Offering*” means (i) an underwritten public equity offering of Qualified Capital Interests pursuant to an effective registration statement under the Securities Act of the Company, or any direct or indirect parent company of the Company but only to the extent contributed to the Company in the form of Qualified Capital Interests or (ii) a private equity offering of Qualified Capital Interests of the Company, or any direct or indirect parent company of the Company but only to the extent contributed to the Company in the form of Qualified Capital Interests, other than any public offerings registered on Form S-8.

“*ESOP*” means any employee benefit plan adopted and maintained by the Company and any successor plan or other employee benefit plan created to issue participation interests in the common stock of the Company to Company employees, directors and consultants.

“*ESOP Documentation*” means collectively, the governing agreements and other documents and instruments of the ESOP, and all amendments, supplements or other modifications to any of the foregoing, all schedules, exhibits and annexes thereto and all agreements affecting the terms thereof or entered into in connection therewith.

“*ESOT*” means the trust adopted and maintained by the Company pursuant to the ESOP Documentation and any successor trust or other trust established in connection with the ESOP.

“*Event of Loss*” means, with respect to any property or asset (tangible or intangible, real or personal) constituting Collateral, any of the following:

- (i) any loss, destruction or damage of such property or asset;
- (ii) any institution of any proceeding for the condemnation or seizure of such property or asset or for the exercise of any right of eminent domain;
- (iii) any actual condemnation, seizure or taking by exercise of the power of eminent domain or otherwise of such property or asset, or confiscation of such property or asset or the requisition of the use of such property or asset; or
- (iv) any settlement in lieu of clauses (ii) or (iii) above.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Excluded Property*” has the meaning as defined in the Security Agreement.

“*Expiration Date*” has the meaning set forth in the definition of “Offer to Purchase.”

“*Fair Market Value*” means, with respect to the consideration received or paid in any transaction or series of transactions, the fair market value thereof, as determined in good faith by the Company, or, in the event of an exchange of assets with a Fair Market Value in excess of \$5.0 million, determined in good faith by the Board of Directors of the Company.

“*Foreign Subsidiary*” means any Subsidiary of the Company organized under the laws of any jurisdiction other than the United States of America or any State thereof or the District of Columbia.

“*Four Quarter Period*” has the meaning set forth in the definition of “Consolidated Total Debt Ratio.”

“*GAAP*” means generally accepted accounting principles in the United States, consistently applied, as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect as of the Issue Date.

“*Global Note Legend*” means the legend identified as such in Exhibit A hereto.

“*Global Notes*” means the Notes in global form that are in the form of Exhibit A hereto.

“*Guarantee*” means, as applied to any Debt of another Person, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the normal course of business), direct or indirect, in any manner, of any part or all of such Debt, (ii) any direct or indirect obligation, contingent or otherwise, of a Person guaranteeing or having the effect of guaranteeing the Debt of any other Person in any manner and (iii) an agreement of a Person, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such Debt of another Person (and “Guaranteed” and “Guaranteeing” shall have meanings that correspond to the foregoing).

“*Guarantor*” means any Person that executes a Note Guarantee in accordance with the provisions of this Indenture and its successors and assigns.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any interest rate agreement, currency agreement or commodity agreement.

“*Holder*” means a Person in whose name a Note is registered in the security register.

“*Incur*” means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or other obligation on the balance sheet of such Person; *provided, however*, for the avoidance of doubt, that a change in GAAP that results in an obligation of such Person that exists at such time becoming Debt shall not be deemed an Incurrence of such Debt. Debt otherwise Incurred by a Person before it becomes a Subsidiary of the Company shall be deemed to be Incurred at the time at which such Person becomes a Subsidiary of the Company. “Incurrence,” “Incurred,” “Incurable” and “Incurring” shall have meanings that correspond to the foregoing. A Guarantee by the Company or a Restricted Subsidiary of Debt Incurred by the Company or a Restricted Subsidiary, as applicable, shall not be a separate Incurrence of Debt. In addition, the following shall not be deemed a separate Incurrence of Debt:

- (i) amortization of debt discount or accretion of principal with respect to a non-interest-bearing or other discount security;
- (ii) the payment of regularly scheduled interest in the form of additional Debt of the same instrument or the payment of regularly scheduled dividends on Capital Interests in the form of additional Capital Interests of the same class and with the same terms;
- (iii) the obligation to pay a premium in respect of Debt arising in connection with the issuance of a notice of redemption or making of a mandatory offer to purchase such Debt; and
- (iv) unrealized losses or charges in respect of Hedging Obligations. “*Indenture*” means this Indenture, as amended or supplemented from time to time. “*Initial Notes*” has the meaning set forth in the preamble hereto.

“*Initial Purchasers*” means Wells Fargo Securities, LLC, Barclays Capital Inc., Noble Capital Markets, Inc. and such other initial purchasers party to the Purchase Agreement entered into in connection with the offer and sale of the Notes on the Issue Date and any similar purchase agreement in connection with any Permitted Additional Pari Passu Obligations.

“*Insolvency or Liquidation Proceeding*” means (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to the Company or any Guarantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to the Company or any Guarantor or with respect to a material portion of its respective assets, (c) any liquidation, dissolution, reorganization or winding up of the Company or any Guarantor, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company or any Guarantor.

“*Intercreditor Agreement*” means the Intercreditor Agreement dated as of the Issue Date by and between the ABL Agent and the Collateral Agent as acknowledged by the Issuer and the Guarantors as amended, modified or restated from time to time.

“*Investment*” by any Person means any direct or indirect loan, advance (or other extension of credit) or capital contribution to (by means of any transfer of cash or other property or assets to another Person or any other payments for property or services for the account or use of another Person) another Person, including the following: (i) the purchase or acquisition of any Capital Interest or other evidence of beneficial ownership in another Person; and (ii) the purchase, acquisition or Guarantee of the obligations of another Person or the issuance of a “keep-well” with respect thereto; but shall exclude: (a) accounts receivable and other extensions of trade credit on commercially reasonable terms in accordance with normal trade practices; (b) the acquisition of property and assets from suppliers and other vendors in the normal course of business; and (c) prepaid expenses and workers’ compensation, utility, lease and similar deposits, in the normal course of business. For the avoidance of doubt, any payments pursuant to any Guarantee previously incurred in compliance with this Indenture shall not be deemed to be Investments by the Company or any of its Restricted Subsidiaries.

“*Issue Date*” means May 19, 2017.

“*Issuer*” or “*Company*” has the meaning set forth in the preamble hereto until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

“*Issuer Order*” means any written instruction by the Issuer and executed by an Officer of the Issuer.

“*Legal Holiday*” means a Saturday, a Sunday or a day on which banking institutions in The City of New York, the city in which the principal Corporate Trust Office of the Trustee is located or at a place of payment are authorized or required by law, regulation or executive order to remain closed. If a payment date in a place of payment is a Legal Holiday, payment shall be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

“*Lien*” means, with respect to any property or other asset, any mortgage, deed of trust, deed to secure debt, pledge, hypothecation, assignment, deposit arrangement, security interest, lien (statutory or otherwise), charge, easement, encumbrance or other security agreement on or with respect to such property or other asset (including any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

“*Moody’s*” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“*Mortgage*” means any agreement, including a mortgage, deed of trust, trust deed, deed to secure debt or any other document creating and evidencing a Lien on and security interest in a Mortgaged Property in favor of or for the benefit of the Collateral Agent, which shall be in form and substance effective to grant a Lien in favor of or for the benefit of the Collateral Agent enforceable against the Company or applicable Guarantor and creates rights in favor of or for the benefit of the Collateral Agent in respect of the applicable Mortgaged Property.

“*Mortgaged Property*”: means (a) each real property listed on Schedule A and (b) each real property, if any, which shall be subject to a Mortgage delivered after the Issue Date pursuant to Section 10.1.

“*Net Cash Proceeds*” means, with respect to Asset Sales of any Person, cash and Eligible Cash Equivalents received, net of: (i) all reasonable out-of-pocket costs and expenses of such Person incurred in connection with such a sale, including all legal, accounting, title and recording tax expenses, commissions and other fees and expenses incurred and all federal, state, foreign and local taxes arising in connection with such an Asset Sale that are paid or required to be accrued as a liability under GAAP by such Person; (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations associated with such Asset Sale; (iii) all payments made by such Person on any Debt that is secured by such properties or other assets in accordance with the terms of any Lien upon or with respect to such properties or other assets or that must, by the terms of such Lien or such Debt, or in order to obtain a necessary consent to such transaction or by applicable law, be repaid to any other Person (other than the Company or a Restricted Subsidiary thereof) in connection with such Asset Sale (other than in the case of Collateral, any Lien which does not rank prior to the Note Liens); and (iv) all contractually required distributions and other payments made to minority interest holders in Restricted Subsidiaries of such Person as a result of such transaction; *provided, however*, that: (a) in the event that any consideration for an Asset Sale (which would otherwise constitute Net Cash Proceeds) is required by (I) contract to be held in escrow pending determination of whether a purchase price adjustment will be made or (II) GAAP to be reserved against other liabilities in connection with such Asset Sale, such consideration (or any portion thereof) shall become Net Cash Proceeds only at such time as it is released to such Person from escrow or otherwise; and (b) any non-cash consideration received in connection with any transaction, which is subsequently converted to cash, shall become Net Cash Proceeds only at such time as it is so converted.

“*Net Loss Proceeds*” means the aggregate cash proceeds received by the Company or any Guarantor in respect of any Event of Loss, including insurance proceeds, condemnation awards or damages awarded by any judgment, net of the direct cost in recovery of such Net Loss Proceeds (including legal, accounting, appraisal and insurance adjuster fees and any relocation expenses incurred as a result thereof), amounts required to be applied to the repayment of Debt secured by any Permitted Collateral Lien on the asset or assets that were the subject of such Event of Loss (other than any Lien which does not rank prior to the Note Liens), and any taxes paid or payable as a result thereof.

“*Note Custodian*” means the Trustee when serving as custodian for the Depository with respect to the Global Notes, or any successor entity thereto.

“*Note Guarantee*” means any guarantee of the Notes by any Guarantor pursuant to this Indenture.

“*Noteholder Secured Parties*” has the meaning given to the term “Notes Claimholder” in the Intercreditor Agreement, whether or not in effect at such time.

“*Note Liens*” means all Liens in favor of the Collateral Agent on Collateral securing the Secured Obligations, including, without limitation, any Permitted Additional Pari Passu Obligations.

“*Notes*” has the meaning set forth in the preamble to this Indenture.

“*Obligations*” means any principal, premium, interest (including any interest, fees and other amounts accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest, fees and other amounts are an allowed claim under applicable state, federal or foreign law), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers’ acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Debt.

“Offer” has the meaning set forth in the definition of “Offer to Purchase.”

“Offer to Purchase” means a written offer (the “Offer”) sent by the Company by first class mail, postage prepaid, to each Holder at his address appearing in the security register on the date of the Offer, offering to purchase up to the aggregate principal amount of Notes set forth in such Offer at the purchase price set forth in such Offer (as determined pursuant to this Indenture). Unless otherwise required by applicable law, the Offer shall specify an expiration date (the “Expiration Date”) of the Offer to Purchase which shall be, subject to any contrary requirements of applicable law, not less than 30 days or more than 60 days after the date of mailing of such Offer and a settlement date (the “Purchase Date”) for purchase of Notes within five Business Days after the Expiration Date. The Company shall notify the Trustee at least 15 days (or such shorter period as is acceptable to the Trustee) prior to the mailing of the Offer of the Company’s obligation to make an Offer to Purchase, and the Offer shall be mailed by the Company or, at the Company’s request, by the Trustee in the name and at the expense of the Company. The Offer shall be prepared by the Company and shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase. The Offer shall also state:

- (i) the Section of this Indenture pursuant to which the Offer to Purchase is being made;
- (ii) the Expiration Date and the Purchase Date;
- (iii) the aggregate principal amount of the outstanding Notes offered to be purchased pursuant to the Offer to Purchase (including, if less than 100%, the manner by which such amount has been determined pursuant to Section 4.10 or 4.16, as applicable) (the “Purchase Amount”);
- (iv) the purchase price to be paid by the Company for each \$1,000 principal amount of Notes accepted for payment (as specified pursuant to this Indenture) (the “Purchase Price”);
- (v) that the Holder may tender all or any portion of the Notes registered in the name of such Holder and that any portion of a Note tendered must be tendered in a minimum principal amount of \$2,000;
- (vi) the place or places where Notes are to be surrendered for tender pursuant to the Offer to Purchase, if applicable;
- (vii) that, unless the Company defaults in making such purchase, any Note accepted for purchase pursuant to the Offer to Purchase will cease to accrue interest on and after the Purchase Date, but that any Note not tendered or tendered but not purchased by the Company pursuant to the Offer to Purchase will continue to accrue interest at the same rate;
- (viii) that, on the Purchase Date, the Purchase Price will become due and payable upon each Note accepted for payment pursuant to the Offer to Purchase;
- (ix) that each Holder electing to tender a Note pursuant to the Offer to Purchase will be required to surrender such Note or cause such Note to be surrendered at the place or places set forth in the Offer prior to the close of business on the Expiration Date (such Note being, if the Company or the Trustee so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing);

(x) that Holders will be entitled to withdraw all or any portion of Notes tendered if the Company (or its paying agent) receives, not later than the close of business on the Expiration Date, a facsimile transmission or letter setting forth the name of the Holder, the aggregate principal amount of the Notes the Holder tendered, the certificate number of the Note the Holder tendered and a statement that such Holder is withdrawing all or a portion of his tender;

(xi) that (a) if Notes having an aggregate principal amount less than or equal to the Purchase Amount are duly tendered and not withdrawn pursuant to the Offer to Purchase, the Company shall purchase all such Notes and (b) if Notes having an aggregate principal amount in excess of the Purchase Amount are tendered and not withdrawn pursuant to the Offer to Purchase, the Company shall purchase Notes having an aggregate principal amount equal to the Purchase Amount on a pro rata basis (with such adjustments as may be deemed appropriate so that only Notes in minimum denominations of \$2,000 principal amount or integral multiples of \$1,000 in excess thereof shall remain outstanding following such purchase); and

(xii) if applicable, that, in the case of any Holder whose Note is purchased only in part, the Company shall execute, and upon receipt of an Issuer Order, the Trustee shall authenticate and deliver to the Holder of such Note without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder in writing, in the aggregate principal amount equal to and in exchange for the un-purchased portion of the aggregate principal amount of the Notes so tendered.

“*Offering Memorandum*” means the Offering Memorandum related to the issuance of the Initial Notes on the Issue Date, dated May 11, 2017.

“*Officer*” means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary or any Vice-President of such Person.

“*Officers’ Certificate*” means a certificate signed by two Officers of the Company or a Guarantor, as applicable, one of whom must be the principal executive officer, the principal financial officer or the principal accounting officer of the Company or such Guarantor, as applicable.

“*Opinion of Counsel*” means an opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or any Subsidiary of the Company.

“*Participant*” means, with respect to DTC, a Person who has an account with DTC.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance, covenant defeasance or similar payment with respect to, any Notes on behalf of the Issuer.

“*Permitted Additional Pari Passu Obligations*” means obligations under any Additional Notes or other Debt secured on a pari passu basis by the Note Liens; *provided* that the amount of such obligations does not exceed an amount such that immediately after giving effect to the Incurrence of such Additional Notes or other Debt, as applicable, and the receipt and application of the proceeds therefrom, the Consolidated Total Debt Ratio of the Company and its Restricted Subsidiaries would be less than or equal to 5.25 to 1.0; *provided, further*, that (i) the representative of such Permitted Additional Pari Passu Obligation executes a joinder agreement to the Security Agreement and the Intercreditor Agreement, in each case, in the form attached thereto agreeing to be bound thereby and (ii) the Company has designated such Debt as “Permitted Additional Pari Passu Obligations” under the Security Agreement and “Permitted Additional Pari Passu Lien Obligations” under the Intercreditor Agreement.

“*Permitted Business*” means any business similar in nature to any business conducted by the Company and the Restricted Subsidiaries on the Issue Date and any business reasonably ancillary, incidental, complementary or related to the business conducted by the Company and the Restricted Subsidiaries on the Issue Date or a reasonable extension, development or expansion thereof (including matters related to the ESOP), in each case, as determined in good faith by the Board of Directors of the Company.

“*Permitted Collateral Liens*” means:

(i) Liens securing the Notes outstanding on the Issue Date, Refinancing Debt with respect to such Notes, the Guarantees relating thereto and any Obligations with respect to such Notes, Refinancing Debt and Guarantees;

(ii) Liens securing Permitted Additional Pari Passu Obligations permitted to be incurred pursuant to this Indenture and Refinancing Debt with respect to such Permitted Additional Pari Passu Obligations which Liens are granted pursuant to the provisions of the Security Documents;

(iii) Liens existing on the Issue Date (other than Liens specified in clause (i) or (ii) above) and any extension, renewal, refinancing or replacement thereof so long as such extension, renewal, refinancing or replacement does not extend to any other property or asset and does not increase the outstanding principal amount thereof (except by the amount of any premium or fee paid or payable or original issue discount in connection with such extension, renewal, replacement or refinancing);

(iv) Liens described in clauses (ii) (which Liens shall be subject to the Intercreditor Agreement), (iii), (iv), (v), (vi), (vii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxiv) and (xxv) of the definition of “Permitted Liens”;

(v) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other similar restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Debt and which do not individually or in the aggregate materially adversely affect the value of the property affected thereby or materially impair the use of such property in the operation of the business of such Person;

(vi) other Liens (not securing Debt) incidental to the conduct of the business of the Company or any of its Restricted Subsidiaries, as the case may be, or the ownership of their assets which do not individually or in the aggregate materially adversely affect the value of the property affected thereby or materially impair the use of such property in the operation of the business of the Company or its Restricted Subsidiaries;

(vii) Liens on the Collateral in favor of the Collateral Agent relating to the Collateral Agent’s administrative expenses with respect to the Collateral.



---

“Permitted Debt” means:

- (i) Debt Incurred pursuant to, or letters of credit or bankers’ acceptances issued or created under, any Credit Agreement in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) \$35.0 million and (b) 85% of the value of the book value of account receivables calculated on a consolidated basis and in accordance with GAAP based on the most recent internal month-end financial statements available to Company immediately preceding the date of the Incurrence;
- (ii) Debt outstanding under the Notes (excluding any Additional Notes) and contribution, indemnification and reimbursement obligations owed by the Company or any Guarantor to any of the other of them in respect of amounts paid or payable on such Notes;
- (iii) Guarantees of the Notes;
- (iv) Debt of the Company or any Restricted Subsidiary outstanding as of the Issue Date (other than under clause (i), (ii) or (iii) above or (xvi) below);
- (v) Debt owed to and held by the Company or a Restricted Subsidiary; *provided* that if such Debt is owed by the Company or a Guarantor to a Restricted Subsidiary that is not a Guarantor, such Debt shall be subordinated to the prior payment in full of the Secured Obligations;
- (vi) Guarantees Incurred by the Company of Debt of a Restricted Subsidiary otherwise permitted to be incurred under this Indenture;
- (vii) Guarantees by any Restricted Subsidiary of Debt of the Company or any Restricted Subsidiary, including Guarantees by any Restricted Subsidiary of Debt under the Credit Agreement; *provided* that (a) such Debt is Permitted Debt or is otherwise Incurred in accordance with Section 4.9 and (b) such Guarantees are subordinated to the Notes to the same extent as the Debt being guaranteed;
- (viii) Debt incurred in respect of workers’ compensation claims, self-insurance obligations, indemnity, bid, performance, warranty, release, appeal, surety and similar bonds, letters of credit for operating purposes and completion guarantees provided or incurred (including Guarantees thereof) by the Company or a Restricted Subsidiary in the ordinary course of business;
- (ix) Debt and other obligations under Hedging Obligations entered into to protect the Company and the Restricted Subsidiaries from fluctuations in interest rates, commodity prices and currency exchange rates;
- (x) Debt of the Company or any Restricted Subsidiary pursuant to Capital Lease Obligations and Purchase Money Debt under this clause (x); *provided* that the aggregate principal amount of such Debt outstanding at any time may not exceed the greater of \$10.0 million and 1.5% of Total Assets in the aggregate;
- (xi) Debt arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, contribution, earnout, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Interests of a Restricted Subsidiary otherwise permitted under this Indenture;

(xii) the issuance by any of the Company's Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however, that:*

(a) any subsequent issuance or transfer of Capital Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary;

shall be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (xii);

(xiii) Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however, that such Debt is extinguished within five Business Days of Incurrence;*

(xiv) Debt of the Company or any Restricted Subsidiary not otherwise permitted pursuant to this definition (including additional Debt under any Credit Agreement), in an aggregate principal amount not to exceed the greater of \$15.0 million and 2.0% of Total Assets at any time outstanding;

(xv) Acquired Debt Incurred by a Restricted Subsidiary prior to the time that such Restricted Subsidiary was acquired by or merged into the Company and that was not Incurred in connection with, or in contemplation of, such acquisition or merger in an aggregate amount not to exceed \$5.0 million at any time outstanding;

(xvi) Refinancing Debt in respect of Debt permitted by clauses (ii), (iii), (iv), (xv) above, this clause (xvi) or the first paragraph of Section 4.9;

(xvii) Bank Product Obligations; and

(xviii) Debt of the Company or any of its Restricted Subsidiaries arising from customary cash management services or the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided, however, that such Debt is extinguished within five Business Days of Incurrence.*

Notwithstanding anything herein to the contrary, Debt permitted under clause (i) of this definition of "Permitted Debt" shall not constitute "Refinancing Debt" under clause (xvi) of this definition of "Permitted Debt."

"*Permitted ESOP Transactions*" means the redemption or repurchase for value of any Capital Interests of the Company as a result of distributions by the ESOT to participants in the ESOP to satisfy requirements under applicable law, including Section 401(a)(28) of the Code, and in connection with diversification of participants' interests, participant hardship withdrawals or participant loans.

"*Permitted Holders*" means (i) any of Stuart W. Epperson and Edward G. Atsinger III; (ii) family members or the relatives of the Persons described in clause (i); (iii) any trusts created for the benefit of the Persons described in clauses (i), (ii) or (iv) or any trust for the benefit of any such trust; (iv) in the event of the incompetence or death of any of the Persons described in clauses (i) and (ii), such Person's

estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Capital Interests of the Company; or (v) the ESOT.

“*Permitted Investments*” means:

- (i) Investments in existence on the Issue Date;
- (ii) Investments required pursuant to any agreement or obligation of the Company or a Restricted Subsidiary, in effect on the Issue Date, to make such Investments;
- (iii) Eligible Cash Equivalents;
- (iv) Investments in property and other assets owned or used by the Company or any Restricted Subsidiary in the operation of a Permitted Business;
- (v) Investments by the Company or any of its Restricted Subsidiaries in the Company or any Restricted Subsidiary,
- (vi) Investments by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment (a) such Person becomes a Restricted Subsidiary or (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated or wound up into, the Company or a Restricted Subsidiary;
- (vii) Hedging Obligations entered into to protect the Company and the Restricted Subsidiaries from fluctuations in interest rates, commodity prices and currency exchange rates;
- (viii) Investments received in settlement of obligations owed to the Company or any Restricted Subsidiary and as a result of bankruptcy or insolvency proceedings or upon the foreclosure or enforcement of any Lien in favor of the Company or any Restricted Subsidiary;
- (ix) Investments by the Company or any Restricted Subsidiary (other than in an Affiliate) not otherwise permitted under this definition, in an aggregate amount not to exceed \$20 0 million at any one time outstanding;
- (x) (a) loans and advances (including for travel and relocation) to employees in an amount not to exceed \$2.0 million in the aggregate at any one time outstanding and (b) loans or advances against, and repurchases of, Capital Interests and options of the Company and its Restricted Subsidiaries held by management and employees in connection with any stock option, deferred compensation or similar benefit plans approved by the Board of Directors (or similar governing body) and otherwise issued in accordance with the terms of this Indenture;
- (xi) Investments the payment for which consists solely of Qualified Capital Interests of the Company;
- (xii) any Investment in any Person to the extent such Investment represents the non-cash portion of the consideration received in connection with an Asset Sale consummated in compliance with Section 4.10 or any other disposition of property not constituting an Asset Sale;

(xiii) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(xiv) guarantees by the Company or any Restricted Subsidiary of Debt of the Company or a Restricted Subsidiary of Debt otherwise permitted by Section 4.9; and

(xv) the issuance of any letter of credit or similar support for the obligations of any insurance Subsidiary in the ordinary course of business.

“Permitted Liens” means:

(i) Liens existing at the Issue Date;

(ii) Liens that secure Obligations (x) incurred pursuant to clause (i) or clause (ix) of the definition of “Permitted Debt” (including Bank Product Obligations and/or Hedging Obligations owed to a Lender or an Affiliate of a Lender and described as “Bank Product Obligations” or “Hedge Obligations” in the Intercreditor Agreement) and (y) in respect of Debt permitted by clause (xiv) of the definition of “Permitted Debt”; *provided* that, in each case, such Liens are subject to the provisions of the Intercreditor Agreement;

(iii) any Lien for taxes or assessments or other governmental charges or levies not then due and payable (or which, if due and payable, are being contested in good faith and for which adequate reserves are being maintained, to the extent required by GAAP and such proceedings have the effect of preventing the forfeiture or sale of the property or assets subject to any such Lien);

(iv) any carrier’s, warehousemen’s, materialmen’s, mechanic’s, landlord’s or other similar Liens arising by law for sums not then due and payable after giving effect to any applicable grace period (or which, if due and payable, are being contested in good faith and with respect to which adequate reserves are being maintained, to the extent required by GAAP and such proceedings have the effect of preventing the forfeiture or sale of the property or assets subject to any such Lien);

(v) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other similar restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Debt and which do not individually or in the aggregate materially adversely affect the value of the Company or materially impair the operation of the business of such Person;

(vi) pledges or deposits (a) in connection with workers’ compensation, unemployment insurance and other types of statutory obligations or the requirements of any official body, (b) to secure the performance of tenders, bids, surety or performance bonds, leases, purchase, construction, sales or servicing contracts and other similar obligations Incurred in the normal course of business consistent with industry practice, (c) to obtain or secure obligations with respect to letters of credit, Guarantees, bonds or other sureties or assurances given in connection with the activities described in clauses (a) and (b) above, in each case not Incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or services or imposed by ERISA or the Code in connection

with a “plan” (as defined in ERISA), or (d) arising in connection with any attachment unless such Liens shall not be satisfied or discharged or stayed pending appeal within 60 days after the entry thereof or the expiration of any such stay;

(vii) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or a Restricted Subsidiary or becomes a Restricted Subsidiary, or on property acquired by the Company or any Restricted Subsidiary (and in each case not created or Incurred in anticipation of such transaction), including Liens securing Acquired Debt permitted under this Indenture; *provided* that such Liens are not extended to the property and assets of the Company and its Restricted Subsidiaries other than the property or assets acquired;

(viii) Liens securing Debt of a Restricted Subsidiary that is a Guarantor owed to and held by the Company or a Restricted Subsidiary that is a Guarantor thereof;

(ix) other Liens (not securing Debt) incidental to the conduct of the business of the Company or any of its Restricted Subsidiaries, as the case may be, or the ownership of their assets which do not individually or in the aggregate materially adversely affect the value of such assets or materially impair the operation of the business of the Company or its Restricted Subsidiaries;

(x) Liens to secure any permitted extension, renewal, refinancing or refunding (or successive extensions, renewals, refinancings or refundings), in whole or in part, of any Debt secured by Liens referred to in the foregoing clauses (i) and (vii); *provided* that such Liens do not extend to any other property or assets and the principal amount of the obligations secured by such Liens is not greater than the sum of the outstanding principal amount of the refinanced Debt plus any fees and expenses, including premiums or original issue discount related to such extension, renewal, refinancing or refunding;

(xi) Liens in favor of customs or revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods incurred in the ordinary course of business;

(xii) licenses of intellectual property granted in the ordinary course of business;

(xiii) Liens to secure Capital Lease Obligations or Purchase Money Debt permitted to be incurred pursuant to clause (x) of the definition of “Permitted Debt” covering only the assets financed by or acquired with such Debt;

(xiv) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person’s obligation in respect of bankers’ acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(xv) Liens securing Debt Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of such Person; *provided, however*, that the Lien may not extend to other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto and any proceeds thereof), and the Debt (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(xvi) Liens on property or shares of Capital Interests of another Person at the time such other Person becomes a Subsidiary of such Person *provided, however*, that (a) the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto and proceeds thereof) and (b) such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary;

(xvii) Liens (a) that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Debt, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations and other cash management activities incurred in the ordinary course of business of the Company and or any of its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business and (b) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection, (Y) encumbering reasonable customary initial deposits and margin deposits and attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, and (Z) in favor of banking institutions arising as a matter of law or pursuant to customary account agreements encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(xviii) Liens securing judgments for the payment of money not constituting an Event of Default under clause (7) under Section 6.1 of this Indenture so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(xix) deposits made in the ordinary course of business to secure liability to insurance carriers;

(xx) leases, subleases, licenses or sublicenses granted to others in the ordinary course of business so long as such leases, subleases, licenses or sublicenses are subordinate in all respects to the Liens granted and evidenced by the Security Documents and which do not materially interfere with the ordinary conduct of the business of the Company or any Restricted Subsidiaries and do not secure any Debt;

(xxi) Liens arising from UCC financing statement filings regarding operating leases entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(xxii) Liens on the assets of a Restricted Subsidiary that is not a Guarantor securing Debt and other obligations of such Restricted Subsidiary incurred in compliance with this Indenture;

(xxiii) Liens on the Collateral granted under the Security Documents in favor of the Collateral Agent to secure the Notes, the Guarantees and the Permitted Additional Pari Passu Obligations;

(xxiv) Liens securing Debt, as measured by principal amount, which, when taken together with the principal amount of all other Debt secured by Liens (excluding Liens permitted by clauses (i) through (xxiii) above) at the time of determination, does not exceed the greater of \$15.0 million and 2.0% of Total Assets in the aggregate at any one time outstanding; and

(xxv) any extensions, substitutions, replacements or renewals of the foregoing.

“*Person*” means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*Preferred Interests*,” as applied to the Capital Interests in any Person, means Capital Interests in such Person of any class or classes (however designated) that rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Common Interests in such Person.

“*Purchase Agreement*” means the purchase agreement dated May 11, 2017 by and among the Company, the Representative (as defined therein) and the Guarantors named therein.

“*Purchase Amount*” has the meaning set forth in the definition of “Offer to Purchase.”

“*Purchase Date*” has the meaning set forth in the definition of “Offer to Purchase.”

“*Purchase Money Debt*” means Debt (i) Incurred to finance the purchase or construction (including additions and improvements thereto) of any assets (other than Capital Interests) of such Person or any Restricted Subsidiary; and (ii) that is secured by a Lien on such assets where the lender’s sole security is to the assets so purchased or constructed (and assets or property affixed or appurtenant thereto and any proceeds thereof); and in either case that does not exceed 100% of the cost and to the extent the purchase or construction prices for such assets are or should be included in “addition to property, plant or equipment” in accordance with GAAP.

“*Purchase Price*” has the meaning set forth in the definition of “Offer to Purchase.”

“*Qualified Capital Interests*” in any Person means a class of Capital Interests other than Redeemable Capital Interests.

“*Redeemable Capital Interests*” in any Person means any equity security of such Person that by its terms (or by terms of any security into which it is convertible or for which it is exchangeable), or otherwise (including the passage of time or the happening of an event), is required to be redeemed, is redeemable at the option of the holder thereof in whole or in part (including by operation of a sinking fund), or is convertible or exchangeable for Debt of such Person at the option of the holder thereof, in whole or in part, at any time prior to the Stated Maturity of the Notes; *provided* that only the portion of such equity security which is required to be redeemed, is so convertible or exchangeable or is so redeemable at the option of the holder thereof before such date will be deemed to be Redeemable Capital Interests. Notwithstanding the preceding sentence, any equity security that would constitute Redeemable Capital Interests solely because the holders of the equity security have the right to require the Company or any Restricted Subsidiary to repurchase such equity security upon the occurrence of a change of control or an asset sale will not constitute Redeemable Capital Interests if the terms of such equity security provide that the Company or such Restricted Subsidiary may not repurchase or redeem any such equity security pursuant to such provisions unless such repurchase or redemption complies with Section 4.7. The amount of Redeemable Capital Interests deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay

upon the maturity of, or pursuant to any mandatory redemption provisions of, such Redeemable Capital Interests or portion thereof, exclusive of accrued dividends. Notwithstanding anything to the contrary set forth in this definition, Capital Interests of the Company shall not be deemed to be "Redeemable Capital Interests" solely (i) as a result of the provisions of the Company's certificate of incorporation requiring the Company to repurchase such Capital Interests upon such member ceasing to be a member so long as such provisions are not amended in any manner materially adverse to the Holders of Notes, or (ii) because the holders of such Capital Interests have the right to require the Company or the Company has the obligation to repurchase such Capital Interests pursuant to the terms of the ESOP.

"*Redemption Price*" when used with respect to any Note to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"*Refinancing Debt*" means Debt that refunds, refinances, defeases, renews, replaces or extends any Debt permitted to be Incurred by the Company or any Restricted Subsidiary pursuant to the terms of this Indenture, whether involving the same or any other lender or creditor or group of lenders or creditors, but only to the extent that

- (i) the Refinancing Debt is subordinated to the Notes to at least the same extent as the Debt being refunded, refinanced, defeased, renewed, replaced or extended, if such Debt was subordinated to the Notes,
- (ii) the Refinancing Debt is scheduled to mature either (a) no earlier than the Debt being refunded, refinanced or extended or (b) at least 91 days after the maturity date of the Notes,
- (iii) the Refinancing Debt has a weighted average life to maturity at the time such Refinancing Debt is Incurred that is equal to or greater than the weighted average life to maturity of the Debt being refunded, refinanced, defeased, renewed, replaced or extended,
- (iv) such Refinancing Debt is in an aggregate principal amount that is less than or equal to the sum of (a) the aggregate principal or accreted amount (in the case of any Debt issued with original issue discount, as such) then outstanding under the Debt being refunded, refinanced, defeased, renewed, replaced or extended, (b) the amount of accrued and unpaid interest, if any, and premiums owed, if any, not in excess of preexisting optional prepayment provisions on such Debt being refunded, refinanced, defeased, renewed, replaced or extended and (c) the amount of reasonable and customary fees, expenses and costs related to the Incurrence of such Refinancing Debt, and
- (v) such Refinancing Debt shall not include (x) Debt of a Restricted Subsidiary of the Company that is not a Guarantor that refinances Debt of the Company or a Guarantor or (y) Debt of the Company or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

"*Responsible Officer*" means, when used with respect to the Trustee, any officer of the Trustee within the Corporate Trust Office (or any successor unit or department) of the Trustee responsible for administering this Indenture, and also means, with respect to a particular corporate trust matter relating to this Indenture, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject, and means, when used with respect to the Collateral Agent, any officer of the Collateral Agent within the Corporate Trust Office (or any successor unit or department) of the Collateral Agent responsible for administering this Indenture, and also means, with respect to a particular corporate trust matter relating to this Indenture, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.



“*Restricted Notes Legend*” means the legend identified as such in Exhibit A hereto.

“*Restricted Payment*” is defined to mean any of the following:

(i) any dividend or other distribution declared and paid on the Capital Interests in the Company or on the Capital Interests in any Restricted Subsidiary of the Company that are held by, or declared and paid to, any Person other than the Company or a Restricted Subsidiary of the Company; *provided* that the following shall not be “Restricted Payments”:

(a) dividends, distributions or payments, in each case, made solely in Qualified Capital Interests in the Company; and

(b) dividends or distributions payable to the Company or a Restricted Subsidiary of the Company or to other holders of Capital Interests of a Restricted Subsidiary on a pro rata basis;

(ii) any payment made by the Company or any of its Restricted Subsidiaries to purchase, redeem, acquire or retire any Capital Interests in the Company or any of its Restricted Subsidiaries, including any issuance of Debt, in exchange for such Capital Interests or the conversion or exchange of such Capital Interests into or for Debt other than any such Capital Interests owned by the Company or any Restricted Subsidiary;

(iii) any payment made by the Company or any of its Restricted Subsidiaries (other than a payment made solely in Qualified Capital Interests in the Company) to redeem, repurchase, defease (including an in substance or legal defeasance) or otherwise acquire or retire for value (including pursuant to mandatory repurchase covenants), (a) prior to any scheduled maturity, scheduled sinking fund or mandatory redemption payment, Debt of the Company or any Guarantor that is subordinate (whether pursuant to its terms or by operation of law) in right of payment to the Notes or Note Guarantees (excluding any Debt owed to the Company or any Restricted Subsidiary); except (x) payments of principal in anticipation of satisfying a sinking fund obligation or final maturity, in each case, within one year of the due date thereof, and (y) any payments in respect of Debt to the extent the issuance of such Debt was a Restricted Payment and (b) any Debt which would have constituted a Restricted Payment under clause (ii) above;

(iv) any Investment by the Company or a Restricted Subsidiary in any Person, other than a Permitted Investment; and

(v) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary;

*provided* that notwithstanding the foregoing clauses (i) through (v), any payments in respect of Debt, if such Debt was issued prior to the Issue Date or the issuance of such Debt constituted a Restricted Payment under clause (ii) above, shall not be deemed to be Restricted Payments.

“*Restricted Subsidiary*” means any Subsidiary that has not been designated as an “Unrestricted Subsidiary” in accordance with this Indenture. For the avoidance of doubt, on the date hereof all Subsidiaries shall be Restricted Subsidiaries.

“*Secured Obligations*” means the Debt Incurred and Obligations under this Indenture, the Notes, the Security Documents and any Permitted Additional Pari Passu Obligations.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Security Agreement*” means the security agreement to be dated as of the Issue Date between the Collateral Agent, the Company and the Guarantors, as amended, modified, restated, supplemented or replaced from time to time in accordance with its terms.

“*Security Documents*” means the Security Agreement, the Mortgages, the Intercreditor Agreement and all of the security agreements, pledges, collateral assignments, and other instruments evidencing or creating or purporting to create any security interests in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Permitted Additional Pari Passu Obligations, in all or any portion of the Collateral, as amended, modified, restated, supplemented or replaced from time to time.

“*Significant Subsidiary*” has the meaning set forth in Rule 1-02 of Regulation S-X under the Securities Act and Exchange Act, but shall not include any Unrestricted Subsidiary.

“*Standard & Poor’s*” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

“*Stated Maturity*,” when used with respect to (i) any Note or any installment of interest thereon, means the date specified in such Note as the fixed date on which the principal amount of such Note or such installment of interest is due and payable and (ii) any other Debt or any installment of interest thereon, means the date specified in the instrument governing such Debt as the fixed date on which the principal of such Debt or such installment of interest is due and payable.

“*Subsidiary*” means, with respect to any Person, any corporation, limited or general partnership, trust, association or other business entity of which an aggregate of at least a majority of the outstanding Capital Interests therein is, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person.

“*TIA*” means the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbb), as amended.

“*Total Assets*” means the total assets of the Company and its Restricted Subsidiaries on a consolidated basis, determined in accordance with GAAP, as of the last day of the most recently ended fiscal quarter of the Company for which internal financial statements are available.

“*Transactions*” means the issuance of the Notes on the Issue Date, the refinancing of the Company’s existing notes and credit agreement and the entrance into the Credit Agreement and the transactions related thereto.

“*Transfer Restricted Global Notes*” means a Global Note that is a Transfer Restricted Note.

“*Transfer Restricted Notes*” means Notes that bear or are required to bear the Restricted Notes Legend.

“*Treasury Rate*” means the weekly average rounded to the nearest 1/100<sup>th</sup> of a percentage point (for the most recently completed week for which such information is available as of the date that is two business days prior to the redemption date) of the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in Federal Reserve Statistical Release H.15 with respect to each applicable day during such week (or, if such Statistical Release is no longer published, any publicly available source for similar market data)) most nearly equal to the then remaining term of the Notes to June 1, 2020; *provided, however*, that if the then remaining term of the Notes to June 1, 2020 is not equal to the constant maturity of a United States Treasury security for which

such yield is given, the Treasury Rate will be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the then remaining term of the Notes to June 1, 2020 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. In each case, the Company or its agent shall obtain the Treasury Rate.

“*Trustee*” has the meaning set forth in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

“*Trust Monies*” means all cash and Eligible Cash Equivalents received by the Trustee:

(1) upon the release of Collateral from the Lien of this Indenture or the Security Documents, including all Net Cash Proceeds and Net Loss Proceeds and all moneys received in respect of the principal of all purchase money, governmental and other obligations;

(2) pursuant to the Security Documents;

(3) as proceeds of any sale or other disposition of all or any part of the Collateral by or on behalf of the Trustee or any collection, recovery, receipt, appropriation or other realization of or from all or any part of the Collateral pursuant to this Indenture or any of the Security Documents or otherwise; or

(4) for application as provided in the relevant provisions of this Indenture or any Security Document or which disposition is not otherwise specifically provided for in this Indenture or in any Security Document;

*provided, however*, that Trust Monies shall in no event include any property deposited with the Trustee for any redemption, legal defeasance or covenant defeasance of Notes, for the satisfaction and Discharge of this Indenture or to pay the purchase price of Notes pursuant to an Offer to Purchase in accordance with the terms of this Indenture and shall not include any cash or other property received or applicable by the Trustee or the Collateral Agent in payment of its fees, expenses and indemnities.

“*UCC*” means the Uniform Commercial Code as in effect from time to time in the State of New York *provided, however*, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent’s security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “*UCC*” shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

“*Unrestricted Global Note*” means a Global Note that is an Unrestricted Note.

“*Unrestricted Notes*” means one or more Notes that do not and are not required to bear the Restricted Notes Legend.

“*Unrestricted Subsidiary*” means:

(1) any Subsidiary designated as such by the Board of Directors of the Company in compliance with Section 4.19; and

(2) any Subsidiary of an Unrestricted Subsidiary.

“*Voting Interests*” means, with respect to any Person, securities of any class or classes of Capital Interests in such Person entitling the holders thereof generally to vote on the election of members of the Board of Directors or comparable body of such Person.

SECTION 1.2 Other Definitions.

<u>Term</u>	<u>Defined in Section</u>
“Act”	13.14(a)
“Affiliate Transaction”	4.11
“Agent Members”	2.6
“Change of Control Offer”	4.14
“Change of Control Payment”	4.14
“covenant defeasance”	8.3
“Custodian”	6.1
“defeasance”	8.3
“Discharge”	8.8
“Event of Default”	6.1
“Event of Loss Offer”	4.16
“Excess Loss Proceeds”	4.16
“Excess Proceeds”	4.10
“legal defeasance”	8.2
“Note Register”	2.3
“Offer Amount”	3.9
“QIB”	2.1(b)
“QIB Global Note”	2.1(b)
“redemption date”	3.1
“Registrar”	2.3
“Regulation S”	2.1(b)
“Regulation S Global Note”	2.1(b)
“Rule 144A”	2.1(b)
“Surviving Entity”	5.1(i)(a)

SECTION 1.3 Rules of Construction.

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it herein;
- (2) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular;
- (5) unless otherwise specified, any reference to Section or Article refers to such Section or Article of this Indenture;
- (6) provisions apply to successive events and transactions;

(7) references to sections of or rules under the Securities Act, the Exchange Act or the TIA shall be deemed to include substitute, replacement or successor sections or rules adopted by the Commission from time to time; and

(8) “including” means “including without limitation”.

## ARTICLE II

### THE NOTES

#### SECTION 2.1 Form and Dating.

The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes initially shall be issued only in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(a) The Notes shall be issued initially in the form of one or more Global Notes substantially in the form attached as Exhibit A hereto and shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee as custodian for the Depository, and registered in the name of the Depository or a nominee of the Depository, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided.

Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate amount of outstanding Notes from time to time endorsed thereon and that the aggregate amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions and transfers of interests. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian, at the direction of the Trustee, in accordance with written instructions given by the Holder thereof as required by Section 2.6 hereof.

Except as set forth in Section 2.6 hereof, the Global Notes may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

(b) The Initial Notes are being issued by the Issuer only (i) to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act (*Rule 144A*)) (“*QIBs*”) and (ii) in reliance on Regulation S under the Securities Act (*Regulation S*). After such initial offers, Initial Notes that are Transfer Restricted Notes may be transferred to QIBs, in reliance on Rule 144A, outside the United States pursuant to Regulation S or to the Company, in accordance with Section 2.16. Initial Notes that are offered in reliance on Rule 144A shall be issued in the form of one or more permanent Global Notes substantially in the form set forth in Exhibit A (the “*QIB Global Note*”) deposited with the Trustee, as Note Custodian, duly executed by the Company and authenticated by the Trustee as hereinafter provided. Initial Notes that are

offered in offshore transactions in reliance on Regulation S shall be issued in the form of one or more Global Notes substantially in the form set forth in Exhibit A (the “*Regulation S Global Note*”) deposited with the Trustee, as Note Custodian, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The QIB Global Note and the Regulation S Global Note shall each be issued with separate CUSIP numbers. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as Note Custodian. Transfers of Notes between QIBs and to or by purchasers pursuant to Regulation S shall be represented by appropriate increases and decreases to the respective amounts of the appropriate Global Notes, as more fully provided in Section 2.16.

(c) Section 2.1(b) shall apply only to Global Notes deposited with or on behalf of the Depositary.

The Issuer shall execute and the Trustee shall, upon receipt of an Issuer Order, in accordance with Section 2.1(b) and Section 2.2, authenticate and deliver the Global Notes that (i) shall be registered in the name of the Depositary or the nominee of the Depositary and (ii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary’s instructions or held by the Trustee as custodian for the Depositary.

The Trustee shall have no responsibility or obligation to any Holder, any member of (or a Participant in) DTC or any other Person with respect to the accuracy of the records of DTC (or its nominee) or of any Participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to the Notes. The Trustee may rely (and shall be fully protected in relying) upon information furnished by DTC with respect to its members, Participants and any Beneficial Owners in the Notes.

(d) Notes issued in certificated form, including Global Notes, shall be substantially in the form of Exhibit A attached hereto.

#### SECTION 2.2 Execution and Authentication

An Officer shall sign the Notes for the Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of an authorized signatory of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written Issuer Order signed by one Officer directing the Trustee to authenticate and deliver the Notes and certifying that (or accompanied by an Officers’ Certificate certifying that) all conditions precedent to the issuance of the Notes contained herein have been complied with, authenticate Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the Notes. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.17 hereof.

The Trustee may appoint an authenticating agent reasonably acceptable to the Issuer to authenticate Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or the Issuer or an Affiliate of the Issuer.

SECTION 2.3 Registrar; Paying Agent.

The Issuer shall maintain (i) an office or agency where Notes may be presented for registration of transfer or for exchange (*Registrar*) and (ii) an office or agency where Notes may be presented for payment to a Paying Agent. The Registrar shall keep a register of the Notes (the *Note Register*) and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents; *provided, however*, that at all times there shall be only one Note Register. The term *Registrar* includes any co-registrar and the term *Paying Agent* includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. The Issuer or any of its Restricted Subsidiaries may act as Paying Agent or Registrar.

The Issuer shall enter into an appropriate agency agreement with any Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Issuer shall notify the Trustee of the name and address of any such Agent.

The Issuer initially appoints the Trustee to act as the Registrar and Paying Agent and initially appoints the Corporate Trust Office of the Trustee as the office or agency of the Company for such purposes and as the office or agency of the Company where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served and the Trustee as the agent of the Issuer to receive such notices and demands.

The Issuer initially appoints DTC to act as the Depository with respect to the Global Notes.

SECTION 2.4 Paying Agent to Hold Money in Trust

The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall notify the Trustee of any Default by the Issuer in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon the occurrence of events specified in Section 6.1(8) hereof, the Trustee shall serve as Paying Agent for the Notes. In the event that the Paying Agent receives funds in advance of any due date hereunder, the Paying Agent shall be entitled to invest such funds in the U.S. Bank Money Market Deposit Account or any substantially similar successor account, any earnings on which shall be for the account of the Issuer.

SECTION 2.5 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least seven (7) Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders, including the aggregate principal amount of the Notes held by each Holder thereof.

SECTION 2.6 Book-Entry Provisions for Global Securities Each Transfer Restricted Global Note shall (i) be registered in the name of the Depository for such Global Notes or the nominee of such Depository, (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear legends as required by Section 2.6(e).

Members of, or Participants in, the Depository (“*Agent Members*”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Note, and the Depository may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of Beneficial Owners in a Global Note may be transferred in accordance with Section 2.16 and the rules and procedures of the Depository. In addition, Certificated Notes shall be transferred to all Beneficial Owners in exchange for their beneficial interests if (i) the Depository notifies the Company that it is unwilling or unable to continue as Depository for the Global Notes or the Depository ceases to be a “clearing agency” registered under the Exchange Act and a successor depository is not appointed by the Company within ninety (90) days of such notice or (ii) an Event of Default of which a Responsible Officer of the Trustee has actual notice has occurred and is continuing and the Registrar has received a request from the Depository to issue such Certificated Notes.

(c) In connection with the transfer of the entire Global Note to Beneficial Owners pursuant to clause (b) of this Section, such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall upon receipt of an Issuer Order authenticate and deliver, to each Beneficial Owner identified by the Depository in exchange for its beneficial interest in such Global Note an equal aggregate principal amount of Certificated Notes of authorized denominations.

(d) The Holder of a Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold an interest through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(e) Legends. The following legends shall appear on the face of all Global Notes and Certificated Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(1) Restricted Notes Legend. Unless and until the Company determines that the following legend and the related restrictions on transfer are not required in order to maintain compliance with the provisions of the Securities Act and there is delivered to the Trustee an Opinion of Counsel reasonably satisfactory to the Trustee and a letter of representation of the Company reasonably satisfactory to the Trustee to that effect, each Global Note and each Certificated Note (and all Notes issued in exchange therefor or substitution therefor) shall bear the legend in substantially the following form:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE



TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (5) PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED ON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.”

(2) Global Note Legend. Each Global Note, whether or not a Transfer Restricted Global Note or Unrestricted Global Note, shall bear a legend in substantially the following form:

“THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO SALEM MEDIA GROUP, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.16 OF THE INDENTURE.”

(f) At such time as all beneficial interests in Global Notes have been exchanged for Certificated Notes, redeemed, repurchased or cancelled, all Global Notes shall be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for Certificated Notes, redeemed, repurchased or cancelled, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note, by the Trustee or the Note Custodian, at the direction of the Trustee, to reflect such reduction.

(g) General provisions relating to transfers and exchanges:

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Certificated Notes at the Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer, exchange, or redemption, but the Issuer may require payment of a sum sufficient to cover any stamp or transfer tax or similar governmental charge payable in connection therewith (other than any such stamp or transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.2, 2.10, 3.6, 4.10, 4.14, 4.16 and 9.4 hereto).

(iii) All Global Notes and Certificated Notes issued upon any registration of transfer or exchange of Global Notes or Certificated Notes shall, upon execution by the Company and authentication by the Trustee in accordance with the provisions hereof, be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Certificated Notes surrendered upon such registration of transfer or exchange.

(iv) The Registrar shall not be required (A) to issue, to register the transfer of or to exchange Notes during a period beginning at the opening of fifteen (15) days before the day of any selection of Notes for redemption under Section 3.2 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part, or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(v) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and neither the Trustee, any Agent nor the Issuer shall be affected by notice to the contrary.

(vi) The Trustee shall authenticate Global Notes and Certificated Notes in accordance with the provisions of Section 2.2 hereof. Except as provided in Section 2.6(b), neither the Trustee nor the Registrar shall authenticate or deliver any Certificated Note in exchange for a Global Note.

(vii) Each Holder agrees to provide reasonable indemnity to the Issuer and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Note in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

(viii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or Beneficial Owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

#### SECTION 2.7 Replacement Notes.

If any mutilated Note is surrendered to the Trustee, or the Issuer and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note, the Issuer shall issue and the Trustee, upon receipt of an Issuer Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge a Holder for their expenses in replacing a Note.

Every replacement Note is an additional obligation of the Issuer and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

#### SECTION 2.8 Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.8 as not outstanding. Except as set forth in Section 2.9 hereof, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note.

If a Note is replaced pursuant to Section 2.7 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.1 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Issuer, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

#### SECTION 2.9 Treasury Notes.

In determining whether the Holders of the required aggregate principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or by any Affiliate of the Issuer shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes shown on the register as being owned shall be so disregarded. Notwithstanding the foregoing, Notes that are to be acquired by the Issuer or an Affiliate of the Issuer pursuant to an exchange offer, tender offer or other agreement shall not be deemed to be owned by such entity until legal title to such Notes passes to such entity.

SECTION 2.10 Temporary Notes.

Until Certificated Notes are ready for delivery, the Issuer may prepare and the Trustee shall, upon receipt of an Issuer Order, authenticate temporary Notes. Temporary Notes shall be substantially in the form of Certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer shall prepare and the Trustee shall, upon receipt of an Issuer Order, authenticate Certificated Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.11 Cancellation.

The Issuer at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder or which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Trustee upon receipt of an Issuer Order. All Notes surrendered for registration of transfer, exchange or payment, if surrendered to any Person other than the Trustee, shall be delivered to the Trustee. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation. Subject to Section 2.7 hereof, the Issuer may not issue new Notes to replace Notes that they have redeemed or paid or that have been delivered to the Trustee for cancellation. All cancelled Notes held by the Trustee shall be disposed of in accordance with its customary practice, and certification of their disposal delivered to the Issuer upon request.

SECTION 2.12 Defaulted Interest.

If the Issuer defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, which date shall be at the earliest practicable date but in all events at least five (5) Business Days prior to the payment date, in each case at the rate provided in the Notes and in Section 4.1 hereof. The Issuer shall fix or cause to be fixed each such special record date and payment date and shall promptly thereafter notify the Trustee in writing of any such date. At least fifteen (15) days before the special record date, the Issuer (or the Trustee, in the name and at the expense of the Issuer) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.13 Record Date.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described in this Section or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 2.14 Computation of Interest.

Interest on the Notes shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

SECTION 2.15 CUSIP Number.

The Issuer in issuing the Notes may use a “CUSIP” and/or ISIN or other similar number, and if it does so, the Company may use the CUSIP and/or ISIN or other similar number in notices of redemption or exchange as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP and/or ISIN or other similar number printed in the notice or on the Notes and that reliance may be placed only on the other identification numbers printed on the Notes. The Issuer shall promptly notify the Trustee of any change in the CUSIP and/or ISIN or other similar number.

SECTION 2.16 Special Transfer Provisions.

Unless and until the Restricted Notes Legend is no longer required pursuant to Section 2.6(e), the following provisions shall apply:

(a) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Transfer Restricted Note (other than pursuant to Regulation S):

(i) The Registrar shall register the transfer of a Transfer Restricted Note by a Holder to a QIB if such transfer is being made by a proposed transferor who has provided the Registrar with (a) an appropriately completed certificate of transfer in the form attached to the Note and (b) a letter substantially in the form set forth in Exhibit C hereto.

(ii) If the proposed transferee is an Agent Member and the Transfer Restricted Note to be transferred consists of an interest in the Regulation S Global Note, upon receipt by the Registrar of (x) the items required by paragraph (i) above and (y) instructions given in accordance with the Depository’s and the Registrar’s procedures therefor, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the QIB Global Note in an amount equal to the principal amount of the beneficial interest in the Regulation S Global Note to be so transferred, and the Registrar shall reflect on its books and records the date and an appropriate decrease in the principal amount of such Regulation S Global Note.

(b) Transfers Pursuant to Regulation S. The following provisions shall apply with respect to registration of any proposed transfer of a Transfer Restricted Note pursuant to Regulation S:

(i) The Registrar shall register any proposed transfer of a Transfer Restricted Note pursuant to Regulation S by a Holder upon receipt of (a) an appropriately completed certificate of transfer in the form attached to the Note and (b) a letter substantially in the form set forth in Exhibit D hereto from the proposed transferor.

(ii) If the proposed transferee is an Agent Member holding a beneficial interest in a QIB Global Note and the Transfer Restricted Note to be transferred consists of an interest in a QIB Global Note, upon receipt by the Registrar of (x) the letter, if any, required by paragraph (i) above and (y) instructions in accordance with the Depository’s and the Registrar’s procedures therefor, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Regulation S Global Note in an amount equal to the principal amount of the beneficial interest in the QIB Global Note to be transferred, and the Registrar shall reflect on its books and records the date and an appropriate decrease in the principal amount of the QIB Global Note.

(c) [Intentionally Omitted]

(d) [Intentionally Omitted]

(e) Restricted Notes Legend. Upon the transfer, exchange or replacement of Unrestricted Notes, the Registrar shall deliver Unrestricted Notes that do not bear the Restricted Notes Legend. Upon the transfer, exchange or replacement of Transfer Restricted Notes, the Registrar shall deliver only Transfer Restricted Notes that bear the Restricted Notes Legend unless the Restricted Notes Legend is no longer required by this Section 2.6(e), or the Issuer determines and there is delivered to the Trustee an Opinion of Counsel reasonably satisfactory to the Trustee and a letter of representation of the Issuer reasonably satisfactory to the Trustee to the effect that neither such legend nor the related restrictions on transfer are required or appropriate in order to ensure that subsequent transfers of the Notes are effected in compliance with the Securities Act.

(f) General. By its acceptance of any Note bearing the Restricted Notes Legend, each Holder of such a Note acknowledges receipt of a Transfer Restricted Note with restrictions on transfer of such Note set forth in this Indenture and in the Restricted Notes Legend and agrees that it shall transfer such Note only as provided in this Indenture until such time as the Restricted Notes Legend is no longer required pursuant to Section 2.6(e) and such Holder exchanges such a Transfer Restricted Note for an Unrestricted Note. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Issuer such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act until such time as the Restricted Notes Legend is no longer required pursuant to Section 2.6(e) and such Holder exchanges such a Transfer Restricted Note for an Unrestricted Note; *provided* that the Registrar shall not be required to determine (but may rely on a determination made by the Issuer with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to this Section 2.16.

#### SECTION 2.17 Issuance of Additional Notes.

The Company shall be entitled to issue Additional Notes under this Indenture that shall have identical terms as the Initial Notes, other than with respect to the date of issuance, issue price, amount of interest payable on the first interest payment date applicable thereto and any customary escrow provisions, transfer restrictions and any registration rights agreement and additional interest with respect thereto; *provided* that such issuance is not otherwise prohibited by the terms of this Indenture, including Section 4.9. The Initial Notes and any Additional Notes shall be, without limitation, treated as a single class for all purposes under this Indenture.

With respect to any Additional Notes, the Company shall set forth in a resolution of its Board of Directors and in an Officers' Certificate, a copy of each of which shall be delivered to the Trustee, the following information:

- (1) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;
- (2) the issue price, the Issue Date, the CUSIP number of such Additional Notes, the first interest payment date and the amount of interest payable on such first interest payment date applicable thereto and the date from which interest shall accrue; and
- (3) whether such Additional Notes shall be Transfer Restricted Notes.

### ARTICLE III

#### REDEMPTION AND PREPAYMENT

##### SECTION 3.1 Notices to Trustee.

If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Section 3.7 hereof, it shall furnish to the Trustee, at least forty-five (45) days (or such shorter period as is acceptable to the Trustee) before a date fixed for redemption (the "*redemption date*"), an Officers' Certificate setting forth (i) the Section of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the Redemption Price.

##### SECTION 3.2 Selection of Notes to Be Redeemed

If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed among the Holders in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate (and in a manner that complies with applicable legal requirements and, as applicable the procedures of the DTC); *provided* that no Notes of \$2,000 or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. On and after the redemption date, unless the Issuer defaults in the payment of the redemption price, interest shall cease to accrue on Notes or portions of them called for redemption. The Trustee shall make the selection from the Notes outstanding and not previously called for redemption and shall promptly notify the Issuer in writing of the Notes selected for redemption. The Trustee may select for redemption portions (equal to \$1,000 or any integral multiple thereof) of the principal of the Notes that have denominations larger than \$2,000.

##### SECTION 3.3 Notice of Redemption.

Subject to the provisions of Section 3.9, at least 30 days but not more than 60 days before a redemption date, the Issuer shall mail or cause to be mailed by first class mail (and, to the extent permitted by applicable procedures or regulations, electronically), a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed and shall state:

- (1) the redemption date;
- (2) the Redemption Price;

- (3) if any Note is being redeemed in part, the portion of the principal amount of such Notes to be redeemed and that, after the redemption date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;
- (4) the name, telephone number and address of the Paying Agent;
- (5) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;
- (6) that, unless the Issuer defaults in making such redemption payment, interest, if any, on Notes called for redemption ceases to accrue on and after the redemption date;
- (7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and
- (8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuer's written request, the Trustee shall give the notice of redemption in the Issuer's name and at the Issuer's expense *provided, however*, that the Issuer shall have delivered to the Trustee at least 45 days prior to the redemption date (or such shorter period as is acceptable to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in the notices as provided in the preceding paragraph. The notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not a Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Note shall not affect the validity of the proceeding for the redemption of any other Note.

#### SECTION 3.4 Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.3 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the Redemption Price plus accrued and unpaid interest, if any, to such date. A notice of redemption may not be conditional.

#### SECTION 3.5 Deposit of Redemption of Purchase Price.

On or before 10:00 a.m. (New York City time) on each redemption date or the date on which Notes must be accepted for purchase pursuant to Section 4.10, 4.14 or 4.16, the Issuer shall deposit with the Trustee or with the Paying Agent (or, if the Issuer or a Subsidiary of the Issuer is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price of and accrued and unpaid interest, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the Redemption Price of (including any Applicable Premium), and accrued interest, if any, on, all Notes to be redeemed or purchased, and any outstanding amounts due to the Trustee and the Collateral Agent under Section 7.7.

#### SECTION 3.6 Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuer shall issue and, upon receipt of an Issuer Order, the Trustee shall authenticate for the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed portion of the Note surrendered.



SECTION 3.7 Optional Redemption.

(a) The Notes may be redeemed, in whole or in part, at any time prior to June 1, 2020, at the option of the Issuer, at a Redemption Price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to but not including, the applicable redemption date (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the redemption date).

(b) The Notes are subject to redemption, at the option of the Issuer, in whole or in part, at any time on or after June 1, 2020, at the Redemption Prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant regular record date to receive interest due on an interest payment date falling on or prior to the redemption date), if redeemed during the 12-month period beginning on June 1 of the years indicated:

<u>Year</u>	<u>Redemption Price</u>
2020	103.375%
2021	101.688%
2022 and thereafter	100.00%

(c) Prior to June 1, 2020, the Issuer may, with the net proceeds of one or more Equity Offerings, redeem up to 35% of the aggregate principal amount of the outstanding Notes (including Additional Notes) at a Redemption Price equal to 106.750% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the date of redemption; *provided* that at least 65% of the principal amount of Notes then outstanding (including Additional Notes) remains outstanding immediately after the occurrence of any such redemption (excluding Notes held by the Company or its Subsidiaries) and that any such redemption occurs within 90 days following the closing of any such Equity Offering.

(d) In addition, prior to June 1, 2020, the Issuer may redeem up to 10% of the aggregate original principal amount of the Notes in any 12-month period, in connection with up to two redemptions in such 12-month period, at a Redemption Price of 103% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date.

SECTION 3.8 Mandatory Redemption.

Except as set forth under Sections 4.10, 4.14 and 4.16 hereof, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

SECTION 3.9 Offer to Purchase.

In the event that the Issuer shall be required to commence an Offer to Purchase pursuant to an Asset Sale Offer, Event of Loss Offer or a Change of Control Offer, the Issuer shall follow the procedures specified below.

Unless otherwise required by applicable law, an Offer to Purchase shall specify an Expiration Date of the Offer to Purchase, which shall be, subject to any contrary requirements of applicable law, not less than 30 days or more than 60 days after the date of mailing of such Offer, and a Purchase Date for purchase of Notes within five Business Days after the Expiration Date. On the Purchase Date, the Company shall purchase the aggregate principal amount of Notes required to be purchased pursuant to Section 4.10, Section 4.14 or Section 4.16 hereof (the "*Offer Amount*"), or if less than the Offer Amount has been tendered, all Notes tendered in response to the Offer to Purchase. If the Purchase Date is on or after the

interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest, if any, shall be payable to the Holders who tender Notes pursuant to the Offer to Purchase. The Company shall notify the Trustee at least 15 days (or such shorter period as is acceptable to the Trustee) prior to the mailing of the Offer of the Company's obligation to make an Offer to Purchase, and the Offer shall be mailed by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company. The Offer shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

On or before 10:00 a.m. (New York City time) on each Purchase Date, the Issuer shall irrevocably deposit with the Trustee or Paying Agent (or, if the Issuer or a Subsidiary of the Issuer is the Paying Agent, shall segregate and hold in trust) in immediately available funds the aggregate purchase price equal to the Offer Amount, together with accrued and unpaid interest, if any, thereon, to be held for payment in accordance with the terms of this Section 3.9. On the Purchase Date, the Issuer shall, to the extent lawful, (i) accept for payment, on a pro rata basis to the extent necessary in the case of an Asset Sale Offer or Event of Loss Offer, the Offer Amount of Notes or portions thereof tendered pursuant to the Offer to Purchase, or if less than the Offer Amount has been tendered, all Notes tendered, (ii) deliver or cause the Paying Agent or Depository, as the case may be, to deliver to the Trustee Notes so accepted and (iii) deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this Section 3.9. The Issuer shall promptly (but in any case not later than three (3) Business Days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuer for purchase, plus any accrued and unpaid interest, if any, thereon, and the Issuer shall promptly issue a new Note, and the Trustee, upon receipt of an Issuer Order, shall authenticate and mail or deliver at the expense of the Issuer such new Note to such Holder, equal in principal amount to any unpurchased portion of such Holder's Notes surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer shall publicly announce in a newspaper of general circulation or in a press release provided to a nationally recognized financial wire service the results of the Offer to Purchase on the Purchase Date.

## ARTICLE IV

### COVENANTS

#### SECTION 4.1 Payment of Notes.

(a) The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid for all purposes hereunder on the date the Paying Agent, if other than the Issuer or a Subsidiary thereof, holds, as of 10:00 a.m. (New York City time), money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all such principal, premium, if any, and interest then due.

(b) The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.2 Maintenance of Office or Agency.

The Issuer shall maintain an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.3 hereof. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee and the Company hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices and demands.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 4.3 Provision of Financial Information.

Whether or not required by the rules and regulations of the Commission, so long as any Notes are outstanding, the Company will, subject to the second succeeding paragraph, file with the Commission (and deliver a copy to the Trustee), within the time periods specified in the Commission's rules and regulations that would then be applicable to the Company:

- (1) all quarterly and annual reports that would be required to be filed with the Commission on Forms 10-Q and 10-K if the Company was required to file such reports; and
- (2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company was required to file such reports.

All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports. Each annual report on Form 10-K will include a report on the consolidated financial statements of the Company by the certified independent accountants of the Company.

If, at any time, the Company is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, the Company will nevertheless continue filing the reports specified in the preceding paragraphs of this covenant with the Commission (and deliver a copy to the Trustee) within the time periods specified above unless the Commission will not accept such filings. If the Commission will not accept the filings of the Company for any reason, the Company will post the reports referred to in the preceding paragraphs on its website within the time periods that would apply if the Company was required to file those reports with the Commission.

In addition, the Company will furnish to the Holders of Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SECTION 4.4 Compliance Certificate.

The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate stating that in the course of the performance by the signers of their duties as Officers

of the Company they would normally have knowledge of any Default, and further stating, as to each such Officer signing such certificate, that, to his or her knowledge, no Default or Event of Default has occurred during such period (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto).

The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

**SECTION 4.5 Taxes.**

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency all material taxes, assessments and governmental levies, except such as are contested in good faith and by appropriate proceedings and with respect to which appropriate reserves have been taken in accordance with GAAP or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

**SECTION 4.6 Stay, Extension and Usury Laws.**

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

**SECTION 4.7 Limitation on Restricted Payments.**

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payment unless, at the time of and after giving effect to the proposed Restricted Payment:

- (a) no Event of Default shall have occurred and be continuing or will occur as a consequence thereof;
- (b) after giving effect to such Restricted Payment on *apro forma* basis, the Company would be permitted to Incur at least \$1.00 of additional Debt (other than Permitted Debt) pursuant to the provisions described in the first paragraph under Section 4.9; and
- (c) after giving effect to such Restricted Payment on *apro forma* basis, the aggregate amount expended or declared for all Restricted Payments made on or after the Issue Date (excluding Restricted Payments permitted by clauses (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (xi) of the next succeeding paragraph), shall not exceed the sum (without duplication) of
  - (1) 100% of the Consolidated Cash Flow (or if Consolidated Cash Flow shall be a deficit, 100% of such deficit) of the Company for the period (taken as one accounting period) from December 31, 2016 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment less the product of 1.4 times the Company's Consolidated Interest Expense for the same period, *plus*

(2) 100% of the aggregate net proceeds (including the Fair Market Value of property other than cash) received by the Company subsequent to the initial issuance of the Notes either (i) as a contribution to its common equity capital or (ii) from the issuance and sale (other than to a Restricted Subsidiary) of its Qualified Capital Interests, including Qualified Capital Interests issued upon the conversion of Debt or Redeemable Capital Interests of the Company, and from the exercise of options, warrants or other rights to purchase such Qualified Capital Interests (other than, in each case, Capital Interests or Debt sold to a Subsidiary of the Company), *plus*

(3) 100% of the amount by which Debt of the Company is reduced on the Company's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the initial issuance of the Notes of any Debt of the Company for Qualified Capital Interests of the Company (less the amount of any cash, or the fair value of any other property, distributed by the Company upon such conversion or exchange), *plus*

(4) 100% of the net reduction in Investments (other than Permitted Investments), subsequent to the date of the initial issuance of the Notes, in any Person, resulting from (x) payments of interest on Debt, dividends, distributions, redemptions, repurchases, repayments of loans or advances or other transfers of assets (but only to the extent such interest, dividends, distributions, redemptions, repurchases, repayments or other transfers were made in cash), in each case to the Company or any Restricted Subsidiary from any Person (including an Unrestricted Subsidiary), (y) the sale or other disposition (other than to the Company or a Restricted Subsidiary) thereof made by the Company and its Restricted Subsidiaries or (z) the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary, in each case, not to exceed in the case of any Person the amount of Investments (other than Permitted Investments) previously made by the Company or any Restricted Subsidiary in such Person.

Notwithstanding the foregoing provisions, the Company and its Restricted Subsidiaries may take the following actions; *provided that*, in the case of clause (iv) or (ix) below immediately after giving effect to such action, no Event of Default has occurred and is continuing:

(i) the payment of any dividend or other distribution on Capital Interests in the Company or a Restricted Subsidiary within 60 days after declaration thereof if at the declaration date such payment would not have been prohibited by the foregoing provisions of this Section 4.7;

(ii) the retirement of any Qualified Capital Interests of the Company by conversion into, or by or in exchange for, Qualified Capital Interests, or out of net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of other Qualified Capital Interests of the Company;

(iii) the redemption, defeasance, repurchase or acquisition or retirement for value of any Debt of the Company or a Guarantor that is subordinate in right of payment to the Notes or the applicable Note Guarantee out of the net cash proceeds of a substantially concurrent issue and sale (other than to a Subsidiary of the Company) of (x) new subordinated Debt of the Company or such Guarantor, as the case may be, Incurred in accordance with this Indenture or (y) of Qualified Capital Interests of the Company,

(iv) the purchase, redemption, retirement or other acquisition for value of Capital Interests in the Company held by employees, officers or directors, or by former employees, officers or directors, of the Company or any Restricted Subsidiary (or their estates or beneficiaries under their estates) upon death, disability, retirement or termination of employment; *provided* that the aggregate consideration paid for such purchase, redemption, retirement or other acquisition of such Capital Interests does not exceed \$3.0 million in any calendar year; *provided* that any unused amounts in any calendar year may be carried forward to one or more future periods *provided, further*, that the aggregate amount of repurchases made pursuant to this clause (iv) may not exceed \$5.0 million in any calendar year;

(v) repurchase of Capital Interests deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Capital Interests represent a portion of the exercise price of those stock options, warrants or other convertible or exchangeable securities;

(vi) the prepayment of intercompany Debt, the Incurrence of which was permitted pursuant to Section 4.9;

(vii) cash payment, in lieu of issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for the Capital Interests of the Company or a Restricted Subsidiary;

(viii) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Interests of the Company or any Restricted Subsidiary issued or Incurred in compliance with Section 4.9;

(ix) upon the occurrence of a Change of Control or an Asset Sale, the defeasance, redemption, repurchase or other acquisition of any subordinated Debt pursuant to provisions substantially similar to those contained in Section 4.10 and Section 4.14 at a purchase price not greater than 101% of the principal amount thereof (in the case of a Change of Control) or at a percentage of the principal amount thereof not higher than 100% of the principal amount thereof (in the case of an Asset Sale), plus any accrued and unpaid interest thereon; *provided* that prior to or contemporaneously with such defeasance, redemption, repurchase or other acquisition, the Company has made an Offer to Purchase with respect to the Notes and has repurchased all Notes validly tendered for payment and not withdrawn in connection therewith;

(x) payment of quarterly dividends in an amount not to exceed \$2.0 million in any fiscal quarter, so long as, after giving pro forma effect thereto, the Consolidated Total Debt Ratio would be less than or equal to 6.00 to 1.00; and

(xi) other Restricted Payments not in excess of \$20.0 million in the aggregate.

For purposes of this Section 4.7, if any Investment or Restricted Payment would be permitted pursuant to one or more provisions described above and/or one or more of the exceptions contained in the definition of "Permitted Investments," the Company may classify such Investment or Restricted Payment in any manner that complies with this Section 4.7 and may later reclassify any such Investment or Restricted Payment so long as the Investment or Restricted Payment (as so reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

If any Person in which an Investment is made, which Investment constitutes a Restricted Payment when made, thereafter becomes a Restricted Subsidiary in accordance with this Indenture, all such Investments previously made in such Person shall no longer be counted as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments pursuant to clause (c) of the first paragraph under this Section 4.7 or clause (x) of the second paragraph under this Section 4.7, in each case to the extent such Investments would otherwise be so counted.

If the Company or a Restricted Subsidiary transfers, conveys, sells, leases or otherwise disposes of an Investment in accordance with Section 4.10, which Investment was originally included in the aggregate amount expended or declared for all Restricted Payments pursuant to clause (c) of the first paragraph of this Section 4.7, the aggregate amount expended or declared for all Restricted Payments shall be reduced by the lesser of (i) the Net Cash Proceeds from the transfer, conveyance, sale, lease or other disposition of such Investment or (ii) the amount of the original Investment, in each case, to the extent originally included in the aggregate amount expended or declared for all Restricted Payments pursuant to clause (c) of the first paragraph of this Section 4.7.

For purposes of this Section 4.7, if a particular Restricted Payment involves a non-cash payment, including a distribution of assets, then such Restricted Payment shall be deemed to be an amount equal to the cash portion of such Restricted Payment, if any, plus an amount equal to the Fair Market Value of the non-cash portion of such Restricted Payment.

#### SECTION 4.8 Limitation on Dividends and Other Payments Affecting Restricted Subsidiaries.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, cause or suffer to exist or become effective or enter into any encumbrance or restriction (other than pursuant to this Indenture, law, rules or regulation) on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Interests owned by the Company or any Restricted Subsidiary or pay any Debt or other obligation owed to the Company or any Restricted Subsidiary, (ii) make loans or advances to the Company or any Restricted Subsidiary thereof or (iii) transfer any of its property or assets to the Company or any Restricted Subsidiary.

However, the preceding restrictions will not apply to the following encumbrances or restrictions existing under or by reason of:

(a) any encumbrance or restriction in existence on the Issue Date, including those required by the Credit Agreement or any future Debt incurred in compliance with the Credit Agreement (so long as such restrictions are not materially more restrictive, taken as a whole, than the Credit Agreement) and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings, in the good faith judgment of the Company, are not materially more restrictive, taken as a whole, with respect to such dividend or other payment restrictions than those contained in these agreements on the Issue Date or refinancings thereof;

(b) any encumbrance or restriction pursuant to an agreement relating to an acquisition of property, so long as the encumbrances or restrictions in any such agreement relate solely to the property so acquired (and are not or were not created in anticipation of or in connection with the acquisition thereof);

(c) any encumbrance or restriction which exists with respect to a Person that becomes a Restricted Subsidiary after the Issue Date, which is in existence at the time such Person becomes a Restricted Subsidiary, but not created in connection with or in anticipation of such Person becoming a Restricted Subsidiary, and which is not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person becoming a Restricted Subsidiary;

(d) any encumbrance or restriction pursuant to an agreement effecting a permitted renewal, refunding, replacement, refinancing or extension of Debt issued pursuant to an agreement containing any encumbrance or restriction referred to in the foregoing clauses (a) through (c), so long as the encumbrances and restrictions contained in any such refinancing agreement are no less favorable in any material respect to the Holders than the encumbrances and restrictions contained in the agreements governing the Debt being renewed, refunded, replaced, refinanced or extended in the good faith judgment of the Board of Directors of the Company;

(e) customary provisions restricting subletting or assignment of any lease, contract, or license of the Company or any Restricted Subsidiary or provisions in agreements that restrict the assignment of such agreement or any rights thereunder;

(f) any restriction on the sale or other disposition of assets or property securing Debt as a result of a Permitted Lien on such assets or property;

(g) any encumbrance or restriction by reason of applicable law, rule, regulation or order;

(h) any encumbrance or restriction under this Indenture, the Notes and the Note Guarantees;

(i) restrictions on cash and other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(j) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(k) any instrument governing Debt or Capital Interests of a Person acquired by the Company or any of the Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Debt or Capital Interests were incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(l) Liens securing Debt otherwise permitted to be incurred under this Indenture, including pursuant to Section 4.12, that limit the right of the debtor to dispose of the assets subject to such Liens;

(m) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements otherwise permitted by this Indenture, which limitation is applicable only to the assets (including Capital Interests of Subsidiaries) that are the subject of such agreements; and



(n) restrictions that are not materially more restrictive, taken as a whole, than customary provisions in comparable financings and, as determined by management of the Company in its reasonable and good faith judgment, will not materially impair the Company's ability to make payments required under the Notes.

#### SECTION 4.9 Limitation on Incurrence of Debt.

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Debt (including Acquired Debt) *provided* that the Company and any of its Restricted Subsidiaries that is a Guarantor may Incur Debt (including Acquired Debt) if, immediately after giving effect to the Incurrence of such Debt and the receipt and application of the proceeds therefrom, (a) the Consolidated Total Debt Ratio would be less than or equal to 5.25 to 1.0, and (b) no Default or Event of Default shall have occurred and be continuing at the time or as a consequence of the Incurrence of such Debt.

Notwithstanding the first paragraph above, the Company and its Restricted Subsidiaries may Incur Permitted Debt.

For purposes of determining compliance with this Section 4.9, (x) Debt Incurred under the Credit Agreement on the Issue Date shall initially be treated as Incurred pursuant to clause (i) of the definition of "Permitted Debt," (y) the outstanding principal amount of any Debt shall be counted only once such that (without limitation) any obligation arising under any Guarantees or obligations with respect to letters of credit supporting Debt otherwise included in the determination of such particular amount shall not be included and (z) except as provided above, in the event that an item of Debt meets the criteria of more than one of the types of Debt described above, including categories of Permitted Debt and the first paragraph of this Section 4.9, the Company, in its sole discretion, shall classify, and from time to time may reclassify, all or any portion of such item of Debt.

The accrual of interest, the accretion or amortization of original issue discount and the payment of interest on Debt in the forms of additional Debt or payment of dividends on Capital Interests in the forms of additional shares of Capital Interests with the same terms and changes in the amount outstanding due solely to the result of fluctuations in the exchange rates of currencies will not be deemed to be an Incurrence of Debt or issuance of Capital Interests for purposes of this Section 4.9.

The Company and any Guarantor will not Incur any Debt that pursuant to its terms is subordinate or junior in right of payment to any Debt unless such Debt is subordinated in right of payment to the Notes and the Note Guarantees to the same extent; *provided* that Debt will not be considered subordinate or junior in right of payment to any other Debt solely by virtue of being unsecured or secured to a greater or lesser extent or with greater or lower priority.

#### SECTION 4.10 Limitation on Asset Sales.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Interests issued or sold or otherwise disposed of;

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Eligible Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

- (a) any liabilities, as shown on the most recent consolidated balance sheet of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assignment and assumption agreement that releases the Company or such Restricted Subsidiary from further liability;
  - (b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 365 days of their receipt to the extent of the cash received in that conversion; and
  - (c) any Designated Non-cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value (when taken together with all other Designated Non-cash Consideration received pursuant to this clause (c)) that does not exceed 5% of Total Assets at the time of receipt of such Designated Non-cash Consideration being measured at the time it was received and without giving effect to subsequent changes in value; and
- (3) if such Asset Sale involves the disposition of Collateral, the Company or such Subsidiary has complied with Article X and the Security Documents.

Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds at its option:

- (1) to the extent such Net Cash Proceeds constitutes proceeds from the sale of ABL Priority Collateral (as defined in the Credit Agreement), to repay ABL Obligations;
- (2) to make one or more offers to the holders of the Notes (and, at the option of the Company, the holders of Permitted Additional Pari Passu Obligations) to purchase Notes (and such Permitted Additional Pari Passu Obligations) pursuant to and subject to the conditions contained in this Indenture; *provided*, however, that in connection with any prepayment, repayment or purchase of Debt pursuant to this clause (2), the Company or such Restricted Subsidiary shall permanently retire such Debt and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; *provided, further*, that if the Company or such Restricted Subsidiary shall so reduce any Permitted Additional Pari Passu Obligations, the Company will offer to equally and ratably reduce Debt under the Notes by making an offer to all holders of Notes to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, the pro rata principal amount of the Notes, such offer to be conducted in accordance with the procedures set forth in the following paragraph but without any further limitation in amount;
- (3) to acquire assets constituting, or any Capital Interests of, a Permitted Business, if, after giving effect to any such acquisition of Capital Interests, such assets are owned by the Company or a Restricted Subsidiary or the Person owning such Permitted Business is or becomes a Restricted Subsidiary of the Company; *provided* that if such Net Cash Proceeds are received in respect of Collateral, such assets are pledged as Collateral under the Security Documents;
- (4) to make a capital expenditure in or that is used or useful in a Permitted Business or to make expenditures for maintenance, repair or improvement of existing properties and assets in accordance with the provisions of this Indenture; *provided* that if such Net Cash Proceeds are received in respect of Collateral, such assets are pledged as Collateral under the Security Documents;

(5) to acquire other assets that are not classified as current assets under GAAP and that are used or useful in a Permitted Business<sup>provided</sup> that if such Net Cash Proceeds are received in respect of Collateral, such assets are pledged as Collateral under the Security Documents; or

(6) any combination of the foregoing;

*provided* that if during such 365-day period the Company or a Restricted Subsidiary enters into a definitive agreement committing it to apply such Net Cash Proceeds in accordance with the requirements of clause (2), (3) or (4), or any combination thereof, of this paragraph, such 365-day period will be extended up to an additional 180 days with respect to the amount of Net Cash Proceeds so committed. Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce borrowings under the Credit Agreement.

Subject to the next succeeding paragraph, any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph of this Section 4.10 will constitute "*Excess Proceeds*." When the aggregate amount of Excess Proceeds exceeds \$10.0 million (it being understood that the Company may, in its sole discretion, make an Asset Sale Offer pursuant to this Section 4.10 prior to the time that the aggregate amount of Excess Proceeds exceeds \$10.0 million), within thirty days thereof, the Company will make an Asset Sale Offer to all Holders of Notes and (x) in the case of Net Cash Proceeds from Collateral, to the holders of any other Permitted Additional Pari Passu Obligations containing provisions similar to those set forth in this Section 4.10 with respect to asset sales or (y) in the case of any other Net Cash Proceeds, to all holders of other Debt ranking *pari passu* with the Notes containing provisions similar to those set forth in this Section 4.10 with respect to asset sales, in each case equal to the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest to, but not including, the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture and such remaining amount shall not be added to any subsequent Excess Proceeds for any purpose under this Indenture. If the aggregate principal amount of Notes and other Permitted Additional Pari Passu Obligations (in the case of Net Cash Proceeds from Collateral) or Notes and other *pari passu* debt (in the case of any other Net Cash Proceeds) tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and the Company or its agent shall select the other Permitted Additional Pari Passu Obligations or other *pari passu* debt, as the case may be, to be purchased on a pro rata basis, subject to adjustment to maintain authorized denominations. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero. The provisions of Section 3.9 shall apply to any Asset Sale Offer.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such compliance.

SECTION 4.11 Limitation on Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of related transactions, contract, agreement, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each of the foregoing, an "*Affiliate Transaction*"), unless:

- (i) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that could reasonably have been obtained in a comparable arm's length transaction by the Company or such Restricted Subsidiary with an unaffiliated party; and
- (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$5.0 million, the Company delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of the Company approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above (on which the Trustee may conclusively and exclusively rely).

The foregoing limitation does not limit, and shall not apply to:

- (1) Restricted Payments that are permitted by the provisions of this Indenture pursuant to Section 4.7 and Permitted Investments;
- (2) the payment of reasonable and customary fees and indemnities to members of the Board of Directors of the Company or a Restricted Subsidiary;
- (3) the payment (and any agreement, plan or arrangement relating thereto) of reasonable and customary compensation and other benefits (including retirement, health, option, deferred compensation and other benefit plans) and indemnities to officers and employees of the Company or any Restricted Subsidiary;
- (4) transactions between or among the Company and/or its Restricted Subsidiaries;
- (5) the issuance of Capital Interests (other than Redeemable Capital Interests) of the Company otherwise permitted hereunder;
- (6) any agreement or arrangement as in effect on the Issue Date and any amendment, extension or modification thereto so long as such amendment, extension or modification is not more disadvantageous to the Holders of the Notes in any material respect;
- (7) transactions in which the Company delivers to the Trustee a written opinion from a nationally recognized investment banking accounting or appraisal firm (on which the Trustee may conclusively and exclusively rely) to the effect that the transaction is fair, from a financial point of view, to the Company and any relevant Restricted Subsidiaries;
- (8) any contribution of capital to the Company;
- (9) the establishment of the ESOT;

(10) Permitted ESOP Transactions;

(11) Amendments to the ESOP Documentation that are not materially adverse to the interests of the Holders; and

(12) transactions with lessors of equipment, customers, clients, suppliers or purchasers or sellers of goods or services, in each case, in the ordinary course of business on terms that are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, as determined in good faith by the Company, than those that could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company.

SECTION 4.12 Limitation on Liens.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to enter into, create, incur, assume or suffer to exist any Lien of any kind, on or with respect to the Collateral other than Permitted Collateral Liens.

(b) Subject to paragraph (a) of this Section 4.12, the Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to, enter into, create, incur, assume or suffer to exist any Liens of any kind, other than Permitted Liens, on or with respect to any property or assets now owned or hereafter acquired by the Company or any of its Restricted Subsidiaries or any interest therein or any income or profits therefrom other than the Collateral without securing the Notes and all other amounts due under this Indenture and the Security Documents (for so long as such Lien exists) equally and ratably with (or prior to) the obligation or liability secured by such Lien.

SECTION 4.13 [Intentionally Omitted].

SECTION 4.14 Offer to Purchase upon Change of Control.

Upon the occurrence of a Change of Control, the Issuer will make an Offer to Purchase (the "*Change of Control Offer*") all of the outstanding Notes at a Purchase Price in cash equal to 101% of the principal amount tendered, together with accrued interest, if any, to but not including the Purchase Date (the "*Change of Control Payment*"). For purposes of the foregoing, an Offer to Purchase shall be deemed to have been made if (i) within 30 days following the date of the consummation of a transaction or series of transactions that constitutes a Change of Control, the Issuer commences an Offer to Purchase all outstanding Notes at the Purchase Price and (ii) all Notes properly tendered pursuant to the Offer to Purchase are purchased on the terms of such Offer to Purchase.

On the Purchase Date, the Issuer shall, to the extent lawful, (a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (b) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered and (c) otherwise comply with Section 3.9.

The Change of Control provisions described above will be applicable whether or not any other provisions of this Indenture are applicable.

The Issuer shall not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer contemporaneously with or upon a Change of Control in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) notice of redemption with respect to all outstanding Notes has been given pursuant to Section 3.7(a).

To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of this Indenture, the Issuer will comply with Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations and no Default or Event of Default shall be deemed to have occurred as a result of such compliance.

In addition, an Offer to Purchase may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of launching the Offer to Purchase.

In addition, in connection with any Change of Control Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all Notes that remain outstanding at a redemption price equal to the price offered to each other Holder in such offer plus accrued and unpaid interest, if any, thereon, to, but not including, the date of such redemption.

#### SECTION 4.15 Maintenance of Properties and Corporate Existence.

Subject to, and in compliance with, the provisions of Article X and the provisions of the applicable Security Documents, the Company shall cause all material properties used or useful in the conduct of its business or the business of any of the Guarantors to be maintained and kept in good operating condition, repair and working order (ordinary wear and tear and casualty loss excepted) and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereto; *provided*, that the Company shall not be obligated to make such repairs, renewals, replacements, betterments and improvements if the failure to do so would not result in a material adverse effect on the ability of the Company and the Guarantors to satisfy their obligations under the Notes, the Guarantees, this Indenture and the Security Documents.

Subject to Sections 4.14 and 12.5 and Article V hereof, as the case maybe, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and the corporate, partnership, limited liability company or other existence of each of its Subsidiaries in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided* that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the loss thereof is not adverse in any material respect to the Holders.

#### SECTION 4.16 Events of Loss.

In the event of an Event of Loss resulting in Net Loss Proceeds in excess of \$5.0 million, the Company or the affected Restricted Subsidiary of the Company, as the case may be, may (and to the extent required pursuant to the terms of any lease encumbered by a Mortgage shall) (x) to the extent such Net Loss Proceeds constitute ABL Priority Collateral (as defined in the Credit Agreement), repay ABL Obligations with or reinvest such Net Loss Proceeds in accordance with the ABL Documents and (y) otherwise apply the Net Loss Proceeds from such Event of Loss to the rebuilding, repair, replacement or construction of improvements to the property affected by such Event of Loss, or the cost of purchase or

construction of other assets useful in the business of the Company or its Restricted Subsidiaries with no concurrent obligation to offer to purchase any of the Notes; *provided, however*, that the Company delivers to the Trustee within 90 days of such Event of Loss an Officers' Certificate certifying that the Company applied (or will apply within 365 days after receipt of any anticipated insurance or similar proceeds) the Net Loss Proceeds in accordance with this sentence.

Any Net Loss Proceeds that are not applied or reinvested or not permitted to be applied or reinvested as provided in the first sentence of this Section 4.16 will be deemed "*Excess Loss Proceeds*." When the aggregate amount of Excess Loss Proceeds exceeds \$10.0 million, the Company will make an offer (an "*Event of Loss Offer*") to all Holders and to the holders of any other Permitted Additional Pari Passu Obligations containing provisions similar to those set forth in this Indenture with respect to events of loss to purchase or repurchase the Notes and such other Permitted Additional Pari Passu Obligations with the proceeds from the Event of Loss in an amount equal to the maximum principal amount of Notes and such other Permitted Additional Pari Passu Obligations that may be purchased out of the Excess Loss Proceeds. The offer price in any Event of Loss Offer will be equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Excess Loss Proceeds remain after consummation of an Event of Loss Offer, the Company may use such Excess Loss Proceeds for any purpose not otherwise prohibited by this Indenture and the Security Documents and such remaining amount shall not be added to any subsequent Excess Loss Proceeds for any purpose under this Indenture; *provided* that any remaining Excess Loss Proceeds shall remain subject to the Lien of the Security Documents. If the aggregate principal amount of Notes and other Permitted Additional Pari Passu Obligations tendered pursuant to an Event of Loss Offer exceeds the Excess Loss Proceeds, the Trustee will select the Notes and the Company or its agent shall select such other Permitted Additional Pari Passu Obligations to be purchased on a pro rata basis based on the principal amount tendered, subject to adjustments to maintain authorized denominations. The Company will comply with Section 3.9 in connection with any Event of Loss Offer.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Event of Loss Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the Event of Loss provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the Event of Loss provisions of this Indenture by virtue of such compliance.

#### SECTION 4.17 Limitation on Business Activities.

The Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to the extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

#### SECTION 4.18 Additional Note Guarantees.

After the Issue Date, the Company will cause each of its Restricted Subsidiaries (other than (x) any Foreign Subsidiary and (y) any Restricted Subsidiary that is prohibited by law from guaranteeing the Notes or that would experience adverse regulatory consequences as a result of providing a guarantee of the Notes (so long as, in the case of this clause (y), such Restricted Subsidiary has not provided a guarantee of any other Debt of the Company or any Guarantor)) that (A) Incurs Debt in an aggregate principal amount in excess of \$5.0 million (other than Debt permitted to be Incurred pursuant to clauses (v), (viii), (ix), (xi), (xii), (xiii) and (xvii) of the definition of "Permitted Debt") at any time outstanding or (B) guarantees Debt under a Credit Agreement or any other Debt (other than pursuant to the Permitted Debt clauses

referred to above) of the Company or the Guarantors, in each case, to guarantee the Notes and the Company's other obligations under this Indenture pursuant to a supplemental indenture in accordance with Article IX of this Indenture.

Such Guarantor will also enter into a joinder agreement to the applicable Security Documents or new Security Documents defining the terms of the security interests that secure payment and performance when due of the Notes and take all actions advisable in the opinion of the Company, as set forth in an Officers' Certificate accompanied by an Opinion of Counsel to the Company, to cause the Note Liens created by the Security Agreement and other Security Documents to be duly perfected to the extent required by such agreement in accordance with all applicable law, including the filing of financing statements in the jurisdictions of incorporation or formation of the Company and the Guarantors.

#### SECTION 4.19 Limitation on Creation of Unrestricted Subsidiaries.

The Company may designate any Subsidiary of the Company to be an "Unrestricted Subsidiary" as provided below, in which event such Subsidiary and each other Person that is a Subsidiary of such Subsidiary will be deemed to be an Unrestricted Subsidiary.

The Company may designate any Subsidiary to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Interests of, or owns or holds any Lien on any property of, any other Restricted Subsidiary of the Company; *provided* that either:

- (x) the Subsidiary to be so designated has total assets of \$1,000 or less; or
- (y) immediately after giving effect to such designation, the Company could Incur at least \$1.00 of additional Debt (other than Permitted Debt) pursuant to the first paragraph of Section 4.9;

*provided further* that the Company could make a Restricted Payment or Permitted Investment in an amount equal to the greater of the Fair Market Value or book value of such Subsidiary pursuant to Section 4.7 and such amount is thereafter treated as a Restricted Payment or Permitted Investment for the purpose of calculating the amount available in connection with Section 4.7.

An Unrestricted Subsidiary may be designated as a Restricted Subsidiary if (i) all the Debt of such Unrestricted Subsidiary could be Incurred pursuant to Section 4.9 and (ii) all the Liens on the property and assets of such Unrestricted Subsidiary could be incurred pursuant to Section 4.12.

#### SECTION 4.20 Further Assurances.

The Company will, and will cause each of its existing and future Restricted Subsidiaries to, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments and do or cause to be done such further acts as may be necessary and proper to:

- (1) effectuate the purposes of this Indenture and the Security Documents;
- (2) evidence, perfect, maintain and enforce the validity, effectiveness and priority of any of the Note Liens created, or intended to be created, by the Security Documents; and
- (3) ensure the protection and enforcement of any of the rights granted or intended to be granted to the Trustee under any other instrument executed in connection therewith.



ARTICLE V

SUCCESSORS

SECTION 5.1 Consolidation, Merger, Conveyance, Transfer or Lease

The Company will not in any transaction or series of transactions, consolidate with or merge into any other Person (other than a merger of a Restricted Subsidiary into the Company in which the Company is the continuing Person), or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the assets of the Company and its Restricted Subsidiaries (determined on a consolidated basis), taken as a whole, to any other Person, unless:

(i) either: (a) the Company shall be the continuing Person or (b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged, or the Person that acquires, by sale, assignment, conveyance, transfer, lease or other disposition, all or substantially all of the property and assets of the Company (such Person, the “*Surviving Entity*”), (1) shall be a corporation, partnership, limited liability company or similar entity organized and validly existing under the laws of the United States, any political subdivision thereof or any state thereof or the District of Columbia, (2) shall expressly assume, by a supplemental indenture, the due and punctual payment of all amounts due in respect of the principal of (and premium, if any) and interest on all the Notes and the performance of the covenants and obligations of the Company under this Indenture and (3) shall expressly assume the due and punctual performance of the covenants and obligations of the Company under the Security Documents; *provided* that at any time the Company or its successor is not a corporation, there shall be aco-issuer of the Notes that is a corporation;

(ii) immediately before and immediately after giving effect to such transaction or series of transactions on *apro forma* basis (including any Debt Incurred in connection with or in respect of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(iii) immediately after giving effect to any such transaction or series of transactions on *apro forma* basis (including any Debt Incurred or anticipated to be Incurred in connection with or in respect of such transaction or series of transactions) as if such transaction or series of transactions had occurred on the first day of the determination period, the Company (or the Surviving Entity if the Company is not continuing) could Incur \$1.00 of additional Debt (other than Permitted Debt) under the first paragraph of Section 4.9;

(iv) the Company delivers, or causes to be delivered, to the Trustee an Officers’ Certificate and an Opinion of Counsel (on which the Trustee may conclusively and exclusively rely), each stating that such consolidation, merger, sale, conveyance, assignment, transfer, lease or other disposition complies with the requirements of this Indenture;

(v) the Surviving Entity causes such amendments, supplements or other instruments to be executed, delivered, filed and recorded, as applicable, in such jurisdictions as may be required by applicable law to preserve and protect the Lien of the Security Documents on the Collateral owned by or transferred to the Surviving Entity;

(vi) the Collateral owned by or transferred to the Surviving Entity shall (a) continue to constitute Collateral under this Indenture and the Security Documents, (b) be subject to the Lien in favor of the Collateral Agent for the benefit of itself, the Trustee and the Holders of the Notes and (c) not be subject to any Lien other than Permitted Collateral Liens; and

(vii) the property and assets of the Person which is merged or consolidated with or into the Surviving Entity, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Surviving Entity shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the Security Documents in the manner and to the extent required in this Indenture.

The preceding clause (iii) will not prohibit:

- (a) a merger between the Company and a Restricted Subsidiary of the Company; or
- (b) a merger between the Company and an Affiliate incorporated solely for the purpose of converting the Company into a corporation organized under the laws of the United States or any political subdivision or state thereof;

so long as, in each case, the amount of Debt of the Company and its Restricted Subsidiaries is not increased thereby, except for Debt incurred in the ordinary course of business to pay fees, expenses and other costs associated with such transaction.

For all purposes of this Indenture and the Notes, Subsidiaries of any Surviving Entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to this Indenture and all Debt, and all Liens on property or assets, of the Surviving Entity and its Subsidiaries that was not Debt, or were not Liens on property or assets, of the Company and its Subsidiaries immediately prior to such transaction or series of transactions shall be deemed to have been Incurred upon such transaction or series of transactions.

Upon any transaction or series of transactions that are of the type described in, and are effected in accordance with, conditions described in the immediately preceding paragraphs, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company, under this Indenture with the same effect as if such Surviving Entity had been named as the Company therein; and when a Surviving Entity duly assumes all of the obligations and covenants of the Company pursuant to this Indenture and the Notes, except in the case of a lease, the predecessor Person shall be relieved of all such obligations.

#### SECTION 5.2 Successor Person Substituted

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.1 hereof, the successor corporation formed by such consolidation or into or with which the Company (and, if necessary, any co-issuer) is merged or to which such sale, assignment, conveyance, transfer, lease or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and shall exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided, however*, that in the event of a transfer or lease, the predecessor shall not be released from the payment of principal and interest or other obligations on the Notes.

ARTICLE VI  
DEFAULTS AND REMEDIES

SECTION 6.1 Events of Default

Each of the following constitutes an “*Event of Default*”:

- (1) default in the payment in respect of the principal of (or premium, if any, on) any Note at its maturity (whether at Stated Maturity or upon repurchase, acceleration, optional redemption or otherwise);
- (2) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;
- (3) failure to perform or comply with Section 5.1;
- (4) except as permitted by this Indenture, (i) any Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) shall for any reason cease to be in full force and effect and enforceable in accordance with its terms (except as specifically provided in this Indenture) for a period of 30 days after written notice thereof by the Trustee or the Holders of 25% in principal amount of the outstanding Notes or (ii) the Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) shall for any reason be asserted by any Guarantor or the Company not to be in full force and effect and enforceable in accordance with its terms;
- (5) default in the performance, or breach, of (i) any covenant or agreement of the Company or any Guarantor in this Indenture (other than (x) a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1), (2), (3) or (4) above or (y) a covenant or agreement contained in Section 4.3), and continuance of such default or breach for a period of 60 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes or (ii) any covenant or agreement contained in Section 4.3 and continuance of such default or breach for a period of 120 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes;
- (6) a default or defaults under any bonds, debentures, notes or other evidences of Debt (other than the Notes) by the Company or any Restricted Subsidiary having, individually or in the aggregate, a principal or similar amount outstanding of at least \$15.0 million, whether such Debt now exists or shall hereafter be created, which default or defaults shall have resulted in the acceleration of the maturity of such Debt prior to its express maturity or shall constitute a failure to pay at least \$15.0 million of such Debt when due and payable after the expiration of any applicable grace period with respect thereto;
- (7) the entry against the Company or any Restricted Subsidiary that is a Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) of a final judgment or final judgments for the payment of money in an aggregate amount in excess of \$15.0 million, by a court or courts of competent jurisdiction, which judgments remain undischarged, un-waived, unstayed, unbonded or unsatisfied for a period of 60 consecutive days;

(8) (i) the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

- (a) commences a voluntary case,
- (b) consents to the entry of an order for relief against it in an involuntary case,
- (c) consents to the appointment of a Custodian of it or for all or substantially all of its property,
- (d) makes a general assignment for the benefit of its creditors, or
- (e) admits, in writing, its inability generally to pay its debts as they become due;

(ii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case;

(b) appoints a Custodian of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries; or

(c) orders the liquidation of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(9) (x) with respect to any Collateral having a fair market value in excess of \$15.0 million, individually or in the aggregate, (a) any default or breach by the Company or any Guarantor in the performance of its obligations under the Security Documents or this Indenture which adversely affects the condition or value of the Collateral or the enforceability, validity, perfection or priority of the Note Liens, taken as a whole in any material respect, and continuance of such default or breach for a period of 60 days after written notice thereof by the Trustee or the Holders of 25% in principal amount of the outstanding Notes, or (b) any security interest created under the Security Documents or under this Indenture is declared invalid or unenforceable by a court of competent jurisdiction or (y) the Company or any Guarantor asserts, in any pleading in any court of competent jurisdiction, that any security interest in any Collateral is invalid or unenforceable.

The term “Custodian” means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

The Trustee shall not be deemed to have notice of any Event of Default and shall not have any duty or responsibility in respect thereof unless and until a Responsible Officer of the Trustee has received written notice of such Event of Default or has actual knowledge of such Event of Default. Delivery of reports, information and documents to the Trustee under Section 4.3 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder or the existence of an Event of Default (as to which the Trustee is entitled to rely exclusively on Officers' Certificates, except as otherwise provided herein).

#### SECTION 6.2 Acceleration.

If an Event of Default (other than an Event of Default specified in clause (8) of Section 6.1 with respect to the Company) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately by a notice in writing to the Company (and to the Trustee if given by Holders).

In the event of a declaration of acceleration of the Notes solely because an Event of Default described in clause (6) of Section 6.1 has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically rescinded and annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) of Section 6.1 shall be remedied or cured by the Company or a Restricted Subsidiary of the Company or waived by the holders of the relevant Debt within 20 Business Days after the declaration of acceleration with respect thereto and if the rescission and annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction obtained by the Trustee for the payment of amounts due on the Notes.

If an Event of Default specified in clause (8) of Section 6.1 occurs with respect to the Company, the principal of and any accrued interest on the Notes then outstanding shall ipso facto become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

#### SECTION 6.3 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, interest on the Notes or to enforce the performance of any provision of the Notes, this Indenture and the Security Documents.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

#### SECTION 6.4 Waiver of Past Defaults.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under this Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes (other than as a result of an acceleration), which shall require the written consent of all of the Holders of the Notes then outstanding.

SECTION 6.5 Control by Majority.

Subject to the terms of the Security Documents and Section 7.2(f), the Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust power conferred on it. However, (i) the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability, and (ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 6.6 Limitation on Suits.

A Holder may pursue a remedy with respect to this Indenture or the Notes only if:

- (a) the Holder gives to the Trustee written notice of a continuing Event of Default or the Trustee receives such notice from the Company;
- (b) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;
- (c) such Holder or Holders offer and, if requested, provide to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense;
- (d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of such indemnity or security; and
- (e) during such 60-day period the Holders of a majority in aggregate principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.7 Rights of Holders of Notes to Receive Payment

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, if any, and interest on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.8 Collection Suit by Trustee.

If an Event of Default specified in Section 6.1(1) or (2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.9 Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other securities or property payable or deliverable upon the conversion or exchange of the Notes or on any such claims and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10 Priorities.

Subject to the terms of the Security Documents, any money collected by the Trustee (or received by the Trustee from the Collateral Agent under any Security Documents) pursuant to this Article VI and any money or other property distributable in respect of the Company's obligations under this Indenture after an Event of Default shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, if any, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: to the Trustee (including any predecessor Trustee) and the Collateral Agent, its agents and attorneys for amounts due under Section 7.7 hereof, including payment of all reasonable compensation, expense and liabilities incurred, and all advances made, by the Trustee or the Collateral Agent and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest respectively; and

Third: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

SECTION 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.7 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE VII

TRUSTEE

SECTION 7.1 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and the Security Documents, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall be under a duty to examine the certificates and opinions specifically required to be furnished to it to determine whether or not they conform on their face to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts or conclusions stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraphs (b) or (e) of this Section 7.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.5 hereof or otherwise in accordance with the direction of the Holders of a majority in principal amount of outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee or the Collateral Agent, under this Indenture or the Security Documents.



(d) Whether or not therein expressly so provided, every provision of this Indenture or any provision of any Security Document that in any way relates to the Trustee or the Collateral Agent is subject to Sections 7.1 and 7.2 hereof.

(e) No provision of this Indenture or the Security Documents shall require the Trustee or the Collateral Agent to expend or risk its own funds or incur any liability. The Trustee and the Collateral Agent shall be under no obligation to exercise any of their rights and powers under this Indenture or the Security Documents at the request of any Holders, unless such Holder shall have offered to the Trustee and/or the Collateral Agent, as applicable, security and indemnity satisfactory to each of them against any loss, liability or expense which might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.2 Rights of Trustee.

(a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in any such document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of the Trustee's own choosing and the Trustee shall be fully protected from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance on the advice or opinion of such counsel or on any Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution. Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officers' Certificate.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company or a Guarantor shall be sufficient if signed by an Officer of the Company or such Guarantor.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or documents, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine during normal business hours the books, records and premises of the Company or any Guarantor, personally or by agent or attorney at the sole cost of the Company, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The rights, privileges, protections and benefits given to the Trustee, including its rights to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Persons employed to act hereunder or under any Security Document (including the Collateral Agent).

(i) The Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(j) The permissive right of the Trustee to take or refrain from taking any actions enumerated in this Indenture or any Security Document shall not be construed as a duty.

#### SECTION 7.3 Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

#### SECTION 7.4 Trustee's Disclaimer.

Neither the Trustee nor the Collateral Agent shall be responsible for or make any representation as to the validity or adequacy of this Indenture or the Notes, or the existence, genuineness, value or protection of any Collateral (except for the safe custody of Collateral in its possession actually received by it in accordance with the terms hereof) for the legality, effectiveness or sufficiency of any Security Document, or for the creation, perfection, priority, sufficiency or protection of any Note Lien, and neither shall be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, neither shall be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes, any statement or recital in any document in connection with the sale of the Notes or pursuant to this Indenture other than the Trustee's certificate of authentication on the Notes.

#### SECTION 7.5 Notice of Defaults.

If a Default occurs and is continuing and if it is actually known to a Responsible Officer of the Trustee, the Trustee shall mail to Holders a notice of the Default within 90 days after knowledge by the Trustee. Except in the case of a Default in payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as the Trustee in good faith determines that withholding the notice is in the interests of the Holders.

SECTION 7.6 [Reserved].

SECTION 7.7 Compensation and Indemnity.

The Issuer shall pay to the Trustee and the Collateral Agent from time to time reasonable compensation for its acceptance of this Indenture and services hereunder in accordance with a separate fee agreement. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee and the Collateral Agent promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's and the Collateral Agent's agents and counsel.

The Issuer and the Guarantors, jointly and severally, shall indemnify the Trustee and the Collateral Agent (which for purposes of this Section 7.7 shall include its officers, directors, stockholders, employees and agents) against any and all claims, damage, losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuer (including this Section 7.7) and defending itself against any claim (whether asserted by the Issuer or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder except to the extent any such loss, claim, damage, liability or expense may be attributable to its negligence or willful misconduct. The Trustee (or the Collateral Agent, as the case may be) shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee (or the Collateral Agent, as the case may be) to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim and the Trustee (or the Collateral Agent, as the case may be) shall cooperate in the defense. The Trustee (or the Collateral Agent, as the case may be) may have separate counsel and the Issuer shall pay the reasonable fees and expenses of one such counsel. The Issuer need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Issuer and the Guarantors under this Section 7.7 shall survive the satisfaction and discharge or termination for any reason of this Indenture or the resignation or removal of the Trustee or the Collateral Agent.

To secure the Issuer's and the Guarantors' obligations in this Section 7.7, the Trustee and the Collateral Agent shall have a Lien prior to the Notes on all money or property held or collected by the Trustee or the Collateral Agent, except that held in trust to pay principal or interest, if any, on particular Notes. Such Lien shall survive the satisfaction and discharge or termination for any reason of this Indenture and the resignation or removal of the Trustee or the Collateral Agent.

In addition, and without prejudice to the rights provided to the Trustee and the Collateral Agent under any of the provisions of this Indenture, when the Trustee or the Collateral Agent incurs expenses or renders services after an Event of Default specified in Section 6.1(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

"Trustee" for the purposes of this Section 7.7 shall include any predecessor Trustee and the Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder or under any Security Document; *provided, however*, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

The Trustee shall comply with the provisions of TIA § 313(b)(2) to the extent applicable.

SECTION 7.8 Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.8.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee if:

- (a) the Trustee fails to comply with Section 7.10 hereof
- (b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;
- (c) a Custodian or public officer takes charge of the Trustee or its property or
- (d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and the duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to the Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, *provided* that all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.7 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.8, the Issuer's obligations under and the Lien provided for in Section 7.7 hereof shall continue for the benefit of the retiring Trustee.

SECTION 7.9 Successor Trustee by Merger, Etc.

If the Trustee, the Collateral Agent or any Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person without any further act shall be the successor Trustee, Collateral Agent or any Agent, as applicable.

SECTION 7.10 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trust power and that is subject to supervision or examination by federal or state authorities. The Trustee together with its Affiliates shall at all times have a combined capital surplus of at least \$50.0 million as set forth in its most recent annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA §§ 310(a)(1), (2) and (5). The Trustee is subject to TIA § 310(b) including the provision in § 310(b)(1); *provided* that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Issuer or the Guarantors are outstanding if the requirements for exclusion set forth in TIA § 310(b)(1) are met.

SECTION 7.11 Preferential Collection of Claims Against the Issuer.

The Trustee is subject to TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated therein.

SECTION 7.12 Trustee's Application for Instructions from the Issuer

Any application by the Trustee for written instructions from the Issuer may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than twenty Business Days after the date any officer of the Issuer actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

SECTION 7.13 Limitation of Liability.

In no event shall the Trustee, in its capacity as such, or as Paying Agent or Registrar or in any other capacity hereunder, or the Collateral Agent, be liable under or in connection with this Indenture for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including but not limited to lost profits, whether or not foreseeable, even if the Trustee or the Collateral Agent has been advised of the possibility thereof and regardless of the form of action in which such damages are sought. Neither the Trustee nor the Collateral Agent shall be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action. The provisions of this Section 7.13 shall survive satisfaction and discharge or the termination for any reason of this Indenture and the resignation or removal of the Trustee or the Collateral Agent, as the case may be.

SECTION 7.14 Collateral Agent.

The rights, privileges, protections, immunities and benefits given to the Trustee, including its right to be indemnified, are extended to, and shall be enforceable by, the Collateral Agent as if the Collateral Agent were named as the Trustee herein and the Security Documents were named as this Indenture herein.

SECTION 7.15 Co-Trustees; Separate Trustee; Collateral Agent.

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Collateral may at the time be located, the Issuer, the Collateral Agent and the Trustee shall have power to appoint, and, upon the written request of (i) the Trustee or the Collateral Agent or (ii) the holders of at least 25% of the outstanding principal amount at maturity of the Notes, the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, co-collateral agent, sub-collateral agent or separate collateral agent of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section 7.15. If the Issuer does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default has occurred and is continuing, the Trustee or the Collateral Agent alone shall have power to make such appointment.

Should any written instrument from the Issuer be requested by any co-trustee or separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request of such co-trustee or separate trustee or separate collateral agent, be executed, acknowledged and delivered by the Issuer.

Any co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent shall agree in writing to be and shall be subject to the provisions of the applicable Security Documents as if it were the Trustee or the Collateral Agent, as the case may be, thereunder (and the Trustee or the Collateral Agent, as the case may be, shall continue to be so subject).

Every co-trustee or separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Notes shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee.

(b) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, or by the Trustee and such co-collateral agent, sub-collateral agent or separate collateral agent jointly as shall be provided in the instrument appointing such co-trustee, separate trustee or separate collateral agent, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent.

(c) The Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Issuer evidenced by a Board Resolution, may accept the resignation of or remove any co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent appointed under this Section 7.15, and, in case an Event of Default has occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent without the concurrence of the Issuer. Upon the written request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent so resigned or removed may be appointed in the manner provided in this Section 7.15.

(d) No co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent hereunder shall be liable by reason of any act or omission of the Trustee, or any other such trustee, co-trustee, separate trustee, co-collateral agent, sub-collateral agent or separate collateral agent hereunder.

(e) The Trustee shall not be liable by reason of any act or omission of any co-trustee, separate trustee, co-collateral agent, sub-collateral agent or separate collateral agent.

(f) Any act of holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent, as the case may be.

## ARTICLE VIII

### LEGAL DEFEASANCE AND COVENANT DEFEASANCE

#### SECTION 8.1 Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuer may, at the option of its Board of Directors evidenced by a Board Resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.2 or 8.3 hereof applied to all outstanding Notes upon compliance with the conditions set forth below in this Article VIII.

#### SECTION 8.2 Legal Defeasance.

Upon the Issuer's exercise under Section 8.1 hereof of the option applicable to this Section 8.2, the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.4 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "*legal defeasance*"). For this purpose, legal defeasance means that the Issuer shall be deemed to have paid and discharged the entire Debt represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.5 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all of its other obligations under such Notes and this Indenture (and the Trustee, on written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest, if any, on such Notes when such payments are due from the trust referred to in Section 8.4(1); (b) the

Issuer's obligations with respect to such Notes under Sections 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.10 and 4.2 hereof; (c) the rights, powers, trusts, benefits and immunities of the Trustee, including under Section 7.7, 8.5 and 8.7 hereof and the Issuer's obligations in connection therewith; (d) the Company's rights pursuant to Section 3.7; and (e) the provisions of this Article VIII. Subject to compliance with this Article VIII, the Issuer may exercise its option under this Section 8.2 notwithstanding the prior exercise of its option under Section 8.3 hereof.

#### SECTION 8.3 Covenant Defeasance.

Upon the Issuer's exercise under Section 8.1 hereof of the option applicable to this Section 8.3, the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.4 hereof, be released from its obligations under the covenants contained in Sections 4.3, 4.4, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.14, 4.15, 4.17, 4.18, 4.19, 4.20 and 5.1 hereof with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "*covenant defeasance*" and, together with legal defeasance, "*defeasance*"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, covenant defeasance means that, with respect to the outstanding Notes, the Issuer or any of its Subsidiaries may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.1 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.1 hereof of the option applicable to this Section 8.3, subject to the satisfaction of the conditions set forth in Section 8.4 hereof, Sections 6.1(3), (4), (5), (6), (7) and (9) hereof shall not constitute Events of Default.

#### SECTION 8.4 Conditions to Legal Defeasance or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.2 or 8.3 hereof to the outstanding Notes:

In order to exercise either legal defeasance or covenant defeasance:

- (1) the Issuer must irrevocably have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to the benefits of the Holders of such Notes: (A) money in an amount, or (B) U.S. government obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than the due date of any payment, money in an amount or (C) a combination thereof, in each case sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, the entire indebtedness in respect of the principal of and premium, if any, and interest on such Notes on the Stated Maturity thereof or (if the Issuer has made irrevocable arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer) the redemption date thereof, as the case may be, in accordance with the terms of this Indenture and such Notes;



(2) in the case of legal defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable United States federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Notes will not recognize gain or loss for United States federal income tax purposes as a result of the deposit, legal defeasance and discharge to be effected with respect to such Notes and will be subject to United States federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, legal defeasance and discharge were not to occur;

(3) in the case of covenant defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such outstanding Notes will not recognize gain or loss for United States federal income tax purposes as a result of the deposit and covenant defeasance to be effected with respect to such Notes and will be subject to federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and covenant defeasance were not to occur;

(4) no Default or Event of Default with respect to the outstanding Notes shall have occurred and be continuing at the time of such deposit after giving effect thereto (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the grant of any Lien to secure such borrowing);

(5) such legal defeasance or covenant defeasance shall not cause the Trustee to have a conflicting interest within the meaning of the TIA (assuming all Notes are in default within the meaning of the TIA);

(6) such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or material instrument (other than this Indenture) to which the Company is a party or by which the Company is bound; and

(7) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such legal defeasance or covenant defeasance have been complied with and such legal or covenant defeasance is authorized and permitted by the terms hereof

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to a legal defeasance need not be delivered if all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, or (y) will become due and payable at Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

#### SECTION 8.5 Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.6 hereof, all money and non-callable U.S. government obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.5, the "Trustee") pursuant to Section 8.4 hereof in respect of the outstanding Notes shall be held in trust, shall not be invested, and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the

---

Company or any Subsidiary acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. government obligations deposited pursuant to Section 8.4 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuer from time to time upon the written request of the Issuer and be relieved of all liability with respect to any money or non-callable U.S. government obligations held by it as provided in Section 8.4 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.4(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent legal defeasance or covenant defeasance.

#### SECTION 8.6 Repayment to Issuer.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, or interest, if any, on any Note and remaining unclaimed for one year after such principal and premium, if any, or interest has become due and payable shall be paid to the Issuer on its written request or (if then held by the Issuer) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer cause to be published once, in the *New York Times* and *The Wall Street Journal* (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuer.

#### SECTION 8.7 Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable U.S. government obligations in accordance with Section 8.2 or 8.3 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.2 or 8.3 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.2 or 8.3 hereof, as the case may be; *provided, however*, that, if the Issuer makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

SECTION 8.8 Discharge.

The Issuer and the Guarantors may terminate the obligations under this Indenture (except certain surviving rights of the Trustee and the Collateral Agent and the Company's and Guarantors' obligations with respect thereto) (a "*Discharge*") when:

- (1) either: (A) all Notes theretofore authenticated and delivered have been delivered to the Trustee for cancellation, or (B) all such Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable or (ii) will become due and payable within one year or are to be called for redemption within one year under irrevocable arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes, not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest to the Stated Maturity or date of redemption;
- (2) the Issuer has paid or caused to be paid all other sums then due and payable under this Indenture by the Issuer;
- (3) the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument (other than this Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (4) the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be; and
- (5) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel reasonably acceptable to the Trustee, each stating that all conditions precedent under this Indenture relating to the Discharge have been complied with and that such Discharge is authorized and permitted by the terms hereof and the Security Documents.

The Issuer may elect, at its option, to have its obligations discharged with respect to the outstanding Notes. Such legal defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes, except for:

- (1) the rights of Holders of such Notes to receive payments in respect of the principal of and any premium and interest on such Notes when payments are due,
- (2) the Issuer's obligations with respect to such Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust,
- (3) the rights, powers, trusts, duties and immunities of the Trustee,
- (4) the Company's right of optional redemption, and
- (5) the defeasance provisions of this Indenture.

ARTICLE IX

AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.1 Without Consent of Holders of the Notes.

Subject to Section 5.3(b) of the Intercreditor Agreement and notwithstanding Section 9.2 of this Indenture, without the consent of any Holders, the Issuer, the Guarantors, the Trustee and the Collateral

Agent, at any time and from time to time, may enter into one or more indentures supplemental to this Indenture, the Guarantees and the Security Documents for any of the following purposes:

- (1) to evidence the succession of another Person to the Company or any Guarantor and the assumption by any such successor of the covenants of the Company or such Guarantor in this Indenture, the Guarantees, the Security Documents and the Notes;
- (2) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (3) to add additional Events of Default;
- (4) to provide for uncertificated Notes in addition to or in place of the Certificated Notes;
- (5) to evidence and provide for the acceptance of appointment under this Indenture and the Security Documents by a successor Trustee or Collateral Agent;
- (6) to provide for or confirm the issuance of Additional Notes in accordance with the terms of this Indenture;
- (7) to add to the Collateral securing the Notes, to add a Guarantor or to release a Guarantor in accordance with this Indenture;
- (8) to cure any ambiguity, defect, omission, mistake or inconsistency;
- (9) to make any other provisions with respect to matters or questions arising under this Indenture; *provided* that such actions pursuant to this clause shall not adversely affect the interests of the Holders in any material respect, as determined in good faith by the Board of Directors of the Company;
- (10) to conform the text of this Indenture, the Security Documents or the Notes to any provision of the "Description of Notes" in the Offering Memorandum to the extent that the Trustee has received an Officers' Certificate stating that such text constitutes an unintended conflict with the description of the corresponding provision in the "Description of Notes";
- (11) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for the benefit of the Trustee on behalf of the Holders of the Notes, as additional security for the payment and performance of all or any portion of the Secured Obligations, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Collateral Agent pursuant to this Indenture, any of the Security Documents or otherwise;
- (12) to release Collateral from the Lien of this Indenture and the Security Documents when permitted or required by the Security Documents or this Indenture; or
- (13) to secure any Permitted Additional Pari Passu Obligations under the Security Documents and to subject the same to the terms of the Intercreditor Agreement.

SECTION 9.2 With Consent of Holders of Notes.

Subject to Section 5.3(b) of the Intercreditor Agreement, with the consent of (i) the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, the Issuer, the Guarantors and the Trustee may enter into an indenture or indentures supplemental to this Indenture (together with the other consents required thereby) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Notes or of modifying in any manner the rights of the Holders of the Notes under this Indenture, including the definitions herein, and (ii) the holders of not less than a majority in aggregate principal amount of the outstanding Notes and the Permitted Additional Pari Passu Obligations, voting as one class, the Issuer, the Guarantors, the Trustee and the Collateral Agent may amend or otherwise modify in any manner the Security Documents or the obligations thereunder; *provided, however*, that no such supplemental indenture, modification or amendment shall, without the consent of the Holder of each outstanding Note affected thereby:

- (1) change the Stated Maturity of any Note or of any installment of interest on any Note, or reduce the amount payable in respect of the principal thereof or the rate of interest thereon or any premium payable thereon, or reduce the amount that would be due and payable on acceleration of the maturity thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof, or change the date on which any Notes may be subject to redemption or reduce the Redemption Price therefor,
- (2) reduce the percentage in aggregate principal amount of the outstanding Notes, the consent of whose Holders is required for any such supplemental indenture or amendment, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture,
- (3) modify the obligations of the Company to make Offers to Purchase upon a Change of Control or from the Excess Proceeds of Asset Sales or Excess Loss Proceeds from an Event of Loss if such modification was done after the occurrence of such Change of Control, Asset Sale or Event of Loss, as applicable,
- (4) subordinate, in right of payment, the Notes to any other Debt of the Company,
- (5) modify any of the provisions of this paragraph or provisions relating to waiver of defaults or certain covenants, except to increase any such percentage required for such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby, or
- (6) release any Guarantees required to be maintained under this Indenture (other than in accordance with the terms of this Indenture).

In addition, any amendment to, or waiver of, the provisions of this Indenture or any Security Document that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes other than in accordance with this Indenture and the Security Documents or modifying the Intercreditor Agreement in any manner adverse in any material respect to the Holders of the Notes will require the consent of the holders of at least 66 2/3% in aggregate principal amount of the Notes and Permitted Additional Pari Passu Obligations then outstanding, voting as one class.

The Holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the Holders of all the Notes waive any past default under this Indenture and its consequences, except a default:

- (1) in any payment in respect of the principal of (or premium, if any) or interest on any Notes (including any Note which is required to have been purchased pursuant to an Offer to Purchase which has been made by the Issuer), or
- (2) in respect of a covenant or provision hereof which under this Indenture cannot be modified or amended without the consent of the Holder of each outstanding Note affected.

#### SECTION 9.3 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. When an amendment, supplement or waiver becomes effective in accordance with its terms, it thereafter binds every Holder.

The Issuer may, but shall not be obligated to, fix a record date for determining which Holders consent to such amendment, supplement or waiver. If the Issuer fixes a record date, the record date shall be fixed at (i) the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished for the Trustee prior to such solicitation pursuant to Section 2.5 hereof or (ii) such other date as the Issuer shall designate.

#### SECTION 9.4 Notation on or Exchange of Notes

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

After any amendment, supplement or waiver becomes effective, the Company shall mail to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice shall not affect the validity and effect of such amendment, supplement or waiver.

#### SECTION 9.5 Trustee to Sign Amendments, Etc.

The Trustee and the Collateral Agent shall sign any amended or supplemental indenture authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the Collateral Agent. The Issuer and the Guarantors may not sign an amendment or supplemental indenture until their respective Boards of Directors approve it. In signing or refusing to sign any amendment or supplemental indenture the Trustee and the Collateral Agent shall be entitled to receive and (subject to Section 7.1 hereof) shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture and the Security Documents, that all conditions precedent thereto have been met or waived and that such amendment or supplemental indenture is not inconsistent herewith.

ARTICLE X

SECURITY

SECTION 10.1 Security Documents; Additional Collateral.

(a) Security Documents. In order to secure the due and punctual payment of the Secured Obligations, the Company, the Guarantors, the Collateral Agent and the other parties thereto have simultaneously with the execution of this Indenture entered or, in accordance with the provisions of Section 4.18, Section 4.20 and this Article X will enter into the Security Documents.

(b) Post-Closing Collateral. To the extent not completed prior to the Issue Date, the Issuer or the applicable Guarantor will take the actions and satisfy the requirements set forth on Schedule B on or prior to the date set forth on Schedule B with respect to each Mortgaged Property listed on Schedule A. At any time that the Company or any Guarantor shall acquire or own any real property with a fair market value in excess of \$2,000,000 which does not constitute Excluded Property and which is not subject to a Mortgage in favor of the Collateral Agent for the benefit of the Noteholder Secured Parties, the Company or such Guarantor shall within one-hundred eighty (180) days after the acquisition of such real property (or such later date as the ABL Agent may agree with respect to the corresponding requirement under the ABL Documents), duly execute and deliver to the Collateral Agent counterparts of a Mortgage together with other items set forth in Schedule B, with respect to any such real property.

SECTION 10.2 [Reserved].

SECTION 10.3 Releases of Collateral.

The Liens securing the Notes and the Guarantees will, automatically and without the need for any further action by any Person be released:

(a) in whole or in part, with the consent of the requisite holders in accordance with Article IX, including consents obtained in connection with a tender offer or exchange offer for, or purchase of, Notes:

(b) in whole, upon:

(i) Discharge of this Indenture under Section 8.8 hereof; or

(ii) a legal defeasance or covenant defeasance of this Indenture under Article VIII hereof;

(iii) upon payment in full of principal, interest and all other Obligations on the Notes issued under this Indenture;

(c) in part, as to any asset constituting Collateral:

(i) that is sold or otherwise disposed of by the Company or any of the Guarantors (other than any such sale to the Company or a Guarantor) in a transaction permitted under Section 4.10 and the Security Documents (to the extent of the interest sold or

disposed of) or otherwise permitted by this Indenture and the Security Documents, if all other Liens on that asset securing the ABL Obligations and any Permitted Additional Pari Passu Obligations then secured by that asset (including all commitments thereunder) are released;

- (ii) [reserved];
- (iii) that becomes Excluded Property; or
- (iv) that is otherwise released in accordance with, and as expressly provided for in accordance with, the Intercreditor Agreement, this Indenture and the Security Documents.

#### SECTION 10.4 Form and Sufficiency of Release.

In the event that either the Issuer or any Guarantor has sold, exchanged, or otherwise disposed of or proposes to sell, exchange or otherwise dispose of any portion of the Collateral that, under the terms of this Indenture may be sold, exchanged or otherwise disposed of by the Issuer or any Guarantor, and the Issuer or such Guarantor requests the Trustee or the Collateral Agent to furnish a written disclaimer, release or quitclaim of any interest in such property under this Indenture, the applicable Guarantee and the Security Documents, upon receipt of an Officers' Certificate and Opinion of Counsel to the effect that such release complies with Section 10.3 and specifying the provision in Section 10.3 pursuant to which such release is being made (upon which the Trustee and the Collateral Agent may exclusively and conclusively rely), the Trustee shall execute, acknowledge and deliver to the Issuer or such Guarantor (or instruct the Collateral Agent to do the same and the Collateral Agent shall execute, acknowledge and deliver) such an instrument in the form provided by the Issuer, and providing for release without recourse and shall take such other action as the Issuer or such Guarantor may reasonably request and as necessary to effect such release. Before executing, acknowledging or delivering any such instrument, the Trustee shall be furnished with an Officers' Certificate and an Opinion of Counsel (on which the Trustee and the Collateral Agent shall be entitled to conclusively and exclusively rely) each stating that such release is authorized and permitted by the terms hereof and the Security Documents and that all conditions precedent with respect to such release have been complied with.

#### SECTION 10.5 Possession and Use of Collateral.

Subject to the provisions of the Security Documents, the Company and the Guarantors shall have the right to remain in possession and retain exclusive control of and to exercise all rights with respect to the Collateral (other than monies or U.S. government obligations deposited pursuant to Article VIII, and other than as set forth in the Security Documents and this Indenture), to operate, manage, develop, lease, use, consume and enjoy the Collateral (other than monies and U.S. government obligations deposited pursuant to Article VIII and other than as set forth in the Security Documents and this Indenture), to alter or repair any Collateral so long as such alterations and repairs do not impair the Lien of the Security Documents thereon, and to collect, receive, use, invest and dispose of the reversions, remainders, interest, rents, lease payments, issues, profits, revenues, proceeds and other income thereof.

#### SECTION 10.6 Purchaser Protected.

No purchaser or grantee of any property or rights purporting to be released shall be bound to ascertain the authority of the Trustee or the Collateral Agent to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority so long as the conditions set forth in Section 10.4 have been satisfied.



SECTION 10.7 Authorization of Actions to Be Taken by the Collateral Agent Under the Security Documents

In acting hereunder and under the Security Documents, the Holders, the Issuer and the Guarantors agree that the Collateral Agent shall be entitled to the rights, privileges, protections, immunities, indemnities and benefits provided to the Trustee hereunder as if such were provided to the Collateral Agent. Furthermore, each holder of a Note, by accepting such Note, appoints U.S. Bank National Association as its collateral agent, and consents to the terms of and authorizes and directs the Trustee (in each of its capacities) and the Collateral Agent to enter into and perform the Security Documents in each of its capacities thereunder and U.S. Bank National Association hereby accepts such appointment.

SECTION 10.8 Authorization of Receipt of Funds by the Trustee Under the Security Agreement.

Subject to the terms of the Intercreditor Agreement, the Trustee and the Collateral Agent are authorized to receive any funds for the benefit of Holders distributed under the Security Documents to the Trustee or the Collateral Agent, to apply such funds as provided in this Indenture and the Security Documents.

SECTION 10.9 Powers Exercisable by Receiver or Collateral Agent

In case the Collateral shall be in the possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article X upon the Issuer or any Guarantor, as applicable, with respect to the release, sale or other disposition of such property may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Issuer or any Guarantor, as applicable, or of any officer or officers thereof required by the provisions of this Article X.

SECTION 10.10 Appointment, Authorization and Rights of U.S. Bank National Association as Collateral Agent

(a) U.S. Bank National Association is hereby designated and appointed as the Collateral Agent of the Holders under the Security Documents, and is authorized as the Collateral Agent for such Holders to execute and enter into each of the Security Documents and all other instruments relating to the Security Documents and (i) to take action and exercise such powers as are expressly required or permitted hereunder and under the Security Documents and all instruments relating hereto and thereto and (ii) to exercise such powers and perform such duties as are in each case, expressly delegated to the Collateral Agent by the terms hereof and thereof together with such other powers as are reasonably incidental hereto and thereto.

(b) Notwithstanding any provision to the contrary elsewhere in this Indenture or the Security Documents, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein or therein or any fiduciary relationship with any Holder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture or any Security Document or otherwise exist against the Collateral Agent.

(c) The Collateral Agent may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder or under the Security Documents in good faith and in accordance with the advice or opinion of such counsel.

(d) The Collateral Agent (i) shall not be liable for any action taken or omitted to be taken by it in connection with this Indenture, the Intercreditor Agreement and the Security Documents or instrument referred to herein or therein, except to the extent that any of the foregoing are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from its own gross negligence or willful misconduct, (ii) shall not be liable for acting pursuant to direction from the Trustee or the Holders of a majority in aggregate principal amount of the Notes or Secured Obligations, as applicable, (iii) shall not be responsible in any manner to any person for any recital, statement, representation, warranty, covenant, agreement or information made by the Issuer or any Guarantor, or any Officer or related person thereof, contained in this Indenture, or any Security Documents, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Indenture, the Security Documents or the Intercreditor Agreement, or for any failure of any party to this Indenture, the Security Documents or the Intercreditor Agreement to perform its obligations hereunder or thereunder, and (iv) shall have no obligation whatsoever to the Trustee or any of the Holders to assure that the Collateral exists or is owned by the Issuer or the Guarantors, or is cared for, protected, or insured or has been encumbered, or that the Collateral Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, maintained or enforced or are entitled to any particular priority. The Collateral Agent does not assume any responsibility for the genuineness, validity, marketability, enforceability, collectability, value, sufficiency, location or existence of any Collateral or title thereto, or the validity, effectiveness, enforceability, sufficiency, extent, perfection or priority of any Lien therein; the validity, enforceability or collectability of any Obligations; the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any obligor; or for any failure of any obligor to perform its Obligations under this Indenture, the Intercreditor Agreement and the Security Documents.

(e) Notwithstanding anything to the contrary contained herein or in any Security Document, the Collateral Agent shall solely act pursuant to the instructions of the Holders and the Trustee with respect to the Security Documents and the Collateral. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Indenture, the Security Documents or the Intercreditor Agreement unless it shall first receive such direction, advice or concurrence of the Trustee or the Holders of a majority in aggregate principal amount of the Notes or Secured Obligations, as applicable, as it determines and, if it so requests, it shall first be indemnified to its satisfaction by the Holders or Noteholder Secured Parties, as applicable, against any and all loss, liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Indenture, the Security Documents or the Intercreditor Agreement in accordance with a request, direction, instruction or consent of the Trustee or the Holders of a majority in aggregate principal amount of the then outstanding Notes or Secured Obligations, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Holders or Noteholder Secured Parties, as applicable. Subject to the provisions of the Security Documents, after the occurrence of an Event of Default, the Trustee or the Holders of a majority in aggregate principal amount of the Notes may direct the Collateral Agent in connection with any action required or permitted by this Indenture, the Security Documents or the Intercreditor Agreement. For the avoidance of doubt, the Collateral Agent shall have no discretion under this Indenture, the Intercreditor Agreement or the Security Documents and shall not be required to make or give any determination, consent, approval, request or direction without the written direction of the Holders of a majority in aggregate principal amount of the then outstanding Notes or Secured Obligations, as applicable, or the Trustee, as applicable.

(f) The Collateral Agent shall be entitled to all of the rights, privileges and immunities granted to the Trustee under Article VII. The Collateral Agent may resign or be removed in accordance with the provisions of Section 7.8.

(g) Notwithstanding anything to the contrary contained in this Indenture, the Intercreditor Agreement or the Security Documents, in the event the Collateral Agent is entitled or required to commence an action to foreclose or otherwise exercise its remedies to acquire control or possession of the Collateral, the Collateral Agent shall not be required to commence any such action or exercise any remedy or to inspect or conduct any studies of any property under the mortgages or take any such other action if the Collateral Agent has determined that the Collateral Agent may incur personal liability as a result of the presence at, or release on or from, the Collateral or such property, of any hazardous substances unless the Collateral Agent has received security or indemnity from the Holders in an amount and in a form all satisfactory to the Collateral Agent in its sole discretion, protecting the Collateral Agent from all such liability. The Collateral Agent shall at any time be entitled to cease taking any action described in this clause if it no longer reasonably deems any indemnity, security or undertaking from the Issuer or the Holders to be sufficient.

(h) Notwithstanding anything to the contrary in this Indenture or any Security Document, in no event shall the Collateral Agent be responsible for, or have any duty or obligation with respect to, the recording, filing, registering, perfection, protection or maintenance of the security interests or Liens intended to be created by this Indenture or the Security Documents (including without limitation the filing or continuation of any UCC financing or continuation statements or similar documents or instruments), nor shall the Collateral Agent be responsible for, and the Collateral Agent makes no representation regarding, the validity, effectiveness or priority of any of the Security Documents or the security interests or Liens intended to be created thereby.

(i) The Collateral Agent shall be entitled to compensation, reimbursement and indemnification in accordance with Section 7.7.

(j) Whether or not expressly stated therein, when acting under any Security Document, the Collateral Agent shall be entitled to all of the rights, privileges and immunities granted to it under this Indenture.

#### ARTICLE XI

[RESERVED]

#### ARTICLE XII

#### NOTE GUARANTEES

##### SECTION 12.1 Note Guarantees.

(a) Each Guarantor hereby jointly and severally, unconditionally and irrevocably guarantees the Notes and obligations of the Issuer hereunder and thereunder, and guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee on behalf of such Holder, that: (i) the principal of and premium, if any and interest on the Notes shall be paid in full when due, whether at Stated Maturity, by acceleration, call for redemption or otherwise (including the amount that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code), together with interest on the overdue principal, if any, and interest on any overdue interest, to the extent lawful, and all other obligations of the Issuer to the Holders, the Trustee or the Collateral Agent hereunder or thereunder shall be paid in full or performed, all in accordance with the terms hereof and thereof and (ii) in case of any extension of time of payment or renewal of any Notes or of any such other obligations, the same shall be paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Each of the Note Guarantees shall be a guarantee of payment and not of collection.

(b) Each Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) Each Guarantor hereby waives the benefits of diligence, presentment, demand for payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company or any other Person, protest, notice and all demands whatsoever and covenants that the Note Guarantee of such Guarantor shall not be discharged as to any Note except by complete performance of the obligations contained in such Note and such Note Guarantee or as provided for in this Indenture. Each of the Guarantors hereby agrees that, in the event of a default in payment of principal or premium, if any or interest on such Note, whether at its Stated Maturity, by acceleration, call for redemption, purchase or otherwise, legal proceedings may be instituted by the Trustee on behalf of, or by, the Holder of such Note, subject to the terms and conditions set forth in this Indenture, directly against each of the Guarantors to enforce such Guarantor's Note Guarantee without first proceeding against the Company or any other Guarantor. Each Guarantor agrees that if, after the occurrence and during the continuance of an Event of Default, the Trustee or any of the Holders are prevented by applicable law from exercising their respective rights to accelerate the maturity of the Notes, to collect interest on the Notes, or to enforce or exercise any other right or remedy with respect to the Notes, such Guarantor shall pay to the Trustee for the account of the Holders, upon demand therefor, the amount that would otherwise have been due and payable had such rights and remedies been permitted to be exercised by the Trustee or any of the Holders.

(d) If any Holder, the Trustee or the Collateral Agent is required by any court or otherwise to return to the Issuer or any Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Issuer or any Guarantor, any amount paid by any of them to the Trustee, the Collateral Agent or such Holder, the Note Guarantee of each of the Guarantors, to the extent theretofore discharged, shall be reinstated in full force and effect. This paragraph (d) shall remain effective notwithstanding any contrary action which may be taken by the Trustee, the Collateral Agent or any Holder in reliance upon such amount required to be returned. This paragraph (d) shall survive the termination of this Indenture.

(e) Each Guarantor further agrees that, as between each Guarantor, on the one hand, and the Holders, Trustee and the Collateral Agent, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article VI hereof for the purposes of the Note Guarantee of such Guarantor, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by each Guarantor for the purpose of the Note Guarantee of such Guarantor.

#### SECTION 12.2 Execution and Delivery of Note Guarantee

To evidence its Note Guarantee set forth in Section 12.1, each Guarantor agrees that a notation of such Note Guarantee substantially in the form attached hereto as Exhibit B shall be endorsed on each Note authenticated and delivered by the Trustee. Such notation of Note Guarantee shall be signed on behalf of such Guarantor by an officer of such Guarantor (or, if an officer is not available, by a board member, director or member, as applicable) on behalf of such Guarantor by manual or facsimile signature. In case the Officer, board member or director or member of such Guarantor who shall have signed such

notation of Note Guarantee shall cease to be such Officer, board member, director or member before the Note on which such Note Guarantee is endorsed shall have been authenticated and delivered by the Trustee, such Note nevertheless may be authenticated and delivered as though the Person who signed such notation of Note Guarantee had not ceased to be such officer, board member, director or member.

Each Guarantor agrees that its Note Guarantee set forth in Section 12.1 shall remain in full force and effect and apply to all the Notes notwithstanding any failure to endorse on each Note a notation of such Note Guarantee. The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Note Guarantee set forth in this Indenture on behalf of the Guarantors.

The failure to endorse a Note Guarantee shall not affect or impair the validity thereof.

**SECTION 12.3 Severability.**

In case any provision of any Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**SECTION 12.4 Limitation of Guarantors' Liability.**

Each Guarantor and by its acceptance hereof each Holder confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law or the provisions of its local law relating to fraudulent transfer or conveyance. To effectuate the foregoing intention, the Trustee, the Holders and Guarantors hereby irrevocably agree that the obligations of such Guarantor under its Note Guarantee shall be limited to the maximum amount that will not, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee, result in the obligations of such Guarantor under its Note Guarantee constituting a fraudulent transfer or conveyance.

**SECTION 12.5 Guarantors May Consolidate, Etc., on Certain Terms**

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets, or consolidate with or merge with or into (whether or not such Guarantor is the Surviving Entity) another Person unless:

- (1) immediately after giving effect to such transactions, no Default or Event of Default exists; and
- (2) either:
  - (A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under this Indenture pursuant to a supplemental indenture satisfactory to the Trustee; or
  - (B) the Net Cash Proceeds of any such sale or other disposition of a Guarantor are applied in accordance with the provisions of Section 4.10 hereof; and

(3) the Company delivers, or causes to be delivered, to the Trustee an Officers' Certificate (upon which the Trustee shall be entitled to conclusively and exclusively rely), each stating that such sale, other disposition, consolidation or merger complies with the requirements of this Indenture.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all such Note Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles IV and V hereof, and notwithstanding clauses (1) and (2) above, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Issuer or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Issuer or another Guarantor.

SECTION 12.6 [Intentionally Omitted].

SECTION 12.7 Release of a Guarantor.

The Note Guarantee of a Guarantor and such Guarantor's obligations under the Security Documents will be automatically and unconditionally released:

- (a) in the event of a sale or other transfer (including by way of consolidation or merger) of Capital Interests in such Guarantor in compliance with Section 4.10 following which such Guarantor ceases to be a Subsidiary;
- (b) upon the designation of such Guarantor as an Unrestricted Subsidiary in compliance with Section 4.19; or
- (c) in connection with a Discharge, legal defeasance or covenant defeasance in compliance with Article VIII.

Any Guarantor not so released shall remain liable for the full amount of principal and interest on the Notes as provided in its Note Guarantee.

SECTION 12.8 Benefits Acknowledged.

Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that its guarantee and waivers pursuant to its Note Guarantee are knowingly made in contemplation of such benefits.

SECTION 12.9 Future Guarantors.

Each Person that is required to become a Guarantor after the Issue Date pursuant to Section 4.18 shall promptly execute and deliver to the Trustee a supplemental indenture pursuant to which such Person shall become a Guarantor. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officers' Certificate (upon which

the Trustee shall be entitled to conclusively and exclusively rely) to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Person and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and/or to such other matters as the Trustee may reasonably request.

## ARTICLE XIII

### MISCELLANEOUS

#### SECTION 13.1 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA § 318(c), the imposed duties shall control.

#### SECTION 13.2 Notices.

Any notice or communication by the Issuer, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), tele-copier or overnight air courier guaranteeing next day delivery, to the others address:

If to the Issuer or any Guarantor:

Salem Media Group, Inc.  
4880 Santa Rosa Road  
Camarillo, CA 93012  
Facsimile: (805) 384-4505  
Attention: Christopher J. Henderson, General Counsel

With a copy to:

K&L Gates LLP  
1 Park Plaza, 12<sup>th</sup> Floor  
Irvine, CA 92612  
Facsimile: (949) 623-4508  
Attention: David C. Lee

If to the Trustee and the Collateral Agent:

U.S. Bank National Association  
Global Corporate Trust Services  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Facsimile: (213) 615-6197  
Attention: P. Oswald (Salem Media)

The Issuer, the Guarantors, the Trustee and the Collateral Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders, the Trustee and the Collateral Agent) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier promising next Business Day delivery. All notices and communications to the Trustee or the Collateral Agent shall only be deemed to have been duly given upon receipt by a Responsible Officer of the Trustee or the Collateral Agent, as the case may be.

Any notice or communication to a Holder shall be mailed by first class mail or by overnight air courier promising next Business Day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA § 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or delivered in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it, except in the case of notices or communications given to the Trustee, which shall be effective only upon actual receipt.

If the Issuer mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; *provided, however*, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced on or before delivery of any such instructions or directions whenever a person is to be added or deleted from the listing. If the party elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The party providing electronic instructions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Any notice or communication delivered or to be delivered to a Holder of Global Notes shall be delivered in accordance with the applicable procedures of the Depository and shall be sufficiently given to it if so delivered within the time prescribed.

#### SECTION 13.3 Communication by Holders of Notes with Other Holders of Notes

Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture, the Security Documents or the Notes. The Issuer, the Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).



SECTION 13.4 Certificate and Opinion as to Conditions Precedent

Upon any request or application by the Issuer to the Trustee to take any action under this Indenture (other than the initial issuance of the Notes), the Issuer shall furnish to the Trustee upon request:

(a) an Officers' Certificate (which shall include the statements set forth in Section 13.5 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel (which shall include the statements set forth in Section 13.5 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 13.5 Statements Required in Certificate or Opinion

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

SECTION 13.6 Rules by Trustee and Agents

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.7 No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, stockholder, general or limited partner, member or incorporator, past, present or future, of the Company or any of its Subsidiaries, as such or in such capacity, shall have any personal liability for any obligations of the Issuer under the Notes, any Note Guarantee or this Indenture by reason of his, her or its status as such director, officer, employee, stockholder, general or limited partner, member or incorporator.

SECTION 13.8 Governing Law

THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES, IF ANY. The parties to this Indenture each hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan in The City of New York in any action or proceeding arising out of or relating to the Notes, the Note Guarantees or this Indenture, and all such parties hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or federal court and hereby irrevocably waive, to the fullest extent that they may legally do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 13.9 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 13.10 Successors.

All agreements of the Issuer and the Guarantors in this Indenture and the Notes and the Note Guarantees, as applicable, shall bind their respective successors and assigns. All agreements of the Trustee and the Collateral Agent in this Indenture shall bind its successors and assigns.

SECTION 13.11 Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 13.12 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile, PDF or other electronic transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes.

SECTION 13.13 Table of Contents, Headings, Etc.

The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 13.14 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "*Act*" of Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 13.14.

The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer

authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such officer the execution thereof. Where such execution is by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(b) The ownership of Notes shall be proved by the Holder list maintained under Section 2.5 hereunder.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(d) If the Issuer shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Issuer may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Issuer shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the outstanding Notes shall be computed as of such record date; *provided* that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

SECTION 13.15 Intercreditor Agreement.

The Trustee, the Collateral Agent and the Holders are bound by the terms of the Intercreditor Agreement and the other Security Documents.

SECTION 13.16 USA PATRIOT Act.

The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee and the Collateral Agent, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee or the Collateral Agent. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee and the Collateral Agent to satisfy the requirements of the USA PATRIOT Act.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

**SALEM MEDIA GROUP, INC.**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

**AIR HOT, INC.**

**BISON MEDIA, INC.**

**CARON BROADCASTING, INC.**

**COMMON GROUND BROADCASTING, INC.**

**INSPIRATION MEDIA, INC.**

**NEW INSPIRATION BROADCASTING COMPANY, INC.**

**NI ACQUISITION CORP.**

**PENNSYLVANIA MEDIA ASSOCIATES, INC.**

**REACH SATELLITE NETWORK, INC.**

**SALEM CONSUMER PRODUCTS, INC.**

**SALEM COMMUNICATIONS HOLDING CORPORATION**

**SALEM MEDIA OF COLORADO, INC.**

**SALEM MEDIA OF HAWAII, INC.**

**SALEM MEDIA OF KENTUCKY, INC.**

**SALEM MEDIA OF OHIO, INC.**

**SALEM MEDIA OF OREGON, INC.**

**SALEM MEDIA OF TEXAS, INC.**

**SALEM MEDIA OF VIRGINIA, INC.**

**SALEM MEDIA REPRESENTATIVES, INC.**

**SALEM PUBLISHING, INC.**

**SALEM RADIO NETWORK INCORPORATED**

**SALEM RADIO PROPERTIES, INC.**

**SCA LICENSE CORPORATION**

**SOUTH TEXAS BROADCASTING, INC.**

**SRN NEWS NETWORK, INC.**

**SRN STORE, INC.**

as Guarantors

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[Indenture]

---

**INSPIRATION MEDIA OF TEXAS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF ILLINOIS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF MASSACHUSETTS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF NEW YORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM RADIO OPERATIONS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM SATELLITE MEDIA, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM WEB NETWORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SCA-PALO ALTO, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

as Guarantors

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[Indenture]

---

**EAGLE PRODUCTS, LLC**  
**BY: CARON BROADCASTING, INC.,**  
**its Managing Member**

as Guarantor

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[Indenture]

---

U.S. BANK NATIONAL ASSOCIATION, as Trustee and Collateral Agent

By: /s/ Paula Oswald

Name: Paula Oswald

Title: Vice President

[Indenture]

## FORM OF 6.750% SENIOR SECURED NOTE

(Face of 6.750% Senior Secured Note)  
6.750% Senior Secured Notes due 2024

## [Global Note Legend]

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO SALEM MEDIA GROUP, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.16 OF THE INDENTURE.

## [Restricted Note Legend]

THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (5) PURSUANT



---

TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED ON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

---

SALEM MEDIA GROUP, INC.  
6.750% SENIOR SECURED NOTE DUE 2024

No. INITIAL NOTES CUSIP:  
144A: 794093 AG9  
Reg S: U8639U AA0  
INITIAL NOTES ISIN:  
144A: US794093AG99  
Reg S: USU8639UAA08

Salem Media Group, Inc. promises to pay to Cede & Co. or registered assigns, the principal sum of [ (\$ )] [ (\$ )] on June 1, 2024.

Interest Payment Dates: June 1 and December 1, beginning December 1, 2017

Record Dates: May 15 and November 15

Reference is made to further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefits under the Indenture referred to on the reverse hereof or be valid or obligatory for any purpose.

By: \_\_\_\_\_

Name:

Title:

---

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 6.750% Senior Secured

Notes referred to in the within-mentioned Indenture:

Dated: May 19, 2017

U.S. BANK NATIONAL ASSOCIATION, not in its individual  
capacity, but solely as Trustee

By: \_\_\_\_\_  
Authorized Signatory

(Reverse of 6.750% Senior Secured Note)  
6.750% Senior Secured Notes due 2024  
SALEM MEDIA GROUP, INC.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) Interest. Salem Media Group, Inc., a Delaware corporation ("*Salem*"), promises to pay interest on the principal amount of this Note (the "*Notes*") at the rate of 6.750% *per annum*. Salem will pay interest in United States dollars (except as otherwise provided herein) semiannually in arrears on June 1 and December 1, commencing on December 1, 2017, or if any such day is not a Business Day, on the next succeeding Business Day (each an "*Interest Payment Date*"). Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including May 19, 2017. Salem shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The interest rate on the Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

(2) Method of Payment. Salem will pay interest on the Notes (except defaulted interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on the May 15 and November 15 preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes shall be payable as to principal, premium and interest at the office or agency of Salem maintained for such purpose within or without the City and State of New York, or, at the option of Salem, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided* that payment by wire transfer of immediately available funds shall be required with respect to principal of, premium, if any, and interest on, all Global Notes and all other Notes the Holders of which shall have provided written wire transfer instructions to Salem and the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payments of principal of and interest on this Note prior to Stated Maturity shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. The amount due and payable at the maturity of this Note shall be payable only upon presentation and surrender of this Note at an office of the Trustee or the Trustee's agent appointed for such purposes.

(3) Paying Agent and Registrar. Initially, U.S. Bank National Association, the Trustee under the Indenture, shall act as Paying Agent and Registrar. Salem may change any Paying Agent or Registrar without notice to any Holder. Salem or any of its Restricted Subsidiaries may act in any such capacity.

(4) Indenture. Salem issued the Notes under an Indenture, dated as of May 19, 2017 (the "*Indenture*"), among Salem, the Guarantors, the Trustee and the Collateral Agent. The terms of the Notes include those stated in the Indenture. To the extent the provisions of this Note are inconsistent with the provisions of the Indenture, the Indenture shall govern. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. The Notes issued on the Issue Date

are senior Obligations of Salem limited to \$255,000,000 in aggregate principal amount, plus amounts, if any, sufficient to pay premium and interest on outstanding Notes as set forth in Paragraph 2 hereof. The Indenture permits the issuance of Additional Notes subject to compliance with certain conditions.

The payment of principal and interest on the Notes is unconditionally guaranteed on a senior basis by the Guarantors.

(5) Optional Redemption.

(a) The Notes may be redeemed, in whole or in part, at any time prior to June 1, 2020, at the option of the Company upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, or in the case of global notes, delivered electronically in accordance with the procedures of the depository, at a Redemption Price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the redemption date).

(b) The Notes are subject to redemption, at the option of the Company, in whole or in part, at any time on or after June 1, 2020, upon not less than 30 nor more than 60 days' notice at the following Redemption Prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant regular record date to receive interest due on an interest payment date falling on or prior to the redemption date), if redeemed during the 12-month period beginning June 1 of the years indicated:

<u>Year</u>	<u>Percentage</u>
2020	103.375%
2021	101.688%
2022 and thereafter	100.000%

(c) At any time, or from time to time, prior to June 1, 2020, the Company may, with the net proceeds of one or more Equity Offerings, redeem up to 35% of the aggregate principal amount of the outstanding Notes (including Additional Notes) at a Redemption Price equal to 106.750% of the principal amount of thereof, together with accrued and unpaid interest thereon, if any, to, but not including, the date of redemption; *provided* that at least 65% of the principal amount of Notes then outstanding (including Additional Notes) remains outstanding immediately after the occurrence of any such redemption (excluding Notes held by the Company or its Subsidiaries) and that any such redemption occurs within 90 days following the closing of any such Equity Offering.

(d) In addition, prior to June 1, 2020, the Company may redeem up to 10% of the aggregate original principal amount of the Notes in any 12-month period, in connection with up to two redemptions in such 12-month period, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, or in the case of the global notes, delivered electronically in accordance with the procedures of the depository, at a Redemption Price of 103% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date.

(6) Mandatory Redemption. Except as set forth under Sections 4.10, 4.14 and 4.16 of the Indenture, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) Repurchase at Option of Holder.

(a) Upon the occurrence of certain events, the Company may be required to commence an Offer to Purchase pursuant to an Asset Sale Offer, Event of Loss Offer or a Change of Control Offer.

(b) Holders of the Notes that are the subject of an Offer to Purchase will receive notice of an Offer to Purchase pursuant to an Asset Sale Offer, Event of Loss Offer or a Change of Control Offer from Salem prior to any related Purchase Date and may elect to have such Notes purchased by completing the form titled "Option of Holder to Elect Purchase" appearing below.

(8) Notice of Redemption. Notice of redemption shall be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than \$2,000 may be redeemed in part but only in a minimum amount of \$2,000 principal amount (and integral multiples of \$1,000 in excess thereof), unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date, interest ceases to accrue on the Notes or portions hereof called for redemption.

(9) Denominations, Transfer, Exchange. The Notes are in registered form without coupons in initial denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. The transfer of the Notes may be registered and the Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and Salem may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. Salem need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, it need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) Persons Deemed Owners. The registered holder of a Note may be treated as its owner for all purposes.

(11) Amendment, Supplement and Waiver. Subject to the following paragraphs, the Indenture and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes, including consents obtained in connection with a purchase of or tender offer or exchange offer for Notes, and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes, including consents obtained in connection with a tender offer or exchange offer for the Notes.

Without the consent of any Holders, Salem, the Guarantors, the Trustee and the Collateral Agent, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture for any of the following purposes:

- (1) to evidence the succession of another Person to the Company or any Guarantor and the assumption by any such successor of the covenants of the Company or such Guarantor in the Indenture, the Guarantees, the Security Documents and in the Notes;
- (2) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon Salem;
- (3) to add additional Events of Default;

- 
- (4) to provide for uncertificated Notes in addition to or in place of the Certificated Notes;
  - (5) to evidence and provide for the acceptance of appointment under the Indenture and the Security Documents by a successor Trustee or Collateral Agent;
  - (6) to provide for or confirm the issuance of Additional Notes in accordance with the terms of the Indenture;
  - (7) to add to the Collateral securing the Notes, to add a Guarantor or to release a Guarantor in accordance with the Indenture;
  - (8) to cure any ambiguity, defect, omission, mistake or inconsistency;
  - (9) to make any other provisions with respect to matters or questions arising under the Indenture; *provided* that such actions pursuant to this clause shall not adversely affect the interests of the Holders in any material respect, as determined in good faith by the Board of Directors of the Company,
  - (10) to conform the text of the Indenture, the Security Documents or the Notes to any provision of the "Description of Notes" in the Offering Memorandum to the extent that the Trustee has received an Officers' Certificate stating that such text constitutes an unintended conflict with the description of the corresponding provision in the "Description of Notes";
  - (11) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for the benefit of the Trustee on behalf of the Holders of the Notes, as additional security for the payment and performance of all or any portion of the Secured Obligations under the Indenture and the Notes, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Collateral Agent pursuant to the Indenture, any of the Security Documents or otherwise;
  - (12) to release Collateral from the Lien of the Indenture and the Security Documents when permitted or required by the Security Documents or the Indenture; or
  - (13) to secure any Permitted Additional Pari Passu Obligations under the Security Documents and to subject the same to the terms of the Intercreditor Agreement.

With the consent of (i) the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, Salem, the Guarantors, the Trustee and the Collateral Agent may enter into an indenture or indentures supplemental to the Indenture (together with the other consents required thereby) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or the Notes or of modifying in any manner the rights of the Holders under the Indenture, including the definitions therein, and (ii) the holders of not less than a majority in aggregate principal amount of the outstanding Notes and the Permitted Additional Pari Passu Obligations, voting as one class, the Issuer, the Guarantors and the Trustee may amend or otherwise modify in any manner the



Security Documents or the obligations thereunder; *provided, however*, that no such supplemental indenture, modification or amendment shall, without the consent of the Holder of each outstanding Note affected thereby:

- (1) change the Stated Maturity of any Note or of any installment of interest on any Note, or reduce the amount payable in respect of the principal thereof or the rate of interest thereon or any premium payable thereon, or reduce the amount that would be due and payable on acceleration of the maturity thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof, or change the date on which any Notes may be subject to redemption or reduce the Redemption Price therefor,
- (2) reduce the percentage in aggregate principal amount of the outstanding Notes, the consent of whose Holders is required for any such supplemental indenture or amendment, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences) provided for in the Indenture,
- (3) modify the obligations of the Company to make Offers to Purchase upon a Change of Control or from the Excess Proceeds of Asset Sales or Excess Loss Proceeds from an Event of Loss if such modification was done after the occurrence of such Change of Control, Asset Sale or Event of Loss, as applicable,
- (4) subordinate, in right of payment, the Notes to any other Debt of the Company,
- (5) modify any of the provisions of this paragraph or provisions relating to waiver of defaults or certain covenants, except to increase any such percentage required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby, or
- (6) release any Guarantees required to be maintained under the Indenture (other than in accordance with the terms of the Indenture).

In addition, any amendment to, or waiver of, the provisions of the Indenture or any Security Document that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes other than in accordance with this Indenture and the Security Documents or modifying the Intercreditor Agreement in any manner adverse in any material respect to the Holders of the Notes will require the consent of the holders of at least 66 2/3% in aggregate principal amount of the Notes and Permitted Additional Pari Passu Obligations then outstanding, voting as one class.

The Holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the Holders of all the Notes waive any past default under the Indenture and its consequences, except a default:

- (1) in any payment in respect of the principal of (or premium, if any) or interest on any Notes (including any Note which is required to have been purchased pursuant to an Offer to Purchase which has been made by the Issuer), or
- (2) in respect of a covenant or provision hereof which under the Indenture cannot be modified or amended without the consent of the Holder of each outstanding Note affected.

(12) Defaults and Remedies. Events of Default include:

- (1) default in the payment in respect of the principal of (or premium, if any, on) any Note at its maturity (whether at Stated Maturity or upon repurchase, acceleration, optional redemption or otherwise);
- (2) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;
- (3) failure to perform or comply with the provisions described under Section 5.1 of the Indenture;
- (4) except as permitted by the Indenture, (i) any Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary), shall for any reason cease to be in full force and effect and enforceable in accordance with its terms (except as specifically provided in the Indenture) for a period of 30 days after written notice thereof by the trustee or the Holders of 25% in principal amount of the outstanding Notes or (ii) the Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) shall for any reason be asserted by any Guarantor or the Company not to be in full force and effect and enforceable in accordance with its terms;
- (5) default in the performance, or breach, of any (i) covenant or agreement of the Company or any Guarantor in the Indenture (other than (x) a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1), (2), (3) or (4) above or (y) a covenant or agreement contained in Section 4.3), and continuance of such default or breach for a period of 60 days after written notice thereof has been given to Salem by the Trustee or to Salem and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes or (ii) any covenant or agreement contained in Section 4.3 and continuance of such default or breach for a period of 120 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes;
- (6) a default or defaults under any bonds, debentures, notes or other evidences of Debt (other than the Notes) by the Company or any Restricted Subsidiary having, individually or in the aggregate, a principal or similar amount outstanding of at least \$15.0 million, whether such Debt now exists or shall hereafter be created, which default or defaults shall have resulted in the acceleration of the maturity of such Debt prior to its express maturity or shall constitute a failure to pay at least \$15.0 million of such Debt when due and payable after the expiration of any applicable grace period with respect thereto;
- (7) the entry against the Company or any Restricted Subsidiary that is a Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) of a final judgment or final judgments for the payment of money in an aggregate amount in excess of \$15.0 million, by a court or courts of competent jurisdiction, which judgments remain undischarged, unwaived, unstayed, unbonded or unsatisfied for a period of 60 consecutive days;
- (8) (i) the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:
  - (a) commences a voluntary case,

- 
- (b) consents to the entry of an order for relief against it in an involuntary case,
  - (c) consents to the appointment of a Custodian of it or for all or substantially all of its property,
  - (d) makes a general assignment for the benefit of its creditors, or
  - (e) admits, in writing, its inability generally to pay its debts as they become due; or
- (ii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (a) is for relief against the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case;
  - (b) appoints a Custodian of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries;
  - (c) orders the liquidation of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary and the order or decree remains unstayed and in effect for 60 consecutive days; or
- (9) (x) with respect to any Collateral having a fair market value in excess of \$15.0 million, individually or in the aggregate, (a) any default or breach by the Company or any Guarantor in the performance of its obligations under the Security Documents or this Indenture which adversely affects the condition or value of the Collateral or the enforceability, validity, perfection or priority of the Note Liens, taken as a whole in any material respect, and continuance of such default or breach for a period of 60 days after written notice thereof by the Trustee or the Holders of 25% in principal amount of the outstanding Notes, or (b) any security interest created under the Security Documents or under this Indenture is declared invalid or unenforceable by a court of competent jurisdiction or (y) the Company or any Guarantor asserts, in any pleading in any court of competent jurisdiction, that any security interest in any Collateral is invalid or unenforceable.

If an Event of Default (other than an Event of Default specified in clause (8) above with respect to the Company) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately by a notice in writing to the Company (and to the Trustee if given by Holders).

In the event of a declaration of acceleration of the Notes solely because an Event of Default described in clause (6) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically rescinded and annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured by the Company or a Restricted Subsidiary of the Company or waived by the holders of the relevant Debt within 20 Business Days after the declaration of acceleration with respect thereto and if the rescission and annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction obtained by the Trustee for the payment of amounts due on the Notes.

---

If an Event of Default specified in clause (8) above occurs with respect to the Company, the principal of and any accrued interest on the Notes then outstanding shall ipso facto become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(13) Trustee Dealings with Salem. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from and perform services for Salem, the Guarantors or their respective Affiliates, and may otherwise deal with Salem, the Guarantors or their respective Affiliates, as if it were not the Trustee.

(14) No Recourse Against Others. No director, officer, employee, stockholder, general or limited partner, member or incorporator, past, present or future, of the Company, Salem, the Guarantors or any of their respective Subsidiaries, as such or in such capacity, shall have any personal liability for any obligations of the Issuer under the Notes, any Guarantee or the Indenture by reason of his, her or its status as such director, officer, employee, stockholder, general or limited partner, member or incorporator.

(15) Authentication. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(16) Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), TT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) CUSIP, ISIN Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP, ISIN or other similar numbers in notices of redemption as a convenience to the Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

Salem shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Salem Media Group, Inc.  
4880 Santa Rosa Road  
Camarillo, California 93012  
Facsimile: (805) 384-4505  
Attention: Christopher J. Henderson, General Counsel

---

ASSIGNMENT FORM

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

---

(Insert assignee's soc. sec. or tax I.D. no.)

---

---

(Print or type assignee's name, address and zip code)

---

and irrevocably appoint \_\_\_\_\_  
to transfer this Note on the books of Salem. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Signature guarantee: \_\_\_\_\_  
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

---

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by Salem pursuant to Sections 4.10 (Asset Sale), 4.14 (Change of Control) or 4.16 (Event of Loss) of the Indenture, check the box below:

Section 4.10       Section 4.14       Section 4.16

If you want to elect to have only part of the Note purchased by Salem pursuant to Section 4.10, 4.14 or 4.16 of the Indenture, state the amount you elect to have purchased: \$\_\_\_\_\_

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.:

Signature guarantee:

\_\_\_\_\_  
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

CERTIFICATE TO BE DELIVERED UPON  
EXCHANGE OF TRANSFER RESTRICTED NOTES

Salem Media Group, Inc.  
4880 Santa Rosa Road  
Camarillo, CA 93012  
Facsimile: (805) 384-4505  
Attention: Christopher J. Henderson, General Counsel

U.S. Bank National Association  
Global Corporate Trust Services  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Facsimile: (213) 615-6197  
Attention: P. Oswald (Salem Media)

Re: Salem Media Group, Inc.  
6.750% Senior Secured Note due 2024  
CUSIP # \_\_\_\_\_

Reference is hereby made to that certain Indenture dated May 19, 2017 (the "*Indenture*") among Salem Media Group, Inc. ("*Salem*"), the Guarantors party thereto and U.S. Bank National Association, as trustee (the "*Trustee*"). Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture.

This certificate relates to \$\_\_\_\_ principal amount of Notes held in (check applicable space) \_\_ book-entry or \_\_ definitive form by the undersigned.

The undersigned \_\_\_\_\_ (transferor) (check one box below):

- hereby requests the Registrar to deliver in exchange for its beneficial interest in the Global Note held by the Depository a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above), in accordance with Section 2.6 of the Indenture; or
- hereby requests the Trustee to exchange or register the transfer of a Note or Notes to \_\_\_\_\_ (transferee).

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the periods referred to in Rule 144(b) under the Securities Act of 1933, as amended, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW:

- (1)  to Salem or any of its subsidiaries; or
- (2)  inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A under the Securities Act of 1933, as amended, in each case pursuant to and in compliance with Rule 144A thereunder; or

---

(3)  outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act of 1933, as amended, in compliance with Rule 904 thereunder.



Unless one of the boxes is checked, the Registrar will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered holder thereof.

\_\_\_\_\_  
Signature

Signature guarantee:

\_\_\_\_\_  
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended ("*Rule 144A*"), and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

[Name of Transferee]  
\_\_\_\_\_

Dated: \_\_\_\_\_

NOTICE: To be executed by an executive officer

SCHEDULE OF EXCHANGES OF 6.750% SENIOR SECURED NOTES

The following exchanges of a part of this Global Note for other 6.750% Senior Secured Notes have been made:

<u>Date of Exchange</u>	<u>Amount of Decrease in Principal Amount of this Global Note</u>	<u>Amount of Increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note Following Such Decrease (or Increase)</u>	<u>Signature of Authorized Officer of Trustee or 6.750% Senior Secured Note Custodian</u>

## FORM OF NOTATIONAL GUARANTEE

Each Guarantor listed below (hereinafter referred to as the “*Guarantor*,” which term includes any successors or assigns under that certain Indenture, dated as of May 19, 2017, by and among Salem Media Group, Inc. (the “*Issuer*”), the Guarantors party thereto and the Trustee (as amended and supplemented from time to time, the “*Indenture*”) and any additional Guarantors) has guaranteed the Notes and the obligations of the Issuer under the Indenture, which include (i) the due and punctual payment of the principal of, premium, if any, and interest on the Notes of the Issuer, whether at stated maturity, by acceleration or otherwise, the due and punctual payment of interest on the overdue principal and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Notes, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms set forth in Article XII of the Indenture, (ii) in case of any extension of time of payment or renewal of any Notes or any such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise, and (iii) the payment of any and all costs and expenses (including reasonable attorneys’ fees) incurred by the Trustee or any Holder in enforcing any rights under this Note Guarantee or the Indenture.

The obligations of each Guarantor to the Holders and to the Trustee pursuant to this Note Guarantee and the Indenture are expressly set forth in Article XII of the Indenture and reference is hereby made to such Indenture for the precise terms of this Note Guarantee.

No stockholder, employee, officer, director, general or limited partner, member or incorporator, as such, past, present or future of each Guarantor shall have any liability under this Note Guarantee by reason of his or its status as such stockholder, employee, officer, director, general or limited partner, member or incorporator.

This is a continuing Note Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Issuer’s obligations under the Notes and Indenture or until released in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Note Guarantee of payment and not of collectability.

This Note Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Note Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. The Obligations of each Guarantor under its Note Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

---

THE TERMS OF ARTICLE XII OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

---

Dated as of \_\_\_\_\_

[GUARANTORS]

By: \_\_\_\_\_  
Name:  
Title:

B-3

[FORM OF CERTIFICATE TO BE DELIVERED  
IN CONNECTION WITH TRANSFERS PURSUANT TO RULE 144A]

Salem Media Group, Inc.  
4880 Santa Rosa Road  
Camarillo, CA 93012  
Facsimile: (805) 384-4505  
Attention: Christopher J. Henderson, General Counsel

U.S. Bank National Association  
Global Corporate Trust Services  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Facsimile: (213) 615-6197  
Attention: P. Oswald (Salem Media)

Re: Salem Media Group, Inc. (“Salem”)  
6.750% Senior Secured Notes due 2024 (the “Notes”)

Ladies and Gentlemen:

In connection with our proposed sale of \$\_\_\_\_\_ aggregate principal amount at maturity of the Notes, we hereby certify that such transfer is being effected pursuant to and in accordance with Rule 144A (“Rule 144A”) under the United States Securities Act of 1933, as amended (the “Securities Act”), and, accordingly, we hereby further certify that the Notes are being transferred to a person that we reasonably believe is purchasing the Notes for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Notes are being transferred in compliance with any applicable blue sky securities laws of any state of the United States.

You and Salem are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

\_\_\_\_\_  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

Signature guarantee:

\_\_\_\_\_  
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

[FORM OF CERTIFICATE TO BE DELIVERED  
IN CONNECTION WITH TRANSFERS  
PURSUANT TO REGULATION S]

Salem Media Group, Inc.  
4880 Santa Rosa Road  
Camarillo, CA 93012  
Facsimile: (805) 384-4505  
Attention: Christopher J. Henderson, General Counsel

U.S. Bank National Association  
Global Corporate Trust Services  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Facsimile: (213) 615-6197  
Attention: P. Oswald (Salem Media)

Re: Salem Media Group, Inc. (“Salem”)  
6.750% Senior Secured Notes due 2024 (the “Notes”)

Ladies and Gentlemen:

In connection with our proposed sale of \$\_\_\_\_\_ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”), and, accordingly, we represent that:

- (1) the offer of the Notes was not made to a person in the United States;
- (2) either (a) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;
- (3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(b) or Rule 904(b) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b) or Rule 904(b), as the case may be.

---

Salem and you are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

\_\_\_\_\_  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

Signature guarantee:

\_\_\_\_\_  
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)



**Schedule A**

**Mortgaged Property**

<b><u>Loan Party</u></b>	<b><u>Common Name and Address</u></b>	<b><u>Purpose/Use</u></b>	<b><u>Filing Office for Mortgage</u></b>
Salem Radio Properties, Inc.	4880 Santa Rosa Road, Camarillo, CA Ventura County, CA*	Office	Ventura County Clerk's Office
Salem Radio Properties, Inc.	1154-1160 N. King Street, Honolulu (Oahu) HI Honolulu County, HI	Office	State of Hawaii Bureau of Conveyances
Salem Radio Properties, Inc.	1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA Walton County, GA	Transmitter	Walton County Clerk of the Superior Court - Real Estate Division
Salem Radio Properties, Inc.	Minnis Rd & Farm to Market 902, Collinsville, TX Grayson County, TX	Transmitter	Grayson County Clerk's Office
Salem Radio Properties, Inc.	6400 N. Beltline Road, Irving, TX Dallas County, TX*	Office	Dallas County Clerk - Recording Division

\* To be encumbered by a second lien on or after the Issue Date as described in the Security Documents.

Schedule A

---

**Schedule B**

**Post-Closing Matters**

Within 180 days after the Issue Date, the Issuer and the Guarantors shall have used commercially reasonable efforts to deliver to the Collateral Agent each of the following documents with respect to each Mortgaged Property listed on Schedule A:

- (i) *Mortgages*. One or more counterparts of Mortgages, duly executed and acknowledged by the holder of the fee interest in such Mortgaged Property, in favor of the Collateral Agent for its benefit and the benefit of the Noteholder Secured Parties, in proper form for recording in the land records in the jurisdiction in which such Mortgaged Property is located (the "*Land Records*"), in form sufficient to create a valid and enforceable mortgage lien on such Mortgaged Property in favor of the Collateral Agent for its benefit and the benefit of the Noteholder Secured Parties, securing the Obligations, subject only to Permitted Liens;
- (ii) *Fixture Filings*. Proper fixture filings under the Uniform Commercial Code on Form UCC-1 for filing under the Uniform Commercial Code in the appropriate jurisdictions in which the Mortgaged Properties are located, necessary to perfect the security interests in fixtures purported to be created by the Mortgages in favor of the Collateral Agent for its benefit and the benefit of the Noteholder Secured Parties;
- (iii) *Counsel Opinions*. Opinions addressed to the Collateral Agent for its benefit of (i) local counsel in each jurisdiction where a Mortgaged Property is located with respect to the enforceability of the Mortgages and other matters customarily included in such opinions and (ii) counsel for the Company regarding due authorization, execution and delivery of the Mortgages;
- (iv) *Insurance*. Policies or certificates of insurance covering the Mortgaged Property and any personal property located on such Mortgaged Property of the Company or the Guarantors and naming the Collateral Agent as additional insured (with respect to liability insurance) and loss payee and mortgagee (with respect to property insurance), bearing endorsements;
- (v) *Title Insurance*. A lender's policy of title insurance (or commitment to issue such a policy having the effect of a policy of title insurance) issued by a nationally recognized title insurance company (the "*Title Company*") insuring (or committing to insure) the lien of each applicable Mortgage as valid and enforceable mortgage lien on the Mortgaged Property described therein (each, a "*Title Policy*") which insures to the Collateral Agent that such Mortgage creates a valid and enforceable mortgage lien on such Mortgaged Property, in an amount not less than the fair market value of such Mortgaged Property as reasonably determined, in good faith, by the Company, free and clear of all defects and encumbrances except Permitted Liens, together with such endorsements as are customary for the transactions of this type or as the Collateral Agent reasonably requests (acting at the direction of the Holders) (to the extent available without a survey in the applicable jurisdiction where the specific Mortgaged Property is located), including to the extent available at commercially reasonable rates and to the extent not already covered by a 2006 policy jacket, a "tie-in" or "cluster" endorsement, if available under applicable law (*i.e.*, policies which insure against losses regardless of

Schedule B

---

location or allocated value of the insured property up to a stated maximum coverage amount), endorsements on matters relating to usury, first loss, zoning, contiguity, doing business, public road access, environmental lien, subdivision, separate tax lot, so called comprehensive coverage over covenants and restrictions and for any and all other matters that the Collateral Agent may reasonably request (acting at the direction of the Holders) and such Title Policy shall not include an exception for mechanics' liens;

(vi) *Other Real Property Documents.* Confirmation from the Title Company that the holder of the fee interest in each Mortgaged Property has delivered to the Title Company such affidavits, certificates, information (including financial data), instruments of indemnification (including a so-called "gap" indemnification) and other documents as may be reasonably necessary to cause the Title Company to issue the Title Policies and endorsements contemplated by clause (v) above;

(vii) *Real Property Collateral Fees and Expenses.* Evidence of payment by the Company of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages, fixture filings and other documents and issuance of the Title Policies and endorsements contemplated by clause (v) above;

(viii) *Subordination Agreement.* One or more counterparts of the subordination agreement, acknowledgement of lease assignment, estoppel, attornment and non-disturbance agreement (the "*Agreement*"), duly executed and acknowledged by the Company and the holder of the leasehold estate interest in such Mortgaged Property, in favor of the Collateral Agent for its benefit and the benefit of the Noteholder Secured Parties.

Schedule B

## SECURITY AGREEMENT

This SECURITY AGREEMENT (this "Agreement"), dated as of May 19, 2017, by and among the Persons listed on the signature pages hereof as "Grantors" and those additional entities that hereafter become parties hereto by executing the form of Joinder attached hereto as Annex 1 (each, a "Grantor" and collectively, the "Grantors"), and U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

**WITNESSETH:**

**WHEREAS**, reference is made to that certain Indenture, dated as of May 19, 2017 (as it may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Salem Media Group, Inc., as issuer (Issuer"), the Grantors party thereto, as guarantors, U.S. Bank National Association, as trustee (in such capacity, the "Trustee") and the Collateral Agent; and

**WHEREAS**, pursuant to the Indenture, the Issuer has issued \$255,000,000 principal amount of its 6.750% Senior Secured Notes due 2024 (together with any Additional Notes, the "Notes") upon the terms and subject to the conditions set forth therein;

**WHEREAS**, U.S. Bank National Association has been appointed to serve as Collateral Agent under the Indenture and, in such capacity, to enter into this Agreement;

**WHEREAS**, pursuant to the Indenture, each guarantor party thereto has unconditionally and irrevocably guaranteed, as primary obligor and not merely as surety, to the Trustee, for the benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations (as defined in the Indenture);

**WHEREAS**, following the date hereof, if permitted by the Indenture, the Grantors may incur Permitted Additional Pari Passu Obligations which are secured equally and ratably with the Grantors' Secured Obligations in accordance with Section 32 of this Agreement;

**WHEREAS**, each Grantor is an Affiliate or a Subsidiary of the Issuer and, as such, will receive substantial benefits from the execution, delivery and performance of the obligations under the Indenture and the Secured Obligations and any Permitted Additional Pari Passu Obligations and each is, therefore, willing to enter into this Agreement; and

**WHEREAS**, this Agreement is made by the Grantors in favor of the Collateral Agent for the benefit of the Secured Parties to secure the payment and performance in full when due of the Secured Obligations;

**NOW, THEREFORE**, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, each Grantor and the Collateral Agent agree as follows:

1. Definitions; Construction.

(a) All initially capitalized terms used herein (including in the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Indenture or, if not defined therein, in the Intercreditor Agreement whether or not then in effect. Any terms (whether capitalized or lower case) used in this Agreement that are defined in the Code (including, without limitation, Account, Account Debtor, Chattel Paper, Commercial Tort Claims, Deposit Account, Drafts, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Inventory, Investment Property, Instruments, Letters of Credit, Letter of Credit Rights, Promissory Notes, Proceeds, Securities Account and Supporting Obligations) shall be construed and defined as set forth in the Code unless otherwise defined herein or in the Indenture; provided, that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

(i) "Acquisition Documents" means the agreements, instruments and documents evidencing, or entered into in connection with, an Asset Acquisition by a Grantor.

(ii) "Agreement" has the meaning specified therefor in the preamble to this Agreement.

(iii) "Books" means books and records (including each Grantor's Records indicating, summarizing, or evidencing such Grantor's assets (including the Collateral) or liabilities, each Grantor's Records relating to such Grantor's business operations or financial condition, and each Grantor's goods or General Intangibles related to such information).

(iv) "Capital Lease" means any lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

(v) "Code" means the New York Uniform Commercial Code, as in effect from time to time; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to Collateral Agent's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

(vi) "Collateral" has the meaning specified therefor in Section 2 hereof.

(vii) "Collateral Agent" has the meaning specified therefor in the preamble to this Agreement.

(viii) "Commercial Tort Claims" means commercial tort claims (as that term is defined in the Code), and includes those commercial tort claims listed on Schedule 1.

(ix) "Controlled Account" means each Deposit Account other than an Excluded Account.

(x) "Controlled Account Agreements" means those certain cash management agreements, in form and substance reasonably satisfactory to the Collateral Agent, each of which is executed and delivered by a Grantor, the Collateral Agent, and one of the Controlled Account Banks (it being understood that any Controlled Account Agreement that purports to impose obligations on the Collateral Agent in its individual capacity shall not be reasonably satisfactory to the Collateral Agent).

(xi) “Controlled Account Bank” means a bank maintaining a Controlled Account.

(xii) “Copyrights” means any and all rights in any works of authorship, including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule 2, (C) income, license fees, royalties, damages, and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (D) the right to sue for past, present, and future infringements thereof, and (E) all of each Grantor’s rights corresponding thereto throughout the world.

(xiii) “Copyright Security Agreement” means each Copyright Security Agreement executed and delivered by Grantors, or any of them, and the Collateral Agent, in substantially the form of Exhibit A.

(xiv) “Default” or “Event of Default” shall mean a “default” or “event of default” under the Indenture or under any document governing Permitted Additional Pari Passu Obligations.

(xv) “Excluded Accounts” means (A) Deposit Accounts and Securities Accounts with an aggregate amount on deposit therein of not more than \$500,000 at any one time for all such Deposit Accounts or Securities Accounts, or (B) Deposit Accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for any Grantor’s employees.

(xvi) “General Intangibles” means general intangibles (as that term is defined in the Code), and includes payment intangibles, software, contract rights, rights to payment, rights under Hedge Agreements (including the right to receive payment on account of the termination (voluntarily or involuntarily) of such Hedge Agreements), rights arising under common law, statutes, or regulations, choses or things in action, goodwill, Intellectual Property, Intellectual Property Licenses, purchase orders, customer lists, route lists, rights to payment and other rights under Acquisition Documents, rights to payment and other rights under any royalty or licensing agreements, including Intellectual Property Licenses, infringement claims, monies due or recoverable from pension funds, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, interests in a partnership or limited liability company which do not constitute a security under Article 8 of the Code, and any other personal property other than Commercial Tort Claims, money, Accounts, Chattel Paper, Deposit Accounts, goods, Investment Property, Negotiable Collateral, and oil, gas, or other minerals before extraction.

(xvii) “Grantor” and “Grantors” have the respective meanings specified therefor in the preamble to this Agreement.

(xviii) “Indenture” shall have the meaning set forth in the preamble hereto.

(xix) “Intellectual Property” means any and all Patents, Copyrights, Trademarks, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, product designs, industrial designs, blueprints, drawings, data, customer lists, URLs and domain names, specifications, documentations, reports, catalogs, literature, and any other forms of technology or proprietary information of any kind, including all rights therein and all applications for registration or registrations thereof.

(xx) “Intellectual Property Licenses” means, with respect to any Grantor, (A) any licenses or other similar rights provided to such Grantor in or with respect to Intellectual Property owned or controlled by any other Person, and (B) any licenses or other similar rights provided to any other Person in or with respect to Intellectual Property owned or controlled by such Grantor, in each case, including (x) any software license agreements (other than license agreements for commercially available off-the-shelf software that is generally available to the public which have been licensed to a Grantor pursuant to end-user licenses), (y) the license agreements listed on Schedule 3, and (z) the right to use any of the licenses or other similar rights described in this definition in connection with the enforcement of the Secured Parties’ rights under the Notes Documents.

(xxi) “Intercreditor Agreement” has the meaning set forth in Section 31.

(xxii) “Investment Property” means (A) any and all investment property, and (B) any and all of the following (regardless of whether classified as investment property under the Code): all Pledged Interests, Pledged Operating Agreements, and Pledged Partnership Agreements.

(xxiii) “Issuer” shall have the meaning set forth in the preamble hereto.

(xxiv) “Joinder” means each Joinder to this Agreement executed and delivered by the Collateral Agent and each of the other parties listed on the signature pages thereto, in substantially the form of Annex 1.

(xxv) “Material Adverse Effect” means (a) a material adverse effect in the business, operations, results of operations, assets, liabilities or financial condition of the Grantors and their Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Grantors and their Subsidiaries, taken as a whole, to perform their payment and other material obligations under the Notes Documents to which they are parties or the ability of the Collateral Agent or the Trustee or any trustee, collateral agent or other similar representative related to any Permitted Additional Pari Passu Indebtedness to enforce the Secured Obligations or realize upon the Collateral (other than as a result of an action taken or not taken that is solely in the control of the Collateral Agent or such other representative), or (c) a material impairment of the enforceability or priority of the Collateral Agent’s Liens with respect to all or a material portion of the Collateral.

(xxvi) “Negotiable Collateral” means letters of credit, letter-of-credit rights, instruments, promissory notes, drafts and documents (as each such term is defined in the Code).

(xxvii) “Notes Documents” means the Indenture, the Notes, the Security Documents, each document governing Permitted Additional Pari Passu Obligations and each document or instrument entered into pursuant to any Permitted Additional Pari Passu Obligations.

(xxviii) “Patents” means patents and patent applications, including (A) the patents and patent applications listed on Schedule 4, (B) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (C) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (D) the right to sue for past, present, and future infringements thereof, and (E) all of each Grantor’s rights corresponding thereto throughout the world.

(xxix) "Patent Security Agreement" means each Patent Security Agreement executed and delivered by Grantors, or any of them, and the Collateral Agent, in substantially the form of Exhibit B.

(xxx) "Permitted Additional Pari Passu Agent" means the Person appointed to act as trustee, agent or representative for the holders of Permitted Additional Pari Passu Obligations pursuant to any document governing Permitted Additional Pari Passu Obligations.

(xxxix) "Permitted Additional Pari Passu Joinder Agreement" shall mean an agreement substantially in the form of Exhibit E hereto.

(xxxii) "Pledged Companies" means each Person listed on Schedule 5 as a "Pledged Company", together with each other Person, all or a portion of whose Capital Interests are acquired or otherwise owned by a Grantor after the Issue Date other than Capital Interests constituting Excluded Property.

(xxxiii) "Pledged Interests" means all of each Grantor's right, title and interest in and to all of the Capital Interests now owned or hereafter acquired by such Grantor, regardless of class or designation, including in each of the Pledged Companies, and all substitutions therefor and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Capital Interests, the right to receive any certificates representing any of the Capital Interests, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof and the right to receive all dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and all cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

(xxxiv) "Pledged Interests Addendum" means a Pledged Interests Addendum substantially in the form of Exhibit C.

(xxxv) "Pledged Operating Agreements" means all of each Grantor's rights, powers, and remedies under the limited liability company operating agreements of each of the Pledged Companies that are limited liability companies.

(xxxvi) "Pledged Partnership Agreements" means all of each Grantor's rights, powers, and remedies under the partnership agreements of each of the Pledged Companies that are partnerships.

(xxxvii) "Proceeds" has the meaning specified therefor in Section 2 hereof.

(xxxviii) "PTO" means the United States Patent and Trademark Office.

(xxxix) "Real Property" means any estates or interests in real property now owned or hereafter acquired by any Grantor and the improvements thereto.

(xl) "Record" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(xli) "Secured Obligations" means "Secured Obligations", as such term is defined in the Indenture, including all principal, premium and interest on the Notes and including all interest, fees and other amounts, which but for the filing of a bankruptcy proceeding would have accrued



on any Secured Obligations, whether or not a claim for such interest, fees or other amounts is allowed in such proceeding; provided that no obligations in respect of Permitted Additional Pari Passu Obligations shall constitute "Secured Obligations" unless such obligations have been designated as Secured Obligations in accordance with Section 32.

(xlii) "Secured Parties" means, collectively, the Collateral Agent, the Trustee, the Holders, each Permitted Additional Pari Passu Agent, each holder of Permitted Additional Pari Passu Obligations that constitute Secured Obligations and the other Persons the Secured Obligations owing to which are or are purported to be secured by the Collateral under the terms of the Security Documents.

(xliii) "Security Interest" has the meaning specified therefor in Section 2 hereof.

(xliv) "Supporting Obligations" means supporting obligations (as such term is defined in the Code), and includes letters of credit and guaranties issued in support of Accounts, Chattel Paper, documents, General Intangibles, instruments or Investment Property.

(xlv) "Trademarks" means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 6, (B) all renewals thereof, (C) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (D) the right to sue for past, present and future infringements and dilutions thereof, (E) the goodwill of each Grantor's business symbolized by the foregoing or connected therewith, and (F) all of each Grantor's rights corresponding thereto throughout the world.

(xlvi) "Trademark Security Agreement" means each Trademark Security Agreement executed and delivered by Grantors, or any of them, and the Collateral Agent, in substantially the form of Exhibit D.

(xlvii) "URL" means "uniform resource locator," an internet web address.

(xlviii) "VIN" has the meaning specified therefor in Section 5(l) hereof.

(b) This Agreement shall be subject to the rules of construction set forth in Section 1.3 of the Indenture, and such rules of construction are incorporated herein by this reference, *mutatis mutandis*.

(c) All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. Grant of Security. Each Grantor hereby unconditionally grants, collaterally assigns, and pledges to Collateral Agent, for the benefit of the Secured Parties, to secure the Secured Obligations (whether now existing or hereafter arising), a continuing security interest (hereinafter referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "Collateral");

(a) all of such Grantor's Accounts;

- 
- (b) all of such Grantor's Books;
  - (c) all of such Grantor's Chattel Paper;
  - (d) all of such Grantor's Commercial Tort Claims;
  - (e) all of such Grantor's Deposit Accounts;
  - (f) all of such Grantor's Equipment;
  - (g) all of such Grantor's Farm Products;
  - (h) all of such Grantor's Fixtures;
  - (i) all of such Grantor's General Intangibles;
  - (j) all of such Grantor's Inventory;
  - (k) all of such Grantor's Investment Property;
  - (l) all of such Grantor's Intellectual Property and Intellectual Property Licenses;
  - (m) all of such Grantor's Negotiable Collateral;
  - (n) all of such Grantor's Pledged Interests (including all of such Grantor's Pledged Operating Agreements and Pledged Partnership Agreements);
  - (o) all of such Grantor's Securities Accounts;
  - (p) all of such Grantor's Supporting Obligations;
  - (q) all of such Grantor's money, Cash Equivalents, or other assets of such Grantor that now or hereafter come into the possession, custody, or control of the Collateral Agent (or its agent or designee) or any other Secured Party; and
  - (r) all of such Grantor's rights in, to or under, or relating to, any FCC License;
  - (s) all of the Proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Farm Products, Fixtures, General Intangibles, Inventory, Investment Property, Intellectual Property, Negotiable Collateral, Pledged Interests, Securities Accounts, Supporting Obligations, money, FCC Licenses, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing (the "Proceeds"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Property or proceeds are sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to any Grantor or Collateral Agent from time to time with respect to any of the Investment Property.

---

Notwithstanding anything contained in this Agreement to the contrary, the term “Collateral” shall not include the following (collectively, the “Excluded Property”):

- (a) any rights or interest in any lease, contract, license or license agreement covering personal property or real property of the Issuer or any Grantor (other than FCC Licenses, which are covered by clause (b) below), so long as under the terms of such lease, contract, license or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein to the Collateral Agent is prohibited (or would render such lease, contract, license or license agreement cancelled, invalid or unenforceable) and such prohibition has not been or is not waived or the consent of the other party to such lease, contract, license or license agreement has not been or is not otherwise obtained; provided that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under the Code or other applicable law or so as to limit, impair or otherwise affect the Collateral Agent’s unconditional continuing security interests in and liens upon any rights or interests of the Issuer or Grantors in or to any proceeds from or monies due or to become due to the Issuer or any Grantor under any such lease, contract, license or license agreement (including any receivables);
- (b) any FCC Licenses to the extent (but only to the extent) that at such time the Collateral Agent may not validly possess a security interest directly in the FCC Licenses pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder, as in effect at such time; provided that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under other applicable law or so as to limit, impair or otherwise affect the Collateral Agent’s unconditional continuing security interests in and liens upon the economic value of the FCC Licenses, all rights incident or appurtenant to the FCC Licenses and the right to receive all monies, consideration, receivables and proceeds derived from or in connection with the sale, assignment or transfer of the FCC Licenses;
- (c) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law; provided, that upon submission and acceptance by the PTO of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral;
- (d) assets owned by the Issuer or any Grantor on the Issue Date or thereafter acquired and any proceeds thereof that are subject to a Lien securing a purchase money obligation or Capital Lease Obligation permitted to be incurred pursuant to the provisions of the Indenture to the extent and for so long as the contract or other agreement in which such Lien is granted (or the documentation providing for such purchase money obligation or Capital Lease Obligation) validly prohibits the creation of any other Lien on such assets and proceeds; provided that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under the Code or other applicable law;
- (e) any property of a person existing at the time such person is acquired or merged with or into or consolidated with the Issuer or any Grantor that is subject to a Permitted Lien not created in anticipation or contemplation of such acquisition to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such property; provided that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under the Code or other applicable law or so as to limit, impair or otherwise affect the Collateral Agent’s unconditional continuing security interests in and liens upon any rights or interests of the Issuer or

Grantors in or to any proceeds from or monies due or to become due to the Issuer or any Grantor under any such property (including any receivables arising from the use of such property, but excluding any proceeds from any disposition of such property to the extent such Permitted Lien extends thereto and to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such proceeds);

(f) any shares entitled to vote (within the meaning of Treasury Regulation Section 1.956-2) of any direct or indirect Subsidiary of the Issuer that is a “controlled foreign corporation” in excess of sixty-six (66%) percent of all of the issued and outstanding Capital Interests in such Subsidiary;

(g) any (i) individual parcel of leased real property or (ii) individual parcel of owned real property of the Issuer or any Grantor having a fair market value, as determined by the Issuer in good faith, of less than \$2,000,000; and

(h) any Capital Interests (other than any Capital Interests of a wholly owned Subsidiary of the Issuer or any Grantor) to the extent such grant of a security interest is prohibited by a joint venture, shareholder or similar agreement entered into in connection with the acquisition of such Capital Interests so long as such agreement is entered into for valid business reasons.

3. Security for Secured Obligations. The Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Collateral Agent, the Secured Parties or any of them, but for the fact that they are unenforceable or not allowable (in whole or in part) as a claim in an Insolvency or Liquidation Proceeding involving any Grantor due to the existence of such Insolvency or Liquidation Proceeding. Further, the Security Interest created hereby encumbers each Grantor’s right, title, and interest in all Collateral, whether now owned by such Grantor or hereafter acquired, obtained, developed, or created by such Grantor and wherever located.

4. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each of the Grantors shall remain liable under the contracts and agreements included in the Collateral, including the Pledged Operating Agreements and the Pledged Partnership Agreements, to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Collateral Agent or the Secured Parties of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under such contracts and agreements included in the Collateral, and (c) none of the Secured Parties shall have any obligation or liability under such contracts and agreements included in the Collateral by reason of this Agreement, nor shall any of the Secured Parties be obligated to perform any of the obligations or duties of any Grantors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Until an Event of Default shall occur and be continuing, except as otherwise provided in this Agreement, the Indenture or any other Notes Document, Grantors shall have the right to possession and enjoyment of the Collateral for the purpose of conducting the ordinary course of their respective businesses, subject to and upon the terms hereof and of the Indenture and the other Notes Documents. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Pledged Interests, including all voting, consensual, dividend, and distribution rights, shall remain in the applicable Grantor until (i) the occurrence and during the continuance of an Event of Default, and (ii) the Collateral Agent has notified the applicable Grantor of the Collateral Agent’s election to exercise such rights with respect to the Pledged Interests pursuant to Section 15.

5. Representations and Warranties. Each Grantor makes the following representations and warranties to the Collateral Agent and each other Secured Party which shall be true, correct, and

complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Issue Date and such representations and warranties shall survive the execution and delivery of this Agreement:

(a) The name (within the meaning of Section 9-503 of the Code) and jurisdiction of organization of each Grantor is set forth on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the Notes Documents).

(b) The chief executive office of each Grantor is located at the address indicated on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the Notes Documents).

(c) Each Grantor's tax identification numbers and organizational identification numbers, if any, are identified on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the Notes Documents).

(d) As of the Issue Date, no Grantor holds any commercial tort claims that exceed \$1,000,000 in amount, except as set forth on Schedule 1.

(e) Set forth on Schedule 10 (as such Schedule may be updated from time to time subject to Section 6(i)(ii) with respect to Controlled Accounts and provided that Grantors comply with Section 6(c) hereof) is a listing of all of Grantors' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (i) the name and address of such Person, and (ii) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

(f) Schedule 8 sets forth all Real Property owned by any of the Grantors as of the Issue Date.

(g) As of the Issue Date: (i) Schedule 2 provides a complete and correct list of all registered Copyrights owned by any Grantor, all applications for registration of Copyrights owned by any Grantor, and all other Copyrights owned by any Grantor and material to the conduct of the business of any Grantor, (ii) Schedule 3 provides a complete and correct list of all Intellectual Property Licenses entered into by any Grantor pursuant to which (A) any Grantor has provided any license or other rights in Intellectual Property owned or controlled by such Grantor and material to the conduct of the business of such Grantor to any other Person (other than non-exclusive software licenses granted in the ordinary course of business), or (B) any Person has granted to any Grantor any license or other rights in Intellectual Property owned or controlled by such Person that is material to the business of such Grantor, including any Intellectual Property that is incorporated in any Inventory, software, or other product marketed, sold, licensed, or distributed by such Grantor (other than off-the-shelf, shrink-wrapped or "click to accept" software licenses or other licenses to generally commercially available software), (iii) Schedule 4 provides a complete and correct list of all Patents owned by any Grantor and all applications for Patents owned by any Grantor, and (iv) Schedule 6 provides a complete and correct list of all registered Trademarks owned by any Grantor, and all applications for registration of Trademarks owned by any Grantor.

(h) (i)(A) each Grantor owns exclusively or holds licenses in all Intellectual Property that is necessary in or material to the conduct of its business, and (B) all employees and contractors of each Grantor who were involved in the creation or development of any Intellectual Property for such Grantor that is necessary in or material to the business of such Grantor have signed agreements containing (x) assignment of Intellectual Property rights to such Grantor, or such Grantor owns all such Intellectual Property created or developed by such employees and contractors by operation of law or otherwise, and (y) obligations of confidentiality;

(ii) to each Grantor's knowledge, no Person has infringed or misappropriated or is currently infringing or misappropriating any Intellectual Property rights owned by such Grantor, in each case, that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect;

(iii) (A) to each Grantor's knowledge, (1) such Grantor has never infringed or misappropriated and is not currently infringing or misappropriating any Intellectual Property rights of any Person, and (2) no product manufactured, used, distributed, licensed, or sold by or service provided by such Grantor has ever infringed or misappropriated or is currently infringing or misappropriating any Intellectual Property rights of any Person, in each case, except where such infringement either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (B) there are no infringement or misappropriation claims or proceedings pending, or to any Grantor's knowledge, threatened in writing against any Grantor, and no Grantor has received any written notice or other communication of any actual or alleged infringement or misappropriation of any Intellectual Property rights of any Person, in each case, except where such infringement either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect;

(iv) to each Grantor's actual knowledge, all registered Copyrights, registered Trademarks, and issued Patents that are owned by such Grantor and necessary in or material to the conduct of its business are valid, subsisting and enforceable and in compliance with all legal requirements, filings, and payments and other actions that are required to maintain such Intellectual Property in full force and effect;

(v) each Grantor has taken reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all trade secrets owned by such Grantor that are necessary in or material to the conduct of the business of such Grantor; and

(i) This Agreement creates a valid security interest in the Collateral of each Grantor, to the extent a security interest therein can be created under the Code, securing the payment of the Secured Obligations. Except (i) to the extent a security interest in the Collateral cannot be perfected by the filing of a financing statement under the Code and (ii) with respect to any Transmitting Utility Filings (as hereinafter defined) necessary under the Code that the Collateral Agent, in its sole discretion, elects not to file (collectively, the "Excluded Transmitting Utility Filings"), all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken or will have been taken upon the filing of financing statements listing each applicable Grantor, as a debtor, and the Collateral Agent, as secured party, in the jurisdictions listed next to such Grantor's name on Schedule 11. Upon the making of such filings, the Collateral Agent shall have a first (subject only to Liens on Revolving Priority Collateral securing the ABL Obligations and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases) perfected security interest in the Collateral of each Grantor to the extent such security interest can be perfected by the filing of a financing statement under the Code (except with respect to any Transmitting Utility relating to any Excluded Transmitting Utility Filing). Upon filing of any Copyright Security Agreement with the United States Copyright Office, filing of any Patent Security Agreement and any Trademark Security Agreement with the PTO, and the filing of appropriate financing statements in the jurisdictions listed on Schedule 11, all action necessary or desirable to protect and perfect the Security Interest in and on each Grantor's United States issued and registered Patents, Trademarks, or Copyrights has been taken and such perfected Security Interest is enforceable as such as against any and all creditors of and purchasers from any Grantor, subject to the Intercreditor Agreement. Except for any Excluded Transmitting Utility Filings, all action by any Grantor necessary to protect and perfect such security interest on each item of Collateral has been duly taken.

(j) (i) Except for the Security Interest created hereby, each Grantor is and will at all times be the sole holder of record and the legal and beneficial owner, free and clear of all Liens other than Permitted Liens, of the Pledged Interests indicated on Schedule 5 as being owned by such Grantor and, when acquired by such Grantor, any Pledged Interests acquired after the Issue Date, (ii) all of the Pledged Interests are duly authorized, validly issued, fully paid and non-assessable and the Pledged Interests constitute or will constitute the percentage of the issued and outstanding Capital Interests of the Pledged Companies of such Grantor identified on Schedule 5 as supplemented or modified by any Pledged Interests Addendum or any Joinder to this Agreement, (iii) such Grantor has the right and requisite authority to pledge, the Investment Property pledged by such Grantor to the Collateral Agent as provided herein, (iv) all actions necessary or desirable to perfect and establish the first priority (subject only to Liens on Revolving Priority Collateral securing the ABL Obligations and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases) of, or otherwise protect, the Collateral Agent's Liens in the Investment Property, and the proceeds thereof, have been or will be duly taken, upon (A) the execution and delivery of this Agreement, (B) the taking of possession by the Collateral Agent (or its agent or designee (or the ABL Agent as the Collateral Agent's bailee for perfection pursuant to the Intercreditor Agreement)) of any certificates representing the Pledged Interests, to the extent such Pledged Interests are represented by certificates, together with undated powers (or other documents of transfer acceptable to the Collateral Agent) endorsed in blank by the applicable Grantor, (C) the filing of financing statements in the applicable jurisdiction set forth on Schedule 11 for such Grantor with respect to the Pledged Interests of such Grantor that are not represented by certificates, and (D) with respect to any Securities Accounts, the delivery of Control Agreements with respect thereto, and (v) each Grantor has delivered to and deposited with the Collateral Agent (or the ABL Agent as the Collateral Agent's bailee for perfection pursuant to the Intercreditor Agreement) all certificates representing the Pledged Interests owned by such Grantor to the extent such Pledged Interests are represented by certificates, and undated powers (or other documents of transfer acceptable to the Collateral Agent) endorsed in blank with respect to such certificates. None of the Pledged Interests owned or held by such Grantor has been issued or transferred in violation of any securities registration, securities disclosure, or similar laws of any jurisdiction to which such issuance or transfer may be subject.

(k) No consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a Security Interest by such Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by such Grantor, or (ii) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement with respect to the Investment Property or the remedies in respect of the Collateral pursuant to this Agreement, except (A) as may be required in connection with such disposition of Investment Property by laws affecting the offering and sale of securities generally, (B) for consents, approvals, authorizations, or other orders or actions that have already been obtained or given (as applicable) and that are still in force, (C) the filing of financing statements and other filings necessary to perfect the Security Interests granted hereby, (D) the filing of this Agreement with the FCC after the Issue Date, and (E) any necessary prior approval of the FCC. No Intellectual Property License of any Grantor that is necessary in or material to the conduct of the Grantors' business requires any consent of any other Person that has not been obtained in order for such Grantor to grant the security interest granted hereunder in such Grantor's right, title or interest in or to such Intellectual Property License.

(l) Schedule 12 sets forth all motor vehicles owned by Grantors as of the Issue Date and having an aggregate value in excess of \$250,000, by model, model year, and vehicle identification number (“VIN”).

(m) Each Grantor identified on Schedule 13 may be a “transmitting utility” (as defined in Section 9-102(a)(80) of the Code) and the jurisdictions for filing listed next to such Grantor’s name on Schedule 13 are the jurisdictions for “transmitting utility” filings that would be required to be made with respect to such Grantor if such Grantor were a transmitting utility in order to perfect the Collateral Agent’s security interest in the fixtures of such Grantor (collectively, the “Transmitting Utility Filings”).

(n) [Reserved].

(o) As to all limited liability company or partnership interests, issued under any Pledged Operating Agreement or Pledged Partnership Agreement, each Grantor hereby represents and warrants that the Pledged Interests issued pursuant to such agreement (i) are not dealt in or traded on securities exchanges or in securities markets, (ii) do not constitute investment company securities, and (iii) are not held by such Grantor in a Securities Account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, provides that such Pledged Interests are securities governed by Article 8 of the Code as in effect in any relevant jurisdiction.

6. Covenants. Each Grantor, jointly and severally, covenants and agrees with the Collateral Agent that from and after the date of this Agreement and until the date of termination of this Agreement in accordance with Section 25:

(a) Possession of Collateral. In the event that any Collateral, including Proceeds, is evidenced by or consists of Negotiable Collateral, Investment Property, or Chattel Paper having an aggregate value or face amount of \$1,000,000 or more for all such Negotiable Collateral, Investment Property, or Chattel Paper, the Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) after acquisition thereof), notify the Collateral Agent thereof, and if and to the extent that perfection or priority of the Collateral Agent’s Security Interest is dependent on or enhanced by possession, the applicable Grantor, promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents)) after written request by Collateral Agent, shall execute such other documents and instruments as shall be requested by the Collateral Agent or, if applicable, endorse and deliver physical possession of such Negotiable Collateral, Investment Property, or Chattel Paper to the Collateral Agent (or to the ABL Agent as the Collateral Agent’s bailee for perfection pursuant to the Intercreditor Agreement), together with undated powers (or other relevant document of transfer acceptable to the Collateral Agent or ABL Agent, as applicable) endorsed in blank, and shall do such other acts or things necessary, or reasonably requested by the Collateral Agent, to protect the Collateral Agent’s Security Interest therein.

(b) Chattel Paper.

(i) Promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents)) after written request by the Collateral Agent (it being understood that the Collateral Agent shall have no duty to so request), each Grantor shall take all steps



reasonably necessary to grant the Collateral Agent control of all electronic Chattel Paper in accordance with the Code and all “transferable records” as that term is defined in Section 16 of the Uniform Electronic Transaction Act and Section 201 of the federal Electronic Signatures in Global and National Commerce Act as in effect in any relevant jurisdiction, to the extent that the aggregate value or face amount of such electronic Chattel Paper equals or exceeds \$1,000,000; and

(ii) If any Grantor retains possession of any Chattel Paper or instruments (which retention of possession shall be subject to the extent permitted hereby and by the Indenture), promptly upon the written request of the Collateral Agent (it being understood that the Collateral Agent shall have no duty to so request), such Chattel Paper and instruments shall be marked with the following legend: “This writing and the obligations evidenced or secured hereby are subject to the Security Interest of U.S. Bank National Association, as Collateral Agent for the benefit of the Secured Parties”.

(c) Control Agreements. Each Grantor shall obtain a Control Agreement from each issuer of uncertificated securities, securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for any Grantor, or maintaining a Securities Account for such Grantor (other than with respect to any Excluded Accounts).

(d) Commercial Tort Claims. If the Grantors (or any of them) obtain Commercial Tort Claims having a value, or involving an asserted claim, in the amount of \$500,000 or more in the aggregate for all Commercial Tort Claims, then the applicable Grantor or Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) of obtaining such Commercial Tort Claim), notify the Collateral Agent upon incurring or otherwise obtaining such Commercial Tort Claims and, promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents)), amend Schedule 1 to describe such Commercial Tort Claims in a manner that reasonably identifies such Commercial Tort Claims and which is otherwise reasonably satisfactory to the Collateral Agent, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such Commercial Tort Claims, and agrees to do such other acts or things necessary, or reasonably requested by the Collateral Agent, to give the Collateral Agent a first priority (subject only to Liens on Revolving Priority Collateral securing the ABL Obligations and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases), perfected security interest in any such Commercial Tort Claim.

(e) Government Contracts. Other than Accounts and Chattel Paper the aggregate value of which does not at any one time exceed \$1,000,000, if any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) of the creation thereof) notify the Collateral Agent thereof and, promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents)) after written request by the Collateral Agent (it being understood that the Collateral Agent shall have no duty to so request), execute any instruments or take any steps reasonably required by the Collateral Agent in order that all moneys due or to become due under such contract or contracts shall be assigned to the Collateral Agent, such assignment being subject to the Intercreditor Agreement, for the benefit of the Secured Parties, and shall provide written notice thereof under the Assignment of Claims Act or other applicable law.

(f) Intellectual Property.

(i) In order to facilitate filings with the PTO and the United States Copyright Office, each Grantor shall execute and deliver to the Collateral Agent, and cause to be filed with the applicable filing office, one or more Copyright Security Agreements, Trademark Security Agreements, or Patent Security Agreements to further evidence the Collateral Agent's Lien on such Grantor's United States issued and registered Patents, Trademarks, or Copyrights, and the General Intangibles of such Grantor relating thereto or represented thereby in accordance with clauses (iv) and (v) of this Section 6(f):

(ii) Each Grantor shall have the duty, with respect to Intellectual Property that is necessary in or material to the conduct of such Grantor's business, to protect and diligently enforce and defend at such Grantor's expense such Intellectual Property, including (A) to diligently enforce and defend, including promptly suing for infringement, misappropriation, or dilution and to recover any and all damages for such infringement, misappropriation, or dilution, and filing for opposition, interference, and cancellation against conflicting Intellectual Property rights of any Person, (B) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter (and that is necessary in or material to the conduct of such Grantor's business) until the termination of this Agreement, (C) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter (and that is necessary in or material to the conduct of such Grantor's business) until the termination of this Agreement, (D) to take all reasonable and necessary action to preserve and maintain all of such Grantor's Trademarks, Patents, Copyrights, Intellectual Property Licenses, and its rights therein, including paying all maintenance fees and filing of applications for renewal, affidavits of use, and affidavits of noncontestability, and (E) to require all employees, consultants, and contractors of each Grantor who are involved in the creation or development of such Intellectual Property to sign agreements containing assignment of Intellectual Property rights and obligations of confidentiality. Each Grantor further agrees not to abandon any Intellectual Property or Intellectual Property License that is necessary in or material to the conduct of such Grantor's business. Each Grantor hereby agrees to take the steps described in this Section 6(f)(ii) with respect to all new or acquired Intellectual Property to which it or any of its Subsidiaries is now or later becomes entitled that is necessary in or material to the conduct of such Grantor's business;

(iii) Grantors acknowledge and agree that the Secured Parties shall have no duties with respect to any Intellectual Property or Intellectual Property Licenses of any Grantor. Without limiting the generality of this Section 6(f)(iii), Grantors acknowledge and agree that no Secured Party shall be under any obligation to take any steps necessary to preserve rights in the Collateral consisting of Intellectual Property or Intellectual Property Licenses against any other Person, but the Collateral Agent, for the benefit of the Secured Parties, may do so at its option following notice to the Issuer from and after the occurrence and during the continuance of an Event of Default, and all fees and out-of-pocket expenses incurred in connection therewith (including reasonable fees and expenses of outside counsel and other professionals) shall be for the sole account of Issuer;

(iv) On each date on which a quarterly or annual report is required to be filed or posted pursuant to Section 4.3 of the Indenture in respect of a fiscal quarter or fiscal year (or, if an Event of Default has occurred and is continuing, more frequently if requested by the Collateral Agent), each Grantor shall provide the Collateral Agent with a written report of all new Patents, Trademarks or Copyrights that are registered or the subject of pending applications for registrations, and of all Intellectual Property Licenses that are material to the conduct of such Grantor's business, in each case, which were acquired, registered, or for which applications for registration were filed by any Grantor during the prior period and any statement of use or amendment to allege use with respect to intent-to-use trademark applications. In the case of such registrations or applications therefor, which were acquired by

any Grantor, each such Grantor shall file the necessary documents with the appropriate Governmental Authority identifying the applicable Grantor as the owner (or as a co-owner thereof, if such is the case) of such Intellectual Property. In each of the foregoing cases, the applicable Grantor shall promptly cause to be prepared, executed, and delivered to the Collateral Agent supplemental schedules to the applicable Notes Documents to identify such Patent, Trademark and Copyright registrations and applications therefor (with the exception of Trademark applications filed on an intent-to-use basis for which no statement of use or amendment to allege use has been filed) and Intellectual Property Licenses as being subject to the security interests created thereunder and have them filed with the United States Patent and Trademark Office or United States Copyright Office, as applicable;

(v) Upon receipt from the United States Copyright Office of notice of registration of any Copyright, each Grantor shall promptly (but in no event later than five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) following such receipt) notify (but without duplication of any notice required by Section 6(f)(iv)) the Collateral Agent of such registration by delivering, or causing to be delivered, to the Collateral Agent, documentation sufficient for the Collateral Agent's Liens on such Copyright to be perfected. If any Grantor acquires from any Person any Copyright registered with the United States Copyright Office or an application to register any Copyright with the United States Copyright Office, such Grantor shall promptly (but in no event later than five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) following such acquisition) notify the Collateral Agent of such acquisition and deliver, or cause to be delivered, to the Collateral Agent, documentation sufficient for the Collateral Agent's Liens to be perfected on such Copyright. In the case of such Copyright registrations or applications therefor which were acquired by any Grantor, each such Grantor shall promptly (but in no event later than five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) following such acquisition) file the necessary documents with the appropriate Governmental Authority identifying the applicable Grantor as the owner (or as a co-owner thereof, if such is the case) of such Copyrights;

(vi) Each Grantor shall take commercially reasonable steps to maintain the confidentiality of, and otherwise protect and enforce its rights in, the Intellectual Property that is necessary in or material to the conduct of such Grantor's business, including, as applicable (A) protecting the secrecy and confidentiality of its confidential information and trade secrets by having and enforcing a policy requiring all employees, consultants, licensees, vendors and contractors with access to such information to execute appropriate confidentiality agreements, (B) taking actions reasonably necessary to ensure that no trade secret falls into the public domain, and (C) protecting the secrecy and confidentiality of the source code of all software programs and applications of which it is the owner or licensee by having and enforcing a policy requiring any licensees (or sublicensees) of such source code to enter into license agreements with commercially reasonable use and non-disclosure restrictions; and

(g) Investment Property.

(i) If any Grantor shall acquire, obtain, receive or become entitled to receive any Pledged Interests after the Issue Date, it shall promptly (and in any event within five Business Days (or such longer period as agreed to by the ABL Agent in writing in its sole discretion with respect to the corresponding requirement under the ABL Documents) of acquiring or obtaining such Collateral) deliver to the Collateral Agent a duly executed Pledged Interests Addendum identifying such Pledged Interests;

(ii) Upon the occurrence and during the continuance of an Event of Default, following the written request of the Collateral Agent, all sums of money and property paid or distributed

in respect of the Investment Property that are received by any Grantor shall be held by the Grantors in trust for the benefit of the Collateral Agent, and such Grantor shall deliver it forthwith to the Collateral Agent in the exact form received, in each case, subject to the Intercreditor Agreement;

(iii) Each Grantor shall promptly deliver to the Collateral Agent a copy of each material written notice or other material communication received by it in respect of any Pledged Interests;

(iv) No Grantor shall make or consent to any amendment or other modification or waiver with respect to any Pledged Interests, Pledged Operating Agreement, or Pledged Partnership Agreement, or enter into any agreement or permit to exist any restriction with respect to any Pledged Interests if the same is prohibited pursuant to the Notes Documents, in any such case, if the same would be materially adverse to the interests of the Secured Parties;

(v) Each Grantor agrees that it will reasonably cooperate with the Collateral Agent in obtaining all necessary approvals and making all necessary filings under federal, state, local, or foreign law to effect the perfection of the Security Interest on the Investment Property or, if the Collateral Agent is entitled under this Agreement to exercise remedies in respect of the Investment Property, to effect any sale or transfer thereof;

(vi) As to all limited liability company or partnership interests owned by such Grantor and issued under any Pledged Operating Agreement or Pledged Partnership Agreement, each Grantor hereby covenants that the Pledged Interests issued pursuant to such agreement (A) are not and shall not be dealt in or traded on securities exchanges or in securities markets, (B) do not and will not constitute investment company securities, and (C) are not and will not be held by such Grantor in a securities account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, provides or shall provide that such Pledged Interests are securities governed by Article 8 of the Code as in effect in any relevant jurisdiction; and

(vii) With regard to any Pledged Interests that are not certificated, any such Grantor of such non-certificated Pledged Interests (i) agrees promptly to note on its books the security interests granted to the Collateral Agent and confirmed under this Agreement, (ii) agrees that after the occurrence and during the continuance of an Event of Default, it will comply with instructions of the Collateral Agent or its nominee with respect to the applicable Pledged Interests without further consent by the applicable Grantor, (iii) to the extent permitted by law, agrees that the "issuer's jurisdiction" (as defined in Section 8-110 of the Code) is the State of New York, (iv) agrees to notify the Collateral Agent upon obtaining actual knowledge of any interest in favor of any person in the applicable Pledged Interests that is materially adverse to the interest of the Collateral Agent therein, other than any Permitted Liens and (v) waives any right or requirement at any time hereafter to receive a copy of this Agreement in connection with the registration of any Pledged Interests hereunder in the name of the Collateral Agent or its nominee or the exercise of voting rights by the Collateral Agent or its nominee to the extent permitted hereunder.

(h) Transfers and Other Liens. Grantors shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as expressly permitted by the Indenture and each document governing Permitted Additional Pari Passu Obligations, or (ii) create or permit to exist any Lien upon or with respect to any of the Collateral of any Grantor, except for Permitted Liens. The inclusion of Proceeds in the Collateral shall not be deemed to constitute the Collateral Agent's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Notes Documents.

(i) Controlled Accounts; Controlled Investments.

(i) Each Grantor shall use commercially reasonable efforts to establish and maintain Controlled Account Agreements with respect to each Controlled Account of such Grantor within 60 days after the Issue Date; and

(ii) In the event any Grantor opens or acquires a new Deposit Account (including through a Permitted Investment) other than an Excluded Account, the Issuer shall amend Schedule 10 to add or replace a Controlled Account and shall upon such addition or replacement provide to the Collateral Agent an amended Schedule 10; provided, that the applicable Grantor shall have used commercially reasonable efforts to have the Controlled Account Bank with respect to such Controlled Account execute and deliver to the Collateral Agent a Controlled Account Agreement.

(j) Name, Etc. No Grantor will change its name, chief executive office, organizational identification number, jurisdiction of organization or organizational identity until (A) it shall have given the Collateral Agent not less than ten days' prior written notice (in the form of an Officers' Certificate), or such lesser notice period agreed to by the Collateral Agent, of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent may reasonably request and (B) it shall have taken all action reasonably necessary to maintain at all times following such change the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral.

(k) Account Verification. After the occurrence and during the continuance of an Event of Default, each Grantor will, and will cause each of its Subsidiaries to, permit the Collateral Agent, in the Collateral Agent's name or in the name or a nominee of the Collateral Agent, to verify the validity, amount or any other matter relating to any Account, by mail, telephone, facsimile transmission or other electronic means of transmission or otherwise. Further, at the written request of the Collateral Agent, each Grantor will, and will cause each of its Subsidiaries to, send requests for verification of Accounts or, after the occurrence and during the continuance of an Event of Default, send notices of assignment of Accounts to Account Debtors and other obligors.

(l) Motor Vehicles. Promptly (and in any event within thirty (30) days) after written request by the Collateral Agent, with respect to all goods covered by a certificate of title owned by any Grantor with an aggregate fair market value in excess of \$1,000,000, such Grantor shall deliver to the Collateral Agent or the Collateral Agent's designee, the certificates of title for all such goods and promptly (and in any event within thirty (30) days Business Days) after written request by the Collateral Agent, such Grantor shall take all actions necessary to cause such certificates to be filed (with the Collateral Agent's Lien noted thereon) in the appropriate state motor vehicle filing office.

7. Relation to Other Security Documents. The provisions of this Agreement shall be read and construed with the other Notes Documents referred to below in the manner so indicated.

(a) Indenture. In the event of any conflict between any provision in this Agreement and a provision in the Indenture, such provision of the Indenture shall control.

(b) Patent, Trademark, Copyright Security Agreements. The provisions of the Copyright Security Agreements, Trademark Security Agreements, and Patent Security Agreements are supplemental to the provisions of this Agreement, and nothing contained in the Copyright Security Agreements, Trademark Security Agreements, or the Patent Security Agreements shall limit any of the rights or remedies of the Collateral Agent hereunder. In the event of any conflict between any provision in this Agreement and a provision in a Copyright Security Agreement, Trademark Security Agreement or Patent Security Agreement, such provision of this Agreement shall control.

8. Further Assurances.

(a) Each Grantor agrees that from time to time, at its own expense, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action (including the filing of UCC-3 continuation statements), that are necessary or that the Collateral Agent may reasonably request, in order to perfect and protect the Security Interest granted hereby, to create, perfect or protect the Security Interest purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral.

(b) Each Grantor authorizes the filing by the Collateral Agent of financing or continuation statements, or amendments thereto, and such Grantor will execute and deliver to the Collateral Agent such other instruments or notices, as the Collateral Agent may reasonably request, in order to perfect and preserve the Security Interest granted or purported to be granted hereby.

(c) Each Grantor authorizes the Collateral Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments (i) describing the Collateral as "all personal property of debtor" or "all assets of debtor" or words of similar effect, (ii) describing the Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each Grantor also hereby ratifies any and all financing statements or amendments previously filed by the Collateral Agent in any jurisdiction.

(d) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of the Collateral Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the Code.

9. Collateral Agent's Right to Perform Contracts, Exercise Rights, etc Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent (or its designee) (a) may (but shall not be obligated to) proceed to perform any and all of the obligations of any Grantor contained in any contract, lease, or other agreement and exercise any and all rights of any Grantor therein contained as fully as such Grantor itself could, (b) shall have the right (but not the obligation) (subject to Section 16(b)) to use any Grantor's rights under Intellectual Property Licenses in connection with the enforcement of the Collateral Agent's rights hereunder, including the right to prepare for sale and sell any and all Inventory and Equipment now or hereafter owned by any Grantor and now or hereafter covered by such licenses, and (c) shall have the right (but not the obligation) to request that any Capital Interests that are pledged hereunder be registered in the name of the Collateral Agent or any of its nominees.

10. Collateral Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Collateral Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, at such time as an Event of Default has occurred and is continuing under the Indenture, subject to the Intercreditor Agreement, to take any action and to execute any instrument which the Collateral Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Accounts or any other Collateral of such Grantor;

(b) to receive and open all mail addressed to such Grantor and to notify postal authorities to change the address for the delivery of mail to such Grantor to that of the Collateral Agent;

(c) to receive, indorse, and collect any drafts or other instruments, documents, Negotiable Collateral or Chattel Paper;

(d) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral of such Grantor or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to such Grantor in respect of any Account of such Grantor;

(f) use any Intellectual Property or Intellectual Property Licenses of such Grantor, including but not limited to any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, or advertising matter, in preparing for sale, advertising for sale, or selling Inventory or other Collateral and to collect any amounts due under Accounts, contracts or Negotiable Collateral of such Grantor; and

(g) subject to the Intercreditor Agreement, the Collateral Agent, on behalf of the Secured Parties, shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Intellectual Property and Intellectual Property Licenses and, if the Collateral Agent shall commence any such suit, the appropriate Grantor shall, at the written request of the Collateral Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Collateral Agent in aid of such enforcement.

To the extent permitted by law, each Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

11. Collateral Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Collateral Agent may (but shall not be obligated to) itself perform, or cause performance of, such agreement, and the reasonable out-of-pocket expenses of the Collateral Agent incurred in connection therewith shall be payable, jointly and severally, by Grantors in accordance with the terms of the Indenture or any document governing Permitted Additional Pari Passu Obligations.

12. Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's interest in the Collateral, for the benefit of the Secured Parties, and shall not impose any duty upon the Collateral Agent to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

13. Collection of Accounts, General Intangibles and Negotiable Collateral. At any time upon the occurrence and during the continuance of an Event of Default, the Collateral Agent or the Collateral Agent's designee may (a) make direct verification from Account Debtors with respect to any or all Accounts that are part of the Collateral, (b) notify Account Debtors of any Grantor that the Accounts, General Intangibles, Chattel Paper or Negotiable Collateral of such Grantor have been assigned to the Collateral Agent, for the benefit of the Secured Parties, or that the Collateral Agent has a security interest therein, or (c) collect the Accounts, General Intangibles and Negotiable Collateral of any Grantor directly, and any collection costs and expenses shall constitute part of such Grantor's Secured Obligations under the Notes Documents.

14. Disposition of Pledged Interests by the Collateral Agent. None of the Pledged Interests existing as of the date of this Agreement are, and none of the Pledged Interests hereafter acquired on the date of acquisition thereof will be, registered or qualified under the various federal or state securities laws of the United States and disposition thereof after an Event of Default has occurred and is continuing may be restricted to one or more private (instead of public) sales in view of the lack of such registration. Each Grantor understands that in connection with such disposition, the Collateral Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Pledged Interests than if the Pledged Interests were registered and qualified pursuant to federal and state securities laws and sold on the open market. Each Grantor, therefore, agrees that: (a) if the Collateral Agent shall, pursuant to the terms of this Agreement, sell or cause the Pledged Interests or any portion thereof to be sold at a private sale, the Collateral Agent shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer the Pledged Interest or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof, and (b) such reliance shall be conclusive evidence that the Collateral Agent has handled the disposition in a commercially reasonable manner.

15. Voting and Other Rights in Respect of Pledged Interests.

(a) Upon the occurrence and during the continuance of an Event of Default, in each case, subject to the Intercreditor Agreement, (i) the Collateral Agent may, at its option, and with two Business Days prior written notice to any Grantor (unless such Event of Default is an Event of Default specified in Section 6.1(8) of the Indenture, in which case no such notice need be given), and in addition to all rights and remedies available to the Collateral Agent under any other agreement, at law, in equity, or otherwise, exercise all voting rights, or any other ownership or consensual rights (including any dividend or distribution rights) in respect of the Pledged Interests owned by such Grantor, but under no circumstances is the Collateral Agent obligated by the terms of this Agreement to exercise such rights, and (ii) if the Collateral Agent duly exercises its right to vote any of such Pledged Interests, each Grantor hereby appoints the Collateral Agent, such Grantor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote such Pledged Interests in any manner the Collateral Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. The power-of-attorney and proxy granted hereby is coupled with an interest and shall be irrevocable.

(b) For so long as any Grantor shall have the right to vote the Pledged Interests owned by it, such Grantor covenants and agrees that it will not, without the prior written consent of the Collateral Agent, vote or take any consensual action with respect to such Pledged Interests which would materially adversely affect the rights of the Collateral Agent, the Secured Parties, or the value of the Pledged Interests.



16. Remedies. Upon the occurrence and during the continuance of an Event of Default, subject to the Intercreditor Agreement:

(a) The Collateral Agent may, and, at the instruction of the Secured Parties and subject to Section 20, shall, exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Notes Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the Code or any other applicable law. Without limiting the generality of the foregoing, each Grantor expressly agrees that, in any such event, the Collateral Agent without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon any Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), may take immediate possession of all or any portion of the Collateral and (i) require Grantors to, and each Grantor hereby agrees that it will at its own expense and upon written request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at one or more locations where such Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit, and upon such other terms as the Collateral Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notification of sale shall be required by law, at least ten days notification by mail to the applicable Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notification shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the Code. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notification of sale having been given. The Collateral Agent may adjourn any public sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that (A) the internet shall constitute a "place" for purposes of Section 9-610(b) of the Code, and (B) to the extent notification of sale shall be required by law, notification by mail of the URL where a sale will occur and the time when a sale will commence at least ten days prior to the sale shall constitute a reasonable notification for purposes of Section 9-611(b) of the Code. Each Grantor agrees that any sale of Collateral to a licensor pursuant to the terms of a license agreement between such licensor and a Grantor is sufficient to constitute a commercially reasonable sale (including as to method, terms, manner, and time) within the meaning of Section 9-610 of the Code.

(b) The Collateral Agent is hereby granted a license or other right to use, without liability for royalties or any other charge, each Grantor's Intellectual Property, including but not limited to, any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, and advertising matter, whether owned by any Grantor or with respect to which any Grantor has rights under license, sublicense, or other agreements (including any Intellectual Property License), as it pertains to the Collateral, in preparing for sale, advertising for sale and selling any Collateral, and each Grantor's rights under all licenses and all franchise agreements shall inure to the benefit of the Collateral Agent.

(c) The Collateral Agent may, in addition to other rights and remedies provided for herein, in the other Notes Documents, or otherwise available to it under applicable law and without the requirement of notice to or upon any Grantor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), (i) with respect to any Grantor's Deposit Accounts in which the Collateral Agent's Liens are perfected by control under Section 9-104 of the Code, instruct the bank maintaining such Deposit Account for the applicable Grantor to pay the balance of such Deposit Account to or for the benefit of the Collateral Agent, and (ii) with respect to any Grantor's Securities Accounts in which the Collateral Agent's Liens are perfected by control under Section 9-106 of the Code, instruct the securities intermediary maintaining such Securities Account for

the applicable Grantor to (A) transfer any cash in such Securities Account to or for the benefit of the Collateral Agent, or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of the Collateral Agent.

(d) Any cash held by the Collateral Agent as Collateral and all cash proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied against the Secured Obligations in the order set forth in the Indenture. In the event the proceeds of Collateral are insufficient to satisfy all of the Secured Obligations in full, each Grantor shall remain jointly and severally liable for any such deficiency.

(e) Each Grantor hereby acknowledges that the Secured Obligations arise out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing the Collateral Agent shall have the right to an immediate writ of possession without notice of a hearing. The Collateral Agent shall have the right to the appointment of a receiver for the properties and assets of each Grantor, and each Grantor hereby consents to such rights and such appointment and hereby waives any objection such Grantor may have thereto or the right to have a bond or other security posted by the Collateral Agent.

17. Remedies Cumulative. Each right, power, and remedy of the Collateral Agent or any Secured Party as provided for in this Agreement, or the other Notes Documents now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement, and the Notes Documents now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Collateral Agent or any Secured Party, of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by the Collateral Agent or such Secured Party of any or all such other rights, powers, or remedies.

18. Application of Proceeds. (a) Subject to the provisions of the Intercreditor Agreement, the proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Secured Obligations pursuant to the exercise by the Collateral Agent of its remedies shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, as follows:

(i) first, to amounts owing to the Collateral Agent in its capacity as such in accordance with the terms of the Indenture and to amounts owing to the Trustee in its capacity as such in accordance with the terms of the Indenture (including any costs of enforcement and collateral administration);

(ii) second, ratably to amounts owing to the holders of Secured Obligations in accordance with the terms of the Indenture and each document governing Permitted Additional Pari Passu Obligations, by transfer to the Trustee and any other agent for such holders, for further distribution to such holders; and

(iii) third, to the Issuer and/or other persons entitled thereto.

(b) In making the determination and allocations required by this Section 18, the Collateral Agent may conclusively rely upon information supplied by the Trustee and the applicable Permitted Additional Pari Passu Agent as to the amounts of unpaid principal and interest and other amounts outstanding with respect to the Notes Obligations and such Permitted Additional Pari Passu Obligations and the Collateral Agent shall have no liability to any of the Secured Parties for actions taken in reliance on such information.

(c) If, despite the provisions of this Agreement, any Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the Secured Obligations to which it is then entitled in accordance with this Agreement, such Secured Party shall hold such payment or other recovery in trust for the benefit of all Secured Parties hereunder for distribution in accordance with this Section 18.

Notwithstanding the foregoing, in the event of any determination by a court of competent jurisdiction with respect to any series of Permitted Additional Pari Passu Obligations that (i) such series of Permitted Additional Pari Passu Obligations is unenforceable under applicable law or are subordinated to any other obligations (other than the Notes or another series of Permitted Additional Pari Passu Obligations), (ii) such series of Permitted Additional Pari Passu Obligations does not have an enforceable security interest in any of the Collateral and/or (iii) any intervening security interest exists securing any other obligations (other than the Notes or other series of Permitted Additional Pari Passu Obligations) on a basis ranking prior to the security interest of such series of Permitted Additional Pari Passu Obligations but junior to the security interest of the Notes or other series of Permitted Additional Pari Passu Obligations (any such condition referred to in the foregoing clauses (i), (ii) or (iii) with respect to any series of Permitted Additional Pari Passu Obligations, an "Impairment" of such series of Permitted Additional Pari Passu Obligations), the results of such Impairment shall be borne solely by the holders of such series of Permitted Additional Pari Passu Obligations, and the rights of the holders of such series of Permitted Additional Pari Passu Obligations (including, without limitation, the right to receive distributions in respect of such series Permitted Additional Pari Passu Obligations) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of such series of Permitted Additional Pari Passu Obligations subject to such Impairment. Notwithstanding the foregoing, with respect to any Collateral for which a third party (other than a holder of the Notes or series of Permitted Additional Pari Passu Obligations) has a lien or security interest that is junior in priority to the security interest of the holders of the Notes or any series of Permitted Additional Pari Passu Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of the holder of any other series of Permitted Additional Pari Passu Obligations (such third party, an "Intervening Creditor"), the value of any Collateral or proceeds that are allocated to such Intervening Creditor shall be deducted on a ratable basis (in the event of a dispute, in accordance with a final non-appealable order of a court of competent jurisdiction) solely from the Collateral or proceeds to be distributed in respect of the series of Permitted Additional Pari Passu Obligations with respect to which such Impairment exists.

19. Impairment. Neither the Issuer nor any of the Grantors will be permitted to take any action, or knowingly or negligently omit to take any action, which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Secured Parties.

20. Voting Provision. Subject to the terms of the Intercreditor Agreement, except as provided in the succeeding sentence, in the case of an Event of Default under the Indenture, or an event of default under any agreement or instrument representing additional Permitted Additional Pari Passu Obligations where such remedies arise, the Collateral Agent will only be permitted, subject to applicable law, to exercise remedies and sell Collateral at the written direction of the holders of not less than a majority in aggregate principal amount of the outstanding Notes and the Permitted Additional Pari Passu Obligations, voting as one class. If the Collateral Agent has asked the holders of the Secured Obligations for instruction and the applicable holders have not yet responded to such request, the Collateral Agent will be authorized to take, but will not be required to take, and will in no event have any liability for taking, any delay in taking or the failure to take, such actions with regard to a Default or Event of Default which the Collateral Agent, in good faith, believes to be reasonably required to promote and protect the interests of the Secured Parties and to preserve the value of the Collateral; provided that once instructions

from the applicable Secured Parties have been received by the Collateral Agent (accompanied by indemnity or security satisfactory to the Collateral Agent, if requested by the Collateral Agent), the actions of the Collateral Agent will be governed thereby and the Collateral Agent will not take any further action which would be contrary thereto.

21. Marshaling. The Collateral Agent 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 Secured 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, each Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Collateral Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

22. Indemnity. Each Grantor agrees to indemnify the Collateral Agent and the Secured Parties from and against all claims, lawsuits and liabilities (including reasonable attorneys' fees) arising out of or resulting from this Agreement (including enforcement of this Agreement) or any other Notes Document to which such Grantor is a party in accordance with and to the extent set forth in Section 7.7 of the Indenture. This provision shall survive the termination of this Agreement and the Indenture, the repayment of the Secured Obligations and the resignation or removal of the Collateral Agent in accordance with the Indenture.

23. Merger, Amendments; Etc. THIS AGREEMENT, TOGETHER WITH THE OTHER NOTES DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Collateral Agent and each Grantor to which such amendment applies subject to any approval required pursuant to the Indenture or any other Notes Document.

24. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and manner and delivered to the Collateral Agent at its address specified in the Indenture, and to any of the Grantors at the notice address specified for the Issuer in the Indenture, and to any Permitted Additional Pari Passu Agent at the notice address specified in the applicable Permitted Additional Pari Passu Joinder Agreement, or as to any party, at such other address as shall be designated by such party in a written notice to the other party.

25. Continuing Security Interest: Assignments under Indenture.

(a) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the Discharge of Notes Obligations (including a legal defeasance or covenant defeasance) in accordance with the provisions of the Notes Documents, (ii) be binding upon each Grantor, and their respective successors and assigns, and (iii) inure to the benefit of,

and be enforceable by, the Collateral Agent, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Secured Party may, in accordance with the provisions of the Indenture, assign or otherwise transfer all or any portion of its rights and obligations under the Indenture to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party herein or otherwise. Upon payment in full of the Secured Obligations in accordance with the provisions of the Notes Documents, the Security Interest granted hereby shall terminate and all rights to the Collateral shall revert to Grantors or any other Person entitled thereto. At such time, upon the Issuer's request and at the Issuer's expense, the Collateral Agent will authorize the filing of appropriate termination statements to terminate such Security Interest. No transfer or renewal, extension, assignment, or termination of this Agreement, any other Notes Documents, or any other instrument or document executed and delivered by any Grantor to the Collateral Agent, nor the taking of further security, nor the retaking or re-delivery of the Collateral to Grantors, or any of them, by the Collateral Agent, nor any other act of the Secured Parties, or any of them, shall release any Grantor from any Obligation, except a release or discharge executed in writing by the Collateral Agent in accordance with the provisions of the Indenture. The Collateral Agent shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by the Collateral Agent and then only to the extent therein set forth. A waiver by the Collateral Agent of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which the Collateral Agent would otherwise have had on any other occasion.

(b) The Liens securing the Secured Obligations securing the Notes will be released, in whole or in part, as provided in Section 10.3 of the Indenture.

(c) The Liens securing Permitted Additional Pari Passu Obligations of any series will be released, in whole or in part, as provided in the Notes Documents governing such series of Permitted Additional Pari Passu Obligations.

(d) If any Secured Party repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such Secured Party in full or partial satisfaction of any Secured Obligation or on account of any other obligation of any Grantor under any Notes Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such Secured Party elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such Secured Party elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable out-of-pocket costs, expenses, and outside counsel attorneys' fees of such Secured Party related thereto, (i) the liability of the Grantors with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist, and (ii) the Collateral Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) the Collateral Agent's Liens shall have been released or terminated, or (B) any provision of this Agreement shall have been terminated or cancelled, the Collateral Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Grantor in respect of such liability or any Collateral securing such liability.

26. Survival. All representations and warranties made by the Grantors in this Agreement and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Collateral Agent or any Secured Party may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty as of the Issue Date, and shall continue in full force and effect until the Discharge of Notes Obligations (including a legal defeasance or covenant defeasance in accordance with the Indenture and other Notes Documents).

27. Communications Laws.

(a) Notwithstanding any other provision of this Agreement, the Collateral shall not include at any time any FCC Licenses held by Grantors to the extent (but only to the extent) that at such time the Collateral Agent may not validly possess a security interest therein pursuant to the Communications Laws, as in effect at such time, but such security interest does include, to the maximum extent permitted by law all rights incident or appurtenant to all FCC Licenses and the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of the FCC Licenses, as set forth in clause (b) of the last paragraph of Section 2.

(b) Notwithstanding any other provision of this Agreement, any foreclosure on, sale, transfer or other disposition of, or the exercise of any rights to vote or consent with respect to any of the Collateral as provided herein or any other action taken or to be taken by the Collateral Agent hereunder shall be in compliance with the Communications Laws, and to the extent required thereby, subject to the prior approval of the FCC. In determining whether an approval of the FCC is required in connection with any action taken under this Agreement, the Collateral Agent shall be entitled to rely on the advice of FCC or regulatory counsel experienced in giving such advice selected by the Collateral Agent.

(c) It is the intention of the parties hereto that the Security Interests in favor of the Collateral Agent on the Collateral shall in all relevant aspects be subject to and governed by the Communications Laws and that nothing in this Agreement shall be construed to diminish the control exercised by the Grantor except in accordance with the provisions of such Communications Laws. Subject to the Intercreditor Agreement, each Grantor agrees that upon the written request from time to time by the Collateral Agent it will actively pursue obtaining any governmental, regulatory or third party consents, approvals or authorizations referred to in this Section 27, including, upon any written request of the Collateral Agent following the occurrence of and during the continuance of an Event of Default, the preparation, signing and filing with (or causing to be prepared, signed and filed with) the FCC of any application or other request for consent, approval or authorization necessary or appropriate under the Communications Laws (i) to assign or transfer control of any FCC License, (ii) to transfer control of any Grantor or Subsidiary of Grantor or (iii) to transfer or assign any of the Collateral or assets of any Grantor or Subsidiary of Grantor, which is required to be signed by any Grantor or subsidiary of a Grantor.

(d) Notwithstanding any other provision of this Agreement or any provision of the Indenture or any other Notes Document to the contrary, following the occurrence and during the continuance of an Event of Default, the voting rights with respect to any Collateral that consists of equity securities in any Grantor that holds a FCC License, or that, directly or indirectly through one or more subsidiaries, controls an entity that holds a FCC License, shall, to the extent required by provisions of the Communications Laws, remain with the party or parties previously approved by the FCC to hold such voting rights to the Collateral. There shall be either a public or private arm's length sale of such equity securities, and, to the extent required by provisions of the Communications Laws, the successful bidder for, or purchaser of, such equity securities at such sale shall neither acquire nor exercise any rights with respect to such equity securities until such time as the FCC shall have granted its consent to such acquisition or exercise.

(e) To enforce the provisions of this Section 27, the Collateral Agent is empowered to seek from the FCC or any other Governmental Authority, to the extent required, consent to or approval of any involuntary transfer of control of any entity whose Collateral is subject to this Agreement for the purpose of seeking a bona fide purchaser to whom control will ultimately be transferred. Subject to the Intercreditor Agreement, each Grantor hereby agrees to consent to any such involuntary transfer of control upon the written request of the Collateral Agent after and during the continuance of an Event of Default, and, without limiting any rights of the Collateral Agent under this Agreement, to authorize the Collateral Agent to nominate a trustee or receiver to assume control of the Collateral, subject only to required judicial, FCC or other consent required by any Governmental Authority, in order to effectuate the transactions contemplated in this Section 27. Such trustee shall have all the rights and powers as provided to it by Law or court order, or to the Collateral Agent under this Agreement. Each Grantor shall cooperate fully in obtaining the consent of the FCC and the approval or consent of each other Governmental Authority required to effectuate the foregoing.

(f) Each Grantor hereby acknowledges and agrees that the Collateral is a unique asset and that a violation of such Grantor's covenant to cooperate with respect to any regulatory consents would result in irreparable harm to the Collateral Agent for which monetary damages are not readily ascertainable. Each Grantor further agrees that, because of the unique nature of its undertakings in this Section 27, the same may be specifically enforced, and it hereby waives, and agrees to waive, any claim or defense that the Collateral Agent would have an adequate remedy at law for the breach of such undertakings.

(g) Without limiting the obligations of any Grantor hereunder in any respect, each Grantor further agrees that if such Grantor, upon or after the occurrence of an Event of Default, subject to the Intercreditor Agreement, should fail or refuse for any reason whatsoever, without limitation, to execute any application necessary or appropriate to obtain any governmental consent necessary or appropriate for the exercise of any right of the Collateral Agent hereunder, such Grantor agrees that such application may be executed on such Grantor's behalf by the clerk of the court or other representative of any court or other forum of competent jurisdiction without notice to such Grantor, pursuant to an order of such court or forum.

(h) For the avoidance of any doubt, in the event of any conflict between any provision of this Section 27 and any other provision of this Agreement or any provision of the Indenture or any other Notes Document, the provision of this Section 27 shall control; provided that nothing in this Section 27 shall obligate or require the Collateral Agent to take possession of or control over any FCC License or related asset.

28. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE COLLATERAL AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE THE COLLATERAL AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND THE COLLATERAL AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 28(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND THE COLLATERAL AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND THE COLLATERAL AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE COLLATERAL AGENT, THE SECURED PARTIES, OR THE ISSUER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, THE COLLATERAL AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.



(f) IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN SECTION 28(c) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.

(ii) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY, PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) THROUGH (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.

(iii) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER; PROVIDED, THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.

(vi) THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.

(vii) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT.

29. New Subsidiaries. Pursuant to Section 4.18 of the Indenture or any similar provision of any Permitted Additional Pari Passu Obligations, certain Subsidiaries (whether by acquisition or creation) of any Grantor are required to enter into this Agreement by executing and delivering in favor of the Collateral Agent a Joinder to this Agreement in substantially the form of Annex 1. Upon the execution and delivery of Annex 1 by any such new Subsidiary, such Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any instrument adding an additional Grantor as a party to this Agreement shall not require the consent of any Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor hereunder.

30. Collateral Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Collateral Agent" shall be a reference to the Collateral Agent, for the benefit of the Secured Parties.

31. Intercreditor Agreement Controls. Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Agent, pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, are subject to the provisions of the Intercreditor Agreement dated as of May 19, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), between Wells Fargo Bank, National Association, as the Revolving Collateral Agent, and U.S. Bank National Association, as the Notes Collateral Agent. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, as between the Revolving Claimholders and the Notes Claimholders (as each term is defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern and control. Notwithstanding anything herein to the contrary, so long as the Intercreditor Agreement is in effect, any requirement to deliver possession of any Revolving Priority Collateral to the Collateral Agent or to give the Collateral Agent "control" over any Revolving Priority Collateral (to the extent only one Person can

hold "control" under applicable law) shall be deemed to be satisfied if the ABL Agent shall have such possession or control and has agreed in the Intercreditor Agreement to also hold such possession or control as agent or bailee for the benefit of the Collateral Agent.

32. Permitted Additional Pari Passu Obligations. On or after the Issue Date, the Issuer may from time to time designate Permitted Additional Pari Passu Obligations of any Grantor permitted to be incurred under the Indenture and each document governing Permitted Additional Pari Passu Obligations then in effect and to be secured by a Lien on the Collateral permitted by the Indenture and each document governing Permitted Additional Pari Passu Obligations then in effect as additional Secured Obligations hereunder by delivering to the Collateral Agent, the Trustee and each Permitted Additional Pari Passu Agent (a) a certificate signed by the chief financial officer of the Issuer (i) identifying the obligations so designated and the aggregate principal amount or face amount thereof, stating that such obligations are designated as "Permitted Additional Pari Passu Obligations" for purposes hereof, (ii) representing that such designation complies with the terms of the Indenture and each then existent document governing Permitted Additional Pari Passu Obligations, (iii) specifying the name and address of the Permitted Additional Pari Passu Agent for such obligations (if other than the Trustee) and (iv) stating that the Grantors have complied with their obligations hereunder; (b) except in the case of Additional Notes, a fully executed Permitted Additional Pari Passu Joinder Agreement (substantially in the form attached as Exhibit E hereto); and (c) an Officer's Certificate to the effect that the designation of such obligations as "Permitted Additional Pari Passu Obligations" does not violate the terms of the Indenture or any then existent document governing Permitted Additional Pari Passu Obligations (upon which the Collateral Agent may conclusively and exclusively rely). Each Permitted Additional Pari Passu Agent agrees that upon the satisfaction of all conditions set forth in the preceding sentence, the Collateral Agent shall act as agent under and subject to the terms of this Agreement for the benefit of all Secured Parties, including, without limitation, any Secured Parties that hold any such Permitted Additional Pari Passu Obligations, and each Permitted Additional Pari Passu Agent agrees to the appointment, and acceptance of the appointment, of the Collateral Agent as agent for the holders of such Permitted Additional Pari Passu Obligations as set forth in each Permitted Additional Pari Passu Joinder Agreement and agrees, on behalf of itself and each Secured Party it represents, to be bound by this Agreement.

33. Miscellaneous.

(a) This Agreement is a Notes Document. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also may deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

(c) Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

---

(d) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against any Secured Party, or any Grantor, whether under any rule of construction or otherwise. This Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

34. Concerning the Collateral Agent.

U.S. Bank National Association is entering into this Agreement solely in its capacity as Collateral Agent under the Indenture. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities set forth in the Indenture as if such rights, privileges and immunities were set forth herein.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**SALEM MEDIA GROUP, INC.**

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

**AIR HOT, INC.**  
**BISON MEDIA, INC.**  
**CARON BROADCASTING, INC.**  
**COMMON GROUND BROADCASTING, INC.**  
**INSPIRATION MEDIA, INC.**  
**NEW INSPIRATION BROADCASTING COMPANY, INC.**  
**NI ACQUISITION CORP.**  
**PENNSYLVANIA MEDIA ASSOCIATES, INC.**  
**REACH SATELLITE NETWORK, INC.**  
**SALEM CONSUMER PRODUCTS, INC.**  
**SALEM COMMUNICATIONS HOLDING CORPORATION**  
**SALEM MEDIA OF COLORADO, INC.**  
**SALEM MEDIA OF HAWAII, INC.**  
**SALEM MEDIA OF KENTUCKY, INC.**  
**SALEM MEDIA OF OHIO, INC.**  
**SALEM MEDIA OF OREGON, INC.**  
**SALEM MEDIA OF TEXAS, INC.**  
**SALEM MEDIA OF VIRGINIA, INC.**  
**SALEM MEDIA REPRESENTATIVES, INC.**  
**SALEM PUBLISHING, INC.**  
**SALEM RADIO NETWORK INCORPORATED**  
**SALEM RADIO PROPERTIES, INC.**  
**SCA LICENSE CORPORATION**  
**SOUTH TEXAS BROADCASTING, INC.**  
**SRN NEWS NETWORK, INC.**  
**SRN STORE, INC.**

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

[SIGNATURE PAGE TO SECURITY AGREEMENT]

---

**INSPIRATION MEDIA OF TEXAS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF ILLINOIS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF MASSACHUSETTS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF NEW YORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM RADIO OPERATIONS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM SATELLITE MEDIA, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM WEB NETWORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SCA-PALO ALTO, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

**EAGLE PRODUCTS, LLC**  
**BY: CARON BROADCASTING, INC.,**  
**its Managing Member**

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

[SIGNATURE PAGE TO SECURITY AGREEMENT]

---

“Collateral Agent”

**U.S. BANK NATIONAL ASSOCIATION**

By: /s/ Paula Oswald

Name: Paula Oswald  
Its Authorized Signatory

[SIGNATURE PAGE TO SECURITY AGREEMENT]

---

**SCHEDULE 1**

COMMERCIAL TORT CLAIMS

None.



**SCHEDULE 2**

**COPYRIGHTS**

**UNITED STATES COPYRIGHTS**

Registrations:

<u>OWNER</u>	<u>TITLE</u>	<u>REGISTRATION NUMBER</u>
Salem Communications Holding Corporation	The Bill Bennett Show, Episodes 1-29, 31, 32, 39-42; 2/1/07 - 3/30/07	SRu000879938
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 108-172, 7/1/07 - 9/30/07	SRu000876228
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 173-238, 10/1/07 - 12/31/07	SRu000876231
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 239-303, 1/1/08 - 3/31/08	SRu000876229
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 304-368, 4/1/08 - 6/30/08	SRu000876232
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 087-152, 6/1/07 - 8/31/07	SRu000876226
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 153-217, 9/1/07 - 11/30/07	SRu000876225
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 218-282, 12/1/07 - 2/29/08	SRu000876223
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 283-347, 3/1/08 - 5/31/08	SRu000876214
Salem Communications Holding Corporation	The Dennis Prager Show : no. 1-20	SRu000664152
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 173-238, 10/1/07 - 12/31/07	SRu000876202
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 108-172, 7/1/07 - 9/30/07	SRu000876227
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 239-303, 1/1/08 - 3/31/08	SRu000876203
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 304-368, 4/1/08 - 6/30/08	SRu000876233
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 043-107, 4/2/07 - 6/29/07	SRu000889343
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 1-33, 38-42, 2/1/07 - 3/30/07	SRu000882947
Salem Communications Holding Corporation	Janet Parshall's America : 130-195	SRu000876205
Salem Communications Holding Corporation	Janet Parshall's America : 196-261	SRu000876206
Salem Communications Holding Corporation	Janet Parshall's America : 262-325	SRu000876207

Salem Communications Holding Corporation	Janet Parshall's America, Episodes 1-27, 31-63; 2/1/07 - 4/30/07	SRu000879936
Salem Communications Holding Corporation	The Michael Medved Show : 021-086	SRu001037379
Salem Communications Holding Corporation	The Michael Medved Show : 087-152	SRu000876235
Salem Communications Holding Corporation	The Michael Medved Show : 153-217	SRu000876238
Salem Communications Holding Corporation	The Michael Medved Show : 218-282	SRu000876234
Salem Communications Holding Corporation	The Michael Medved Show : 283-347	SRu000876237
Salem Communications Holding Corporation	The Michael Medved Show : no. 1-20	SRu000664151
Salem Communications Holding Corporation	The Mike Gallagher Show : 130-195	SRu000876215
Salem Communications Holding Corporation	The Mike Gallagher Show : 196-261	SRu000876218
Salem Communications Holding Corporation	The Mike Gallagher Show : 262-325	SRu000876221
Salem Communications Holding Corporation	The Mike Gallagher Show, Episodes 1-63, 2/1/07 - 4/30/07	SRu000882952
Salem Radio Network, Inc.	The Dennis Prager show : 9/19/2005 through 9/23/2005 episodes / Dennis Prager	SR0000378812
Salem Publishing, Inc.	Audio Adrenaline : the unbiased, unabridged & unbelievable story of Audio Adrenaline / by Shari MacDonald.	TX0005296474
	Avalon / by Merrill Farnsworth.	TX0005133008
Salem Publishing, Inc.	CCM lifelines : newsboys / by Lucas W. Hendrickson.	TX0005249670
Salem Publishing, Inc.	CCM lifelines : the 100 greatest albums in Christian music / Thom Granger, editor.	TX0005292804
Salem Publishing, Inc.	Jaci Velasquez / by Linda Warren.	TX0005296475
Salem Publishing, Inc.	Steven Curtis Chapman / By Melissa Riddle.	TX0005136607

Applications: None.

**OTHER COPYRIGHTS**

Registrations: None.

Applications: None.

---

**SCHEDULE 3**

INTELLECTUAL PROPERTY LICENSES

None.

---

**SCHEDULE 4**

PATENTS

**UNITED STATES PATENTS:**

Registrations: None.

Applications: None.

**OTHER PATENTS:**

Registrations: None.

Applications: None.

**SCHEDULE 5**

## PLEGDED COMPANIES

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
Salem Media Group, Inc.	Air Hot, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Bison Media, Inc.	1,000	common	100%	100%	3
Salem Communications Holding Corporation	Caron Broadcasting, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Common Ground Broadcasting, Inc.	1,000	common	100%	100%	003
Salem Communications Holding Corporation	Inspiration Media, Inc.	100	common	100%	100%	2
Salem Radio Operations, LLC and SCA License Corporation	Inspiration Media of Texas, LLC	—	—	100%	100%	N/A
Caron Broadcasting, Inc.	Eagle Products, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	New Inspiration Broadcasting Company, Inc.	30,600	common	100%	100%	4
Salem Communications Holding Corporation	NI Acquisition Corp.	1,000	common	100%	100%	3

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
Salem Communications Holding Corporation	Pennsylvania Media Associates, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Reach Satellite Network, Inc.	100	common	100%	100%	22
Salem Communications Corporation	Salem Communications Holding Corporation	1,000	common	100%	100%	1
Salem Communications Holding Corporation	Salem Consumer Products, Inc.	1,000	common	100%	100%	2
SCA License Corporation	Salem Media of Massachusetts, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	Salem Media of Colorado, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Salem Media of Hawaii, Inc.	1,000	common	100%	100%	2
Salem Radio Operations, LLC and SCA License Corporation	Salem Media of Illinois, LLC	Membership Interests	common	100%	100%	N/A
Salem Communications Holding Corporation	Salem Media of Kentucky, Inc.	1,000	common	100%	100%	2
Salem Radio Operations, LLC and SCA License Corporation	Salem Media of New York, LLC	—	—	100%	100%	N/A

<u>Name of Grantor</u>	<u>Name of Pledged Company</u>	<u>Number of Shares/Units</u>	<u>Class of Interests</u>	<u>Percentage of Class Owned</u>	<u>Percentage of Class Pledged</u>	<u>Certificate Nos.</u>
Salem Communications Holding Corporation	Salem Media of Ohio, Inc.	100	common	100%	100%	7
Salem Communications Holding Corporation	Salem Media of Oregon, Inc.	100	common	100%	100%	4
Salem Communications Holding Corporation	Salem Media of Texas, Inc.	1,000	common	100%	100%	2
New Inspiration Broadcasting Company, Inc.		850				6
Salem Communications Holding Corporation	Salem Media of Virginia, Inc.	150	common	100%	100%	4
Salem Communications Holding Corporation	Salem Media Representatives, Inc.	1,000	common	100%	100%	2
Salem Communications Corporation	Salem Publishing, Inc.	1,000	common	100%	100%	8
Salem Communications Holding Corporation	Salem Radio Network Incorporated	200	common	100%	100%	6
SCA License Corporation	Salem Radio Operations, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	Salem Radio Properties, Inc.	1,000	common	100%	100%	2

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
SCA License Corporation	Salem Satellite Media, LLC	—	—	100%	100%	N/A
SCA License Corporation	Salem Web Network, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	SCA License Corporation	1,000	common	100%	100%	3
SCA License Corporation	SCA-Palo Alto, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	South Texas Broadcasting, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	SRN News Network, Inc.	1,000	common	100%	100%	2
Salem Radio Network Incorporated	SRN Store, Inc.	1,000	common	100%	100%	2



---

**SCHEDULE 6**

**TRADEMARKS**

**UNITED STATES TRADEMARKS:**

Registrations:

<u>OWNER</u>	<u>REGISTRATION NUMBER</u>	<u>TRADEMARK</u>
Air Hot, Inc.	3205952	HOT AIR
Caron Broadcasting, Inc.	2736979	CROSSWALK.COM
Caron Broadcasting, Inc.	2805120	CROSSWALK
New Inspiration Broadcasting Company, Inc.	2569476	THE FISH
New Inspiration Broadcasting Company, Inc.	2616697	THE FISH 95.9 FM (Design)
Salem Communications Holding Corporation	4793162	REGNERY
Salem Communications Holding Corporation	4793163	LITTLE PATRIOT PRESS
Salem Communications Holding Corporation	4675160	RADIO LUZ
Salem Communications Holding Corporation	4667592	THE ANSWER
Salem Communications Holding Corporation	4599766	TODAY'S CHRISTIAN MUSIC
Salem Communications Holding Corporation	4477818	SOLID GOSPEL
Salem Communications Holding Corporation	4470854	THE WORD IN PRAISE
Salem Communications Holding Corporation	4192191	BULL MARKET ALERT
Salem Communications Holding Corporation	4252619	THE ALPHA INVESTOR LETTER
Salem Communications Holding Corporation	4121884	TEACON
Salem Communications Holding Corporation	4643211	FAMILY TALK
Salem Communications Holding Corporation	4188879	REDSTATE
Salem Communications Holding Corporation	4017393	FAMILY EVENTS
Salem Communications Holding Corporation	4011756	THE GLOBAL GURU
Salem Communications Holding Corporation	4095506	ETF TRADER

---

Salem Communications Holding Corporation	4098079	MAKING MONEY ALERT
Salem Communications Holding Corporation	4098082	HIGH MONTHLY INCOME
Salem Communications Holding Corporation	4098083	HEDGE FUND TRADER
Salem Communications Holding Corporation	4098084	HIGH-INCOME ALERT
Salem Communications Holding Corporation	4104215	TURNAROUND TRADER
Salem Communications Holding Corporation	3933015	DAILY EVENTS
Salem Communications Holding Corporation	3316971	WNTP
Salem Communications Holding Corporation	3316951	KLFE
Salem Communications Holding Corporation	3316950	KCRO
Salem Communications Holding Corporation	3316953	WORL
Salem Communications Holding Corporation	3316913	KLUP
Salem Communications Holding Corporation	3316905	WYLL
Salem Communications Holding Corporation	3316906	KSLR
Salem Communications Holding Corporation	3316882	WFHM
Salem Communications Holding Corporation	3316869	KKNT
Salem Communications Holding Corporation	3316870	KYCR
Salem Communications Holding Corporation	3316862	WWTC
Salem Communications Holding Corporation	3316389	KBIQ
Salem Communications Holding Corporation	3293430	KGFT
Salem Communications Holding Corporation	3293372	WGKA
Salem Communications Holding Corporation	3293352	KSKY
Salem Communications Holding Corporation	3293330	WEZE
Salem Communications Holding Corporation	3292877	WAVA
Salem Communications Holding Corporation	3292876	WFIL
Salem Communications Holding Corporation	3292824	KPRZ
Salem Communications Holding Corporation	3397026	KRLA

Salem Communications Holding Corporation	3397015	KCBQ
Salem Communications Holding Corporation	3397001	KKLA
Salem Communications Holding Corporation	3396999	KGU
Salem Communications Holding Corporation	3396987	KKFS
Salem Communications Holding Corporation	3396982	KFAX
Salem Communications Holding Corporation	3396984	KFIS
Salem Communications Holding Corporation	3396955	KFSH
Salem Communications Holding Corporation	3291058	STARFISH
Salem Communications Holding Corporation	3188777	SERMONSEARCH
Salem Communications Holding Corporation	3164206	POLITICALLY INCORRECT GUIDE
Salem Communications Holding Corporation	2856493	DOUG FABIAN'S SUCCESSFUL INVESTING
Salem Communications Holding Corporation	3382286	CELEBRATE FREEDOM
Salem Communications Holding Corporation	2583356	S
Salem Communications Holding Corporation	2726199	FORECASTS & STRATEGIES
Salem Communications Holding Corporation	2351187	CONSERVATIVE LEADERSHIP SERIES
Salem Communications Holding Corporation	2527818	LIFELINE PRESS
Salem Communications Holding Corporation	2252408	CONSERVATIVE BOOK CLUB
Salem Communications Holding Corporation	1956285	AND RIGHTLY SO
Salem Communications Holding Corporation	1908426	THE NATIONAL CONSERVATIVE WEEKLY
Salem Communications Holding Corporation	1902669	HUMAN EVENTS
Salem Communications Holding Corporation	1996372	SALEM COMMUNICATIONS CORPORATION
Salem Communications Holding Corporation	1198671	FORECASTS & STRATEGIES
Salem Web Network, LLC	4022953	GOD TUBE
Salem Publishing, Inc.	1604548	THE SINGING NEWS MAGAZINE THE PRINTED VOICE OF GOSPEL MUSIC
Salem Radio Network Incorporated	1968784	SALEM RADIO NETWORK
Salem Radio Network Incorporated	1935920	SRN

---

Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC

4604746  
4706370  
4356547  
4762271  
4022953  
3134729

REPRAY  
TWITCHY  
GODTUBE  
TOWNHALL.COM  
GODTUBE (Design)  
TOWNHALL.COM (Design)

Applications: None.

**OTHER TRADEMARKS:**

Registrations: None.

Applications: None.

SCHEDULE 7

NAME; CHIEF EXECUTIVE OFFICE; TAX IDENTIFICATION NUMBERS AND ORGANIZATIONAL NUMBERS

<u>Legal Name</u>	<u>Address of Chief Executive Office</u>	<u>Organizational Number</u>	<u>Federal Taxpayer</u>	<u>Address of Chief Executive Office</u>
Salem Media Group, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	2351582	77-0121400	DE
Air Hot, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	4632228	80-0316086	DE
Bison Media, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	19961049899	77-0434654	CO
Caron Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	968648	77-0439370	OH
COMMON GROUND BROADCASTING, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	209090-81	93-1079989	OR
Eagle Products, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	5456971	32-0427053	DE
Inspiration Media, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	2-378992-8	77-0132974	WA
Inspiration Media of Texas, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	07085781-22	75-2615876	TX
New Inspiration Broadcasting Company, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	C0854634	95-3356921	CA
NI Acquisition Corp.	4880 Santa Rosa Road, Camarillo, CA 93012	C2032267	77-0472233	CA
Pennsylvania Media Associates, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	1546025	94-3134636	PA

---

Reach Satellite Network, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0248743	62-1499223	TN
Salem Consumer Products, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	4384090	26-0592055	DE
Salem Communications Holding Corporation	4880 Santa Rosa Road, Camarillo, CA 93012	3231850	52-2253737	DE
Salem Media of Massachusetts, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	4468736	26-1524392	DE
Salem Media of Colorado, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	19931082450	84-1239646	CO
SALEM MEDIA OF HAWAII, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	3039118	91-1973005	DE
Salem Media of Illinois, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3333936	52-2295222	DE
SALEM MEDIA OF KENTUCKY, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	0473858	61-1346985	KY
Salem Media of New York, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3333898	52-2293254	DE
Salem Media of Ohio, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	579033	95-3690954	OH
Salem Media of Oregon, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	033167-83	77-0114986	OR
Salem Media of Texas, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	01319897-00	77-0379125	TX

---

Salem Media of Virginia, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0488450-8	54-1927897	VA
Salem Media Representatives, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	01195013-00	77-0281576	TX
Salem Publishing, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0222737	95-3394730	TN
Salem Radio Network Incorporated	4880 Santa Rosa Road, Camarillo, CA 93012	2290095	77-0305542	DE
Salem Radio Operations, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3356549	77-0581097	DE
SALEM RADIO PROPERTIES, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	3058511	52-2194731	DE
SALEM SATELLITE MEDIA, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3399935	52-2324849	DE
Salem Web Network, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	2988989	52-2141739	DE
SCA License Corporation	4880 Santa Rosa Road, Camarillo, CA 93012	3258707	52-2255733	DE
SCA-Palo Alto, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3543669	36-4502016	DE
South Texas Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0132756600	77-0388924	TX
SRN News Network, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0139401300	77-0426090	TX
SRN Store, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	801830764	46-3434092	TX

**SCHEDULE 8**

OWNED REAL PROPERTY

<u>Entity of Record</u>	<u>Common Name and Address</u>
Salem Radio Properties, Inc.	4880 Santa Rosa Road, Camarillo, CA Ventura County, CA
Salem Radio Properties, Inc.	70 Salem Turnpike, Saugus, MA Essex County, MA
Salem Radio Properties, Inc.	3700 Hazel Ave. (aka 3700 Dix), Lincoln Park, MI Wayne County, MI
Salem Radio Properties, Inc.	3201 Mt Troy Rd/Lot & Block 117-P-30, Reserve Township, Pittsburgh, PA Allegheny County, PA
Salem Radio Properties, Inc.	3366 Pleasant Valley Road, Seven Hills, OH Cuyahoga County, OH
Salem Radio Properties, Inc.	9446 Broadview Road, Broadview Heights (Cleveland), OH Cuyahoga County, OH
Salem Radio Properties, Inc.	1377 Salt Springs Road, Warren, OH Trumbull County, OH
Salem Radio Properties, Inc.	4623 Corydon Pike, New Albany, IN Floyd County, IN
Salem Radio Properties, Inc.	3505 & 3509 Hamburg Pike, Jeffersonville, IN Clark County, IN
Salem Radio Properties, Inc.	3000 Colfax Rd (aka 6500 29 <sup>th</sup> Griffith, & 6600 W 29 <sup>th</sup> ) Griffith & Gary, IN Lake County, IN
Salem Radio Properties, Inc.	2355 Ballard Road (aka 711 Forest Edge Lane) Des Plaines, IN Cook County, IL
Salem Radio Properties, Inc.	South of 167 <sup>th</sup> Street, Lockport, IL Will County, IL
Salem Radio Properties, Inc.	8214 Old Pond Creek Road, Pegram, TN Davidson County, TN
Salem Radio Properties, Inc.	322 Radio Tower Ln (aka Porterfield Rd), Readyville, TN Cannon County, TN



<u>Entity of Record</u>	<u>Common Name and Address</u>
Salem Radio Properties, Inc.	14775 Downing Street, Dover, FL Hillsborough County, FL
Salem Radio Properties, Inc.	5211 W. Laurel Street, Tampa, FL Hillsborough County, FL
Salem Radio Properties, Inc.	.9 miles N of Fre 54 and Meadow Brook Dr., Odessa, FL Pasco County, FL
Salem Radio Properties, Inc.	1000 Harbor Lake Dr., Industrial Park, Safety Harbor, FL Pinellas Park, FL
Salem Radio Properties, Inc.	1000 Harbor Lake Dr., Industrial Park, Safety Harbor, FL Pinellas Park, FL
Salem Radio Properties, Inc.	9549 Fruitville Rd. (aka 2200 Dog Kennel Rd), Sarasota, FL Sarasota County, FL
Salem Radio Properties, Inc.	2000 Cheshire Bridge Road, Atlanta, Edgewood, GA Fulton County, GA
Salem Radio Properties, Inc.	1188 Lake View, Altamonte Springs, FL Seminole County, FL
Salem Radio Properties, Inc.	1770 Sheeler Ave., Apopka, FL Orange County, FL
Salem Radio Properties, Inc.	1550 E. 58 <sup>th</sup> Avenue (at N. Franklin Street), Commerce City, CO Adams County, CO
Salem Radio Properties, Inc.	4580 Airport Road, Colorado Springs, CO El Paso County, CO
Salem Radio Properties, Inc.	1600 Longstreet Drive, Riverview Industrial Park (Lot 8,9,10), Lewisville, TX Denton County, TX
Salem Radio Properties, Inc.	Industrial Center Road near 111410 and Perrin-Beitel Road, San Antonio, TX Bexar County, TX
Salem Radio Properties, Inc.	755 Show Case (aka S. Orange Show Rd), San Bernardino, CA San Bernardino County, CA

<u>Entity of Record</u>	<u>Common Name and Address</u>
Salem Radio Properties, Inc.	1154-1160 N. King Street, Honolulu (Oahu) HI Honolulu County, HI
Salem Radio Properties, Inc.	5700 South 36 <sup>th</sup> St. (W of Gifford Rd, S of Rt 92/275), Council Bluffs, IA Pottawattamie County, IA
Salem Radio Properties, Inc.	4650 El Reposo Dr. (aka 4970 Wawona St) Los Angeles, CA Los Angeles County, CA
Salem Radio Properties, Inc.	642 Parrish Lane, McEwen, TN Humphreys County, TN
Salem Radio Properties, Inc.	3116 St. Augustine Road, Dallas, TX Dallas County, TX
Salem Radio Properties, Inc.	1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA Walton County, GA
Salem Radio Properties, Inc.	Piney Grove Rd & Bullock Trail, Loganville, GA Walton County, GA
Salem Radio Properties, Inc.	Minnis Rd & Farm to Market 902, Collinsville, TX Grayson County, TX
Salem Radio Properties, Inc.	5701 Bruton Road, Dallas, TX Dallas County, TX
Salem Radio Properties, Inc.	10426 Cemetery Road (aka 10426 196 <sup>th</sup> Street SW), Vashon Island, WA King County, WA
Salem Radio Properties, Inc.	Muth Valley Rd, Lakeside, CA San Diego County, CA
Salem Radio Properties, Inc.	Buffalo Lane & County Rd #58 (18200 S 180 <sup>th</sup> Springfield), Springfield, NE Sarpy County, NE
Salem Radio Properties, Inc.	6424 Hartman Ave. @ 64 <sup>th</sup> St. , Omaha, NE Douglas County, NE
Salem Radio Properties, Inc.	6611 Country Road, McKinney, TX Collin County, TX
Salem Radio Properties, Inc.	Vacant Land (Longden Ave East of Myrtle Ave), Covina, CA Los Angeles County, CA

---

<u>Entity of Record</u>	<u>Common Name and Address</u>
Salem Radio Properties, Inc.	9490 Braun Road, San Antonio, TX Bexar County, TX
Salem Radio Properties, Inc.	6400 N. Beltline Road, Irving, TX Dallas County, TX
Salem Radio Properties, Inc.	6839 W. Farmer Road, Phoenix, AZ Maricopa County, AZ
Salem Radio Properties, Inc.	11430 Gandy Blvd., St. Petersburg, FL Pinellas County, FL
Salem Radio Properties, Inc.	350 NE 71st Street, Miami, FL Miami-Dade, FL
Salem Radio Properties, Inc.	4297 Sanders Road, Powder Springs, GA Cobb County, GA
Salem Radio Properties, Inc.	546 Schlueter Germaine Road, Belleville, IL St. Clair County, IL
Salem Radio Properties, Inc.	917 Lilac Drive, North, Golden Valley, MN Hennepion, MN
Salem Radio Properties, Inc.	889 Agnew Road, Baldwin, PA Allegheny County, PA

**SCHEDULE 9**

DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

<b>Owner</b>	<b>Type of Account</b>	<b>Bank</b>	<b>Account Numbers</b>
Salem Media Group Inc.	Concentration Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Depository	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Payroll Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Payroll Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Depository	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Bank Account	Wells Fargo Bank	[ ]
Salem Communications Holding Corp	AP Account	Wells Fargo Bank	[ ]
Salem Consumer Products	Depository	Wells Fargo Bank	[ ]
South Texas Broadcasting Inc. dba Xulon Press	Depository	Bank of America	[ ]
Salem Media of Oregon, Inc.	Depository	US Bank	[ ]
Caron Broadcasting Inc.	Depository	Wells Fargo Bank	[ ]
Eagle Products LLC	Depository	Wells Fargo Bank	[ ]
Salem Web Network LLC	Depository	Wells Fargo Bank	[ ]
Salem Publishing, Inc.	Depository	Wells Fargo Bank	[ ]
Salem Web Network LLC	Depository	Wells Fargo Bank	[ ]

---

**SCHEDULE 10**

CONTROLLED ACCOUNT BANKS

Wells Fargo Bank, National Association.

---

**SCHEDULE 11**

## LIST OF UNIFORM COMMERCIAL CODE FILING JURISDICTIONS

<u>Legal Name</u>	<u>Jurisdiction for Filing</u>
Salem Media Group, Inc.	DE
Air Hot, Inc.	DE
Bison Media, Inc.	CO
Caron Broadcasting, Inc.	OH
Common Ground Broadcasting, Inc.	OR
Eagle Products, LLC	DE
Inspiration Media, Inc.	WA
Inspiration Media of Texas, LLC	TX
New Inspiration Broadcasting Company, Inc.	CA
NI Acquisition Corp.	CA
Pennsylvania Media Associates, Inc.	PA
Reach Satellite Network, Inc.	TN
Salem Consumer Products, Inc.	DE
Salem Communications Holding Corporation	DE
Salem Media of Massachusetts, LLC	DE
Salem Media of Colorado, Inc.	CO
Salem Media of Hawaii, Inc.	DE
Salem Media of Illinois, LLC	DE
Salem Media of Kentucky, Inc.	KY
Salem Media of New York, LLC	DE
Salem Media of Ohio, Inc.	OH
Salem Media of Oregon, Inc.	OR
Salem Media of Texas, Inc.	TX

---

Salem Media of Virginia, Inc.	VA
Salem Media Representatives, Inc.	TX
Salem Publishing, Inc.	TN
Salem Radio Network Incorporated	DE
Salem Radio Operations, LLC	DE
Salem Radio Properties, Inc.	DE
Salem Satellite Media, LLC	DE
Salem Web Network, LLC	DE
SCA License Corporation	DE
SCA-Palo Alto, LLC	DE
South Texas Broadcasting, Inc.	TX
SRN News Network, Inc.	TX
SRN Store, Inc.	TX

---

**SCHEDULE 12**

MOTOR VEHICLES

None.



---

**SCHEDULE 13**

## TRANSMITTING UTILITIES

<u>Name of Grantor</u>	<u>Jurisdiction For Filing</u>
Salem Radio Properties, Inc.	CA, CO, FL, GA, HI, IA, IL, IN, MA, MI, NE, OH, PA, TN, TX, WA
Caron Broadcasting, Inc.	CA, FL, OH, OR, TN
Salem Media of Massachusetts, LLC	KY, OH
Salem Media of New York, LLC	NJ
Pennsylvania Media Associates, Inc.	FL, MA, MI, NE, PA
Salem Media of Colorado, Inc.	CO
Salem Media of Kentucky, Inc.	MN
Salem Media of Ohio, Inc.	OH
South Texas Broadcasting, Inc.	AR, GA, TX
Common Ground Broadcasting, Inc.	AZ, IL, MN
Inspiration Media, Inc.	WA
New Inspiration Broadcasting Co.	CA
Salem Media of Texas, Inc.	TX
Inspiration Media of Texas, LLC	TX

---

Salem Media of Virginia, Inc.	MD, VA
Salem Media of Hawaii, Inc.	HI
SCA-Palo Alto, LLC	CA
Salem Radio Network, Inc.	TN
Salem Media of Illinois, LLC	TX
Salem Media of Oregon, Inc.	OR
Bison Media, Inc.	CO, TX

ANNEX 1 TO SECURITY AGREEMENT  
FORM OF JOINDER

Joinder No. (this "Joinder"), dated as of 20 , to the Security Agreement, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Security Agreement"), by and among each of the parties listed on the signature pages thereto and those additional entities that thereafter become parties thereto (collectively, jointly and severally, "Grantors" and each, individually, a "Grantor") and U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

WITNESSETH:

**WHEREAS**, reference is made to that certain Indenture dated as of May 19, 2017 (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Salem Media Group, Inc., as issuer (the "Issuer"), the Grantors party thereto, as grantors (each a "Grantor" and collectively, the "Grantors"), U.S. Bank National Association., as trustee (in such capacity and not in its individual capacity, the "Trustee") and the Collateral Agent;

**WHEREAS**, initially capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement or, if not defined therein, in the Indenture, and this Joinder shall be subject to the rules of construction set forth in Section 1(b) of the Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*;

**WHEREAS**, pursuant to Section 4.18 of the Indenture and Section 29 of the Security Agreement, certain Subsidiaries of the Issuer, must execute and deliver certain Notes Documents, including the Security Agreement, and the joinder to the Security Agreement by the undersigned new Grantor or Grantors (collectively, the "New Grantors") may be accomplished by the execution of this Joinder in favor of the Collateral Agent, for the benefit of the Secured Parties; and

**WHEREAS**, each New Grantor is [an Affiliate] [a Subsidiary] of the Issuer and, as such, by becoming a Grantor will benefit from certain rights granted to the Grantors pursuant to the terms of the Notes Documents.

**NOW, THEREFORE**, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each New Grantor hereby agrees as follows:

1. In accordance with Section 29 of the Security Agreement, each New Grantor, by its signature below, becomes a "Grantor" under the Security Agreement with the same force and effect as if originally named therein as a "Grantor" and each New Grantor hereby (a) agrees to all of the terms and provisions of the Security Agreement applicable to it as a "Grantor" thereunder, and (b) represents and warrants that the representations and warranties made by it as a "Grantor" thereunder are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality in the text thereof) on and as of the date hereof. In furtherance of the foregoing, each New Grantor hereby unconditionally grants, assigns, and pledges to the Collateral Agent, for the benefit of the Secured Parties, to secure the Secured Obligations, a continuing security interest in and to all of such New Grantor's right, title and interest in and to the Collateral (as defined in Section 2 of the Security Agreement). Each reference to a "Grantor" in the Security Agreement shall be deemed to include each New Grantor. The Security Agreement is incorporated herein by reference.

2. Schedule 1, "Commercial Tort Claims", Schedule 2, "Copyrights", Schedule 3, "Intellectual Property Licenses", Schedule 4, "Patents", Schedule 5, "Pledged Companies", Schedule 6,

“Trademarks”, Schedule 7, Name; Chief Executive Office; Tax Identification Numbers and Organizational Numbers, Schedule 8, “Owned Real Property”, Schedule 9, “Deposit Accounts and Securities Accounts”, Schedule 10, “Controlled Account Banks”, Schedule 11, “List of Uniform Commercial Code Filing Jurisdictions”, Schedule 12, “Motor Vehicles” and Schedule 13, “Transmitting Utilities” attached hereto supplement Schedule 1, Schedule 2, Schedule 3, Schedule 4, Schedule 5, Schedule 6, Schedule 7, Schedule 8, Schedule 9, Schedule 10, Schedule 11, Schedule 12 and Schedule 13 respectively, to the Security Agreement and shall be deemed a part thereof for all purposes of the Security Agreement.

3. Each New Grantor authorizes the Collateral Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments thereto (a) describing the Collateral as “all personal property of debtor” or “all assets of debtor” or words of similar effect, (b) describing the Collateral as being of equal or lesser scope or with greater detail, or (c) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each New Grantor also hereby ratifies any and all financing statements or amendments previously filed by the Collateral Agent in any jurisdiction in connection with the Notes Documents.

4. Each New Grantor represents and warrants to the Collateral Agent and the Secured Parties that this Joinder has been duly executed and delivered by such New Grantor and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium, or other similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

5. This Joinder is a Notes Document. This Joinder may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Joinder. Delivery of an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Joinder. Any party delivering an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission also may deliver an original executed counterpart of this Joinder but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Joinder.

6. The Security Agreement, as supplemented hereby, shall remain in full force and effect.

7. THIS JOINDER SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 28 OF THE SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

8. U.S. Bank National Association is entering into this Joinder solely in its capacity as Collateral Agent under the Indenture. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities set forth in the Indenture as if such rights, privileges and immunities were set forth herein.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the parties hereto have caused this Joinder to the Security Agreement to be executed and delivered as of the day and year first above written.

**NEW GRANTORS:**

**[NAME OF NEW GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF NEW GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COLLATERAL AGENT:**

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO JOINDER NO. TO SECURITY AGREEMENT]

**EXHIBIT A**

**COPYRIGHT SECURITY AGREEMENT**

This COPYRIGHT SECURITY AGREEMENT (this "Copyright Security Agreement") is made this     day of     , 20     , by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

**WITNESSETH:**

**WHEREAS**, reference is made to that certain Indenture dated as of May 19, 2017 (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Salem Media Group, Inc., as issuer (the "Issuer"), the Grantors party thereto, as grantors (each a "Grantor" and collectively, the "Grantors"), U.S. Bank National Association, as trustee (in such capacity and not in its individual capacity, the "Trustee") and the Collateral Agent;

**WHEREAS**, the Grantors shall have executed and delivered to the Collateral Agent, for the benefit of Security Agreement that certain Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

**WHEREAS**, pursuant to the Security Agreement, the Grantors are required to execute and deliver to the Collateral Agent, for the benefit of the Secured Parties, this Copyright Security Agreement.

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

1. **DEFINED TERMS.** All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Indenture, and this Copyright Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. **GRANT OF SECURITY INTEREST IN COPYRIGHT COLLATERAL.** Each Grantor hereby unconditionally grants, assigns, and pledges to the Collateral Agent, for the benefit of the Secured Parties, to secure the Secured Obligations, a continuing security interest (referred to in this Copyright Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Copyright Collateral"):

(a) all of such Grantor's Copyrights and Copyright Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

(b) all renewals or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement of any Copyright or any Copyright exclusively licensed under any Intellectual Property License, including the right to receive damages, or the right to receive license fees, royalties, and other compensation under any Copyright Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS This Copyright Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Copyright Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to the Collateral Agent, the Secured Parties or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency or Liquidation Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interests granted to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the Security Interest in the Copyright Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Copyright Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Grantors shall give the Collateral Agent prior written notice of no less than five Business Days before filing any additional application for registration of any copyright and prompt notice in writing of any additional copyright registrations granted therefor after the date hereof. Without limiting Grantors' obligations under this Section, Grantors hereby authorize the Collateral Agent unilaterally to modify this Copyright Security Agreement by amending Schedule I to include any future United States registered copyrights or applications therefor of each Grantor. Notwithstanding the foregoing, no failure to so modify this Copyright Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from the Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Copyright Security Agreement is a Notes Document. This Copyright Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Copyright Security Agreement. Delivery of an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Copyright Security Agreement. Any party delivering an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission also may deliver an original executed counterpart of this Copyright Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Copyright Security Agreement.

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION THIS COPYRIGHT SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 28 OF THE SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

8. U.S. Bank National Association is entering into this Copyright Security Agreement solely in its capacity as Collateral Agent under the Indenture. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities set forth in the Indenture as if such rights, privileges and immunities were set forth herein.

---

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Copyright Security Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COLLATERAL AGENT:**

**ACCEPTED AND ACKNOWLEDGED BY:**

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO COPYRIGHT SECURITY AGREEMENT]

---

SCHEDULE I  
TO  
COPYRIGHT SECURITY AGREEMENT

COPYRIGHT REGISTRATIONS

Grantor

Country

Copyright

Registration No.

Copyright Licenses

**EXHIBIT B**

**PATENT SECURITY AGREEMENT**

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this     day of     , 2017, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Indenture dated as of May 19, 2017 (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Salem Media Group, Inc., as issuer (the "Issuer"), the Grantors party thereto, as grantors (each a "Grantor" and collectively, the "Grantors"), U.S. Bank National Association, as trustee (in such capacity and not in its individual capacity, the "Trustee") and the Collateral Agent;

**WHEREAS**, the Grantors shall have executed and delivered to the Collateral Agent, for the benefit of Security Agreement that certain Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

**WHEREAS**, pursuant to the Security Agreement, the Grantors are required to execute and deliver to the Collateral Agent, for the benefit of the Secured Parties, this Patent Security Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Indenture, and this Patent Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. **GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.** Each Grantor hereby unconditionally grants, assigns, and pledges to the Collateral Agent, for the benefit of the Secured Parties, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Patent Collateral"):

(a) all of its Patents and Patent Intellectual Property Licenses to which it is a party including those referred to or Schedule I;

(b) all divisionals, continuations, continuations-in-part, reissues, reexaminations, or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement of any Patent or any Patent exclusively licensed under any Intellectual Property License, including the right to receive damages, or right to receive license fees, royalties, and other compensation under any Patent Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to the Collateral Agent, the Secured Parties or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency or Liquidation Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the Security Interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Patent Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patent application or issued patent or become entitled to the benefit of any patent application or patent for any divisional, continuation, continuation-in-part, reissue, or reexamination of any existing patent or patent application, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to the Collateral Agent with respect to any such new patent rights. Without limiting Grantors' obligations under this Section, Grantors hereby authorize the Collateral Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such new patent rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from the Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement is a Notes Document. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Security Agreement.

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION THIS PATENT SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 28 OF THE SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

8. U.S. Bank National Association is entering into this Patent Security Agreement solely in its capacity as Collateral Agent under the Indenture. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities set forth in the Indenture as if such rights, privileges and immunities were set forth herein

---

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COLLATERAL AGENT:**

**ACCEPTED AND ACKNOWLEDGED BY:**

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

---

**SCHEDULE I**  
**to**  
**PATENT SECURITY AGREEMENT**

**Patents**

**Grantor**

**Country**

**Patent**

**Application/  
Patent No.**

**Patent Licenses**

**EXHIBIT C**

**PLEGDED INTERESTS ADDENDUM**

This Pledged Interests Addendum, dated as of \_\_\_\_\_, 20\_\_\_\_ (this "Pledged Interests Addendum"), is delivered pursuant to Section 6 of the Security Agreement referred to below. The undersigned hereby agrees that this Pledged Interests Addendum may be attached to that certain Security Agreement, dated as of May 19, 2017, (as amended, restated, supplemented, or otherwise modified from time to time, the "Security Agreement"), made by the undersigned, together with the other Grantors named therein, to **U.S. BANK NATIONAL ASSOCIATION**, as Collateral Agent. Initially capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Security Agreement or, if not defined therein, in the Indenture, and this Pledged Interests Addendum shall be subject to the rules of construction set forth in Section 1(b) of the Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*. The undersigned hereby agrees that the additional interests listed on Schedule I shall be and become part of the Pledged Interests pledged by the undersigned to the Collateral Agent in the Security Agreement and any pledged company set forth on Schedule I shall be and become a "Pledged Company" under the Security Agreement, each with the same force and effect as if originally named therein.

This Pledged Interests Addendum is a Notes Document. Delivery of an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Pledged Interests Addendum. If the undersigned delivers an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission, the undersigned may also deliver an original executed counterpart of this Pledged Interests Addendum but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Pledged Interests Addendum.

The undersigned hereby certifies that the representations and warranties set forth in Section 5 of the Security Agreement of the undersigned are true and correct as to the Pledged Interests listed herein on and as of the date hereof.

THIS PLEDGED INTERESTS ADDENDUM SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 28 OF THE SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[SIGNATURE PAGE FOLLOWS]



---

IN WITNESS WHEREOF, the undersigned has caused this Pledged Interests Addendum to be executed and delivered as of the day and year first above written.

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:

---

**SCHEDULE I**  
**TO**  
**PLEGDED INTERESTS ADDENDUM**

Pledged Interests

<u>Name of Grantor</u>	<u>Name of Pledged Company</u>	<u>Number of Shares/Units</u>	<u>Class of Interests</u>	<u>Percentage of Class Owned</u>	<u>Certificate Nos.</u>
------------------------	------------------------------------	-----------------------------------	-------------------------------	--	-----------------------------

**EXHIBIT D**

**TRADEMARK SECURITY AGREEMENT**

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement") is made this     day of     , 20     , by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

WITNESSETH:

**WHEREAS**, reference is made to that certain Indenture dated as of May 19, 2017 (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Salem Media Group, Inc., as issuer (the "Issuer"), the Grantors party thereto, as grantors (each a "Grantor" and collectively, the "Grantors"), U.S. Bank National Association, as trustee (in such capacity and not in its individual capacity, the "Trustee") and the Collateral Agent;

**WHEREAS**, the Grantors shall have executed and delivered to the Collateral Agent, for the benefit of Security Agreement that certain Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

**WHEREAS**, pursuant to the Security Agreement, the Grantors are required to execute and deliver to Agent, for the benefit of the Secured Parties, this Trademark Security Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Indenture, and this Trademark Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. **GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL.** Each Grantor hereby unconditionally grants, assigns, and pledges to the Collateral Agent, for the benefit of the Secured Parties, to secure the Secured Obligations, a continuing security interest (referred to in this Trademark Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Trademark Collateral");

(a) all of its Trademarks and Trademark Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark Intellectual Property License; and

(c) all products and proceeds (as that term is defined in the Code) of the foregoing, including any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademarks exclusively licensed under any Intellectual Property

License, including right to receive any damages, (ii) injury to the goodwill associated with any Trademark, or (iii) right to receive license fees, royalties, and other compensation under any Trademark Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Trademark Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to the Collateral Agent, the Secured Parties or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency or Liquidation Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interests granted to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the Security Interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Trademark Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new trademarks, the provisions of this Trademark Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to the Collateral Agent with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Grantors' obligations under this Section, Grantors hereby authorize the Collateral Agent unilaterally to modify this Trademark Security Agreement by amending Schedule I to include any such new trademark rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from the Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement is a Notes Document. This Trademark Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Trademark Security Agreement. Delivery of an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Trademark Security Agreement. Any party delivering an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Trademark Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Trademark Security Agreement.

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION THIS TRADEMARK SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 28 OF THE SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

---

8. U.S. Bank National Association is entering into this Trademark Security Agreement solely in its capacity as Collateral Agent under the Indenture. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities set forth in the Indenture as if such rights, privileges and immunities were set forth herein

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COLLATERAL AGENT:**

**ACCEPTED AND ACKNOWLEDGED BY:**

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

---

**SCHEDULE I**  
**to**  
**TRADEMARK SECURITY AGREEMENT**

**Trademark Registrations/Applications**

**Grantor**

**Country**

**Mark**

**Application/  
Registration No.**

**Trade Names**

**Common Law Trademarks**

**Trademarks Not Currently In Use**

**Trademark Licenses**

**EXHIBIT E**

**PERMITTED ADDITIONAL PARI PASSU JOINDER AGREEMENT**

The undersigned is the agent for Persons wishing to become "Secured Parties" (the "New Secured Parties") under the Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement" (terms used without definition herein have the meanings assigned to such terms by the Security Agreement)), by and among Salem Media Group, Inc. (the "Issuer"), the other Grantors party thereto and U.S. Bank National Association, as Collateral Agent (the "Collateral Agent") and the other Security Documents.

In consideration of the foregoing, the undersigned hereby:

- (i) represents that the Permitted Additional Pari Passu Agent has been authorized by the New Secured Parties to become a party to the Security Agreement on behalf of the New Secured Parties under that [DESCRIBE OPERATIVE AGREEMENT] (the "New Secured Obligations") and to act as the Permitted Additional Pari Passu Agent for the New Secured Parties thereunder, and under the Intercreditor Agreement and other Security Documents;
- (ii) acknowledges that the New Secured Parties have received a copy of the Security Agreement, the Intercreditor Agreement and other Security Documents;
- (iii) irrevocably appoints and authorizes the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Security Agreement, the Intercreditor Agreement and the other Security Documents as are delegated to the Collateral Agent by the terms thereof, together with all such powers as are reasonably incidental thereto; and
- (iv) accepts and acknowledges the terms of the Security Agreement, the Intercreditor Agreement and each other Security Document applicable to it and the New Secured Parties and agrees to serve as Permitted Additional Pari Passu Agent for the New Secured Parties with respect to the New Secured Obligations and agrees on its own behalf and on behalf of the New Secured Parties to be bound by the terms of the Security Agreement, the Intercreditor Agreement and the other Security Documents applicable to the Secured Parties (including, without limitation, the pari passu intercreditor provisions contained therein), with all the rights and obligations of a Secured Party thereunder and bound by all the provisions thereof as fully as if it had been a Secured Party on the effective date of the Security Agreement.

The name and address of the representative for purposes of Section 24 of the Security Agreement are as follows:

**[name and address of the Permitted Additional Pari Passu Agent]**

[SIGNATURE PAGES FOLLOW]



IN WITNESS WHEREOF, the undersigned has caused this Permitted Additional Pari Passu Joinder Agreement to be duly executed by its authorized officer as of the date first written above.

[NAME]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

AGREED TO AND ACCEPTED:

The Collateral Agent hereby acknowledges its acceptance of this Permitted Additional Pari Passu Joinder Agreement and agrees to act as Collateral Agent for the New Secured Parties.

**U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO PERMITTED ADDITIONAL PARI PASSU JOINDER AGREEMENT]

## INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT is dated as of May 19, 2017, and entered into by and between WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent and collateral agent under the Revolving Loan Documents (as defined below), including its successors and assigns in such capacity from time to time (the "Revolving Collateral Agent"), and U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as collateral agent under the Existing Indenture and Notes Collateral Documents (each as defined below), including its successors and assigns in such capacity from time to time (the "Notes Collateral Agent").

RECITALS

Salem Media Group, Inc., a Delaware corporation ("Parent"), together with the Subsidiaries of the Parent identified on the signature pages to the Revolving Credit Agreement as borrowers, the "Revolving Borrowers"), the lenders party thereto, the issuing bank and the Revolving Collateral Agent have entered into that certain Credit Agreement dated as of May 19, 2017 providing for a revolving credit facility (the "Existing Revolving Credit Agreement");

Parent, as issuer (the "Issuer"), certain Subsidiaries of Parent from time to time (such Subsidiaries, each a "Notes Guarantor" and collectively, jointly and severally, the "Notes Guarantors"), U.S. BANK NATIONAL ASSOCIATION, as trustee (not in its individual capacity, but solely in such trustee capacity (the "Trustee"), and the Notes Collateral Agent have entered into that certain Indenture dated as of May 19, 2017 (the "Existing Indenture") pursuant to which Issuer's 6.75% senior secured notes due 2024 (the "Existing Notes") were issued;

Pursuant to that certain Guaranty and Security Agreement dated as of May 19, 2017 (the "Revolving Guaranty and Security Agreement"), certain Subsidiaries of Parent from time to time have guaranteed all of the Revolving Obligations (such Subsidiaries, each a "Revolving Guarantor" and collectively, jointly and severally, the "Revolving Guarantors") pursuant to the Revolving Credit Agreement;

The Revolving Obligations (as defined herein) are to be secured (i) on a first priority basis by Liens on the Revolving Priority Collateral and (ii) on a second priority basis by Liens on the Notes Priority Collateral;

The Notes Obligations (as defined herein) are to be secured (i) on a first priority basis by Liens on the Notes Priority Collateral and (ii) on a second priority basis by Liens on the Revolving Priority Collateral;

The Revolving Loan Documents and the Notes Documents provide, among other things, that the parties thereto shall set forth in this Agreement their respective rights and remedies with respect to the Collateral and certain other matters; and

The Revolving Collateral Agent and the Notes Collateral Agent have agreed to the intercreditor and other provisions set forth in this Agreement.

## AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### **SECTION 1. Definitions.**

1.1 UCC Terms. The following terms have the meanings given to them in the UCC and terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC (such meanings to be equally applicable to both the singular and plural forms of the terms defined): “account”, “account debtor”, “cash proceeds”, “chattel paper”, “commercial tort claim”, “commodity account”, “commodity contract”, “document”, “deposit account”, “equipment”, “fixture”, “general intangible”, “goods”, “instruments”, “inventory”, “letter-of-credit right”, “payment intangible”, “proceeds”, “record”, “securities account”, “security entitlements” “security” and “supporting obligation.”

1.2 Defined Terms. As used in the Agreement, the following terms shall have the following meanings:

“Additional Revolving Credit Agreement” means any agreement for the incurrence of additional indebtedness that is permitted to be secured by the Revolving Priority Collateral on a pari passu basis with the Existing Credit Agreement pursuant to the Notes Documents and the Revolving Loan Documents.

“Agreement” means this Intercreditor Agreement.

“Bank Product Collateralization” has the meaning set forth in the Revolving Credit Agreement.

“Bank Product Obligations” has the meaning set forth in the Revolving Credit Agreement.

“Bank Product Provider” has the meaning set forth in the Revolving Credit Agreement.

“Bank Products” has the meaning set forth in the Revolving Credit Agreement.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor statute.

“Bankruptcy Law” means the Bankruptcy Code and any other federal, state, or foreign law for the relief of debtors.

“Business Day” means any day other than a Saturday, Sunday, or day on which banks in the state of New York are authorized or required by law to remain closed.

“Cash Collateral” has the meaning set forth in Section 6.2.

“Claimholders” means, with respect to the Revolving Obligations, all Revolving Claimholders and with respect to the Notes Obligations, all Notes Claimholders.

“Collateral” means any and all of the assets and property of any Grantor, whether real, personal or mixed, which constitute Revolving Collateral or Notes Collateral.

“Communications Laws” means the Communications Act of 1934, and any similar or successor federal statute, together with all published rules, regulations, policies, orders and decisions of the FCC promulgated thereunder.

“Conforming Plan of Reorganization” means any plan of reorganization filed or confirmed in an Insolvency Proceeding whose provisions are consistent with the provisions of this Agreement.

“Default Disposition” has the meaning set forth in Section 5.1(g).

“DIP Financing” has the meaning set forth in Section 6.2.

“Discharge of Notes Obligations” means, except to the extent otherwise expressly provided in Section 5.5(b), all Notes Obligations (other than unasserted contingent indemnification Notes Obligations) have been paid, performed or discharged in full (with all such Notes Obligations consisting of monetary or payment obligations having been paid in full in cash) and the Notes Collateral Agent has received cash collateral in order to secure any other contingent Notes Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to the Notes Collateral Agent or other Notes Claimholder at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys’ fees and legal expenses), such cash collateral to be in such amount as Notes Collateral Agent reasonably determines is appropriate to secure such contingent Notes Obligations.

“Discharge of Revolving Obligations” means, except to the extent otherwise expressly provided in Section 5.5(a): (a) all Revolving Obligations (including the payment of any termination amount then due (or which would or could become due as a result of the repayment of the other Revolving Obligations) under Hedge Agreements provided by Hedge Providers) other than (i) unasserted contingent indemnification Revolving Obligations, (ii) any Bank Product Obligations (other than Hedge Obligations) (A) with respect to which Bank Product Collateralization has been provided or (B) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid, have been paid, performed or discharged in full (with all such Revolving Obligations consisting of monetary or payment obligations having been paid in full in cash), (b) no Person has any further right to obtain any loans, letters of credit, bankers’ acceptances, or other extensions of credit under the documents relating to such Revolving Obligations and the termination or expiration of all commitments, if any, to extend credit under the Revolving Loan Documents, (c) any and all letters of credit, bankers’ acceptances or similar instruments issued under such documents have been cancelled and returned (or backed by standby guarantees or letters of credit or cash collateralized) in an amount and manner provided for in the Revolving Loan Documents or otherwise reasonably satisfactory to the Revolving Collateral Agent, and (d) the Revolving Collateral Agent has received cash collateral in order to secure any other contingent Revolving Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to the Revolving Collateral Agent or other Revolving Claimholder at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys’ fees and legal expenses), such cash collateral to be in such amount as Revolving Collateral Agent reasonably determines is appropriate to secure such contingent Revolving Obligations.

“Disposition” or “Dispose” means the sale, assignment, transfer, license, lease (as lessor), exchange, or other disposition (including any sale and leaseback transaction) of any property by any person (or the granting of any option or other right to do any of the foregoing).

“Enforcement Notice” means a written notice delivered by either the Revolving Collateral Agent or the Notes Collateral Agent to the other stating that a Revolving Default or Notes Default, as applicable, has occurred and is continuing under the Revolving Loan Documents or the Notes Documents, as applicable,

and that an Enforcement Period has commenced with respect to the Revolving Loan Priority Collateral or Notes Priority Collateral, as applicable, specifying the relevant event of default, stating the current balance of the Revolving Obligations or the Note Obligations, as applicable, and requesting the current balance of the Revolving Obligations or Note Obligations, as applicable, owing to the noticed party.

“Enforcement Period” means the period of time following the receipt by either the Revolving Collateral Agent or the Notes Collateral Agent of an Enforcement Notice from the other and continuing until the earliest of (a) in case of an Enforcement Period commenced by the Notes Collateral Agent, the Discharge of Notes Obligations, (b) in the case of an Enforcement Period commenced by the Revolving Collateral Agent, the Discharge of Revolving Obligations, or (c) the Revolving Collateral Agent or the Notes Collateral Agent (as applicable) terminates, or agrees in writing to terminate, the Enforcement Period (including in connection with a waiver of a default that gave rise to such Enforcement Notice).

“Exercise any Secured Creditor Remedies” or “Exercise of Secured Creditor Remedies” means (a) the taking of any action to enforce any Lien in respect of the Collateral, including the institution of any foreclosure proceedings, the noticing of any public or private sale or other Disposition pursuant to Article 9 of the UCC or any diligently pursued in good faith attempt to vacate or obtain relief from a stay or other injunction restricting any other action described in this definition, (b) the exercise of any right or remedy provided to a secured creditor under the Revolving Loan Documents or the Notes Documents (including, in either case, any delivery of any notice to otherwise seek to obtain payment directly from any account debtor of any Grantor or the taking of any action or the exercise of any right or remedy in respect of the setoff or recoupment against the Collateral or proceeds of Collateral), under applicable law, at equity, in an Insolvency Proceeding or otherwise, including credit bidding or otherwise the acceptance of Collateral in full or partial satisfaction of a Lien, (c) the sale, assignment, transfer, lease, license, or other Disposition of all or any portion of the Collateral, by private or public sale or any other means, (d) the solicitation of bids from third parties to conduct the liquidation of all or a material portion of Collateral to the extent undertaken and being diligently pursued in good faith to consummate the Disposition of such Collateral within a commercially reasonable time, (e) the engagement or retention of sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers, or other third parties for the purposes of valuing, marketing, or Disposing of, all or a material portion of the Collateral to the extent undertaken and being diligently pursued in good faith to consummate the Disposition of such Collateral within a commercially reasonable time, (f) the exercise of any other enforcement right relating to the Collateral (including the exercise of any voting rights relating to any capital stock composing a portion of the Collateral or seeking relief from the automatic stay) whether under the Revolving Loan Documents, the Notes Documents, under applicable law of any jurisdiction, in equity, in an Insolvency Proceeding, or otherwise, or (g) the pursuit of Default Dispositions relative to all or a material portion of the Collateral to the extent undertaken and being diligently pursued in good faith to consummate the Disposition of such Collateral within a commercially reasonable time, but in all cases excluding (i) the establishment of borrowing base reserves, collateral ineligible, or other conditions for advances, (ii) the changing of advance rates or advance sublimits, (iii) the imposition of a default rate or late fee, (iv) the collection and application of accounts or other monies deposited from time to time in deposit accounts, commodities account or securities accounts, in each case, to the extent constituting Revolving Priority Collateral, against the Revolving Obligations pursuant to the provisions of the Revolving Loan Documents (including the notification of account debtors, depository institutions or any other Person to deliver proceeds of Collateral to the Revolving Collateral Agent), (v) the cessation of lending pursuant to the provisions of the Revolving Loan Documents, including upon the occurrence of a default or the existence of an overadvance, (vi) the retention of appraisers, accountants, field examiners or other Persons in accordance with any Notes Document or any Revolving Loan Document, (vii) the filing of a proof of claim in any Insolvency, (viii) the making of Overadvances (as defined in the Revolving Credit Agreement) and Protective Advances (as defined in the Revolving Credit Agreement), and (ix) the acceleration of the Notes Obligations or the Revolving Obligations.

“Existing Indenture” has the meaning set forth in the recitals to this Agreement.

“Existing Revolving Credit Agreement” has the meaning set forth in the recitals to this Agreement.

“FCC” means the Federal Communications Commission and any successor governmental agency performing functions similar to those performed by the Federal Communications Commission on the date hereof.

“FCC License” has the meaning specified in the Revolving Credit Agreement.

“Governmental Authority” means the government of the United States of America or any other nation, any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government.

“Grantors” means the Revolving Borrowers, the Issuer, the Revolving Guarantors, the Notes Guarantors, and each other person that may from time to time execute and deliver a Revolving Collateral Document or a Notes Collateral Document as a “debtor,” “grantor,” or “pledgor” (or the equivalent thereof).

“Hedge Agreements” has the meaning set forth in the Revolving Credit Agreement.

“Hedge Obligations” has the meaning set forth in the Revolving Credit Agreement.

“Hedge Providers” has the meaning set forth in the Revolving Credit Agreement.

“Insolvency Proceeding” means:

- (a) any voluntary or involuntary case or proceeding under any Bankruptcy Law with respect to any Grantor;
- (b) any other voluntary or involuntary insolvency or bankruptcy case or proceeding, or any receivership, liquidation or other similar case or proceeding with respect to any Grantor or with respect to a material portion of its assets;
- (c) any liquidation, dissolution (other than as permitted by the Revolving Loan Documents and the Notes Documents), or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or
- (d) any assignment for the benefit of creditors or any other marshaling of assets for creditors of any Grantor or other similar arrangement in respect of such Grantor’s creditors generally.

“Intellectual Property” means the “Intellectual Property” and the “Intellectual Property Licenses” as such terms are defined in the Revolving Guaranty and Security Agreement as in effect on the date hereof.

---

“Issuer” has the meaning set forth in the recitals to this Agreement.

“Letters of Credit” has the meaning set forth in the Revolving Credit Agreement.

“Lien” means any lien, mortgage, pledge, assignment, security interest, charge, or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust, or other preferential arrangement having the practical effect of any of the foregoing.

“Non-Conforming Plan of Reorganization” means any plan of reorganization whose provisions are inconsistent with the provisions of this Agreement, including any plan of reorganization (a) that purports to re-order (whether by subordination, invalidation, or otherwise) or otherwise disregard, in whole or part, the provisions of Section 2 (including the Lien priorities of Section 2.1), the provisions of Section 4, or the provisions of Section 6, unless such plan of reorganization has been accepted by the required vote, if any, of each class of Revolving Claimholders and Notes Claimholders or (b) for which confirmation is sought, with respect to a class of claims consisting of Notes Claimholders or Revolving Claimholders, as applicable, pursuant to section 1129(b) of the Bankruptcy Code.

“Notes Cash Proceeds Notice” shall mean, with respect to any Notes Priority Collateral, a written notice delivered by the Notes Collateral Agent to the Revolving Collateral Agent (a) stating that a Notes Default has occurred and is continuing under any Notes Document and specifying the relevant Notes Default and (b) stating that certain cash proceeds from a sale, lease, conveyance or other disposition of such Notes Priority Collateral are expected to be realized, and reasonably identifying the amount of such proceeds and specifying the origin thereof.

“Notes Claimholders” means the Holders (as defined in the Existing Indenture), the Trustee, the Notes Collateral Agent, each Permitted Additional Pari Passu Lien Obligations Agent and each holder of Permitted Additional Pari Passu Lien Obligations.

“Notes Collateral Agent” has the meaning set forth in the preamble to this Agreement. The Revolving Collateral Agent shall be entitled to treat U.S. Bank National Association as the Notes Collateral Agent until it receives a notice in writing from U.S. Bank National Association that another Person has become the Notes Collateral Agent.

“Notes Collateral” means any and all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Notes Obligations (including, for the avoidance of doubt, any such Notes Collateral that, but for the application of Section 552 of the Bankruptcy Code, would constitute Notes Collateral).

“Notes Collateral Documents” means the Notes Security Agreement and any other agreement pursuant to which a Lien is granted securing any Notes Obligations or under which rights or remedies with respect to such Liens are governed.

“Notes Default” means any “Event of Default,” as such term is defined in the Notes Documents.

“Notes Documents” means the Existing Indenture, the Notes, the Notes Collateral Documents, each Permitted Additional Pari Passu Lien Obligations Agreement and each document or instrument entered into pursuant to any Permitted Additional Pari Passu Lien Obligations Agreement.

“Notes Guarantor” has the meaning set forth in the recitals to this Agreement.

“Notes Obligations” means all obligations and all amounts owing, due, or secured under the Notes Documents, and all Permitted Additional Pari Passu Lien Obligations, whether now existing or arising hereafter, including all principal, premium, interest, fees, attorneys’ fees, costs, charges, expenses, reimbursement obligations, indemnities, guarantees, and all other amounts payable under or secured by or pursuant to any Notes Document (including, in each case, all amounts (including interest) accruing on or after the commencement of any Insolvency Proceeding relating to any Grantor and all amounts that would have accrued or become due under the terms of the Notes Documents but for the effect of the Insolvency Proceeding and irrespective of whether a claim for all or any portion of such amounts is allowable or allowed in such Insolvency Proceeding).

“Notes Pledged Stock” means the capital stock or other equity interests of each Subsidiary of Parent.

“Notes Priority Collateral” means all now owned or hereafter acquired Notes Collateral that constitutes:

- (i) all Notes Pledged Stock;
- (ii) all equipment;
- (iii) all Intellectual Property and FCC Licenses;
- (iv) all Pledged Debt Instruments;
- (v) commercial tort claims to the extent any such claims relate to the Notes Priority Collateral;
- (vi) all general intangibles, instruments, documents, chattel paper, letters-of-credit rights, books and records and supporting obligations related to the foregoing and proceeds (including insurance proceeds) of the foregoing (except to the extent constituting Revolving Priority Collateral);
- (vii) all other goods (including but not limited to fixtures, other than fixtures relating to the Revolving Priority Real Estate Assets) and assets of such Grantor not constituting Revolving Priority Collateral, whether tangible or intangible and wherever located;
- (viii) all Notes Priority Real Estate Assets, including all fixtures relating thereto;
- (ix) all books and records relating to the items referred to in the preceding clauses (i) through (viii) above (including all books, databases, customer lists, and records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (i) through (viii)); and
- (x) subject to Section 3.10 and 3.11, all proceeds of any of the foregoing (except to the extent constituting Revolving Priority Collateral).

“Notes Priority Real Estate Asset” means any fee interest owned by a Grantor having a fair market value (determined in good faith by management of Parent) in excess of \$2.0 million and all fixtures located at or used in connection with the foregoing, other than the Revolving Priority Real Estate Assets.



“Notes Proceeds Accounts” means one or more deposit accounts, commodities account or securities accounts established or maintained by any Grantor or the Notes Collateral Agent or its agent for the sole purpose of holding the identifiable cash proceeds which arise from the Disposition of any Notes Priority Collateral pursuant to an Exercise of Secured Creditor Remedies by any Notes Collateral Agent or other Notes Claimholder, or other sale of Notes Priority Collateral outside the ordinary course of business and which account has been identified in writing to the Revolving Collateral Agent as a Notes Proceeds Account.

“Notes Security Agreement” means the Security Agreement, dated as of May 19, 2017, by and among the Issuer, the Notes Guarantors and the Notes Collateral Agent.

“Obligations” means, as applicable, (a) all Revolving Obligations and (b) all Notes Obligations.

“Permitted Additional Pari Passu Lien Obligations” means Indebtedness of the Issuer or the Notes Guarantors issued following the date of this Agreement to the extent (a) such Indebtedness is not prohibited by the terms of the Revolving Loan Documents, the Notes Documents and each then extant Permitted Additional Pari Passu Lien Obligations Agreement from being secured by Liens on the Collateral ranking pari passu with the Liens securing the Notes, (b) the Guarantors have granted Liens, consistent with clause (a), on the Collateral to secure the obligations in respect of such Indebtedness, and (c) the Permitted Additional Pari Passu Lien Obligations Agent executes a joinder agreement to the Notes Security Agreement in the form attached thereto (“Notes Joinder Agreement”) agreeing to be bound thereby on behalf of the holders under such Permitted Additional Pari Passu Lien Obligations Agreement and acknowledging that such holders shall be bound by the terms hereof applicable to Notes Claimholders.

“Permitted Additional Pari Passu Lien Obligations Agent” means the Person appointed to act as trustee, agent or representative for the holders of Permitted Additional Pari Passu Lien Obligations pursuant to any Permitted Additional Pari Passu Lien Obligations Agreement.

“Permitted Additional Pari Passu Lien Obligations Agreement” means the indenture, credit agreement or other agreement under which any Permitted Additional Pari Passu Lien Obligations are incurred.

“person” means any natural person, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority, or other entity.

“Pledged Collateral” has the meaning set forth in Section 5.4(a).

“Pledged Debt Instruments” means all of Issuer’s and each Notes Guarantor’s interests, rights, powers, and remedies under each promissory note or other debt instrument issued to it or to which it is a party.

“Priority Collateral” with respect to the Revolving Claimholders, all Revolving Priority Collateral, and with respect to the Notes Claimholders, all Notes Priority Collateral.

“Recovery” has the meaning set forth in Section 6.7.

“Refinance” means, in respect of any indebtedness, to refinance, extend, increase, renew, defease, supplement, restructure, replace, refund or repay, or to issue other indebtedness in exchange or replacement

for such indebtedness, in whole or in part, whether with the same or different lenders, arrangers and/or agents, whether or not occurring contemporaneously with the payoff of the previously existing indebtedness subject to such transaction. “Refinanced” and “Refinancing” shall have correlative meanings.

“Replacement Revolving Credit Agreement” has the meaning set forth in the definition of “Revolving Credit Agreement”.

“Revolving Borrowers” has the meaning set forth in the recitals to this Agreement.

“Revolving Claimholders” means, at any relevant time, the holders of Revolving Obligations at that time, including the Revolving Lenders and the Revolving Collateral Agent.

“Revolving Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Revolving Obligations (including, for the avoidance of doubt, any such Revolving Collateral that, but for the application of Section 552 of the Bankruptcy Code, would constitute Revolving Collateral).

“Revolving Collateral Agent” has the meaning set forth in the preamble to this Agreement. In the case of any Additional Revolving Credit Agreement or Replacement Revolving Credit Agreement, the Revolving Collateral Agent shall be the Person identified as such in the Revolving Joinder Agreement. The Notes Collateral Agent shall be entitled to treat Wells Fargo Bank, National Association as the Revolving Collateral Agent until it receives a notice in writing from Wells Fargo Bank, National Association that another Person has become the Revolving Collateral Agent.

“Revolving Collateral Documents” means the Revolving Guaranty and Security Agreement and any other agreement, document, or instrument pursuant to which a Lien is granted securing any Revolving Obligation or under which rights or remedies with respect to such Liens are governed.

“Revolving Credit Agreement” is a collective reference to (a) the Existing Revolving Credit Agreement, (b) any Additional Revolving Credit Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that is permitted to be secured on a pari passu basis with the Existing Revolving Credit Agreement by the Revolving Priority Collateral pursuant to the Notes Documents and the Revolving Loan Documents and that has at any time been incurred to extend, replace, Refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing Revolving Credit Agreement (regardless of whether such replacement, refunding or Refinancing (i) is a “working capital” facility, asset-based facility, revolving loan facility, term loan facility or otherwise or (ii) was entered into after the Discharge of Revolving Obligations), any Additional Revolving Credit Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a Revolving Credit Agreement hereunder (a “Replacement Revolving Credit Agreement”). Any reference to the Revolving Credit Agreement hereunder shall be deemed a reference to any Revolving Credit Agreement then extant.

“Revolving Default” means any “Event of Default”, as such term is defined in the Revolving Credit Agreement.

“Revolving Guarantors” has the meaning set forth in the recitals to this Agreement.

---

“Revolving Guaranty and Security Agreement” has the meaning set forth in the recitals to this Agreement.

“Revolving Lenders” means the “Revolving Lenders” or any comparable term as defined in the Revolving Credit Agreement.

“Revolving Loan Documents” means the Revolving Credit Agreement, the Revolving Collateral Documents, and each of the other Loan Documents (as defined in the Revolving Credit Agreement). Any reference to any Revolving Loan Document hereunder shall be deemed a reference to any Revolving Loan Document then extant.

“Revolving Obligations” means the “Obligations” or any comparable term as that term is defined in the Revolving Credit Agreement, whether now existing or arising hereafter, including all principal, premium, interest, fees, attorneys fees, costs, charges, expenses, reimbursement obligations, indemnities, guarantees, and all other amounts payable under or secured by or pursuant to any Revolving Loan Document (including, in each case, all amounts (including interest) accruing on or after the commencement of any Insolvency Proceeding relating to any Grantor and all amounts that would have accrued or become due under the terms of the Revolving Loan Documents but for the effect of the Insolvency Proceeding and irrespective of whether a claim for all or any portion of such amounts is allowable or allowed in such Insolvency Proceeding).

“Revolving Priority Collateral” means all now owned or hereafter acquired Revolving Collateral that constitutes:

- (i) all accounts, payment intangibles, accounts receivable, and other receivables (including credit card receivables, and other receivables, whether consisting of accounts receivables or general intangibles) and all other rights to payment (in each case including any such rights to payment for property sold, leased, licensed or otherwise disposed of or for services rendered or to be rendered (including rights to payment arising from services rendered or from the sale, lease, license, use or other disposition of inventory, broadcasting, advertising, commercials, and other time on any broadcast station or in any publications, or programming, the licensing of general intangibles, Intellectual Property, or time on any broadcast station)), in each case, whether such rights to payment constitute accounts, payment intangibles, general intangibles, letter-of-credit rights or any other classification of property, or are evidenced in whole or in part by instruments, chattel paper or documents, except, in each case, Pledged Debt Instruments;
- (ii) all inventory;
- (iii) all (x) deposit accounts and money and all cash, checks, other negotiable instruments, funds and other evidences of payments held therein, (y) securities accounts and security entitlements and securities credited thereto, and (z) commodity accounts and commodity contracts credited thereto, and, in each case, all cash, checks and other property held therein or credited thereto);
- (iv) all money, cash, cash equivalents, and tax refunds, other than tax refunds solely relating to real property, equipment and Intellectual Property;
- (v) all claims under policies of casualty insurance and all proceeds of casualty insurance, in each case, payable by reason of loss or damage to any Revolving Priority Collateral and all proceeds of business interruption insurance;

- 
- (vi) commercial tort claims to the extent any such claims relate to the Revolving Priority Collateral;
  - (vii) all Revolving Priority Real Estate Assets, including all fixtures relating thereto;
  - (viii) all general intangibles, instruments, documents, chattel paper, letters-of-credit rights and supporting obligations related to the foregoing;
  - (ix) all books and records relating to the items referred to in the preceding clauses (i) through (viii) above (including all books, databases, customer lists, and records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (i) through (viii)); and
  - (x) all proceeds (including insurance proceeds) of any of the foregoing;

*provided* that in no case shall Revolving Priority Collateral include (x) any identifiable cash proceeds from a sale of any Notes Priority Collateral which sale occurs after receipt by the Revolving Collateral Agent of a Notes Cash Proceeds Notice with respect to such proceeds in accordance with Section 3.10 hereof, *provided*, however, that in no event shall such cash proceeds under this clause (x) include cash proceeds of any Revolving Priority Collateral described in preceding clause (i) of this definition (or proceeds thereof) which (1) is created in the ordinary course of business or of the type included in the borrowing base under the Existing Revolving Credit Agreement as in effect on the date hereof, (2) arises out of the sale of goods (other than equipment) or rendition of services, (3) arises from the sale (other than an outright sale of any Intellectual Property or FCC License in their entirety), lease, license, use, provision, or other disposition of broadcasting, advertising, commercials, or other air time or space on any broadcast station or in any publication (whether print, digital, online, or otherwise), or programming, the licensing of general intangibles, programming, proprietary content, Intellectual Property, or time on any broadcast station, (4) arises from or represents broadcasting, advertising, or publishing revenue, (5) arises out of local marketing, joint sales, or shared services arrangements, agreements with advertising exchanges, affiliation agreements, or content, publishing or broadcasting clearances or licenses, (6) arises out of the public display or performance of proprietary content or advertising, (7) arises out of promotional events, concerts or performances, (8) arises out of subscriptions or licensing of content (including web-based, audio, print, and digital content), (9) arises out of amounts at any time payable in respect of the sale or other Disposition of any Account or other right to payment under clause (i) of this definition, or (10) represents rights to payment for interest, fees, late charges, penalties, collection fees, and other amounts due or to become due or otherwise payable in connection with any Account or other right to payment under clause (i) of this definition, or (y) any such proceeds of any Notes Priority Collateral held in a Notes Proceeds Account in accordance with Section 3.11 hereof.

“Revolving Priority Real Estate Assets” means owned real estate located at 4880 Santa Rosa Road, Camarillo, California 93012 and 6400 N. Belt Line Road, Suite 120, Irving, Texas 75063 and all fixtures located at or used in connection with the foregoing.

“Subsidiary” of a person means a corporation, partnership, limited liability company, or other entity in which that person directly or indirectly owns or controls at least 50% of the shares of capital stock having ordinary voting power to vote in the election of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity.

“Term/Notes DIP Financing” has the meaning set forth in Section 6.2.

“UCC” means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

“Use Period” means, (y) with respect to the Notes Priority Collateral, the period, after the commencement of an Enforcement Period by the Revolving Collateral Agent, which begins on the day on which the Revolving Collateral Agent provides the Notes Collateral Agent with an Enforcement Notice and ending on the earlier to occur of (i) 270 days thereafter, (ii) the Discharge of Revolving Obligations, and (iii) the waiver in writing by the applicable Revolving Claimholders of a default that gave rise to such Enforcement Notice and (z) with respect to the Revolving Priority Collateral, the period, after the commencement of an Enforcement Period by the Notes Collateral Agent, which begins on the day on which the Notes Collateral Agent provides the Revolving Collateral Agent with an Enforcement Notice and ending on the earlier to occur of (i) 270 days thereafter, (ii) the Discharge of Notes Obligations and (iii) the waiver in writing by the applicable Notes Claimholders of a default that gave rise to such Enforcement Notice. If any stay or other order that prohibits any of the Revolving Collateral Agent, the other Revolving Claimholders, Notes Collateral Agent and the Notes Claimholders from commencing and continuing to Exercise any Secured Creditor Remedies or to liquidate and sell the Revolving Priority Collateral or Notes Priority Collateral, as applicable, has occurred by operation of law or has been entered by a court of competent jurisdiction, such 270-day period shall be tolled during the pendency of any such stay or other order and the Use Period shall be so extended and upon lifting of the automatic stay, if there are fewer than 120 days remaining in such 270 day period, than such 270 day period shall be extended so that the Revolving Collateral Agent, the Revolving Claimholders, Notes Collateral Agent and the Notes Claimholders have 120 days upon lifting of the automatic stay.

1.3 Construction. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” The term “or” shall be construed to have, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” Unless the context requires otherwise:

(a) except as otherwise provided herein, any definition of or reference to any agreement, instrument, or other document herein shall be construed as referring to such agreement, instrument, or other document as from time to time amended, restated, supplemented, modified, renewed, extended, Refinanced, refunded, or replaced;

(b) any reference to any agreement, instrument, or other document herein “as in effect on the date hereof” shall be construed as referring to such agreement, instrument, or other document without giving effect to any amendment, restatement, supplement, modification, or Refinance after the date hereof;

(c) any definition of or reference to Revolving Obligations or Notes Obligations herein shall be construed as referring to the Revolving Obligations or Notes Obligations (as applicable) as from time to time amended, restated, supplemented, modified, renewed, extended, Refinanced, refunded, or replaced;

- (d) any reference herein to any person shall be construed to include such person's successors and assigns;
- (e) the words "herein," "hereof," and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;
- (f) all references herein to Sections shall be construed to refer to Sections of this Agreement; and
- (g) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights.

**SECTION 2. Lien Priorities.**

2.1 Relative Priorities. Notwithstanding the date, time, method, manner, or order of grant, attachment, or perfection of any Liens securing (or purportedly securing) the Revolving Obligations with respect to the Collateral or of any Liens securing (or purportedly securing) the Notes Obligations with respect to the Collateral (including, in each case, irrespective of whether any such Lien is granted (or secures Obligations relating to the period) before or after the commencement of any Insolvency Proceeding) and notwithstanding any contrary provision of the UCC or any other applicable law or the Revolving Loan Documents or the Notes Documents, as applicable, or any defect or deficiencies in, or failure to attach or perfect, the Liens securing (or purportedly securing) any of the Obligations, or any other circumstance whatsoever, the Notes Collateral Agent and the Revolving Collateral Agent hereby agree that:

- (a) any Lien with respect to the Revolving Priority Collateral securing any Revolving Obligations now or hereafter held by or on behalf of, or created for the benefit of, the Revolving Collateral Agent or any Revolving Claimholders or any agent or trustee therefor, regardless of how or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien with respect to the Revolving Priority Collateral securing any Notes Obligations;
- (b) any Lien with respect to the Notes Priority Collateral securing any Notes Obligations now or hereafter held by or on behalf of, or created for the benefit of, the Notes Collateral Agent or any Notes Claimholders or any agent or trustee therefor, regardless of how or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien with respect to the Notes Priority Collateral securing any Revolving Obligations;
- (c) any Lien with respect to the Revolving Priority Collateral securing any Notes Obligations now or hereafter held by or on behalf of, or created for the benefit of, the Notes Collateral Agent, any Notes Claimholders or any agent or trustee therefor, regardless of how or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens with respect to the Revolving Priority Collateral securing any Revolving Obligations; and
- (d) any Lien with respect to the Notes Priority Collateral securing any Revolving Obligations now or hereafter held by or on behalf of, or created for the benefit of, the Revolving Collateral Agent, any Revolving Claimholders or any agent or trustee therefor, regardless of how

or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens with respect to the Notes Priority Collateral securing any Notes Obligations.

The subordination of Liens provided for in this Agreement shall continue to be effective with respect to any part of the Collateral from and after the date hereof whether such Liens are avoided, declared, or ruled to be, invalid, unenforceable, void, equitably subordinated or not allowed by a court of competent jurisdiction, as a result of any action taken by any Notes Claimholder or any Revolving Claimholder, as applicable, or any failure by such person to take any action, with respect to any financing statement (including any amendment to or continuation thereof), mortgage or other perfection document or requirement.

2.2 Prohibition on Contesting Liens. Each of the Notes Collateral Agent, for itself and on behalf of each Notes Claimholder, and the Revolving Collateral Agent, for itself and on behalf of each Revolving Claimholder, agrees that it will not (and hereby waives any right to), directly or indirectly, whether in its capacity as Notes Collateral Agent, Revolving Collateral Agent, Notes Claimholder, Revolving Claimholder or unsecured creditor, contest, or support any other person in contesting, in any proceeding (including any Insolvency Proceeding): (a) the priority, validity, or enforceability of a Lien in the Collateral, held by or on behalf of the Revolving Collateral Agent or any other Revolving Claimholders or by or on behalf of the Notes Collateral Agent or any other Notes Claimholders, (b) the priority, validity or enforceability of any Obligations, including the allowability or priority of any Obligations in any Insolvency Proceeding, or (c) the provisions of, enforceability of and the applicability of this Agreement (including by voting for or supporting confirmation of a Non-Conforming Plan of Reorganization); provided, however, that nothing in this Agreement shall be construed to prevent or impair the rights of the Revolving Collateral Agent, any Revolving Claimholder, the Notes Collateral Agent or any Notes Claimholder to enforce the terms of this Agreement, including the provisions of this Agreement relating to the priority of the Liens in the Collateral securing the Revolving Obligations and the Notes Obligations, as applicable, as provided in this Section 2.

2.3 New Liens. During the term of this Agreement, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, the parties hereto agree, subject to Section 6, that no Grantor shall:

(a) grant or suffer to exist any Liens on any asset to secure any Notes Obligation unless such Grantor also offers to grant, and, at the option of the Revolving Collateral Agent, grants a Lien on such asset to secure the Revolving Obligations concurrently with the grant of a Lien thereon in favor of the Notes Collateral Agent in accordance with the priorities set forth in this Agreement; or

(b) grant or suffer to exist any Liens on any asset to secure any Revolving Obligations unless such Grantor grants a Lien on such asset to secure the Notes Obligations concurrently with the grant of a Lien thereon in favor of the Revolving Collateral Agent in accordance with the priorities set forth in this Agreement.

To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the Revolving Collateral Agent or Revolving Claimholders, the Notes Collateral Agent, on behalf of the Notes Claimholders, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2, and without limiting any other rights and remedies available to the Notes Collateral

Agent or Notes Claimholders, the Revolving Collateral Agent, on behalf of the Revolving Claimholders, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Cooperation in Designating Collateral. In furtherance of Section 9.8, the Notes Collateral Agent and the Revolving Collateral Agent agree to and each Grantor shall, in each case subject to the other provisions of this Agreement upon request by the Revolving Collateral Agent or the Notes Collateral Agent, cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the Revolving Priority Collateral and the Notes Priority Collateral and the steps taken or to be taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the Revolving Loan Documents and the Notes Documents.

**SECTION 3. Exercise of Remedies.**

3.1 Exercise of Remedies by the Notes Collateral Agent. Until the Discharge of Revolving Obligations has occurred, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, the Notes Collateral Agent and Notes Claimholders:

(a) will not exercise or seek to exercise any rights or remedies with respect to any Revolving Priority Collateral (including any Exercise of Secured Creditor Remedies with respect to any Revolving Priority Collateral);

(b) subject to Section 3.4, will not directly or indirectly contest, protest, or object to or hinder any Exercise of Secured Creditor Remedies by the Revolving Collateral Agent or any Revolving Claimholder with respect to any Revolving Priority Collateral and have no right to direct the Revolving Collateral Agent to Exercise any Secured Creditor Remedies with respect to any Revolving Priority Collateral or take any other action under the Revolving Loan Documents with respect to any Revolving Priority Collateral; and

(c) will not object to (and waive any and all claims with respect to) the forbearance by the Revolving Collateral Agent or Revolving Claimholders from Exercising any Secured Creditor Remedies with respect to any Revolving Priority Collateral.

3.2 Exercise of Remedies by the Revolving Collateral Agent. Until the Discharge of Notes Obligations has occurred, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, the Revolving Collateral Agent and Revolving Claimholders:

(a) subject to Section 3.8, will not exercise or seek to exercise any rights or remedies with respect to any Notes Priority Collateral (including any Exercise of Secured Creditor Remedies with respect to any Notes Priority Collateral);

(b) subject to Section 3.4, will not directly or indirectly contest, protest, or object to or hinder any Exercise of Secured Creditor Remedies by the Notes Collateral Agent or any Notes Claimholder with respect to any Notes Priority Collateral and has no right to direct the Notes Collateral Agent to Exercise any Secured Creditor Remedies with respect to any Notes Priority Collateral or take any other action under the Notes Documents with respect to any Notes Priority Collateral; and



(c) will not object to (and waives any and all claims with respect to) the forbearance by the Notes Collateral Agent or any Notes Claimholder from Exercising any Secured Creditor Remedies with respect to any Notes Priority Collateral.

3.3 Exclusive Enforcement Rights. (a) Until the Discharge of Revolving Obligations has occurred, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, the Revolving Collateral Agent shall have the exclusive right to exercise any remedies, (including Exercise any Secured Creditor Remedies) with respect to the Revolving Priority Collateral without any consultation with or the consent of the Notes Collateral Agent or any Notes Claimholder and (b) until the Discharge of Notes Obligations has occurred, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, the Notes Collateral Agent shall have the exclusive right to exercise any remedies, (including Exercise any Secured Creditor Remedies) with respect to the Notes Priority Collateral without any consultation with or the consent of the Revolving Collateral Agent or any Revolving Claimholder. In connection with any Exercise of Secured Creditor Remedies, each of the Notes Collateral Agent, the Notes Claimholders, the Revolving Collateral Agent and the Revolving Claimholders may enforce the provisions of the Notes Collateral Documents or Revolving Collateral Documents, as applicable, and exercise rights, powers and remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to Dispose of its Collateral, to incur expenses in connection with such Disposition, and to exercise all the rights and remedies of a secured creditor under applicable law.

3.4 Claimholders Permitted Actions. Anything to the contrary in Sections 3.1 and 3.2 notwithstanding, each of the Notes Collateral Agent and the Revolving Collateral Agent may:

- (a) if an Insolvency Proceeding has been commenced by or against any Grantor, file a proof of claim or statement of interest with respect to its Collateral or otherwise with respect to the Notes Obligations or the Revolving Obligations, as the case may be;
- (b) take any action (not adverse to the priority status of the Liens on the Collateral of the other, or the rights of the other or any Claimholders to Exercise any Secured Creditor Remedies) in order to create, perfect, preserve or protect (but not enforce) its Lien in and to its Collateral, including any FCC License of any Grantor;
- (c) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding, or other pleading made by any person objecting to or otherwise seeking the disallowance of its claims or its Claimholders;
- (d) make any arguments and motions that are, in each case, in accordance with, the terms of this Agreement;
- (e) join (but not exercise any control with respect to) any judicial foreclosure proceeding or other judicial lien enforcement proceeding with respect to the Priority Collateral of the other party initiated by such other party to the extent that any such action could not reasonably be expected, in any material respect, to restrain, hinder, limit, delay or otherwise interfere with the Exercise of Secured Creditor Remedies by such other party (it being understood that, (a) with respect to Revolving Priority Collateral, neither the Notes Collateral Agent nor any Notes Claimholder shall be entitled to receive any proceeds thereof from any Exercise of Secured Creditor Remedies with respect thereto unless otherwise expressly permitted herein and (b) with respect to Notes Priority Collateral, neither the Revolving Collateral Agent nor any Revolving Claimholder shall be entitled to receive any proceeds thereof from any Exercise of Secured Creditor Remedies with respect thereto unless otherwise expressly permitted herein);

(f) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement or applicable law (including the Bankruptcy Laws of any applicable jurisdiction); provided, that neither party shall take any action which such party is prohibited from taking pursuant to this Agreement, including under Section 2.2;

(g) take any action described in clauses (i) through (x) of the definition of "Exercise of Secured Creditor Remedies."; and

(h) vote on any Plan of Reorganization that is consistent with the terms of this Agreement; provided, however, that no Revolving Claimholder or Notes Claimholder may cast any vote to accept or take any other act to support the confirmation of any Non-Conforming Plan of Reorganization, and pursuant to Section 9.14 of this Agreement, the Revolving Collateral Agent and Notes Collateral Agent, as applicable, shall be entitled to demand specific performance of this provision and obtain an order directing a Notes Claimholder or Revolving Claimholder, as applicable that votes in favor of any Non-Conforming Plan of Reorganization to change its vote and vote against any Non-Conforming Plan of Reorganization.

Except as expressly set forth in this Agreement, each Notes Claimholder and each Revolving Claimholder shall otherwise have any and all rights and remedies it may have as a creditor under any applicable law, including the right to the Exercise of Secured Creditor Remedies; provided, however, that the Exercise of Secured Creditor Remedies with respect to the Collateral (and any judgment Lien obtained in connection therewith) shall be subject to the Lien priorities set forth herein and to the provisions of this Agreement. Subject to Section 3.7, the Revolving Collateral Agent may enforce the provisions of the Revolving Loan Documents, the Notes Collateral Agent may enforce the provisions of the Notes Documents and each may Exercise any Secured Creditor Remedies, all in such order and in such manner as each may determine in the exercise of its sole discretion, consistent with the terms of this Agreement and mandatory provisions of applicable law; provided, however, that each of the Revolving Collateral Agent and the Notes Collateral Agent agrees to use commercially reasonable efforts to provide to the other (x) an Enforcement Notice prior to its Exercise of Secured Creditor Remedies and (y) copies of any notices that it is required under applicable law to deliver to any Grantor in connection with any Exercise of Secured Creditor Remedies with respect to any Collateral; provided, further, however, that the Revolving Collateral Agent's failure to provide copies of any such notices to the Notes Collateral Agent shall not impair any of the Revolving Collateral Agent's rights hereunder or under any of the Revolving Loan Documents and the Notes Collateral Agent's failure to provide copies of any such notices to the Revolving Collateral Agent shall not impair any of the Notes Collateral Agent's rights hereunder or under any of the Notes Documents. Each of the Notes Collateral Agent, each Notes Claimholder, the Revolving Collateral Agent and each Revolving Claimholder agrees that it will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim, in the case of the Notes Collateral Agent and each Notes Claimholder, against either the Revolving Collateral Agent or any other Revolving Claimholder, and in the case of the Revolving Collateral Agent and each other Revolving Claimholder, against either the Notes Collateral Agent or any other Notes Claimholder, seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, any action taken or omitted to be taken by such person with respect to the Collateral which is consistent with the terms of this Agreement, and none of such parties shall be liable for any such action taken or omitted to be taken.

3.5 Retention of Proceeds.

(a) In connection with an Exercise of Secured Creditor Remedies, the Notes Collateral Agent agrees that prior to the Discharge of the Revolving Obligations, the Notes Claimholders will only be entitled to retain proceeds of Notes Priority Collateral to the extent such exercise is not prohibited under Section 3.1 above. The Notes Claimholders shall not be permitted to retain any proceeds of Revolving Priority Collateral in connection with any Exercise of Secured Creditor Remedies in any circumstance unless and until the Discharge of the Revolving Obligations has occurred, and any such proceeds received or retained in any other circumstance will be subject to Section 4.2.

(b) In connection with an Exercise of Secured Creditor Remedies, the Revolving Collateral Agent agrees that prior to the Discharge of the Notes Obligations, Revolving Claimholders will only be entitled to retain proceeds of Revolving Priority Collateral to the extent such exercise is not prohibited under Section 3.2 above. The Revolving Claimholders shall not be permitted to retain any proceeds of Notes Priority Collateral in connection with any Exercise of Secured Creditor Remedies in any circumstance unless and until the Discharge of the Notes Obligations has occurred, and any such proceeds received or retained in any other circumstance will be subject to Section 4.2.

(c) Notwithstanding anything contained in this Agreement to the contrary, in the event of any Disposition or series of related Dispositions in connection with an Exercise of Secured Creditor Remedies that includes both Revolving Priority Collateral and Notes Priority Collateral, the Revolving Collateral Agent and the Notes Collateral Agent shall use commercially reasonable efforts in good faith to allocate the proceeds of such Disposition to the Revolving Priority Collateral and the Notes Priority Collateral. If the Revolving Collateral Agent and the Notes Collateral Agent are unable to agree on such allocation within five (5) Business Days (or such other period of time as the Revolving Collateral Agent and the Notes Collateral Agent agree) of the consummation of such Disposition with respect to such Collateral, the portion of such proceeds that shall be allocated as proceeds of Revolving Priority Collateral for purposes of this Agreement shall be an amount equal to (i) the net book value of such Revolving Priority Collateral consisting of accounts, and (ii) to the extent the proceeds of Revolving Priority Collateral include proceeds of Collateral other than accounts, the fair market value of such other Collateral.

3.6 Non-Interference. Subject to Sections 3.1, 3.2, 3.3, 3.4 and 6.5(a) and (b), each of the Notes Collateral Agent, for itself and on behalf of the Notes Claimholders, and the Revolving Collateral Agent, for itself and on behalf of the Revolving Claimholders, hereby:

(a) agrees that it will not, directly or indirectly, take any action that would restrain, hinder, limit, delay, or otherwise interfere with any Exercise of Secured Creditor Remedies by the other with respect to such other party's Priority Collateral, or that is otherwise prohibited hereunder, including any Disposition of such other person's Priority Collateral, whether by foreclosure or otherwise; and

(b) waives any and all rights it or its Claimholders may have as a junior lien creditor or otherwise to object to the manner in which such other party seeks to enforce or collect such other party's respective Obligations or the Liens securing such Obligations granted in any of such other party's Priority Collateral, regardless of whether any action or failure to act by or on behalf of such other person is adverse to the interest of it or its Claimholder.

3.7 Commercially Reasonable Dispositions. The Notes Collateral Agent, for itself and on behalf of the Notes Claimholders, hereby irrevocably, absolutely, and unconditionally waives any right to object (and seek or be awarded any relief of any nature whatsoever based on any such objection), at any time prior or subsequent to any disposition conducted in good faith of any of the Revolving Priority Collateral, on the ground(s) that any such disposition of Revolving Priority Collateral (a) would not be or was not "commercially reasonable" within the meaning of any applicable UCC and/or (b) would not or did not comply with any other requirement under any applicable UCC or under any other applicable law governing the manner in which a secured creditor (including one with a Lien on real property) is to realize on its collateral. The Revolving Collateral Agent, for itself and on behalf of the Revolving Claimholders, hereby irrevocably, absolutely and unconditionally waives any right to object (and seek or be awarded any relief of any nature whatsoever based on any such objection), at any time prior to or subsequent to any disposition conducted in good faith of any Notes Priority Collateral, on the ground(s) that any such disposition of Notes Priority Collateral (a) would not be or was not "commercially reasonable" within the meaning of any applicable UCC and/or (b) would not or did not comply with any other requirement under any applicable UCC or under any other applicable law governing the manner in which a secured creditor (including one with a Lien on real property) is to realize on its collateral.

3.8 Inspection and Access Rights.

(a) If the Notes Collateral Agent, or any agent or representative of the Notes Collateral Agent, or any receiver, shall, after the occurrence and during the continuance of a Notes Default, obtain possession or physical control of any of the real properties subject to the Notes Collateral Documents or any other tangible Notes Priority Collateral or control over any intangible Notes Priority Collateral, the Notes Collateral Agent shall promptly notify the Revolving Collateral Agent in writing of that fact. If the Notes Collateral Agent, or any agent or representative of the Notes Collateral Agent, or any receiver, shall, after the occurrence and during the continuance of a Notes Default, subsequent to obtaining any required prior FCC approval in accordance with the Communications Laws, obtain possession or physical control of any broadcast station or FCC License of the Grantors, the Notes Collateral Agent, or any such agent or representative, shall use commercially reasonable efforts to operate such broadcast station in compliance in all material respects with the Grantor's FCC Licenses, the Communications Laws and to maintain, in all material respects, control over such broadcast station's finances personnel, and programming, a main studio with respect to such station, such station's transmission equipment and facilities, and access to utilities to such station, in each case to permit the normal operation of such broadcast station; *provided that*, nothing in this Agreement shall obligate the Notes Collateral Agent to obtain possession or physical control over any broadcast station or FCC License. If the Revolving Collateral Agent, or any agent or representative of the Revolving Collateral Agent, shall, after the occurrence and during the continuance of a Revolving Default, obtain possession or physical control of any of the real properties subject to the Revolving Collateral Documents, or any other tangible Revolving Priority Collateral or control over any intangible Revolving Priority Collateral, the Revolving Collateral Agent shall promptly notify the Notes Collateral Agent in writing of that fact.

(b) (i) Without limiting any rights the Revolving Collateral Agent or any other Revolving Claimholder may otherwise have under applicable law or by agreement, whether or not the Notes Collateral Agent or any other Notes Claimholder has commenced and is continuing to Exercise any Secured Creditor Remedies of the Notes Collateral Agent, the Revolving Collateral Agent or any other Person (including any Grantor) acting with the consent, or on behalf, of the Revolving Collateral Agent, shall have the right (a) during the Use Period or otherwise in connection with the conducting of audits and appraisals, during normal business hours on any Business Day, to access Revolving Priority Collateral that (i) is stored or located in or on, or (ii) has become an accession with respect to (within the meaning of

Section 9-335 of the Uniform Commercial Code), or (iii) has been commingled with (within the meaning of Section 9-336 of the Uniform Commercial Code), Notes Priority Collateral, and (b) during the Use Period, shall have an irrevocable, non-exclusive right and a royalty-free and rent-free license and right to use any Notes Priority Collateral (including equipment, fixtures, Intellectual Property, general intangibles, documents, real property and machinery, processors, computers and other equipment related to the storage or processing of records, documents or files or conduct of business or operations), each of the foregoing in order to assemble, inspect, copy or download information stored on, take action to perfect its Liens on, complete a production run of inventory, collect or otherwise realize upon any accounts or other rights to payment included in the Revolving Priority Collateral (including the right to broadcast time at any broadcast stations of the Grantors and to place for its own account commercial time, advertising or other programming at any such broadcast station such advertising or other programming subject to Grantors' ultimate approval to the extent required by the FCC), in each case, in accordance with the Communication Laws, take possession of, move, prepare and advertise for sale, sell (by public auction, private sale or other sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise), store or otherwise deal with the Revolving Priority Collateral, in each case without notice to, the involvement of or interference by any Notes Claimholder or liability to any Notes Claimholder. In the event that any Revolving Claimholder has commenced and is continuing to Exercise any Secured Creditor Remedies with respect to any Revolving Priority Collateral or any other sale or liquidation of the Revolving Priority Collateral has been commenced by an Grantor (with the consent of the Revolving Collateral Agent), the Notes Collateral Agent may not sell, assign or otherwise transfer the related Notes Priority Collateral prior to the expiration of the Use Period, unless the purchaser, assignee or transferee thereof agrees to be bound by the provisions of this Section 3.8.

(ii) Without limiting any rights the Notes Collateral Agent or any other Notes Claimholder may otherwise have under applicable law or by agreement, whether or not the Revolving Collateral Agent or any other Revolving Claimholder has commenced and is continuing to Exercise any Secured Creditor Remedies of the Revolving Collateral Agent, the Notes Collateral Agent or any other Person (including any Grantor) acting with the consent, or on behalf, of the Notes Collateral Agent, shall have the right during the Use Period, during normal business hours on any Business Day, to access Notes Priority Collateral that is stored or located in or on, any Revolving Priority Real Estate Asset, in order to assemble, inspect, copy or download information stored on, take action to perfect its Liens on, collect or otherwise realize upon any Notes Priority Collateral, in each case, in accordance with the Communication Laws, take possession of, move, prepare and advertise for sale, sell (by public auction, private sale or other sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise), store or otherwise deal with the Notes Priority Collateral, in each case without notice to, the involvement of or interference by any Revolving Claimholder or liability to any Revolving Claimholder.

(c) (i) During the period of actual occupation, use and/or control by the Revolving Claimholders and/or the Revolving Collateral Agent (or their respective employees, agents, advisers and representatives) of any Notes Priority Collateral pursuant to this Section 3.8, the Revolving Claimholders and the Revolving Collateral Agent shall be obligated to repair at their expense any physical damage (but not any ordinary wear-and-tear) to such Notes Priority Collateral resulting from such occupancy, use or control, and to leave such Notes Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted (or otherwise reimburse the Notes Claimholders for any such physical damage to any Notes Priority Collateral (ordinary wear-and-tear excepted) caused by the acts or omissions of the Revolving Claimholders and/or the Revolving Collateral Agent (or their respective employees, agents, advisers and representatives)). Notwithstanding the foregoing, in no event shall the Revolving Claimholders or the Revolving Collateral Agent have any liability to the Notes Claimholders and/or to the Notes Collateral Agent pursuant to this Section 3.8

as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Notes Priority Collateral existing prior to the date of the exercise by the Revolving Claimholders (or the Revolving Collateral Agent, as the case may be) of their rights under Section 3.8 and the Revolving Claimholders shall have no duty or liability to maintain the Notes Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the Revolving Claimholders, or for any diminution in the value of the Notes Priority Collateral that results from ordinary wear and tear resulting from the use of the Notes Priority Collateral by the Revolving Claimholders in the manner and for the time periods specified under this Section 3.8. Without limiting the rights granted in this Section 3.8, the Revolving Claimholders and the Revolving Collateral Agent shall cooperate with the Notes Claimholders and/or the Notes Collateral Agent in connection with any efforts made by the Notes Claimholders and/or the Notes Collateral Agent to sell the Notes Priority Collateral.

(ii) During the period of actual occupation, use and/or control by the Notes Claimholders and/or the Notes Collateral Agent (or their respective employees, agents, advisers and representatives) of any Revolving Priority Real Estate Asset pursuant to this Section 3.8, the Notes Claimholders and the Notes Collateral Agent shall be obligated to repair at their expense any physical damage (but not any ordinary wear-and-tear) to such Revolving Priority Real Estate Asset resulting from such occupancy, use or control, and to leave such Revolving Priority Real Estate Asset in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted (or otherwise reimburse the Revolving Claimholders for any such physical damage to any Revolving Priority Collateral (ordinary wear-and-tear excepted) caused by the acts or omissions of the Notes Claimholders and/or the Notes Collateral Agent (or their respective employees, agents, advisers and representatives)). Notwithstanding the foregoing, in no event shall the Notes Claimholders or the Notes Collateral Agent have any liability to the Revolving Claimholders and/or to the Revolving Collateral Agent pursuant to this Section 3.8 as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Revolving Priority Real Estate Assets existing prior to the date of the exercise by the Notes Claimholders (or the Notes Collateral Agent, as the case may be) of their rights under Section 3.8 and the Notes Claimholders or Notes Collateral Agent shall have no duty or liability to maintain the Revolving Priority Real Estate Assets in a condition or manner better than that in which it was maintained prior to the use thereof by the Notes Claimholders or Notes Collateral Agent, or for any diminution in the value of the Revolving Priority Real Estate Assets that results from ordinary wear and tear resulting from the use of the Revolving Priority Real Estate Assets by the Notes Claimholders or Notes Collateral Agent in the manner and for the time periods specified under this Section 3.8. Without limiting the rights granted in this Section 3.8, the Notes Claimholders and the Notes Collateral Agent shall cooperate with the Revolving Claimholders and/or the Revolving Collateral Agent in connection with any efforts made by the Revolving Claimholders and/or the Revolving Collateral Agent to sell the Revolving Priority Real Estate Assets.

(d) The Notes Collateral Agent agrees, for the benefit of the Revolving Collateral Agent, that it shall not sell or dispose of any of the Notes Priority Collateral during the Use Period unless such sale or other disposition is in contemplation in all material respects with the Communications Laws (including any required prior FCC approval) and the purchaser, assignee or transferee thereof agrees in writing to acquire the Notes Priority Collateral subject to the terms of Section 3.8 of this Agreement and agrees therein to comply with the terms of this Section 3.8. The rights of the Revolving Collateral Agent under this Section 3.8 during the Use Period shall continue notwithstanding foreclosure, sale or other disposition or any Exercise of Secured Creditor Remedies by the Notes Collateral Agent. The Revolving Collateral Agent agrees, for the benefit of the Notes Collateral Agent, that it shall not sell or dispose of any of the Revolving Priority Real Estate Assets during the Use Period unless such sale or other disposition is in contemplation in all material respects with the Communications Laws (including any required

prior FCC approval) and the purchaser, assignee or transferee thereof agrees in writing to acquire the Revolving Priority Real Estate Assets subject to the terms of Section 3.8 of this Agreement and agrees therein to comply with the terms of this Section 3.8. The rights of the Notes Collateral Agent under this Section 3.8 during the Use Period shall continue notwithstanding foreclosure, sale or other disposition or any Exercise of Secured Creditor Remedies by the Revolving Collateral Agent.

Except as provided in clause (c) of this Section 3.8, the Revolving Collateral Agent and the other Revolving Claimholders shall not be obligated to pay any amounts to the Notes Collateral Agent or the Notes Claimholders (or any person claiming by, through or under the Notes Claimholders, including any purchaser of the Notes Priority Collateral) or to any Grantor, for or in respect of the use by the Revolving Collateral Agent and the other Revolving Claimholders of the Notes Priority Collateral; provided that, the Revolving Collateral Agent and the other Revolving Claimholders shall be obligated to pay any ordinary course third-party expenses related to the use or occupancy of any premises during the period so used or occupied, including ordinary course costs with respect to heat, light, electricity and water with respect to that portion of any premises so used or occupied, or that arise as a result of such use, during such period. Except as provided in clause (c) of this Section 3.8, the Notes Collateral Agent and the other Notes Claimholders shall not be obligated to pay any amounts to the Revolving Collateral Agent or the Revolving Claimholders (or any person claiming by, through or under the Revolving Claimholders, including any purchaser of the Revolving Priority Collateral) or to any Grantor, for or in respect of the use by the Notes Collateral Agent and the Notes Claimholders of the Revolving Priority Real Estate Assets; provided that, the Notes Collateral Agent and the other Notes Claimholders shall be obligated to pay any third party expenses related thereto, including costs with respect to heat, light, electricity and water with respect to that portion of any premises so used or occupied, or that arise as a result of such use and shall be obligated to repair any damage to the premises which is Revolving Priority Real Estate Assets (other than normal wear and tear) caused by the Notes Collateral Agent or its agent during the Notes Collateral Agent's entry onto such premises.

(e) The Revolving Claimholders shall use the Notes Priority Collateral in accordance with applicable law. The Notes Claimholders shall use the Revolving Priority Collateral in accordance with applicable law.

(f) The Notes Collateral Agent and the other Notes Claimholders (i) will use commercially reasonable efforts to cooperate with the Revolving Collateral Agent and the other Revolving Claimholders in exercising its rights pursuant to this Section 3.8, (ii) subject to Section 3.7, will not hinder or restrict in any respect the Revolving Collateral Agent from exercising the rights described in this Section 3.8 and (iii) will, subject to the rights of any landlords under real estate leases, permit the Revolving Collateral Agent, its employees, agents, advisers and representatives to exercise the rights described in this Section 3.8. Subject to Section 3.7, the Revolving Collateral Agent and the other Revolving Claimholders shall use commercially reasonable efforts not to hinder or obstruct the Notes Collateral Agent and the other Notes Claimholders from exercising the rights described in Section 3.8.

(g) In furtherance of the foregoing in this Section 3.8, the Notes Collateral Agent and other Notes Claimholders, in their capacity as a secured party (or as a purchaser, assignee or transferee, as applicable), and to the extent of its interest therein, hereby grants to the Revolving Collateral Agent and the other Revolving Claimholders during the Use Period a nonexclusive, irrevocable, royalty-free, worldwide license to use, reproduce, publicly display, publicly perform, transmit, create derivative works of, modify, sell, commercialize, exploit, syndicate, license and sublicense any and all Intellectual Property now owned or hereafter acquired included as part of the Notes Priority Collateral (and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer

software and programs used for the compilation or printout thereof) as is or may be necessary or advisable in the Revolving Collateral Agent's reasonable judgment for the Revolving Collateral Agent to process, ship, produce, store, supply, lease, complete, sell, liquidate or otherwise deal with the Revolving Priority Collateral, or to collect or otherwise realize upon any accounts comprising Revolving Priority Collateral, in each case solely in connection with any Exercise of Secured Creditor Remedies; provided that (i) any such license shall terminate upon the sale of the applicable Revolving Priority Collateral and shall not extend or transfer to the purchaser of such Revolving Priority Collateral, (ii) the Revolving Collateral Agent's use of such Intellectual Property shall be reasonable and lawful, and (iii) any such license is granted on an "AS IS" basis, without any representation or warranty whatsoever. Furthermore, the Notes Collateral Agent agrees that, in connection with any Exercise of Secured Creditor Remedies conducted by the Notes Collateral Agent in respect of Notes Priority Collateral, the Notes Collateral Agent shall provide written notice to any purchaser, assignee or transferee of Intellectual Property pursuant to an Exercise of Secured Creditor Remedies that the applicable Intellectual Property is subject to such license and the purchaser shall be required to acknowledge in writing that it purchased such Collateral subject to such license.

(h) For the avoidance of doubt, as between the Revolving Claimholders and the Notes Claimholders, references to "Notes Priority Collateral" in this Agreement shall include the FCC Licenses, consistent with the Communications Laws, and all Intellectual Property of the Grantors whether or not included in the definition of Notes Collateral; *provided, that* this Section 3.8(h) is intended solely for the purpose of defining the relative rights of the Revolving Collateral Agent and Revolving Claimholders on the one hand and the Notes Collateral Agent and the Notes Claimholders on the other hand, and any grant of Notes Collateral by any Grantor is expressly subject to Section 3 of the Notes Security Agreement.

3.9 Sharing of Information and Access. In the event that the Revolving Collateral Agent shall, in the exercise of its rights under the Revolving Collateral Documents or otherwise, receive possession or control of any books and records of any Grantor which contain information identifying or pertaining to the Notes Priority Collateral, the Revolving Collateral Agent shall, upon request from the Notes Collateral Agent and as promptly as practicable thereafter, either make available to the Notes Collateral Agent such books and records for inspection and duplication or provide to the Notes Collateral Agent copies thereof. In the event that the Notes Collateral Agent shall, in the exercise of its rights under the Notes Collateral Documents or otherwise, receive possession or control of any books and records of any Grantor which contain information identifying or pertaining to any of the Revolving Priority Collateral, the Notes Collateral Agent shall, upon request from the Revolving Collateral Agent and as promptly as practicable thereafter, either make available to the Revolving Collateral Agent such books and records for inspection and duplication or provide the Revolving Collateral Agent copies thereof.



3.10 Set off and Tracing of and Priorities in Proceeds. The Notes Collateral Agent, on behalf of the Notes Claimholders, acknowledges and agrees that, to the extent the Notes Collateral Agent or any Notes Claimholder exercises its rights of set-off against any Revolving Priority Collateral, the amount of such set-off shall be held and distributed pursuant to Section 4.1. The Revolving Collateral Agent, on behalf of the Revolving Claimholders, acknowledges and agrees that, to the extent the Revolving Collateral Agent or any Revolving Claimholder exercises its rights of set-off against any Notes Priority Collateral, the amount of such set-off shall be held and distributed pursuant to Section 4.1. The Revolving Collateral Agent, for itself and on behalf of the Revolving Claimholders, and the Notes Collateral Agent, for itself and on behalf of the Notes Claimholders, further agree that prior to an issuance of any Enforcement Notice by such Claimholder or the commencement of an Insolvency Proceeding, any proceeds of Collateral obtained in accordance with the terms of the Revolving Loan Documents and the Notes Documents, whether or not deposited under control agreements, which are used by any Grantor to acquire other property which is Collateral shall not (solely as between the Claimholders) be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. In addition, notwithstanding anything to the contrary contained in this Agreement, unless and until the Discharge of Revolving Obligations occurs, the Notes Collateral Agent, for itself and on behalf of the Notes Claimholders, each hereby agrees that, prior to the receipt by the Revolving Collateral Agent of a Notes Cash Proceeds Notice issued by the Notes Collateral Agent, the Revolving Claimholders are permitted to treat all cash, cash equivalents, money, collections and payments or other proceeds of Collateral, deposited, held in or otherwise credited to any deposit account, commodities account or securities account (other than any Notes Proceeds Account) or otherwise received by any Revolving Claimholder as Revolving Priority Collateral prior to receipt by the Revolving Collateral Agent of such Notes Cash Proceeds Notice, and no such amounts deposited, held in or otherwise credited to any such deposit account, commodities account or securities account or received by any Revolving Claimholder or applied to the Revolving Obligations shall be subject to disgorgement or deemed to be held in trust for the benefit of the Note Claimholders (and all claims of the Note Claimholders to such amounts are hereby waived).

3.11 Notes Proceeds Account. The Grantors, the Revolving Claimholders and the Notes Claimholders and all other parties hereto agree that only proceeds of the Notes Priority Collateral may be deposited in the Notes Proceeds Accounts and agree to take all other actions necessary to give effect to the intent of this Section 3.11. Without limiting the generality of the foregoing, the Notes Collateral Agent hereby agrees that if any Notes Proceeds Account contains any proceeds of the Revolving Priority Collateral, it shall hold such proceeds in trust for the Revolving Claimholders and transfer such proceeds to the Revolving Claimholders in accordance with Section 4.2 reasonably promptly after obtaining actual knowledge or notice from a Revolving Claimholder that it has possession of such proceeds.

#### **SECTION 4. Proceeds**

##### **4.1 Application of Proceeds**

(a) Prior to the Discharge of Revolving Obligations, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, except as otherwise provided in Section 3.5, any Revolving Priority Collateral or proceeds thereof received in connection with any Exercise of Secured Creditor Remedies shall (at such time as such Collateral or proceeds has been monetized) be applied: (i) first, to the payment in full in cash or cash collateralization of the Revolving Obligations in accordance with the Revolving Loan Documents and (ii) second, to the payment in full in cash of the Notes Obligations in accordance with the Notes Documents.

(b) Prior to the Discharge of Notes Obligations, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, except as otherwise provided in Section 3.5, any Notes Priority Collateral or proceeds thereof received in connection with any Exercise of Secured Creditor Remedies shall (at such time as such Collateral or proceeds has been monetized) be applied: (i) first, to the payment in full in cash or cash collateralization of the Notes Obligations in accordance with the Notes Documents and (ii) second, to the payment in full in cash or cash collateralization of the Revolving Obligations in accordance with the Revolving Loan Documents.

(c) If any Exercise of Secured Creditor Remedies with respect to the Collateral produces non-cash proceeds, then such non-cash proceeds shall be held by the agent that conducted the Exercise of Secured Creditor Remedies as additional Collateral and, at such time as such non-cash proceeds are monetized, shall be applied as set forth above.

4.2 Turnover. Unless and until the earlier of the Discharge of Revolving Obligations or the Discharge of the Notes Obligations has occurred, whether or not any Insolvency Proceeding has been commenced by or against any Grantor, except as otherwise provided in Section 3.5, (a) any Revolving Priority Collateral, proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) or any insurance proceeds described in Section 5.2(a) received by the Notes Collateral Agent or any Notes Claimholder in connection with any Exercise of Secured Creditor Remedies shall be segregated and held in trust and forthwith paid over to the Revolving Collateral Agent for the benefit of the Revolving Claimholders (subject to the rights of the Grantors under the Revolving Loan Documents) in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct and (b) any Notes Priority Collateral, proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) or any insurance proceeds described in Section 5.2(b) received by the Revolving Collateral Agent or any Revolving Claimholder in connection with an Exercise of Secured Creditor Remedies shall be segregated and held in trust and forthwith paid over to the Notes Collateral Agent for the benefit of the Notes Claimholders (subject to the rights of the Grantors under the Notes Documents) in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Notwithstanding the foregoing, the Trustee and Notes Collateral Agent will only be required to pay over amounts that it has received which are still in its possession and which have not been paid over to the Notes Claimholders, provided, that the Trustee and Notes Collateral Agent shall comply with the obligations set forth in Section 4.2(a) hereof. Each of the Notes Collateral Agent and the Revolving Collateral Agent is hereby authorized to make any such endorsements as agent for the other or any Claimholders. This authorization is coupled with an interest and is irrevocable until the earlier of the Discharge of Revolving Obligations or the Notes Obligations.

4.3 No Subordination of the Relative Priority of Claims. Anything to the contrary contained herein notwithstanding, the subordination of the Liens of Notes Claimholders to the Liens of Revolving Claimholders and of the Liens of Revolving Claimholders to the Liens of Notes Claimholders as set forth herein is with respect to the priority of the respective Liens held by or on behalf of them only and shall not constitute a subordination of the Notes Obligations to the Revolving Obligations or the Revolving Obligations to the Notes Obligations.

4.4 Application of Payments. Subject to the other terms of this Agreement, all payments received (not in violation of this Agreement) by (a) the Revolving Collateral Agent or the Revolving Claimholders may be applied, reversed and reapplied, in whole or in part, to the Revolving Obligations to the extent provided for in the Revolving Loan Documents and (b) the Notes Collateral Agent or the Note Claimholders may be applied, reversed and reapplied, in whole or in part, to the Note Obligations to the extent provided for in the Note Documents.

4.5 Revolving Nature of Revolving Obligations. The Notes Collateral Agent, on behalf of the Notes Claimholders, acknowledges and agrees that the Revolving Loan Agreement includes a revolving commitment and that the amount of the Revolving Obligations that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed.

**SECTION 5. Releases; Dispositions; Other Agreements.**

5.1 Releases.

(a) Prior to the Discharge of Revolving Obligations and subject to Section 3.4, the Revolving Collateral Agent shall have the exclusive right to make determinations regarding the release or Disposition of any Revolving Priority Collateral pursuant to the terms of the Revolving Loan Documents or in accordance with the provisions of this Agreement, without any consultation with or consent of, the Notes Collateral Agent or any Notes Claimholder.

(b) If, in connection with the Exercise of Secured Creditor Remedies by the Revolving Collateral Agent as provided for in Section 3 irrespective of whether a Notes Default has occurred and is continuing, the Revolving Collateral Agent releases any of its Liens on any part of the Revolving Priority Collateral, then the Liens of the Notes Collateral Agent on such Revolving Priority Collateral shall be automatically, unconditionally, and simultaneously released; provided, however, that any proceeds remaining after the Discharge of Revolving Obligations shall be subject to the Liens of the Notes Claimholders. The Notes Collateral Agent, for itself or on behalf of any such Notes Claimholders, promptly shall execute and deliver to the Revolving Collateral Agent such termination or amendment statements, releases, and other documents as the Revolving Collateral Agent may request to effectively confirm such release, at the cost and expense of the Parent, and without the consent or direction of any other Notes Claimholders.

(c) Prior to the Discharge of Notes Obligations and subject to Section 3.4, the Notes Collateral Agent shall have the exclusive right to make determinations regarding the release or Disposition of any Notes Priority Collateral pursuant to the terms of the Notes Documents or in accordance with the provisions of this Agreement, without any consultation with or consent of the Revolving Collateral Agent or any Revolving Claimholder.

(d) If, in connection with the Exercise of Secured Creditor Remedies by the Notes Collateral Agent as provided for in Section 3, irrespective of whether a Revolving Default has occurred and is continuing, the Notes Collateral Agent releases any of its Liens on any part of the Notes Priority Collateral, then the Liens of the Revolving Collateral Agent on such Notes Priority Collateral shall be automatically, unconditionally, and simultaneously released; provided, however, that any proceeds remaining after the Discharge of Notes Obligations shall be subject to the Liens of the Revolving Claimholders. The Revolving Collateral Agent, for itself or on behalf of any such Revolving Claimholders, promptly shall execute and deliver to the Notes Collateral Agent such termination or amendment statements, releases, and other documents as the Notes Collateral Agent may request to effectively confirm such release, at the cost and expense of the Parent, and without the consent or direction of any other Revolving Claimholders.

(e) If, in connection with any Disposition of any Revolving Priority Collateral permitted under the terms of the Revolving Loan Documents and the Notes Documents, the Revolving Collateral Agent, for itself or on behalf of any Revolving Claimholders, releases any of its Liens on the portion of the Revolving Priority Collateral that is the subject of such Disposition, other than (i) in connection with the Discharge of Revolving Obligations, or (ii) after the occurrence and during the continuance of any Notes Default, then the Liens of the Notes Collateral Agent on such Collateral shall be automatically, unconditionally, and simultaneously released. The Notes Collateral Agent, for itself or on behalf of any such Notes Claimholders, promptly shall execute and deliver to the Revolving Collateral Agent such termination or amendment statements, releases, and other documents as the Revolving Collateral Agent may request to effectively confirm such release, at the cost and expense of the Parent, and without the consent or direction of any other Notes Claimholders. The Notes Collateral Agent hereby appoints the Revolving Collateral Agent and any officer or duly authorized person of the Revolving Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Notes Collateral Agent and in the name of the Notes Collateral Agent or in the Revolving Collateral Agent's own name, from time to time, in the Revolving Collateral Agent's sole discretion, for the purposes of carrying out the terms of Sections 5.1(b) and (e), to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of Sections 5.1(b) and (e), including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

(f) If, in connection with any Disposition of any Notes Priority Collateral permitted under the terms of the Notes Documents and the Revolving Loan Documents, the Notes Collateral Agent, for itself or on behalf of any Notes Claimholders, releases any of its Liens on the portion of the Notes Priority Collateral that is the subject of such Disposition, other than (i) in connection with the Discharge of Notes Obligations, or (ii) after the occurrence and during the continuance of any Revolving Default, then the Liens of the Revolving Collateral Agent on such Collateral shall be automatically, unconditionally, and simultaneously released. The Revolving Collateral Agent, for itself or on behalf of any such Revolving Claimholders, promptly shall execute and deliver to the Notes Collateral Agent such termination or amendment statements, releases, and other documents as the Notes Collateral Agent may request to effectively confirm such release, at the cost and expense of the Parent, and without the consent or direction of any other Revolving Claimholders. The Revolving Collateral Agent hereby appoints the Notes Collateral Agent and any officer or duly authorized person of the Notes Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Revolving Collateral Agent and in the name of the Revolving Collateral Agent or in the Notes Collateral Agent's own name, from time to time, in the Notes Collateral Agent's sole discretion, for the purposes of carrying out the terms of Sections 5.1(d) and (f), to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of Sections 5.1(d) and (f), including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

(g) In the event of any private or public Disposition of (i) all or any material portion of the Revolving Priority Collateral by one or more Grantors with the consent of the Revolving Collateral Agent after the occurrence and during the continuance of a Revolving Default (and prior to the Discharge of Revolving Obligations) or (ii) all or any material portion of the Notes Priority Collateral by one or more Grantors with the consent of the Notes Collateral Agent after the occurrence and during the continuance of a Notes Default (and prior to the Discharge of Notes Obligations), which Disposition is conducted by such Grantors with the consent of the Revolving Collateral Agent in the case of the former, or the

Notes Collateral Agent in the case of the latter, in connection with good faith efforts by the Revolving Collateral Agent or the Notes Collateral Agent, as the case may be, to collect the Revolving Obligations through the Disposition of Revolving Priority Collateral or the Notes Obligations through the Disposition of Notes Priority Collateral (in either case, any such Disposition, a “Default Disposition”), then the Liens of the Notes Collateral Agent, if any, on such Revolving Priority Collateral and the Liens of the Revolving Collateral Agent, if any, on such Notes Priority Collateral shall be automatically, unconditionally, and simultaneously released; provided that with respect to Collateral that is subject to Article 9 of the UCC, the Grantors consummating such Default Disposition have (i) provided the applicable party with the prior written notice that would have been required if the Default Disposition were a Disposition of collateral by a secured creditor under Article 9 of the UCC, and (ii) conducted such Default Disposition in a commercially reasonable manner as if such Default Disposition were a Disposition of collateral by a secured creditor in accordance with Article 9 of the UCC; provided, further, that any proceeds of such Default Disposition are applied pursuant to Section 4.1.

## 5.2 Insurance.

(a) Unless and until the Discharge of Revolving Obligations has occurred: (i) the Revolving Collateral Agent and the Revolving Claimholders shall have the sole and exclusive right, subject to the rights of Grantors under the Revolving Loan Documents, to adjust and settle any claim under any insurance policy covering the Revolving Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting the Revolving Priority Collateral; and (ii) all proceeds of any such insurance policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of Revolving Priority Collateral, shall be paid, subject to the rights of Grantors under the Revolving Loan Documents, first, to the Revolving Claimholders, until the Discharge of Revolving Obligations, second, to the Notes Claimholders, until the Discharge of Notes Obligations, and third, to the owner of the subject property, such other person as may be entitled thereto, or as a court of competent jurisdiction may otherwise direct.

(b) Unless and until the Discharge of Notes Obligations has occurred: (i) the Notes Collateral Agent and the Notes Claimholders shall have the sole and exclusive right, subject to the rights of Grantors under the Notes Documents, to adjust and settle any claim under any insurance policy covering the Notes Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting the Notes Priority Collateral; and (ii) all proceeds of any such insurance policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of Notes Priority Collateral, shall be paid, subject to the rights of Grantors under the Notes Documents, first, to Notes Claimholders, until the Discharge of Notes Obligations, second, to the Revolving Claimholders, until the Discharge of Revolving Obligations, and third, to the owner of the subject property, such other person as may be entitled thereto, or as a court of competent jurisdiction may otherwise direct.

Notwithstanding anything contained in this Agreement to the contrary, in the event that any proceeds are derived from any insurance policy that covers both Revolving Priority Collateral and Notes Priority Collateral where the allocation of proceeds is not stipulated between Revolving Priority Collateral and Notes Priority Collateral, then, subject to the rights of the Grantors under the Notes Documents and the Revolving Loan Documents, the Revolving Collateral Agent and the Notes Collateral Agent shall use commercially reasonable efforts in good faith to allocate the proceeds of such insurance to the Revolving Priority Collateral and the Notes Priority Collateral. If the Revolving Collateral Agent and the Notes Collateral Agent are unable to agree on such allocation within five (5) Business Days (or such other period of

time as the Revolving Collateral Agent and the Notes Collateral Agent agree) of the receipt of the insurance proceeds, the portion of such proceeds that shall be allocated as proceeds of Revolving Priority Collateral in accordance with the last sentence of Section 3.5(c).

### 5.3 Amendments; Refinancings.

(a) The Revolving Loan Documents may be amended, supplemented, or otherwise modified in accordance with their terms and the Revolving Obligations may be Refinanced, in each case without notice to, or the consent of, the Notes Collateral Agent or the Notes Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that, in the case of a Refinancing secured by the Collateral, the holders of such Refinancing debt bind themselves (in a writing addressed to the Notes Collateral Agent for the benefit of itself and the Notes Claimholders) to the terms of this Agreement; provided, further, that any such amendment, supplement, modification, or Refinancing shall not result in a Notes Default or a Revolving Default; provided, further, that, if such Refinancing debt is secured by a Lien on any Collateral the holders of such Refinancing debt shall be deemed bound by the terms hereof regardless of whether or not such writing is provided. For the avoidance of doubt, the sale or other transfer of Indebtedness is not restricted by this Agreement but the provisions of this Agreement shall be binding on all holders of Revolving Obligations and Notes Obligations.

(b) The Notes Documents may be amended, supplemented, or otherwise modified in accordance with their terms and the Notes Obligations may be Refinanced, in each case without notice to, or the consent of, the Revolving Collateral Agent or the Revolving Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that, in the case of a Refinancing secured by the Collateral, the holders of such Refinancing debt (or their agent or trustee on their behalf) bind themselves (in a writing addressed to the Revolving Collateral Agent for the benefit of itself and the Revolving Claimholders) to the terms of this Agreement; provided further, however, that any such amendment, supplement, modification, or Refinancing shall not result in a Revolving Default or Notes Default; provided, further, however, that, if such Refinancing debt is secured by a Lien on any Collateral the holders of such Refinancing debt shall be deemed bound by the terms hereof regardless of whether or not such writing is provided. For the avoidance of doubt, the sale or other transfer of Indebtedness is not restricted by this Agreement but the provisions of this Agreement shall be binding on all holders of Revolving Obligations and Notes Obligations.

(c) So long as each of the Discharge of Revolving Obligations and the Discharge of Notes Obligations has not occurred, the Revolving Borrowers and the Issuer agree that each Notes Collateral Document and Revolving Collateral Document constituting a security agreement, pledge agreement or mortgage securing the Notes Obligations shall include the following language (or similar language acceptable to the Revolving Collateral Agent or Notes Collateral Agent, as applicable): “Notwithstanding anything herein to the contrary, the liens and security interests granted to the [Notes Collateral Agent/Revolving Collateral Agent], pursuant to this Agreement and the exercise of any right or remedy by the [Notes Collateral Agent/Revolving Collateral Agent] hereunder, are subject to the provisions of the Intercreditor Agreement dated as of May 19, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Intercreditor Agreement”), between Wells Fargo Bank, National Association, as the Revolving Collateral Agent, and U.S. Bank National Association, as the Notes Collateral Agent. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, as between the Revolving Claimholders and the Notes Claimholders, the terms of the Intercreditor Agreement shall govern and control.”

(d) So long as no Notes Default has occurred and is continuing, in the event the Revolving Collateral Agent enters into any amendment, waiver or consent in respect of any of the Revolving Collateral Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provision of any Revolving Collateral Document, in each case solely with respect to (x) any notice, delivery, maintenance, use or replacement obligation in respect of, (y) any obligation to provide control over and/or (z) the location of or general administration of, any Revolving Priority Collateral, then such amendment, waiver or consent shall apply automatically (subject to any existing cushion or setback in such comparable Note Collateral Document provision and subject to the terms of Section 2.3 hereof) to any comparable provision (if any) of any of the Notes Collateral Documents without the consent of or action by any Notes Claimholder (with all such amendments, waivers and modifications subject to the terms hereof); provided that (i) no such amendment, waiver or consent shall have the effect of (A) removing assets subject to the Lien of any Notes Collateral Document, except to the extent that a release of such Lien is permitted by Section 5.1, and provided that, there is a corresponding release of the Lien securing the Revolving Obligations, (B) imposing duties on the Notes Collateral Agent without its consent or the Notes Claimholders without their consent (C) permitting other Liens on the Collateral not permitted under the terms of the Notes Collateral Documents, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Notes Claimholders and does not affect the Revolving Claimholders in a like or similar manner shall not apply to the Notes Collateral Documents without the consent of the Notes Collateral Agent acting at the direction of Notes Claimholders pursuant to the Notes Documents, (iii) notice of such amendment, waiver or consent shall be given to the Notes Collateral Agent no later than 10 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof and (iv) such amendment, waiver or modification to the applicable Notes Collateral Documents shall be approved by the Parent in writing.

#### 5.4 Bailee for Perfection

(a) The Revolving Collateral Agent and the Notes Collateral Agent each agree to hold or control that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or other applicable law (such Collateral, the "Pledged Collateral"), as gratuitous bailee and as a non-fiduciary agent for the benefit of and on behalf of the Notes Collateral Agent or the Revolving Collateral Agent, as applicable (such bailment and agency being intended, among other things, to satisfy the requirements of Sections 8-106, 8-301(a)(2), 9-313(c), 9-104, 9-105, 9-106, and 9-107 of the UCC), solely for the purpose of perfecting the security interest granted under the Notes Documents or the Revolving Loan Documents, as applicable, subject to the terms and conditions of this Section 5.4. The Notes Collateral Agent and the Notes Claimholders hereby appoint the Revolving Collateral Agent as their gratuitous bailee for the purposes of perfecting their security interest in all Pledged Collateral in which the Revolving Collateral Agent has a perfected security interest under the UCC. The Revolving Collateral Agent and the Revolving Claimholders hereby appoint the Notes Collateral Agent as their gratuitous bailee for the purposes of perfecting their security interest in all Pledged Collateral in which the Notes Collateral Agent has a perfected security interest under the UCC. Each of the Revolving Collateral Agent and the Notes Collateral Agent hereby accepts such appointments pursuant to this Section 5.4(a) and acknowledges and agrees that it shall act for the benefit of and on behalf of the other Claimholders with respect to any Pledged Collateral and that any Proceeds received by the Revolving Collateral Agent or the Notes Collateral Agent, as the case may be, under any Pledged Collateral shall be applied in accordance with Section 4. Unless and until the Discharge of the Revolving Obligations occurs, the Notes Collateral Agent agrees to promptly notify the Revolving Collateral Agent of any Pledged Collateral constituting Revolving Priority Collateral held by it or known by it to be held by any other Notes Claimholders, and, immediately upon the request of the Revolving Collateral Agent at any time prior to the Discharge

of the Revolving Obligations, the Notes Collateral Agent agrees to deliver to the Revolving Collateral Agent any such Pledged Collateral constituting Revolving Priority Collateral held by it or by any Notes Claimholders, together with any necessary endorsements (or otherwise allow the Revolving Collateral Agent to obtain control of such Pledged Collateral). Unless and until the Discharge of the Notes Obligations occurs, the Revolving Collateral Agent agrees to promptly notify the Notes Collateral Agent of any Pledged Collateral constituting Notes Priority Collateral held by it or known by it to be held by any other Revolving Claimholders, and, immediately upon the request of the Notes Collateral Agent at any time prior to the Discharge of the Notes Obligations, the Revolving Collateral Agent agrees to deliver to the Notes Collateral Agent any such Pledged Collateral constituting Notes Priority Collateral held by it or by any Revolving Claimholders, together with any necessary endorsements (or otherwise allow the Notes Collateral Agent to obtain control of such Pledged Collateral). Until the Discharge of Revolving Obligations, the Revolving Collateral Agent will Control (as defined in Sections 8-106, 9-104 and 9-106 of the UCC, as applicable) any Collateral constituting deposit accounts, securities accounts or commodity accounts and controlled by the Revolving Collateral Agent as gratuitous bailee and as a non-fiduciary agent for the benefit of and on behalf of the Notes Collateral Agent as secured party solely for the purpose of perfecting the security interest granted under the Notes Documents and subject to the terms and conditions of this Section 5.4; provided, that upon the Discharge of Revolving Obligations, the Revolving Collateral Agent shall cooperate to have any control agreements with respect to such Collateral assigned to the Notes Collateral Agent and continue to hold such Collateral pursuant to this clause until the earlier of the date (i) on which the Notes Collateral Agent has obtained control thereof for the purpose of perfecting its security interest, and (ii) which is sixty (60) days (or such longer period agreed to by the Revolving Collateral Agent in its sole discretion) after the Discharge of Revolving Obligations.

(b) The Revolving Collateral Agent shall have no obligation whatsoever to the Notes Collateral Agent or any Notes Claimholder to ensure that the Pledged Collateral is genuine or owned by any of Grantors or to preserve rights or benefits of any person except as expressly set forth in this Section 5.4. The Notes Collateral Agent shall have no obligation whatsoever to the Revolving Collateral Agent or any Revolving Claimholder to ensure that the Pledged Collateral is genuine or owned by any of Grantors or to preserve rights or benefits of any person except as expressly set forth in this Section 5.4. The duties or responsibilities of the Revolving Collateral Agent under this Section 5.4 shall be limited solely to holding or controlling the Pledged Collateral as bailee and agent in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of Revolving Obligations as provided in paragraph (d) of this Section 5.4. The duties or responsibilities of the Notes Collateral Agent under this Section 5.4 shall be limited solely to holding or controlling the Pledged Collateral as bailee and agent in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of Notes Obligations as provided in paragraph (c) of this Section 5.4.

(c) The Revolving Collateral Agent acting pursuant to this Section 5.4 shall not have by reason of the Revolving Collateral Documents, the Notes Collateral Documents, or this Agreement a fiduciary relationship in respect of the Notes Collateral Agent or any Notes Claimholder. The Notes Collateral Agent acting pursuant to this Section 5.4 shall not have by reason of the Revolving Collateral Documents, the Notes Collateral Documents, or this Agreement a fiduciary relationship in respect of the Revolving Collateral Agent or any Revolving Claimholder.

(d) Upon the Discharge of Revolving Obligations, the Revolving Collateral Agent shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements to the Notes Collateral Agent to the extent Notes Obligations remain outstanding as confirmed in writing by the Notes Collateral Agent. At such time, the Revolving Collateral Agent further agrees to take all other action reasonably requested by the Notes Collateral Agent at the expense of the Parent to enable the Notes



Collateral Agent to obtain a first priority security interest in the Collateral to the extent required by the Notes Collateral Documents. To the extent no Notes Obligations that are secured by such Pledged Collateral remain outstanding as confirmed in writing by the Notes Collateral Agent (so as to allow such person to obtain possession or control of such Pledged Collateral), the Revolving Collateral Agent shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements to the Parent.

(e) Upon the Discharge of Notes Obligations, the Notes Collateral Agent shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements to the Revolving Collateral Agent to the extent Revolving Obligations remain outstanding as confirmed in writing by the Revolving Collateral Agent. At such time, the Notes Collateral Agent further agrees to take all other action reasonably requested by the Revolving Collateral Agent at the expense of the Parent to enable the Revolving Collateral Agent to obtain a first priority security interest in the Collateral to the extent required by the Revolving Collateral Documents. To the extent no Revolving Obligations that are secured by such Pledged Collateral remain outstanding as confirmed in writing by the Revolving Collateral Agent (so as to allow such person to obtain possession or control of such Pledged Collateral), the Notes Collateral Agent shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements to the Parent.

#### 5.5 When Discharge of Obligations Deemed to Not Have Occurred

(a) If the Revolving Borrowers enter into any Refinancing of the Revolving Obligations that is intended to be secured by the Revolving Priority Collateral on a first-priority basis, then a Discharge of Revolving Obligations shall be deemed not to have occurred for all purposes of this Agreement, and the obligations under such Refinancing of such Revolving Obligations shall be treated as Revolving Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, and Revolving Collateral Agent or lender under the Revolving Loan Documents effecting such Refinancing shall be the Revolving Collateral Agent for all purposes of this Agreement. The Revolving Collateral Agent or lender under such Revolving Loan Documents shall agree (in a writing addressed to the Notes Collateral Agent) to be bound by the terms of this Agreement.

(b) If the Issuer enters into any Refinancing of the Notes Obligations that is intended to be secured by the Notes Priority Collateral on a first-priority basis, then a Discharge of Notes Obligations shall be deemed not to have occurred for all purposes of this Agreement, and the obligations under such Refinancing of such Notes Obligations shall be treated as Notes Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, and the lender or group of lenders or any of their designees under the Notes Documents effecting such Refinancing shall succeed to the rights of the Notes Collateral Agent under this Agreement. The lender or group of lenders or any of their designees under such Notes Documents shall agree (in a writing addressed to the Notes Collateral Agent) to be bound by the terms of this Agreement.

5.6 Injunctive Relief. Should any Claimholder in any way take, attempt to, or threaten to take any action contrary to terms of this Agreement with respect to the Collateral, or fail to take any action required by this Agreement, the Notes Collateral Agent, the Revolving Collateral Agent or any other Claimholder, as the case may be, may obtain relief against such Claimholder by injunction, specific performance, or other appropriate equitable relief, it being understood and agreed by each of the Notes Collateral Agent, the Revolving Collateral Agent and each Claimholder that (a) non-breaching Claimholders' damages from such actions may at that time be difficult to ascertain and may be irreparable, and (b) each Claimholder waives any defense that such Grantor and/or other Claimholders can demonstrate damage

and/or be made whole by the awarding of damages. The Revolving Collateral Agent, the Notes Collateral Agent and each Claimholder hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the Revolving Collateral Agent or Revolving Claimholders or the Notes Collateral Agent or Notes Claimholders, as the case may be.

**SECTION 6. Insolvency Proceedings.**

6.1 Enforceability and Continuing Priority. This Agreement shall be applicable both before and after the commencement of any Insolvency Proceeding and all converted or succeeding cases in respect thereof. The relative rights of Claimholders in or to any distributions from or in respect of any Collateral or Proceeds of Collateral shall continue after the commencement of any Insolvency Proceeding. Accordingly, the provisions of this Agreement (including, without limitation, Section 2.1 hereof) are intended to be and shall be enforceable as a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code.

6.2 Financing.

(a) Until the Discharge of Revolving Obligations, if any Grantor shall be subject to any Insolvency Proceeding and the Revolving Collateral Agent consents to the use of cash collateral (as such term is defined in Section 363(a) of the Bankruptcy Code; herein, "Cash Collateral") constituting Revolving Priority Collateral, and/or to permit any Grantor to obtain financing provided by any one or more Revolving Claimholders under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law secured by a Lien on such Revolving Priority Collateral that is (i) senior or pari passu with the Liens on the Revolving Priority Collateral securing the Notes Obligations and (ii) junior to the Liens (including in respect of any Exercise of Secured Creditor Remedies regarding such Liens) on the Notes Priority Collateral securing the Notes Obligations (such financing, a "DIP Financing"), and if the Grantors desire to obtain authorization from the Bankruptcy Court to use such Cash Collateral and/or to obtain such DIP Financing, then the Notes Collateral Agent agrees that it will be deemed to have consented, will raise no objection to, nor support any other Person objecting to, the use of such Cash Collateral and/or to such DIP Financing (including, except as set forth in clause (c) below, any objection based on an assertion that the Notes Claimholders are entitled to adequate protection of their interest in the Collateral as a condition thereto), and the Notes Collateral Agent will subordinate its Liens in the Revolving Priority Collateral to the Liens granted in connection with the use of Cash Collateral and/or securing such DIP Financing (and all obligations relating thereto, including any "carve-out" in favor of fees and expenses of professionals retained by any debtor or statutory committee as agreed to by the Revolving Collateral Agent and the Revolving Lenders with respect to Revolving Priority Collateral), to the extent any Liens securing the Revolving Obligations are discharged, subordinated to, or made pari passu with any new Liens securing such DIP Financing and to any replacement Liens granted as adequate protection of the interests of the Revolving Claimholders in the Collateral ("Revolving Lender Adequate Protection Lien"), in each case to the extent consistent with the other provisions of this Agreement; provided that (a) the Notes Collateral Agent retains its Lien on the Collateral to secure the Notes Obligations and, as to the Notes Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the Insolvency Proceeding and any Lien on the Notes Priority Collateral granted in connection with such use of Cash Collateral and/or securing such DIP Financing and any Revolving Lender Adequate Protection Lien on the Notes Priority Collateral (and all obligations relating thereto, including any "carve-out" in favor of fees and expenses of professionals retained by any debtor or statutory committee as agreed to by the Revolving Collateral Agent and the Revolving Lenders with respect to Revolving Priority Collateral) is junior and subordinate to the Lien of the Notes Collateral Agent on the Notes Priority Collateral, (b) all Liens on

Revolving Priority Collateral granted in connection with such use of Cash Collateral and/or securing any such DIP Financing shall be senior to or on a parity with the Liens of the Revolving Collateral Agent and the Revolving Claimholders securing the Revolving Obligations on Revolving Priority Collateral, (c) to the extent that the Revolving Collateral Agent is granted a Revolving Lender Adequate Protection Lien on Collateral arising after the commencement of the Insolvency Proceeding or additional claims, the Notes Collateral Agent or the Notes Claimholders are permitted to request such a Lien on such additional Collateral with the relative priority set forth in Section 2.1 (and neither the Revolving Collateral Agent nor any Revolving Claimholder shall oppose any motion by any Notes Claimholder with respect to the granting of such a Lien), and (d) the terms of such DIP Financing or Cash Collateral order do not either require such Notes Claimholders to extend additional credit pursuant to such DIP Financing or authorize the use of Cash Collateral consisting of Notes Priority Collateral. If the Revolving Claimholders offer to provide DIP Financing that meets the requirements set forth in clauses (a) through (d) above in this paragraph, and if the Grantors desire to obtain authorization from the Bankruptcy Court to obtain such DIP Financing, then the Notes Collateral Agent agrees, on behalf of itself and the other Notes Claimholders, that no Notes Claimholder shall, directly or indirectly, provide, offer to provide, or support (i) any financing competing with the DIP Financing or (ii) any Term/Notes DIP Financing (as defined below). The foregoing provisions of this Section 6.2(a) shall not prevent the Notes Collateral Agent from objecting to any provision in any Cash Collateral or DIP Financing order or documentation relating to any provision or content of a plan of reorganization. The Revolving Collateral Agent, on behalf of itself and the Revolving Claimholders, agrees that no such Person shall provide to such Grantor consent to use Cash Collateral and/or enter into any DIP Financing to the extent that the Revolving Collateral Agent or any Revolving Claimholder would, in connection with such financing, be granted a Lien on the Notes Priority Collateral senior to or pari passu with any Liens of the Notes Collateral Agent.

(b) Until the Discharge of Notes Obligations, subject to Section 6.2(a), if any Grantor shall be subject to any Insolvency Proceeding and the Notes Collateral Agent consents to the use of Cash Collateral constituting Notes Priority Collateral and/or to permit any Grantor to obtain financing provided by any one or more Notes Claimholders under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law secured by a Lien on Notes Priority Collateral that is (i) senior or pari passu with the Liens on the Notes Priority Collateral securing the Notes Obligations and (ii) junior to the Liens (including in respect of any Exercise of Secured Creditor Remedies regarding such Liens) on the Revolving Priority Collateral securing the Revolving Obligations (such financing, a "Term/Notes DIP Financing"), and if the Grantors desire to obtain authorization from the Bankruptcy Court to use such Cash Collateral and/or to obtain such Term/Notes DIP Financing, then the Revolving Collateral Agent agrees that it will be deemed to have consented, will raise no objection to, nor support any other Person objecting to, the use of such Cash Collateral and/or to such Term/Notes DIP Financing (including, except as set forth in clause (c) below, any objection based on an assertion that the Revolving Claimholders are entitled to adequate protection of their interest in the Collateral as a condition thereto) and, the Revolving Collateral Agent will subordinate its Liens in the Notes Priority Collateral to the Liens granted in connection with such use of Cash Collateral and/or securing such Term/Notes DIP Financing (and all obligations relating thereto, including any "carve-out" in favor of fees and expenses of professionals retained by any debtor or statutory committee as agreed to by the Notes Collateral Agent and the Note Holders with respect to Notes Priority Collateral) to the extent any Liens securing the Notes Obligations are discharged, subordinated to, or made pari passu with any new Liens securing such Term/Notes DIP Financing and to any replacement Liens granted as adequate protection of the interests of the Revolving Claimholders in the Collateral ("Notes Adequate Protection Lien"), in each case to the extent consistent with the other provisions of this Agreement; provided that (a) the Revolving Collateral Agent retains its Lien on the Collateral to secure the Revolving Obligations and, as to the Revolving Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the Insolvency Proceeding and any Lien on the Revolving

Priority Collateral granted in connection with such use of Cash Collateral or securing such DIP Financing and any Term Adequate Protection Lien on the Revolving Priority Collateral (and all obligations relating thereto, including any "carve-out" in favor of fees and expenses of professionals retained by any debtor or statutory committee as agreed to by the Notes Collateral Agent and the holders of the Notes with respect to Notes Priority Collateral) is junior and subordinate to the Lien of the Revolving Collateral Agent on the Revolving Priority Collateral, (b) all Liens on Notes Priority Collateral granted in connection with such use of Cash Collateral and/or securing any such Term/Notes DIP Financing shall be senior to or on a parity with the Liens of the Notes Collateral Agent and the Notes Claimholders securing the Notes Obligations on Notes Priority Collateral, (c) to the extent that the Notes Collateral Agent is granted a Notes Adequate Protection Lien on Collateral arising after the commencement of the Insolvency Proceeding or additional claims, the Revolving Collateral Agent or the Revolving Claimholders are permitted to request such a Lien on such additional Collateral with the relative priority set forth in Section 2.1 (and neither the Notes Collateral Agent nor the Notes Claimholders shall oppose any motion by any Revolving Claimholder with respect to the granting of such a Lien), and (d) the terms of such Term/Notes DIP Financing and/or Cash Collateral order do not either require such Revolving Claimholders to extend additional credit pursuant to such Term/Notes DIP Financing or authorize the use of Cash Collateral consisting of Revolving Priority Collateral. If the Notes Claimholders offer to provide Term/Notes DIP Financing that meets the requirements set forth in clauses (a) through (d) above in this paragraph, and if the Grantors desire to obtain authorization from the Bankruptcy Court to obtain such Term/Notes DIP Financing, the Revolving Collateral Agent agrees, on behalf of itself and the other Revolving Claimholders, subject to Section 6.2(a), that no Revolving Claimholder shall, directly or indirectly, provide, offer to provide, or support any financing competing with the Term/Notes DIP Financing to be secured by a priming lien on the Notes Priority Collateral. The foregoing provisions of this Section 6.2(b) shall not prevent the Revolving Collateral Agent from objecting to any provision in any Cash Collateral or Term/Notes DIP Financing order or documentation relating to any provision or content of a plan of reorganization. The Notes Collateral Agent, on behalf of itself and the Notes Claimholders, agrees that no such Person shall provide to such Grantor consent to use Cash Collateral or enter into any DIP Financing to the extent that the Notes Collateral Agent or any Note Claimholder would, in connection with such financing, be granted a Lien on the Revolving Priority Collateral senior to or pari passu with any Liens of the Revolving Collateral Agent.

(c) All Liens granted to the Revolving Collateral Agent or the Notes Collateral Agent in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended by the parties to be and shall be deemed to be subject to the Lien priorities in Section 2.1 and the other terms and conditions of this Agreement.

### 6.3 Sales.

(a) Subject to Section 3.4, neither the Notes Collateral Agent nor any other Notes Claimholder shall, in any Insolvency Proceeding or otherwise, oppose any sale or Disposition of any Revolving Priority Collateral that is supported by the Revolving Collateral Agent, and the Notes Collateral Agent and each other Notes Claimholder will be deemed to have irrevocably, absolutely, and unconditionally consented under Section 363, 365, 1129 or 1141 of the Bankruptcy Code, or any comparable provisions of any Bankruptcy Law, to any sale or other Disposition of any Revolving Priority Collateral supported by the Revolving Collateral Agent and to have released their Liens and interests (which term shall have the broadest possible meaning for purposes of Section 363(f) of the Bankruptcy Code) on such assets, and shall be deemed to have consented to any such Disposition (and any motion for bid or other sale procedures related to the Disposition) of any Revolving Priority Collateral under Section 363(f) of the Bankruptcy Code (or any other similar provision of any Bankruptcy Law) that has been consented to by

the Revolving Collateral Agent; provided that to the extent the Proceeds of such Collateral are not applied to reduce Revolving Obligations, the Notes Collateral Agent shall retain a Lien on such proceeds in accordance with the terms of (and having the relative priority set forth in) this Agreement.

(b) Subject to Section 3.4, neither the Revolving Collateral Agent nor any other Revolving Claimholder shall, in any Insolvency Proceeding or otherwise, oppose any sale or Disposition of any Notes Priority Collateral that is supported by the Notes Collateral Agent, and the Revolving Collateral Agent and each other Revolving Claimholder will be deemed to have irrevocably, absolutely, and unconditionally consented under Section 363, 365, 1129 or 1141 of the Bankruptcy Code, or any comparable provisions of any Bankruptcy Law, to any sale or other Disposition of any Notes Priority Collateral supported by the Notes Collateral Agent and to have released their Liens and interests (which term shall have the broadest possible meaning for purposes of Section 363(f) of the Bankruptcy Code) on such assets, and shall be deemed to have consented to any such Disposition (and any motion for bid or other sale procedures related to the Disposition) of any Notes Priority Collateral under Section 363(f) of the Bankruptcy Code (or any other similar provision of any Bankruptcy Law) that has been consented to by the Notes Collateral Agent; provided that to the extent the proceeds of such Collateral are not applied to reduce Notes Obligations the Revolving Collateral Agent shall retain a Lien on such proceeds in accordance with the terms of (and having the relative priority set forth in) this Agreement.

(c) The Notes Claimholders agree that the Revolving Claimholders shall have the right to credit bid under Section 363(k) of the Bankruptcy Code (or any other similar provision of any Bankruptcy Law) with respect to any Disposition of the Revolving Priority Collateral and the Revolving Claimholders agree that the Notes Claimholders shall have the right to credit bid under Section 363(k) of the Bankruptcy Code (or any other similar provision of any Bankruptcy Law) with respect to any Disposition of the Notes Priority Collateral; provided that the Claimholders shall not be deemed to have agreed to any credit bid by other Claimholders in connection with the Disposition of Collateral consisting of both Notes Priority Collateral and Revolving Priority Collateral. Without limiting the generality of the immediately-preceding sentence, the Notes Collateral Agent, for itself and on behalf of the other Notes Claimholders, agrees that, so long as the Discharge of Revolving Obligations has not occurred (or will not occur immediately upon consummation of such Disposition), no Notes Claimholder shall, without the prior written consent of the Revolving Collateral Agent, credit bid under Section 363(k) of the Bankruptcy Code with respect to any Disposition of Revolving Priority Collateral or any Disposition consisting of both Notes Priority Collateral and Revolving Priority Collateral. The Revolving Agent, for itself and on behalf of the other Revolving Claimholders, agrees that, so long as the Discharge of Notes Obligations has not occurred (or will not occur immediately upon consummation of such Disposition), no Revolving Claimholder shall, without the prior written consent of the Notes Collateral Agent, credit bid under Section 363(k) of the Bankruptcy Code with respect to any Disposition of the Notes Priority Collateral or any Disposition consisting of both Notes Priority Collateral and Revolving Priority Collateral.

6.4 Relief from the Automatic Stay. Until the Discharge of the Revolving Obligations has occurred, each of the Notes Collateral Agent and the Revolving Collateral Agent agrees not to seek (or support any other person seeking) relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of the other party's Priority Collateral, without the prior written consent of the other party, unless (x) such other party already has filed a motion (which remains pending) for such relief with respect to its interest in such Collateral and (y) a corresponding motion, in the reasonable judgment of such party, should be filed for the purpose of preserving such party's ability to receive residual distributions pursuant to Section 4.1, although such party and the Revolving Claimholders or Notes Claimholders, as the case may be, shall otherwise remain subject to the applicable restrictions in Section 3.1 and Section 3.2 following the granting of any such relief from the automatic stay.

6.5 Adequate Protection.

(a) The Notes Collateral Agent, on behalf of itself and the Note Claimholders, agrees that none of them shall be entitled to contest and none of them shall contest (or support any other Person contesting) (but instead shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any such right):

(i) subject to Section 6.4, any request by the Revolving Collateral Agent or the other Revolving Claimholders for relief from the automatic stay with respect to the Revolving Priority Collateral; or

(ii) any request by the Revolving Collateral Agent or the other Revolving Claimholders for adequate protection with respect to the Revolving Priority Collateral (except to the extent any such adequate protection is a payment from Notes Priority Collateral); or

(iii) any objection by the Revolving Collateral Agent or the other Revolving Claimholders to any motion, relief, action or proceeding based on the Revolving Collateral Agent or the other Revolving Claimholders claiming a lack of adequate protection with respect to the Revolving Priority Collateral.

(b) The Revolving Collateral Agent, on behalf of itself and the Revolving Claimholders, agrees that none of them shall be entitled to contest and none of them shall contest (or support any other Person contesting) (but instead shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any such right):

(i) subject to Section 6.4, any request by the Notes Collateral Agent or the other Note Claimholders for relief from the automatic stay with respect to the Notes Priority Collateral; or

(ii) any request by the Notes Collateral Agent or the Note Claimholders for adequate protection with respect to the Notes Priority Collateral (except to the extent any such adequate protection is a payment from Revolving Priority Collateral); or

(iii) any objection by the Notes Collateral Agent or the Note Claimholders to any motion, relief, action or proceeding based on the Notes Collateral Agent or the Note Claimholders claiming a lack of adequate protection with respect to the Notes Priority Collateral.

(c) Consistent with the foregoing provisions in this Section 6.5, and except as provided in Sections 6.1 and 6.10, in any Insolvency Proceeding:

(i) no Note Claimholder shall be entitled (and each Note Claimholder shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right):

(1) to seek or otherwise be granted any type of adequate protection with respect to its interests in the Revolving Priority Collateral (except as expressly set forth in Section 6.1 or as may otherwise be consented to in writing by the Revolving Collateral Agent in its sole and absolute discretion) provided, however, subject to Section 6.1, Note Claimholders may seek and obtain adequate protection in the form of an additional or replacement Lien on Collateral so long as (x) the Revolving Claimholders have been granted adequate protection in the form of an additional or replacement lien on such Collateral,

and (y) any such Lien on Revolving Priority Collateral (and on any Collateral granted as adequate protection for the Revolving Claimholders in respect of their interest in such Revolving Priority Collateral) is subordinated to the Liens of the Revolving Collateral Agent in such Collateral on the same basis as the other Liens of the Notes Collateral Agent on Revolving Priority Collateral; and

(2) to seek or otherwise be granted any adequate protection payments with respect to its interests in the Collateral from Proceeds of Revolving Priority Collateral (except as may be consented to in writing by the Revolving Collateral Agent in its sole and absolute discretion);

(ii) no Revolving Claimholder shall be entitled (and each Revolving Claimholder shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right):

(1) to seek or otherwise be granted any type of adequate protection in respect of Notes Priority Collateral except as may be consented to in writing by the Notes Collateral Agent in its sole and absolute discretion; provided, however, Revolving Claimholders may seek and obtain adequate protection in the form of an additional or replacement Lien on Collateral so long as (x) the Note Claimholders have been granted adequate protection in the form of an additional or replacement lien on such Collateral, and (y) any such Lien on Notes Priority Collateral (and on any Collateral granted as adequate protection for the Note Claimholders in respect of their interest in such Notes Priority Collateral) is subordinated to the Liens of the Notes Collateral Agent in such Collateral on the same basis as the other Liens of the Revolving Collateral Agent on Notes Priority Collateral; and

(2) to seek or otherwise be granted any adequate protection payments with respect to its interests in the Collateral from Proceeds of Notes Priority Collateral (except as may be consented to in writing by the Notes Collateral Agent in its sole and absolute discretion).

(d) With respect to (i) the Revolving Priority Collateral, nothing herein shall limit the rights of the Notes Collateral Agent or the Note Claimholders from seeking adequate protection with respect to their rights in the Notes Priority Collateral in any Insolvency Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise, other than from Proceeds of Revolving Priority Collateral) so long as such request is not otherwise inconsistent with this Agreement and (ii) the Notes Priority Collateral, nothing herein shall limit the rights of the Revolving Collateral Agent or the Revolving Claimholders from seeking adequate protection with respect to their rights in the Revolving Priority Collateral in any Insolvency Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise, other than from Proceeds of Notes Priority Collateral) so long as such request is not otherwise inconsistent with this Agreement.

6.6 Section 1111(b) of the Bankruptcy Code. Neither the Notes Collateral Agent nor the Revolving Collateral Agent shall object to, oppose, support any objection, or take any other action to impede, the right of any class of Revolving Claimholders or Notes Claimholders, as applicable, or any Claimholder therein to make an election under Section 1111(b)(2) of the Bankruptcy Code. So long as the respective rights and remedies available to the Notes Collateral Agent and the Revolving Collateral Agent hereunder are not impaired thereby, each of the Notes Collateral Agent and the Revolving Collateral Agent waives any claim it may hereafter have against any Claimholder arising out of the election by such Claimholder of such application of Section 1111(b) (2) of the Bankruptcy Code.

6.7 Avoidance Issues. If any Claimholder is required in any Insolvency Proceeding or otherwise to turn over, disgorge or otherwise pay to the estate of any Grantor any amount paid in respect of Revolving Obligations or Notes Obligations, as the case may be (a "Recovery"), then such Claimholders shall be entitled to a reinstatement of the Revolving Obligations or the Notes Obligations, as applicable, with respect to all such recovered amounts, and all rights, interests, priorities and privileges recognized in this Agreement shall apply with respect to any such Recovery (including that the amount of such Recovery is a Revolving Obligation or Notes Obligation, as applicable, secured by Collateral in accordance with this Agreement). If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the parties hereto from such date of reinstatement. Notwithstanding anything to the contrary contained herein, if in any Insolvency Proceeding a determination is made that any prior Lien encumbering any Collateral is not enforceable for any reason then the Revolving Collateral Agent or Revolving Claimholders, on the one hand, and the Notes Collateral Agent or Notes Claimholders, on the other hand, having Liens of lower ranking priority as provided in this Agreement agree that any distribution or recovery they may receive with respect to, or allocable to, the value of the assets constituting Collateral subject to an enforceable Lien in favor of any such lower ranking priority Lien holder or any proceeds thereof shall (for so long as the Discharge of Revolving Obligations has not occurred, in the case of assets constituting Revolving Priority Collateral, or the Discharge of Note Loan Obligations has not occurred, in the case of assets constituting Notes Priority Collateral) be segregated and held in trust and forthwith paid over to the Revolving Collateral Agent for the benefit of the Revolving Claimholders or to the Notes Collateral Agent for the benefit of the Note Claimholders, as applicable based on whichever holds or is intended to hold the prior Lien as provided in Section 2.1, in the same form as received without recourse, representation or warranty (other than a representation of the applicable Revolving Collateral Agent or Notes Collateral Agent (required to so segregate and pay over) that it has not otherwise sold, assigned, transferred or pledged any right, title or interest in and to such distribution or recovery) but with any necessary endorsements or as a court of competent jurisdiction may otherwise direct.

6.8 Post-Petition Interest.

(a) Neither the Notes Collateral Agent nor any Note Claimholder shall oppose or seek to challenge:

(i) any claim by the Revolving Collateral Agent or any Revolving Claimholder for allowance in any Insolvency Proceeding of Revolving Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien on the Revolving Priority Collateral securing any Revolving Claimholder's claim, without regard to the existence of the Lien of the Notes Collateral Agent on behalf of the Note Claimholders on the Collateral;

(ii) the payment of such expenses allowed in accordance with Section 6.8(a)(i); or

(iii) the payment of such interest and fees allowed in accordance with Section 6.8(a)(i) solely from Proceeds of Revolving Priority Collateral;

provided that nothing contained in this Section 6.8(a) prohibits the Notes Collateral Agent on behalf of the Note Claimholders from seeking adequate protection (to the extent it has not already done so under



other provisions of this Agreement) with respect to their rights in the Notes Priority Collateral in any Insolvency Proceeding if such Notes Priority Collateral is the source of payment of post-petition expenses payable to the Revolving Collateral Agent or any Revolving Claimholder.

(b) Neither the Revolving Collateral Agent nor any other Revolving Claimholder shall oppose or seek to challenge:

(i) any claim by the Notes Collateral Agent or any Note Claimholder for allowance in any Insolvency Proceeding of Note Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien on the Notes Priority Collateral securing any Note Claimholder's claim, without regard to the existence of the Lien of the Revolving Collateral Agent on behalf of the Revolving Claimholders on the Collateral;

(ii) the payment of such expenses allowed in accordance with Section 6.8(b)(i); or

(iii) the payment of such interest and fees allowed in accordance with Section 6.8(b)(i) solely from Proceeds of Notes Priority Collateral

provided that nothing contained in this Section 6.8(b) prohibits the Revolving Collateral Agent on behalf of the Revolving Claimholders from seeking adequate protection (to the extent it has not already done so under other provisions of this Agreement) with respect to their rights in the Revolving Priority Collateral in any Insolvency Proceeding if such Revolving Priority Collateral is the source of payment of post-petition expenses payable to the Notes Collateral Agent or any Note Claimholder.

6.9 Plan of Reorganization. If, in any Insolvency Proceeding involving a Grantor, debt obligations of such Grantor, as reorganized, that are secured by Liens upon any property of such Grantor, are distributed or reinstated (in whole or in part) pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of Revolving Obligations and on account of Notes Obligations, then, to the extent the debt obligations distributed on account of the Revolving Obligations and on account of the Notes Obligations are secured by Liens upon the same property, then either (a) the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations or (b) the parties hereto will amend this Agreement and/or enter into a new agreements as may be necessary to make the provisions of this Agreement applicable to such debt obligations.

6.10 Separate Grants of Security and Separate Classification. The Revolving Collateral Agent, on behalf of the Revolving Claimholders, and the Notes Collateral Agent, on behalf of the Notes Claimholders, acknowledge and intend that: the respective grants of Liens pursuant to the Revolving Collateral Documents and the Notes Collateral Documents constitute two separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral (i) the Notes Obligations are fundamentally different from the Revolving Obligations and, (ii) the Revolving Obligations are fundamentally different from the Notes Obligations and, in each case, must be separately classified in any plan of reorganization proposed or confirmed (or approved) in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Revolving Claimholders and the Notes Claimholders in respect of the Collateral constitute claims in the same class (rather than at least two separate classes of secured claims with the priorities described in Section 2.1), then the Revolving Claimholders and the Notes Claimholders hereby acknowledge and agree that all distributions shall be made as if there were two separate classes of Revolving Obligations and Notes Obligations (with the effect being that, to the extent that (i) the aggregate

value of the Revolving Claimholders' Revolving Priority Collateral is sufficient (for this purpose ignoring all claims held by the Notes Claimholders thereon), the Revolving Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees or expenses that is available from their Revolving Priority Collateral, before any distribution is made in respect of the Notes Obligations with respect to such Collateral, with each Notes Claimholder acknowledging and agreeing to turn over to the Revolving Collateral Agent with respect to such Collateral amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries of the Notes Obligations and (ii) the aggregate value of the Notes Claimholders' Notes Priority Collateral is sufficient (for this purpose ignoring all claims held by the Revolving Claimholders thereon), the Notes Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees or expenses that is available from their Notes Priority Collateral, before any distribution is made in respect of the Revolving Obligations with respect to such Collateral, with each Revolving Claimholder acknowledging and agreeing to turn over to the Notes Collateral Agent with respect to such Collateral amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries of the Revolving Obligations).

**SECTION 7. Reliance; Waivers; Etc.**

7.1 Reliance. Other than any reliance on the terms of this Agreement, the Revolving Collateral Agent, on behalf of the Revolving Claimholders, acknowledges that it and such Revolving Claimholders have, independently and without reliance on the Notes Collateral Agent or any Notes Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Revolving Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Revolving Loan Documents or this Agreement. Other than any reliance on the terms of this Agreement, the Notes Collateral Agent acknowledges on behalf of the Notes Claimholders that it and such Notes Claimholders have, independently and without reliance on the Revolving Collateral Agent or any Revolving Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Notes Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Notes Documents or this Agreement (it being understood that nothing herein obligates the Notes Collateral Agent or Trustee to make, and the Notes Collateral Agent any Trustee have not made, any credit decisions on behalf of any Notes Claimholders).

7.2 No Warranties or Liability. The Revolving Collateral Agent, on behalf of the Revolving Claimholders, acknowledges and agrees that the Notes Collateral Agent has made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility, or enforceability of any of the Notes Documents, the ownership by any Grantor of any Collateral, or the perfection or priority of any Liens thereon. Except as otherwise expressly provided herein, the Notes Collateral Agent and the Notes Claimholders will be entitled to manage and supervise the Notes Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Notes Collateral Agent, on behalf of the Notes Claimholders, acknowledges and agrees that the Revolving Collateral Agent and Revolving Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility, or enforceability of any of the Revolving Loan Documents, the ownership of any Collateral, or the perfection or priority of any Liens thereon. Except as otherwise expressly provided herein, the Revolving Claimholders

will be entitled to manage and supervise their respective loans and extensions of credit under the Revolving Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. Except as expressly provided herein, the Notes Collateral Agent and Notes Claimholders shall have no duty to the Revolving Collateral Agent or any Revolving Claimholders, and the Revolving Collateral Agent and Revolving Claimholders shall have no duty to the Notes Collateral Agent and Notes Claimholders, to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the Revolving Loan Documents and the Notes Documents), regardless of any knowledge thereof which they may have or be charged with.

### 7.3 No Waiver of Lien Priorities.

(a) No right of Revolving Claimholders, the Revolving Collateral Agent or any of them to enforce any provision of this Agreement or any Revolving Loan Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by any Revolving Claimholder or the Revolving Collateral Agent, or by any noncompliance by any person with the terms, provisions, and covenants of this Agreement, any of the Revolving Loan Documents or any of the Notes Documents, regardless of any knowledge thereof which the Revolving Collateral Agent or Revolving Claimholders, or any of them, may have or be otherwise charged with. No right of Notes Claimholders, the Notes Collateral Agent or any of them to enforce any provision of this Agreement or any Notes Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by any Notes Claimholder or the Notes Collateral Agent, or by any noncompliance by any person with the terms, provisions, and covenants of this Agreement, any of the Notes Documents or any of the Revolving Loan Documents, regardless of any knowledge thereof which the Notes Collateral Agent or Notes Claimholders, or any of them, may have or be otherwise charged with.

(b) Subject to any rights of Grantors under the Revolving Loan Documents and the Notes Documents and subject to the provisions of Section 5.3(a), the Revolving Collateral Agent and Revolving Claimholders may, at any time and from time to time in accordance with the Revolving Loan Documents and/or applicable law, without the consent of, or notice to, the Notes Collateral Agent or any Notes Claimholders, without incurring any liabilities to the Notes Collateral Agent or any Notes Claimholders and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the Notes Collateral Agent or Notes Claimholders is affected, impaired, or extinguished thereby) do any one or more of the following without the prior written consent of the Notes Collateral Agent or any Notes Claimholders:

(i) change the manner, place, or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase, or alter, the terms of any of the Revolving Obligations or any Lien on any Collateral or guarantee thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Revolving Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify, or supplement in any manner any Liens held by the Revolving Collateral Agent or any Revolving Claimholders, the Revolving Obligations, or any of the Revolving Loan Documents;

(ii) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Revolving Priority Collateral or any liability of any Grantor to Revolving Claimholders or the Revolving Collateral Agent, or any liability incurred directly or indirectly in respect thereof;

(iii) settle or compromise any Revolving Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including the Revolving Obligations) in any manner or order that is not consistent with the terms of this Agreement; and

(iv) exercise or delay in or refrain from exercising any right or remedy against any Grantor or any other person, elect any remedy and otherwise deal freely with any Grantor or any Revolving Priority Collateral and any security and any guarantor or any liability of any Grantor to Revolving Claimholders or any liability incurred directly or indirectly in respect thereof.

(c) Except as otherwise provided herein, the Notes Collateral Agent and Notes Claimholders also agree that Revolving Claimholders and the Revolving Collateral Agent shall have no liability to the Notes Collateral Agent and Notes Claimholders, and the Notes Collateral Agent and Notes Claimholders hereby waive any claim against any Revolving Claimholder or the Revolving Collateral Agent, arising out of any and all actions which Revolving Claimholders or the Revolving Collateral Agent may, pursuant to the terms hereof, take, permit or omit to take with respect to:

(i) the Revolving Loan Documents;

(ii) the collection of the Revolving Obligations; or

(iii) the foreclosure upon, or sale, liquidation, or other Disposition of, or the failure to foreclose upon, or sell, liquidate, or otherwise dispose of, any Revolving Priority Collateral. The Notes Collateral Agent and Notes Claimholders agree that Revolving Claimholders and the Revolving Collateral Agent have no duty to them in respect of the maintenance or preservation of the Revolving Priority Collateral, the Revolving Obligations, or otherwise.

(d) Subject to any rights of Grantors under the Notes Documents and the Revolving Loan Documents and subject to the provisions of Section 5.3(b), the Notes Collateral Agent may, at any time and from time to time in accordance with the Notes Documents and/or applicable law, without the consent of, or notice to, the Revolving Collateral Agent or the Revolving Claimholders, without incurring any liabilities to the Revolving Collateral Agent or the Revolving Claimholders and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the Revolving Collateral Agent or the Revolving Claimholders is affected, impaired, or extinguished thereby) do any one or more of the following without the prior written consent of the Revolving Collateral Agent and Revolving Claimholders:

(i) change the manner, place, or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase, or alter, the terms of any of the Notes Obligations or any Lien on any Collateral or guarantee thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Notes Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify, or supplement in any manner any Liens held by the Notes Collateral Agent or any Notes Claimholders, the Notes Obligations, or any of the Notes Documents;

(ii) subject to Section 3.8, sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Notes Priority Collateral or any liability of any Grantor to Notes Claimholders or the Notes Collateral Agent, or any liability incurred directly or indirectly in respect thereof;

(iii) settle or compromise any Notes Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including the Notes Obligations) in any manner or order that is not consistent with this Agreement; and

(iv) exercise or delay in or refrain from exercising any right or remedy against any Grantor or any other person, elect any remedy and otherwise deal freely with any Grantor or any Notes Priority Collateral and any security and any guarantor or any liability of any Grantor to the Notes Collateral Agent or Notes Claimholders or any liability incurred directly or indirectly in respect thereof.

(e) Except as otherwise provided herein, the Revolving Claimholders and the Revolving Collateral Agent also agree that the Notes Collateral Agent and the Notes Claimholders shall have no liability to the Revolving Claimholders and the Revolving Collateral Agent, and the Revolving Claimholders and the Revolving Collateral Agent hereby waive any claim against the Notes Collateral Agent and the Notes Claimholders, arising out of any and all actions which the Notes Collateral Agent and the Notes Claimholders may, pursuant to the terms hereof, take, permit or omit to take with respect to:

(i) the Notes Documents;

(ii) the collection of the Notes Obligations; or

(iii) the foreclosure upon, or sale, liquidation, or other Disposition of, or the failure to foreclose upon, or sell, liquidate, or otherwise dispose of, any Notes Priority Collateral. The Revolving Claimholders and the Revolving Collateral Agent agree that the Notes Collateral Agent and the Notes Claimholders have no duty to them in respect of the maintenance or preservation of the Notes Priority Collateral, the Notes Obligations, or otherwise.

(f) Until the Discharge of Revolving Obligations and the Discharge of Notes Obligations, each of the Revolving Collateral Agent and the Notes Collateral Agent agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead, or otherwise assert, or otherwise claim the benefit of, any marshaling, appraisal, valuation, or other similar right that may otherwise be available under applicable law with respect to the other party's Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

7.4 Obligations Unconditional. For so long as this Agreement is in full force and effect, all rights, interests, agreements and obligations of the Revolving Collateral Agent and Revolving Claimholders and the Notes Collateral Agent and Notes Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Revolving Loan Documents or any Notes Documents;

(b) except as otherwise expressly restricted in this Agreement, any change in the time, manner, or place of payment of, or in any other terms of, all or any of the Revolving Obligations or Notes Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Revolving Loan Document or any Notes Document;

(c) except as otherwise expressly restricted in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Revolving Obligations or Notes Obligations or any guarantee thereof;

(d) the commencement of any Insolvency Proceeding in respect of any Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the Revolving Collateral Agent, the Revolving Obligations, any Revolving Claimholder, the Notes Collateral Agent, Notes Claimholders, or the Notes Obligations in respect of this Agreement.

**SECTION 8. Representations and Warranties.**

8.1 Representations and Warranties of Each Party. Each party hereto represents and warrants to the other parties hereto as follows:

(a) Such party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly executed and delivered by such party.

8.2 Representations and Warranties of Each Agent. The Revolving Collateral Agent and the Notes Collateral Agent each represent and warrant to the other that it has been authorized by Revolving Lenders or holders of Notes, as applicable, under the Existing Revolving Credit Agreement or the Existing Indenture, as applicable, to enter into this Agreement.

**SECTION 9. Miscellaneous.**

9.1 Conflicts. As between the Revolving Claimholders and the Notes Claimholders, in the event of any conflict between the provisions of this Agreement and the provisions of any of the Revolving Loan Documents or any of the Notes Documents, the provisions of this Agreement shall govern and control.

9.2 Effectiveness; Continuing Nature of This Agreement; Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination (as opposed to debt or claim subordination) and Revolving Claimholders may continue, at any time and without notice to the Notes Collateral Agent or Notes Claimholders, to extend credit and other financial accommodations to or for the benefit of any Grantor constituting Revolving Obligations in reliance hereon. Each of the Revolving Collateral Agent and the Notes Collateral Agent hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in

any Insolvency Proceeding. Consistent with, but not in limitation of, the preceding sentence, the Revolving Collateral Agent and the Notes Collateral Agent, on behalf of the applicable Claimholders, irrevocably acknowledges that this Agreement constitutes a “subordination agreement” within the meaning of both New York law and Section 510(a) of the Bankruptcy Code. Any provision of this Agreement that is prohibited or unenforceable shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Grantor shall include such Grantor as debtor and debtor in possession and any receiver or trustee for such Grantor in any Insolvency Proceeding. This Agreement shall terminate and be of no further force and effect:

- (a) with respect to the Revolving Collateral Agent, Revolving Claimholders, and the Revolving Obligations, on the date that the Discharge of Revolving Obligations has occurred; and
- (b) with respect to the Notes Collateral Agent, Notes Claimholders and the Notes Obligations on the date that the Discharge of Notes Obligations has occurred.

### 9.3 Amendments; Waivers.

(a) Except as provided in the last sentence of this Section, no amendment, modification, or waiver of any of the provisions of this Agreement shall be effective unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Any amendments, modifications or waivers can be effected by the Revolving Collateral Agent, at the direction of the requisite Revolving Claimholders under the Revolving Credit Agreement, and the Notes Collateral Agent, at the direction of the requisite Notes Claimholders under the Existing Indenture. Notwithstanding the foregoing, (i) no Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except (x) so long as no “Event of Default” has occurred and is continuing under either the Revolving Loan Documents or the Notes Documents, with respect to any amendment, modification or waiver of any provision of this Agreement to the extent its rights are directly affected thereby or (y) at all times, amendments, modifications or waivers of Sections 2.3, 3.8(b), 3.8(h), 2.4, 5.1, 5.3, 5.5, 9.3, 9.12 or 9.13, in each case to the extent its rights are directly affected, (ii) any agent for holders of Permitted Additional Pari Passu Lien Obligations, on behalf of itself and such holders, may become a party to this Agreement, without any further action by any other party hereto, upon execution and delivery by such agent of a properly completed joinder agreement which shall be acknowledged by the Issuer, the Notes Collateral Agent and Revolving Collateral Agent and (iii) any agent for any Additional Revolving Credit Agreement, on behalf of itself and lenders under such Additional Revolving Credit Agreement, any agent for any Replacement Revolving Credit Agreement and lenders under such Replacement Revolving Credit Agreement or any agent or trustee for the holders of any debt resulting from a Refinancing of the Notes Obligations, may become a party to this Agreement, without any further action by any other party hereto, upon execution and delivery by such agent of a properly completed joinder agreement attached hereto as Exhibit A (“Revolving Joinder Agreement”) which shall be acknowledged by the Parent and the Notes Collateral Agent.

(b) It is understood that the Revolving Collateral Agent and the Notes Collateral Agent, without the consent of any other Revolving Claimholder or Notes Claimholder, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations, including any Refinancing of the Revolving Obligations, any Additional Revolving

Credit Facility, any Permitted Additional Pari Passu Lien Obligations, or any Refinancing of the Notes Obligations (“**Additional Debt**”) of any of the Grantors become Revolving Obligations or Notes Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes Revolving Credit Obligations or Notes Obligations; provided, that such Additional Debt is permitted to be incurred by the Revolving Loan Documents and the Notes Documents as then in effect, and is permitted by such agreements to be subject to the provisions of this Agreement as Revolving Credit Obligations or Notes Obligations, as applicable.

(c) In the event that the Notes Collateral Agent does not take the actions contemplated by Section 9.3(b) in connection with any permitted Additional Debt within ten (10) Business Days after the delivery of a written request to do so and delivery by the Issuer or Parent of an officers certificate and opinion of counsel, the Revolving Collateral Agent, without the consent of the Notes Collateral Agent, may modify this Agreement (which modification may take the form of an amendment and restatement of this Agreement) for the sole purpose and sole effect of having any Additional Debt become Revolving Credit Obligations under this Agreement, which agreement shall specify that such Additional Debt constitutes Revolving Credit Obligations; provided, that such Additional Debt is permitted to be incurred pursuant to the Notes Documents as then in effect, and is permitted by such agreement (as determined by the Revolving Collateral Agent in good faith and certified by an officer of the Parent to the Notes Collateral Agent) to be subject to the provisions of this Agreement as Revolving Credit Obligations.

9.4 Information Concerning Financial Condition of the Revolving Borrowers, the Issuer and Their Subsidiaries The Revolving Collateral Agent and Revolving Claimholders, on the one hand, and the Notes Collateral Agent and Notes Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Revolving Borrowers, the Issuer, their Subsidiaries and all endorsers and/or guarantors of the Revolving Obligations or the Notes Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Revolving Obligations or the Notes Obligations; *provided that*, nothing herein shall obligate the Notes Collateral Agent for keeping itself informed of the financial condition of the Issuer or Notes Guarantors or other circumstances bearing upon non-payment beyond that which may be required by the Existing Indenture. The Revolving Collateral Agent and Revolving Claimholders shall have no duty to advise the Notes Collateral Agent and Notes Claimholders of information known to it or them regarding such condition or any such circumstances or otherwise. The Notes Collateral Agent and Notes Claimholders shall have no duty to advise the Revolving Collateral Agent or any Revolving Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event the Revolving Collateral Agent or any Revolving Claimholders, or the Notes Collateral Agent or any Notes Claimholders, in its or their sole discretion, undertake at any time or from time to time to provide any such information to any other party to this Agreement, it or they shall be under no obligation:

- (a) to make, and the Revolving Collateral Agent and the Revolving Claimholders, or the Notes Collateral Agent and the Notes Claimholders, as the case may be, shall not be required to make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness, or validity of any such information so provided;
- (b) to provide any additional information or to provide any such information on any subsequent occasion;
- (c) to undertake any investigation; or



(d) to disclose any information, which pursuant to accepted or reasonable commercial practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

9.5 Subrogation. (a) With respect to any payments or distributions in cash, property, or other assets that any Notes Claimholders or the Notes Collateral Agent pays over to the Revolving Collateral Agent or Revolving Claimholders under the terms of this Agreement, Notes Claimholders and the Notes Collateral Agent shall be subrogated to the rights of the Revolving Collateral Agent and Revolving Claimholders and (b) with respect to any payments or distributions in cash, property, or other assets that any Revolving Claimholders or the Revolving Collateral Agent pays over to the Notes Collateral Agent or Notes Claimholders under the terms of this Agreement, Revolving Claimholders and the Revolving Collateral Agent shall be subrogated to the rights of the Notes Collateral Agent and Notes Claimholders; provided, however, that the Revolving Collateral Agent and the Notes Collateral Agent each hereby agree not to assert or enforce any such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of all Revolving Obligations or Discharge of Notes Obligations, as applicable, has occurred. Any payments or distributions in cash, property or other assets received by the Revolving Collateral Agent or the Revolving Claimholders that are paid over to the Notes Collateral Agent or Notes Claimholders pursuant to this Agreement shall not reduce any of the Revolving Obligations. Any payments or distributions in cash, property or other assets received by the Notes Collateral Agent or Notes Claimholders that are paid over to the Revolving Collateral Agent or Revolving Claimholders pursuant to this Agreement shall not reduce any of the Notes Obligations. Notwithstanding the foregoing provisions of this Section 9.5, none of the Revolving Claimholders shall have any claim against any of the Notes Claimholders for any impairment of any subrogation rights herein granted to the Notes Claimholders and none of the Notes Claimholders shall have any claim against any of the Revolving Claimholders for any impairment of any subrogation rights herein granted to the Revolving Claimholders.

**9.6 GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE. THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES AMONG THE PARTIES HERETO PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT. EACH OF THE PARTIES HERETO EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.**

9.7 Notices. All notices to the Revolving Claimholders permitted or required under this Agreement shall also be sent to the Revolving Collateral Agent. All notices to the Notes Claimholders permitted or required under this Agreement shall also be sent to the Notes Collateral Agent and the Trustee. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served or sent by telefacsimile or United States mail or courier service or electronic mail and shall be deemed to have been given and received when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or electronic mail, or 3 Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes

hereof, the addresses of the parties hereto shall be as is designated by such party on the signature pages hereto. The Parent shall provide written notice to the Revolving Collateral Agent of the Discharge of the Notes Obligations and shall provide written notice to the Notes Collateral Agent of the Discharge of Revolving Obligations.

9.8 Further Assurances. The Revolving Collateral Agent and the Notes Collateral Agent each agree to take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Revolving Collateral Agent or the Notes Collateral Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement, all at the expense of Grantors to the extent provided in the Revolving Loan Documents or the Notes Documents, as applicable.

9.9 Binding on Successors and Assigns. This Agreement shall be binding upon the Revolving Collateral Agent, Revolving Claimholders, the Notes Collateral Agent, Notes Claimholders, and their respective successors and assigns.

9.10 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

9.11 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

9.12 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of and bind each of Revolving Claimholders and Notes Claimholders. Except as set forth in Section 9.3, no Grantor shall be a third party beneficiary of this Agreement, including any Grantor which may purchase loans under the Revolving Credit Agreement or Notes.

9.13 Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Revolving Collateral Agent and Revolving Claimholders on the one hand and the Notes Collateral Agent and the Notes Claimholders on the other hand. Except as set forth in Section 9.3, (x) no Grantor nor any other creditor thereof shall have any rights hereunder and (y) no Grantor may rely on the terms hereof. Nothing in this Agreement shall impair, as between Grantors and the Revolving Collateral Agent and Revolving Claimholders, or as between Grantors and the Notes Collateral Agent and Notes Claimholders, the obligations of Grantors to pay principal, interest, fees and other amounts as provided in the Revolving Loan Documents and the Notes Documents, respectively.

9.14 Specific Performance. Each of the Revolving Collateral Agent and the Notes Collateral Agent may demand specific performance of this Agreement. The Revolving Collateral Agent, on behalf of itself and the Revolving Claimholders, and the Notes Collateral Agent, on behalf of itself and the Notes Claimholders, hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the Revolving Collateral Agent or the other Revolving Claimholders or the Notes Collateral Agent or the other Notes Claimholders, as applicable. Without limiting the generality of the foregoing

---

or of the other provisions of this Agreement, in seeking specific performance in any Insolvency Proceeding, the Revolving Collateral Agent or the Notes Collateral Agent may seek such or any other relief as if it were the “holder” of the claims of the other agent’s Claimholders under Section 1126(a) of the Bankruptcy Code or otherwise had been granted an irrevocable power of attorney by the other agent’s Claimholders.

9.15 Indenture Protections. In connection with its execution and acting under this Agreement, the Notes Collateral Agent is entitled to all rights, privileges, protections, immunities, benefits and indemnities provided to it under the Existing Indenture, all of which are incorporated by reference herein *mutatis mutandis*.

9.16 Waiver of Jury Trial

EACH PARTY HERETO WAIVES THE RIGHT TO A JURY IN ANY TRIAL OF ANY CASE OR CONTROVERSY IN WHICH ANY PARTY HERETO IS OR BECOMES A PARTY (WHETHER SUCH CASE OR CONTROVERSY IS INITIATED BY OR AGAINST ANY PARTY HERETO OR IN WHICH ANY PARTY IS JOINED AS A PARTY LITIGANT), WHICH CASE OR CONTROVERSY ARISES OUT OF OR IS IN RESPECT OF, ANY RELATIONSHIP AMONGST OR BETWEEN THE PARTIES HERETO OR ANY OTHER PERSON AND EACH REVOLVING CLAIMHOLDER AND NOTES CLAIMHOLDER LIKEWISE WAIVES THE RIGHT TO A JURY IN ANY TRIAL OF ANY SUCH CASE OR CONTROVERSY.

9.17 Additional Grantors.

The Parent shall cause each Person that becomes a Grantor after the day hereof to execute an acknowledgement of this Agreement substantially in the form attached hereto and deliver it to the Revolving Collateral Agent and the Notes Collateral Agent.

[signature pages follow]

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

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
as the Revolving Collateral Agent

By: /s/ Nicholas Ply  
Name: Nicholas Ply  
Title: Authorized Signatory

Name: WELLS FARGO BANK,  
NATIONAL ASSOCIATION  
Address: 2450 Colorado Avenue  
Suite 3000 West  
Santa Monica, CA 90404  
Facsimile: (310) 453-7442  
Attention: Loan Portfolio Manager

With a copy (which shall not constitute notice) to:

Name: Paul Hastings LLP  
Address: 695 Town Center Drive  
Seventeenth Floor  
Costa Mesa, CA 92626  
Facsimile: (714) 668-6338  
Attention: Katherine E. Bell, Esq.  
Telephone: (714) 668-6238  
E-mail: katherinebell@paulhastings.com

[SIGNATURE PAGE TO INTERCREDITOR AGREEMENT]

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

U.S. BANK NATIONAL ASSOCIATION, as the  
Notes Collateral Agent

By: /s/ Paula Oswald  
Name: Paula Oswald  
Title: Vice President

Name: U.S. Bank National Association  
Address: Global Corporate Trust Services  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071  
Facsimile: (213) 615-6197  
Attention: P. Oswald (Salem Media)

[SIGNATURE PAGE TO INTERCREDITOR AGREEMENT]

ACKNOWLEDGMENT

Each of the undersigned hereby acknowledges that it has received a copy of the foregoing Intercreditor Agreement and consents thereto, agrees to recognize all rights granted thereby to the Revolving Collateral Agent, Revolving Claimholders, the Notes Collateral Agent and Notes Claimholders, and will not do any act or perform any obligation which is not in accordance with the agreements set forth therein. Each of the undersigned further acknowledges and agrees that it is not an intended beneficiary or third party beneficiary under the foregoing Intercreditor Agreement except as set forth in Section 9.3 of the Intercreditor Agreement.

Acknowledged as of the date first written above:

**PARENT, ISSUER,  
AND A REVOLVING  
BORROWER:**

**SALEM MEDIA GROUP, INC.,** a Delaware corporation

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

**REVOLVING BORROWERS  
AND NOTES GUARANTORS:**

**AIR HOT, INC.  
BISON MEDIA, INC.  
CARON BROADCASTING, INC.  
COMMON GROUND BROADCASTING, INC.  
INSPIRATION MEDIA, INC.  
NEW INSPIRATION BROADCASTING COMPANY, INC.  
NI ACQUISITION CORP.  
PENNSYLVANIA MEDIA ASSOCIATES, INC.  
REACH SATELLITE NETWORK, INC.  
SALEM CONSUMER PRODUCTS, INC.  
SALEM COMMUNICATIONS HOLDING CORPORATION  
SALEM MEDIA OF COLORADO, INC.  
SALEM MEDIA OF HAWAII, INC.  
SALEM MEDIA OF KENTUCKY, INC.  
SALEM MEDIA OF OHIO, INC.  
SALEM MEDIA OF OREGON, INC.  
SALEM MEDIA OF TEXAS, INC.  
SALEM MEDIA OF VIRGINIA, INC.  
SALEM MEDIA REPRESENTATIVES, INC.  
SALEM PUBLISHING, INC.  
SALEM RADIO NETWORK INCORPORATED  
SALEM RADIO PROPERTIES, INC.  
SCA LICENSE CORPORATION  
SOUTH TEXAS BROADCASTING, INC.  
SRN NEWS NETWORK, INC.  
SRN STORE, INC.**

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

[SIGNATURE PAGE TO INTERCREDITOR AGREEMENT]

**REVOLVING BORROWERS AND NOTES GUARANTORS:**

**INSPIRATION MEDIA OF TEXAS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF ILLINOIS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF MASSACHUSETTS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF NEW YORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM RADIO OPERATIONS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM SATELLITE MEDIA, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM WEB NETWORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SCA-PALO ALTO, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

**EAGLE PRODUCTS, LLC**  
**BY: CARON BROADCASTING, INC.,**  
**its Managing Member**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[SIGNATURE PAGE TO INTERCREDITOR AGREEMENT]

**REVOLVING JOINDER AGREEMENT**

Reference is hereby made to the Intercreditor Agreement, dated as of May 19, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), among Wells Fargo Bank, National Association, as Revolving Collateral Agent, U.S. Bank National Association, as Notes Collateral Agent and the other parties thereto, to which this Joinder is attached. All capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Agreement when used herein. The undersigned, in its capacity as [Revolving Collateral Agent/[agent or trustee] for the holders of debt resulting from the Refinancing of Notes Obligations] hereby acknowledges the terms and conditions of the Agreement and agrees to be bound thereby. For all purposes of the Agreement, [identify agreement] shall be a [Replacement Revolving Credit Agreement/Additional Revolving Credit Agreement/[agent or trustee] for the holders of debt resulting from the Refinancing of Notes Obligations] thereunder.

We hereby advise you of the following administrative details:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Attention: \_\_\_\_\_

[Revolving Collateral Agent][[agent or trustee] for the holders of debt resulting from the Refinancing of Notes Obligations]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged and Agreed

SALEM MEDIA GROUP, INC.,  
as Parent

By: \_\_\_\_\_  
Name:  
Title:



---

Acknowledged by:

U.S. BANK NATIONAL ASSOCIATION, as  
Notes Collateral Agent

By: \_\_\_\_\_

Name:

Title:



**CREDIT AGREEMENT**  
by and among

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**

as Administrative Agent,

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**

as Lead Arranger,

**THE LENDERS THAT ARE PARTIES HERETO**

as the Lenders,

**SALEM MEDIA GROUP, INC.**

as Parent and a Borrower, and

**EACH OF THE PARENT'S SUBSIDIARIES THAT ARE SIGNATORIES HERETO,**

as Borrowers

Dated as of May 19, 2017

---

---

---

**TABLE OF CONTENTS**

	<b>Page</b>
1. DEFINITIONS AND CONSTRUCTION	1
1.1 Definitions	1
1.2 Accounting Terms	45
1.3 Code	45
1.4 Construction	45
1.5 Time References	46
1.6 Schedules and Exhibits	46
2. LOANS AND TERMS OF PAYMENT	47
2.1 Revolving Loans	47
2.2 Reserved	47
2.3 Borrowing Procedures and Settlements	47
2.4 Payments; Reductions of Commitments; Prepayments	54
2.5 Promise to Pay; Promissory Notes	59
2.6 Interest Rates and Letter of Credit Fee: Rates, Payments, and Calculations	59
2.7 Crediting Payments	61
2.8 Designated Account	61
2.9 Maintenance of Loan Account; Statements of Obligations	61
2.10 Fees	61
2.11 Letters of Credit	62
2.12 LIBOR Option	70
2.13 Capital Requirements	72
2.14 Reserved	73
2.15 Joint and Several Liability of Borrowers	73
3. CONDITIONS; TERM OF AGREEMENT	77
3.1 Conditions Precedent to the Initial Extension of Credit	77
3.2 Conditions Precedent to all Extensions of Credit	77
3.3 Maturity	77
3.4 Effect of Maturity	77
3.5 Early Termination by Borrowers	78
3.6 Conditions Subsequent	78

---

**TABLE OF CONTENTS**

(continued)

	<b>Page</b>
4. REPRESENTATIONS AND WARRANTIES	78
4.1 Due Organization and Qualification; Subsidiaries	78
4.2 Due Authorization; No Conflict	79
4.3 Governmental Consents	79
4.4 Binding Obligations; Perfected Liens	80
4.5 Title to Assets; No Encumbrances	80
4.6 Litigation	80
4.7 Compliance with Laws	80
4.8 No Material Adverse Effect	81
4.9 Solvency	81
4.10 Employee Benefits	81
4.11 Environmental Condition	81
4.12 Complete Disclosure	81
4.13 Patriot Act	82
4.14 Indebtedness	82
4.15 Payment of Taxes	82
4.16 Margin Stock	82
4.17 Governmental Regulation	83
4.18 OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws	83
4.19 Employee and Labor Matters	83
4.20 Parent as a Holding Company	83
4.21 Leases	84
4.22 Eligible Accounts	84
4.23 Senior Secured Note Documents	84
4.24 Immaterial Subsidiaries	84
4.25 Hedge Agreements	84
4.26 Material Contracts	84
4.27 FCC Licenses	84
4.28 Sharing Arrangements	85
5. AFFIRMATIVE COVENANTS	85
5.1 Financial Statements, Reports, Certificates	85
5.2 Reporting	86

---

**TABLE OF CONTENTS**

(continued)

	<b>Page</b>	
5.3	Existence	86
5.4	Maintenance of Properties	86
5.5	Taxes	86
5.6	Insurance	86
5.7	Inspection	87
5.8	Compliance with Laws	87
5.9	Environmental	88
5.10	Disclosure Updates	88
5.11	Formation of Subsidiaries	88
5.12	Further Assurances	89
5.13	Lender Meetings	89
5.14	Location of Chief Executive Office	90
5.15	OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws	90
6.	NEGATIVE COVENANTS	90
6.1	Indebtedness	90
6.2	Liens	90
6.3	Restrictions on Fundamental Changes	90
6.4	Disposal of Assets	91
6.5	Nature of Business	91
6.6	Prepayments and Amendments	91
6.7	Restricted Payments	92
6.8	Accounting Methods	93
6.9	Investments	93
6.10	Transactions with Affiliates	93
6.11	Use of Proceeds	94
6.12	Limitation on Issuance of Equity Interests	94
6.13	Parent as Holding Company	94
6.14	Immaterial Subsidiaries	94
6.15	Agency Relationships	94
7.	FINANCIAL COVENANT	94

---

**TABLE OF CONTENTS**

(continued)

	<b>Page</b>
8. EVENTS OF DEFAULT	95
8.1 Payments	95
8.2 Covenants	95
8.3 Judgments	95
8.4 Voluntary Bankruptcy, etc	96
8.5 Involuntary Bankruptcy, etc	96
8.6 Default Under Other Agreements	96
8.7 Representations, etc	96
8.8 Guaranty	96
8.9 Security Documents	96
8.10 Loan Documents	96
8.11 Change of Control	97
8.12 Material Cessation of Broadcasting	97
8.13 Termination of Material Licenses	97
8.14 Material Distribution	97
9. RIGHTS AND REMEDIES	97
9.1 Rights and Remedies	97
9.2 Remedies Cumulative	98
9.3 Reserved	98
10. WAIVERS; INDEMNIFICATION	98
10.1 Demand; Protest; etc	98
10.2 The Lender Group's Liability for Collateral	98
10.3 Indemnification	98
11. NOTICES	99
12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION	100
13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS	103
13.1 Assignments and Participations	103
13.2 Successors	107
14. AMENDMENTS; WAIVERS	107
14.1 Amendments and Waivers	107
14.2 Replacement of Certain Lenders	109
14.3 No Waivers; Cumulative Remedies	109

---

## TABLE OF CONTENTS

(continued)

	<b>Page</b>
15. AGENT; THE LENDER GROUP	110
15.1 Appointment and Authorization of Agent	110
15.2 Delegation of Duties	111
15.3 Liability of Agent	111
15.4 Reliance by Agent	111
15.5 Notice of Default or Event of Default	111
15.6 Credit Decision	112
15.7 Costs and Expenses; Indemnification	112
15.8 Agent in Individual Capacity	113
15.9 Successor Agent	113
15.10 Lender in Individual Capacity	114
15.11 Collateral Matters	114
15.12 Restrictions on Actions by Lenders; Sharing of Payments	116
15.13 Agency for Perfection	116
15.14 Payments by Agent to the Lenders	116
15.15 Concerning the Collateral and Related Loan Documents	117
15.16 Field Examination Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information	117
15.17 Several Obligations; No Liability	118
15.18 Reserved	118
16. WITHHOLDING TAXES	118
16.1 Payments	118
16.2 Exemptions	119
16.3 Reductions	120
16.4 Refunds	121
17. GENERAL PROVISIONS	121
17.1 Effectiveness	121
17.2 Section Headings	121
17.3 Interpretation	121
17.4 Severability of Provisions	121
17.5 Bank Product Providers	122
17.6 Debtor-Creditor Relationship	122

---

**TABLE OF CONTENTS**

(continued)

	<b>Page</b>	
17.7	Counterparts; Electronic Execution	122
17.8	Revival and Reinstatement of Obligations; Certain Waivers	123
17.9	Confidentiality	123
17.10	Survival	125
17.11	Patriot Act; Due Diligence	125
17.12	Integration	125
17.13	Parent as Agent for Borrowers	125
17.14	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	126



---

**EXHIBITS AND SCHEDULES**

Exhibit A-1	Form of Assignment and Acceptance
Exhibit B-1	Form of Borrowing Base Certificate
Exhibit C-1	Form of Compliance Certificate
Exhibit L-1	Form of LIBOR Notice
Exhibit J-1	Form of Joinder
Exhibit P-1	Form of Perfection Certificate
Schedule A-1	Agent's Account
Schedule A-2	Authorized Persons
Schedule C-1	Commitments
Schedule D-1	Designated Account
Schedule E-1	Eligible Real Property
Schedule P-1	Permitted Investments
Schedule P-2	Permitted Liens
Schedule R-1	Real Property Collateral
Schedule 3.1	Conditions Precedent
Schedule 3.6	Conditions Subsequent
Schedule 4.1(b)	Capitalization of Borrowers
Schedule 4.1(c)	Capitalization of Borrowers' Subsidiaries
Schedule 4.1(d)	Subscriptions, Options, Warrants, Calls
Schedule 4.6	Litigation
Schedule 4.11	Environmental Matters
Schedule 4.14	Permitted Indebtedness
Schedule 4.26	Material Contracts
Schedule 4.27	FCC Licenses and Stations
Schedule 4.28	Sharing Arrangements
Schedule 5.1	Financial Statements, Reports, Certificates
Schedule 5.2	Collateral Reporting

## CREDIT AGREEMENT

**THIS CREDIT AGREEMENT**, is entered into as of May 19, 2017 by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a “Lender”, as that term is hereinafter further defined), **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, “Agent”), **SALEM MEDIA GROUP, INC.**, a Delaware corporation (“Parent”), the Subsidiaries of Parent identified on the signature pages hereof as “Borrowers”, and those additional entities that hereafter become parties hereto as Borrowers in accordance with the terms hereof by executing the form of Joinder attached hereto as Exhibit J-1 (together with Parent, each, a “Borrower” and individually and collectively, jointly and severally, the “Borrowers”).

The parties agree as follows:

### 1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.** As used in this Agreement, the following terms shall have the following definitions:

“ABL Priority Collateral” means the “Revolving Priority Collateral” as defined in the Intercreditor Agreement.

“Acceptable Appraisal” means, with respect to an appraisal of Real Property, the most recent current appraisal of such property received by Agent (a) from an appraisal company engaged by and satisfactory to Agent, (b) the scope and methodology of which are satisfactory to Agent, and (c) the results of which are satisfactory to Agent, in each case, in Agent’s Permitted Discretion.

“Account” means an account (as that term is defined in the Code).

“Account Debtor” means any Person who is obligated on an Account, chattel paper, or a general intangible.

“Account Party” has the meaning specified therefor in Section 2.11(h) of this Agreement.

“Accounting Changes” means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

“Acquired Debt” means Indebtedness of a Person whose assets or Equity Interests are acquired by a Loan Party or any of its Subsidiaries in a Permitted Acquisition; provided, that such Indebtedness (a) is either purchase money Indebtedness or a Capital Lease with respect to Equipment or mortgage financing with respect to Real Property, (b) was in existence prior to the date of such Permitted Acquisition, and (c) was not incurred in connection with, or in contemplation of, such Permitted Acquisition.

“Acquisition” means (a) the purchase or other acquisition by a Person or its Subsidiaries of all or substantially all of the assets of (or any division or business line of) any other Person, or (b) the purchase or other acquisition (whether by means of a merger, consolidation, or otherwise) by a Person or its Subsidiaries of all of the Equity Interests of any other Person.

---

“Additional Documents” has the meaning specified therefor in Section 5.12 of this Agreement.

“Administrative Borrower” has the meaning specified therefor in Section 17.13 of this Agreement.

“Administrative Questionnaire” has the meaning specified therefor in Section 13.1(a) of this Agreement.

“Affected Lender” has the meaning specified therefor in Section 2.13(b) of this Agreement.

“Affiliate” means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that for purposes of the definition of Eligible Accounts and Section 6.10 of this Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person.

“Agent” has the meaning specified therefor in the preamble to this Agreement.

“Agent-Related Persons” means Agent, together with its Affiliates, officers, directors, employees, attorneys, and agents.

“Agent’s Account” means the Deposit Account of Agent identified on Schedule A-1 to this Agreement (or such other Deposit Account of Agent that has been designated as such, in writing, by Agent to Borrowers and the Lenders).

“Agent’s Liens” means the Liens granted by each Loan Party or its Subsidiaries to Agent under the Loan Documents and securing the Obligations.

“Agreement” means this Credit Agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Anti-Corruption Laws” means the FCPA, the U.K. Bribery Act of 2010, as amended, and all other applicable laws and regulations or ordinances concerning or relating to bribery, money laundering or corruption in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing business.

“Anti-Money Laundering Laws” means the applicable laws or regulations in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Applicable Margin” means, as of any date of determination and with respect to Base Rate Loans or LIBOR Rate Loans, as applicable, the applicable margin set forth in the following table that corresponds to the Average Availability of Borrowers for the most recently completed quarter; provided, that for the period from the Closing Date through and including the last day of the first full quarter after the Closing Date, the Applicable Margin shall be set at the margin in the row styled “Level II”; provided further, that any time an Event of Default has occurred and is continuing, the Applicable Margin shall be set at the margin in the row styled “Level III”:

<u>Level</u>	<u>Average Availability</u>	<u>Applicable Margin for Base Rate Loans which are Revolving Loans (the “Base Rate Margin”)</u>	<u>Applicable Margin for LIBOR Rate Loans which are Revolving Loans (the “LIBOR Rate Margin”)</u>
I	≥ 66.67% of the Maximum Revolver Amount	0.50 percentage points	1.50 percentage points
II	< 66.67% of the Maximum Revolver Amount and ≥ 33.33% of the Maximum Revolver Amount	0.75 percentage points	1.75 percentage points
III	< 33.33% of the Maximum Revolver Amount	1.00 percentage points	2.00 percentage points

The Applicable Margin shall be re-determined as of the first day of each quarter.

“Applicable Unused Line Fee Percentage” means, as of any date of determination, the applicable percentage set forth in the following table that corresponds to the Average Revolver Usage of Borrowers for the most recently completed quarter as determined by Agent in its Permitted Discretion; provided, that for the period from the Closing Date through and including the last day of the first full quarter after the Closing Date, the Applicable Unused Line Fee Percentage shall be set at the rate in the row styled “Level II”; provided further, that any time an Event of Default has occurred and is continuing, the Applicable Unused Line Fee Percentage shall be set at the margin in the row styled “Level II”:

<u>Level</u>	<u>Average Revolver Usage</u>	<u>Applicable Unused Line Fee Percentage</u>
I	> 50% of the Maximum Revolver Amount	0.250 percentage points
II	≤ 50% of the Maximum Revolver Amount	0.375 percentage points

The Applicable Unused Line Fee Percentage shall be re-determined on the first date of each quarter by Agent.

“Application Event” means the occurrence of (a) a failure by Borrowers to repay all of the Obligations in full on the Maturity Date, or (b) an Event of Default and the election by Agent or the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.4(b)(iii) of this Agreement.

“Assignee” has the meaning specified therefor in Section 13.1(a) of this Agreement.

“Assignment and Acceptance” means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1 to this Agreement.

“Authorized Person” means any one of the individuals identified as an officer of a Borrower on Schedule A-2 to this Agreement, or any other individual identified by Administrative Borrower as an authorized person and authenticated through Agent’s electronic platform or portal in accordance with its procedures for such authentication.

“Availability” means, as of any date of determination, the amount that Borrowers are entitled to borrow as Revolving Loans under Section 2.1 of this Agreement (after giving effect to the then outstanding Revolver Usage).

“Average Availability” means, with respect to any period, the sum of the aggregate amount of Availability for each day in such period (as calculated by Agent as of the end of each respective day) divided by the number of days in such period.

“Average Revolver Usage” means, with respect to any period, the sum of the aggregate amount of Revolver Usage for each day in such period (calculated as of the end of each respective day) divided by the number of days in such period.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank Product” means any one or more of the following financial products or accommodations extended to any Loan Party or any of its Subsidiaries by a Bank Product Provider: (a) credit cards (including commercial cards (including so-called “purchase cards”, “procurement cards” or “p-cards”)), (b) payment card processing services, (c) debit cards, (d) stored value cards, (e) Cash Management Services, or (f) transactions under Hedge Agreements.

“Bank Product Agreements” means those agreements entered into from time to time by any Loan Party or any of its Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

“Bank Product Collateralization” means providing cash collateral (pursuant to documentation reasonably satisfactory to Agent) to be held by Agent for the benefit of the Bank Product

Providers (other than the Hedge Providers) in an amount determined by Agent as sufficient to satisfy the reasonably estimated credit exposure, operational risk or processing risk with respect to the then existing Bank Product Obligations (other than Hedge Obligations).

“Bank Product Obligations” means (a) all obligations, liabilities, reimbursement obligations, fees, or expenses owing by each Loan Party and its Subsidiaries to any Bank Product Provider pursuant to or evidenced by a Bank Product Agreement and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (b) all Hedge Obligations, and (c) all amounts that Agent or any Lender is obligated to pay to a Bank Product Provider as a result of Agent or such Lender purchasing participations from, or executing guarantees or indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to a Loan Party or its Subsidiaries.

“Bank Product Provider” means Wells Fargo or any of its Affiliates, including each of the foregoing in its capacity, if applicable, as a Hedge Provider.

“Bank Product Reserves” means, as of any date of determination, those reserves that Agent deems necessary or appropriate to establish (based upon the Bank Product Providers’ determination of the liabilities and obligations of each Loan Party and its Subsidiaries in respect of Bank Product Obligations) in respect of Bank Products then provided or outstanding.

“Bankruptcy Code” means title 11 of the United States Code, as in effect from time to time.

“Base Rate” means the greatest of (a) the Federal Funds Rate *plus* 1/2%, (b) the LIBOR Rate (which rate shall be calculated based upon an Interest Period of one month and shall be determined on a daily basis), *plus* one percentage point, and (c) the rate of interest announced, from time to time, within Wells Fargo at its principal office in San Francisco as its “prime rate”, with the understanding that the “prime rate” is one of Wells Fargo’s base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate (and, if any such announced rate is below zero, then the rate determined pursuant to this clause (c) shall be deemed to be zero).

“Base Rate Loan” means each portion of the Revolving Loans that bears interest at a rate determined by reference to the Base Rate.

“Base Rate Margin” has the meaning specified therefor in the definition of “Applicable Margin”.

“Benefit Plan” means a “defined benefit plan” (as defined in Section 3(35) of ERISA) for which any Loan Party or any of its Subsidiaries or ERISA Affiliates has been an “employer” (as defined in Section 3(5) of ERISA) within the past six years.

“Board of Directors” means, as to any Person, the board of directors (or comparable managers) of such Person, or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

“Board of Governors” means the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Borrower” and “Borrowers” have the respective meanings specified therefor in the preamble to this Agreement.

“Borrower Materials” has the meaning specified therefor in Section 17.9(c) of this Agreement.

“Borrowing” means a borrowing consisting of Revolving Loans made on the same day by the Lenders (or Agent on behalf thereof), or by Swing Lender in the case of a Swing Loan, or by Agent in the case of an Extraordinary Advance.

“Borrowing Base” means, as of any date of determination, the result of:

(a) 85% of the amount of Eligible Accounts, *less* the amount, if any, of the Dilution Reserve, *plus*

(b) *the lesser of*

(i) the Real Property Subline Amount, and

(ii) the product of 60% multiplied by the FMV of Eligible Real Property as such FMV is identified in the most recent Acceptable Appraisal of Real Property at such time, *minus*

(c) the aggregate amount of Reserves, if any, established by Agent from time to time under Section 2.1(c) of this Agreement.

“Borrowing Base Certificate” means a certificate in the form of Exhibit B-1 to this Agreement.

“Broadcast Licenses” means all FCC Licenses granted, assigned or issued to any Loan Party or its Subsidiaries to construct, own or operate the Stations, together with all extensions, additions and renewals thereto and thereof.

“Business Day” means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of California, except that, if a determination of a Business Day shall relate to a LIBOR Rate Loan, the term “Business Day” also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

“Capital Expenditures” means, with respect to any Person for any period, the amount of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed, but excluding, without duplication (a) with respect to the purchase price of assets that are purchased substantially contemporaneously with the trade-in of existing assets during such period, the amount that the gross amount of such purchase price is reduced by the credit granted by the seller of such assets for the assets being traded in at such time, (b) expenditures made during such period in connection with the replacement, substitution, or restoration of assets or properties pursuant to Section 2.4(e)(iii) of this Agreement, (c) expenditures made during such period to consummate one or more Permitted Acquisitions, and (d) expenditures during such period that, pursuant to a written agreement, are reimbursed by a third Person (excluding any Loan Party or any of its Affiliates).

“Capitalized Lease Obligation” means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

“Capital Lease” means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

“Cash Equivalents” means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor’s Rating Group (“S&P”) or Moody’s Investors Service, Inc. (“Moody’s”), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody’s, (d) certificates of deposit, time deposits, overnight bank deposits or bankers’ acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than \$1,000,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or of any recognized securities dealer having combined capital and surplus of not less than \$1,000,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

“Cash Management Services” means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

“CFC” means a controlled foreign corporation (as that term is defined in the IRC) in which any Loan Party is a “United States shareholder” within the meaning of Section 951(b) of the IRC.

“Change of Control” means that:

(a) the acquisition by any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, that is or becomes the “beneficial owner” (as such term is used in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (a) such person or group or Permitted Holder shall be deemed to have “beneficial ownership” of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the voting Equity Interests in Parent; *provided* that if such person is a group of investors which group includes one or more Permitted Holders, the shares of voting Equity Interests of such Person beneficially owned by the Permitted Holders that are part of such group shall not be counted for purposes of determining whether this clause (a) is triggered;



(b) any Person or two or more Persons acting in concert (other than Permitted Holders), shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Parent or control over the Equity Interests of such Person entitled to vote for members of the Board of Directors of Parent on a fully-diluted basis (and taking into account all such Equity Interests that such Person or group has the right to acquire pursuant to any option right) representing 35% or more of the combined voting power of such Equity Interests;

(c) during any period of 24 consecutive months commencing on or after the Closing Date, the occurrence of a change in the composition of the Board of Directors of Parent such that a majority of the members of such Board of Directors are not Continuing Directors;

(d) Parent fails to own and control, directly or indirectly, 100% of the Equity Interests of each other Loan Party; or

(e) the occurrence of any "Change of Control" as defined in the Senior Secured Note Indenture.

"Change in Law" means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided, that notwithstanding anything in this Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Closing Date" means the date of the making of the initial Revolving Loan (or other extension of credit) under this Agreement.

"Code" means the New York Uniform Commercial Code, as in effect from time to time.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Loan Party or its Subsidiaries in or upon which a Lien is granted by such Person in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in any Loan Party's or its Subsidiaries' books and records, Equipment, or Inventory, in each case, in form and substance reasonably satisfactory to Agent.

“Collections” means, all cash, checks, notes, instruments, and other items of payment (including insurance proceeds, cash proceeds of asset sales, rental proceeds and tax refunds).

“Commitment” means, with respect to each Lender, its Revolver Commitment, and, with respect to all Lenders, their Revolver Commitments, in each case as such Dollar amounts are set forth beside such Lender’s name under the applicable heading on Schedule C-1 to this Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of this Agreement.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications Laws” means the Communications Act of 1934, and any similar or successor federal statute, together with all published rules, regulations, policies, orders and decisions of the FCC promulgated thereunder.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C-1 to this Agreement delivered by the chief financial officer or treasurer of Parent to Agent.

“Confidential Information” has the meaning specified therefor in Section 17.9(a) of this Agreement.

“Consolidated Interest Charges” means, for any fiscal period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP (and net of interest income, if any), (b) all interest paid or payable with respect to discontinued operations, and (c) the portion of rent expense under Capital Leases that is treated as interest in accordance with GAAP, in each case, of or by Parent and its Subsidiaries on a consolidated basis for the most recently completed fiscal period. Consolidated Interest Charges shall be calculated on a pro forma basis to give effect to any Indebtedness incurred, assumed or permanently repaid or extinguished at any time on or after the first day of the fiscal period and prior to the date of determination in connection with any Permitted Disposition (other than any dispositions in the ordinary course of business) or Permitted Acquisition as if such incurrence, assumption, repayment or extinguishing had been effected on the first day of such period.

“Consolidated Net Income” means, at any date of determination with respect to any fiscal period, the net income (or loss) of Parent and its Subsidiaries on a consolidated basis for such fiscal period; provided that Consolidated Net Income shall exclude (a) extraordinary or non-recurring gains and extraordinary or non-recurring losses for such fiscal period; provided that without the approval of the Required Lenders non-recurring items may not be excluded to the extent such exclusion results in more than a \$2,000,000 increase in Consolidated Net Income in any fiscal period, (b) the net income of any Subsidiary during such fiscal period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Governing Documents or any agreement, instrument or law applicable to such Subsidiary during such fiscal period, except that Parent’s equity in any net loss of any such Subsidiary for such fiscal period shall be included in determining Consolidated Net Income, (c) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such fiscal period by Parent or any of its Subsidiaries upon any disposition (other than any dispositions in the ordinary course of business) by Parent or any of its Subsidiaries and (d) any income (or loss) for such

fiscal period of any Person if such Person is not a Subsidiary, except that Parent's equity in the net income of any such Person for such fiscal period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such fiscal period to Parent or a Subsidiary as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary, such Subsidiary is not precluded from further distributing such amount to Parent as described in clause (b) of this definition).

"Consolidated Total Debt Ratio" has the meaning specified therefor in the Senior Secured Note Indenture as in effect on the date hereof.

"Continuing Director" means (a) any member of the Board of Directors who was a director (or comparable manager) of Parent on the Closing Date, and (b) any individual who becomes a member of the Board of Directors after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by a Loan Party or one of its Subsidiaries, Agent, and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account).

"Copyright Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Covenant Testing Period" means a period (a) commencing on the last day of the fiscal month of Parent most recently ended prior to a Covenant Trigger Event for which Borrowers are required to deliver to Agent monthly financial statements pursuant to Schedule 5.1 to this Agreement, and (b) continuing through and including the first day after such Covenant Trigger Event that Availability has equaled or exceeded the greater of (a) 15% of the Maximum Revolver Amount, and (b) \$4,500,000 for 60 consecutive days.

"Covenant Trigger Event" means if at any time Availability is less than the greater of (a) 15% of the Maximum Revolver Amount, and (b) \$4,500,000.

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Agent and Administrative Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default or Event of Default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Agent, Issuing Bank, or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified any Borrower, Agent or Issuing Bank in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable Default or Event of Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has

failed, within three Business Days after written request by Agent or Administrative Borrower, to confirm in writing to Agent and Administrative Borrower that it will comply with its prospective funding obligations hereunder (provided, that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Agent and Administrative Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of any Insolvency Proceeding, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; provided, that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to Administrative Borrower, Issuing Bank, and each Lender.

“Defaulting Lender Rate” means (a) for the first three days from and after the date the relevant payment is due, the Base Rate, and (b) thereafter, the interest rate then applicable to Revolving Loans that are Base Rate Loans (inclusive of the Base Rate Margin applicable thereto).

“Deposit Account” means any deposit account (as that term is defined in the Code).

“Designated Account” means the Deposit Account of a Borrower identified on Schedule D-1 to this Agreement (or such other Deposit Account of a Borrower located at Designated Account Bank that has been designated as such, in writing, by Borrowers to Agent).

“Designated Account Bank” has the meaning specified therefor in Schedule D-1 to this Agreement (or such other bank that is located within the United States that has been designated as such, in writing, by Borrowers to Agent).

“Designated Non-cash Consideration” means the fair market value of non-cash consideration received by the Parent or a Subsidiary in connection with a Permitted Disposition of the type described in clause (p) of the definition thereof, as determined in good faith by Parent, pursuant to a certificate setting forth the basis of such valuation executed by the chief financial officer of Parent and another officer of Parent, less the amount of cash received in connection with a subsequent sale of, or collection on, such Designated Non-cash Consideration.

“Dilution” means, as of any date of determination, a percentage, based upon the experience of the immediately prior 12 months, that is the result of dividing the Dollar amount of (a) bad debt write-downs, discounts, advertising allowances, credits, or other dilutive items with respect to Borrowers’ Accounts during such period, by (b) Borrowers’ billings with respect to Accounts during such period.

“Dilution Reserve” means, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Accounts by the extent to which Dilution is in excess of 5%.

“Disqualified Equity Interests” means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition (a) matures or are mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date.

“Dollars” or “\$” means United States dollars.

“Domestic Subsidiary” means any Subsidiary of any Loan Party that is not a Foreign Subsidiary.

“Drawing Document” means any Letter of Credit or other document presented for purposes of drawing under any Letter of Credit, including by electronic transmission such as SWIFT, electronic mail, facsimile or computer generated communication.

“EBITDA” means, with respect to any fiscal period and with respect to Parent determined, in each case, on a consolidated basis in accordance with GAAP, an amount equal to Consolidated Net Income for such period, plus (a) the following to the extent deducted in calculating such Consolidated Net Income (without duplication of any other adjustment to EBITDA): (i) Consolidated Interest Charges, (ii) the provision for federal, state, local and foreign income taxes payable, (iii) depreciation and amortization expense, (iv) stock-based compensation expenses which do not represent a cash item in such period or any future period, (v) other expenses reducing such Consolidated Net Income which do not represent a cash item in such period (in each case of or by Parent and its Subsidiaries for such fiscal period; it being understood that to the extent such expenses result in a cash payment in a future period they shall reduce EBITDA in such future period to the extent of such cash payment), (vi) fees and expenses associated with the Transactions, (vii) fees and expenses incurred in connection with any merger, acquisition or joint venture or disposition, in each case permitted by the terms of this Agreement (not to exceed an aggregate for all such events of \$1,000,000 million or higher amount approved by Agent, in its Permitted Discretion, in any fiscal period), (viii) fees, costs, charges, expenses and other amounts incurred (or required to be reimbursed) with respect to field examinations, audit, valuations or other actions of the Agent or any other member of the Lender Group under this Agreement or any other Loan Document, and (ix) the amount of “run-rate” cost savings, operating expense reductions, other operating improvements and expense reductions and synergies (collectively, the “Cost Savings”) projected by Borrowers in good faith and certified by an authorized officer of the Administrative Borrower in writing to be realized as a result of any merger, acquisition, joint venture, material disposition taken or to be taken by the Borrowers or any of their Subsidiaries and permitted hereunder, which Cost Savings shall be calculated on a pro forma basis as though such Cost Savings had been realized on the first day of such period, net of the amount of actual benefits realized from such actions during such period and not otherwise added back to EBITDA; provided that (A) an authorized officer of the Administrative Borrower shall have provided a reasonably detailed statement or schedule of such Cost Savings and shall have certified to Agent that (x) such Cost Savings are reasonably identifiable, reasonably attributable to the actions specified and reasonably anticipated to result from such actions and

(y) the benefits resulting from such actions are reasonably anticipated by the Borrowers to be realized within twelve (12) months of the date of consummation of such merger, acquisition, joint venture or material disposition and (B) the aggregate amount of Cost Savings added pursuant to this addback shall not exceed ten percent (10%) of EBITDA (calculated before the add-back for Costs Savings) in the aggregate for the relevant period, minus (b) the following to the extent included in calculating such Consolidated Net Income: (i) federal, state, local and foreign income tax credits and (ii) all non-cash or non-operating items increasing Consolidated Net Income (in each case of or by Parent and its Subsidiaries for such fiscal period). For the purposes of calculating EBITDA for any period of twelve consecutive months (each, a "Reference Period"), if at any time during such Reference Period (and after the Closing Date), any Loan Party or any of its Subsidiaries shall have made a Permitted Acquisition or Permitted Disposition, EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto (including *pro forma* adjustments arising out of events which are directly attributable to such Permitted Acquisition or Permitted Disposition, are factually supportable, and are expected to have a continuing impact, in each case determined on a basis consistent with Article 11 of Regulation S-X promulgated under the Securities Act and as interpreted by the staff of the SEC) or in such other manner acceptable to Agent as if any such Permitted Acquisition, Permitted Disposition or adjustment occurred on the first day of such Reference Period.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Accounts" means those Accounts created by a Borrower in the ordinary course of its business, that arise out of such Borrower's sale of goods or rendition of services, that comply with each of the representations and warranties respecting Eligible Accounts made in the Loan Documents, and that are not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent's Permitted Discretion to address the results of any information with respect to the Borrowers' business or assets of which Agent becomes aware after the Closing Date, including any field examination performed by (or on behalf of) Agent from time to time after the Closing Date. In determining the amount to be included, Eligible Accounts shall be calculated net of customer deposits, unapplied cash, taxes, finance charges, service charges, discounts, credits, allowances, and rebates. Eligible Accounts shall not include the following:

(a) Accounts that the Account Debtor has failed to pay within (i) 90 days of original invoice date, or (ii) 120 days of original invoice date provided that no more than \$2,000,000 of Accounts may be included within this clause (ii);

(b) Accounts owed by an Account Debtor (or its Affiliates) where 50% or more of all Accounts owed by that Account Debtor (or its Affiliates) are deemed ineligible under clause (a) above,

- (c) Accounts with selling terms of more than 30 days (or in the case of Accounts of Borrowers' book distribution business, with selling terms of more than 120 days),
- (d) Accounts with respect to which the Account Debtor is an Affiliate of any Borrower or an employee or agent of any Borrower or any Affiliate of any Borrower,
- (e) Accounts (i) arising in a transaction wherein goods are placed on consignment or are sold pursuant to a guaranteed sale, a sale or return, a sale on approval, a bill and hold, or any other terms by reason of which the payment by the Account Debtor may be conditional, or (ii) with respect to which the payment terms are "C.O.D.", cash on delivery or other similar terms,
- (f) Accounts that are not payable in Dollars,
- (g) Accounts with respect to which the Account Debtor either (i) does not maintain its chief executive office in the United States or Canada, or (ii) is not organized under the laws of the United States or Canada or any state or province thereof, or (iii) is the government of any foreign country or sovereign state, or of any state, province, municipality, or other political subdivision thereof, or of any department, agency, public corporation, or other instrumentality thereof, unless (A) the Account is supported by an irrevocable letter of credit reasonably satisfactory to Agent (as to form, substance, and issuer or domestic confirming bank) that has been delivered to Agent and, if requested by Agent, is directly drawable by Agent, or (B) the Account is covered by credit insurance in form, substance, and amount, and by an insurer, reasonably satisfactory to Agent,
- (h) Accounts with respect to which the Account Debtor is either (i) the United States or any department, agency, or instrumentality of the United States (exclusive, however, of Accounts with respect to which Borrowers have complied, to the reasonable satisfaction of Agent, with the Assignment of Claims Act, 31 USC §3727), or (ii) any state of the United States or any other Governmental Authority,
- (i) Accounts with respect to which the Account Debtor is a creditor of a Borrower, has or has asserted a right of recoupment or setoff, or has disputed its obligation to pay all or any portion of the Account, to the extent of such claim, right of recoupment or setoff, or dispute,
- (j) Accounts with respect to an Account Debtor whose Eligible Accounts owing to Borrowers exceed 10% (such percentage, as applied to a particular Account Debtor, being subject to reduction by Agent in its Permitted Discretion if the creditworthiness of such Account Debtor deteriorates) of all Eligible Accounts, to the extent of the obligations owing by such Account Debtor in excess of such percentage; provided, that in each case, the amount of Eligible Accounts that are excluded because they exceed the foregoing percentage shall be determined by Agent based on all of the otherwise Eligible Accounts prior to giving effect to any eliminations based upon the foregoing concentration limit,
- (k) Accounts with respect to which the Account Debtor is subject to an Insolvency Proceeding, is not Solvent, has gone out of business, or as to which any Borrower has received notice of an imminent Insolvency Proceeding or a material impairment of the financial condition of such Account Debtor,
- (l) Accounts, the collection of which, Agent, in its Permitted Discretion, believes to be doubtful, including by reason of the Account Debtor's financial condition,
- (m) Accounts that are not subject to a valid and perfected first priority Agent's Lien,

(n) Accounts with respect to which (i) the goods giving rise to such Account have not been shipped and billed to the Account Debtor, or (ii) the services giving rise to such Account have not been performed and billed to the Account Debtor,

(o) Accounts with respect to which the Account Debtor is a Sanctioned Person or Sanctioned Entity,

(p) Accounts (i) that represent the right to receive progress payments or other advance billings that are due prior to the completion of performance by the applicable Borrower of the subject contract for goods or services, or (ii) that represent credit card sales, or

(q) Accounts owned by a target acquired in connection with a Permitted Acquisition or Permitted Investment, or Accounts owned by a Person that is joined to this Agreement as a Borrower pursuant to the provisions of this Agreement, until the completion of a field examination with respect to such Accounts, in each case, satisfactory to Agent in its Permitted Discretion.

“Eligible Real Property” means Real Property owned in fee by a Borrower that complies with each of the representations and warranties respecting Real Property made in the Loan Documents, and that is not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent’s Permitted Discretion to address the results of any information with respect to the Borrowers’ business or assets of which Agent becomes aware after the Closing Date, including any field examination or appraisal performed by (or on behalf of) Agent from time to time after the Closing Date. An item of Real Property shall not be included in Eligible Real Property if:

(a) it is not identified on Schedule E-1 to the Agreement as of the Closing Date,

(b) a Borrower does not have good, valid, and marketable fee title thereto,

(c) it is not Real Property with respect to which Agent has received (i) mortgagee title insurance policies issued by a title insurance company reasonably satisfactory to Agent in amounts reasonably satisfactory to Agent (but in no event less than the FMV thereof) assuring Agent that the Mortgages on such Real Property are valid and enforceable first priority mortgage Liens on such Real Property free and clear of all defects and encumbrances except Permitted Liens, and otherwise in form and substance reasonably satisfactory to Agent, (ii) ALTA surveys in form and substance reasonably satisfactory to Agent, it being agreed that existing surveys provided to Agent prior to the Closing Date are satisfactory to Agent, (iii) phase-I environmental reports with respect to each parcel composing the Real Property (the environmental consultants retained for such reports, the scope of the reports, and the results thereof of which shall be reasonably satisfactory to Agent), and (iv) flood certifications (and, if applicable, acceptable flood insurance and FEMA form acknowledgements of insurance),

(d) an Acceptable Appraisal of such item of Real Property has not been completed,

(e) it is not Real Property Collateral subject to a valid and perfected first priority Agent’s Lien,

(f) such Real Property is not subject to any leases or subleases other than those (i) that are in effect on the date hereof and extensions thereof (provided that with respect to the lease of premises to Noridian Healthcare Solutions, LLC, Agent shall have received, on or before the date that is fourteen (14) days after the Closing Date (or such later date as agreed to by Agent in its Permitted Discretion) a subordination and non-disturbance agreement in form reasonably satisfactory to Agent), or (ii) entered into after the date hereof that Agent has approved in its Permitted Discretion, or



(g) it is subject to any Lien other than Permitted Liens of the type described in clauses (a), (b), (c), (g), or (k) of the definition thereof.

“Environmental Action” means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority, or any third party involving violations of Environmental Laws or releases of Hazardous Materials (a) from any assets, properties, or businesses of any Borrower, any Subsidiary of any Borrower, or any of their predecessors in interest, (b) from adjoining properties or businesses and onto any assets, properties, or businesses of any Borrower or any Subsidiary of any Borrower, or (c) from or onto any facilities which received Hazardous Materials generated by any Borrower, any Subsidiary of any Borrower, or any of their predecessors in interest.

“Environmental Law” means any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, to the extent binding on any Loan Party or its Subsidiaries, relating to the environment, the effect of the environment on human health, or Hazardous Materials, in each case as amended from time to time.

“Environmental Liabilities” means all liabilities, monetary obligations, losses, damages, (excluding consequential damages) costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

“Environmental Lien” means any Lien in favor of any Governmental Authority for Environmental Liabilities.

“Equipment” means equipment (as that term is defined in the Code).

“Equity Interests” means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

“ERISA Affiliate” means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of any Loan Party or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of any Loan Party or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which any Loan Party or any of its Subsidiaries

is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with any Loan Party or any of its Subsidiaries and whose employees are aggregated with the employees of such Loan Party or its Subsidiaries under IRC Section 414(o).

“ESOP” means any employee benefit plan adopted and maintained by the Parent and any successor plan or other employee benefit plan created to issue participation interests in the common stock of the Parent to Parent employees, directors and consultants.

“ESOT” means the trust adopted and maintained by the Parent pursuant to the ESOP Documentation and any successor trust or other trust established in connection with the ESOP.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified therefor in Section 8 of this Agreement.

“Event of Loss” means, with respect to any property or asset (tangible or intangible, real or personal) constituting ABL Priority Collateral, any of the following:

- (a) any loss, destruction or damage of such property or asset;
- (b) any institution of any proceeding for the condemnation or seizure of such property or asset or for the exercise of any right of eminent domain;
- (c) any actual condemnation, seizure or taking by exercise of the power of eminent domain or otherwise of such property or asset, or confiscation of such property or asset or the requisition of the use of such property or asset; or
- (d) any settlement in lieu of clause (b) or (c) above.

“Exchange Act” means the Securities Exchange Act of 1934, as in effect from time to time.

“Excluded Subsidiary” means (a) Immaterial Subsidiaries, (b) any Subsidiary of a Loan Party to the extent that the burden or cost (including any potential tax liability) of obtaining a guarantee outweighs the benefit afforded thereby as reasonably determined by Borrowers and Agent, (c) [reserved], (d) any Foreign Subsidiary of a Loan Party that is a CFC, (e) any Domestic Subsidiary of a Loan Party that is a direct or indirect subsidiary of a Foreign Subsidiary that is a CFC, or (f) any not-for-profit subsidiary or captive insurance subsidiary; provided that in no event shall any guarantor of the Senior Secured Note Indebtedness constitute an Excluded Subsidiary.

“Excluded Swap Obligation” means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Loan Party of (including by virtue of the joint and several liability provisions of Section 2.15), or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Loan Party or the grant of

such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

“Excluded Taxes” means (i) any tax imposed on the net income or net profits of any Lender or any Participant (including any branch profits taxes), in each case imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender or such Participant is organized or the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender’s or such Participant’s principal office is located in or as a result of a present or former connection between such Lender or such Participant and the jurisdiction or taxing authority imposing the tax (other than any such connection arising solely from such Lender or such Participant having executed, delivered or performed its obligations or received payment under, or enforced its rights or remedies under this Agreement or any other Loan Document), (ii) United States federal withholding taxes that would not have been imposed but for a Lender’s or a Participant’s failure to comply with the requirements of Section 16.2 of this Agreement, (iii) any United States federal withholding taxes that would be imposed on amounts payable to a Foreign Lender based upon the applicable withholding rate in effect at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office, other than a designation made at the request of a Loan Party), except that Excluded Taxes shall not include (A) any amount that such Foreign Lender (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of this Agreement, if any, with respect to such withholding tax at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), and (B) additional United States federal withholding taxes that may be imposed after the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), as a result of a change in law, rule, regulation, treaty, order or other decision or other Change in Law with respect to any of the foregoing by any Governmental Authority, and (iv) any United States federal withholding taxes imposed under FATCA.

“Existing Credit Facility” means the credit facility evidenced by that certain Credit Agreement dated as of March 14, 2013 by and among Wells Fargo, as administrative agent, the lenders party thereto and Parent, as borrower.

“Extraordinary Advances” has the meaning specified therefor in Section 2.3(d)(iii) of this Agreement.

“FATCA” means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and (a) any current or future regulations or official interpretations thereof, (b) any agreements entered into pursuant to Section 1471(b)(1) of the IRC, and (c) any intergovernmental agreement entered into by the United States (or any fiscal or regulatory legislation, rules, or practices adopted pursuant to any such intergovernmental agreement entered into in connection therewith).

“FCC” means the Federal Communications Commission or any Governmental Authority substituted therefor.

“FCC Licenses” means a License (but not including any application therefor) issued or granted by the FCC.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

“Fee Letter” means that certain fee letter, dated as of even date with this Agreement, among Borrowers and Agent, in form and substance reasonably satisfactory to Agent.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it (and, if any such rate is below zero, then the rate determined pursuant to this definition shall be deemed to be zero).

“Fixed Charges” means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP, the sum, without duplication, of (a) Consolidated Interest Charges required to be paid (other than interest paid-in-kind, amortization of financing fees, and other non-cash Consolidated Interest Charges) during such period, (b) scheduled principal payments in respect of Indebtedness that are required to be paid during such period (including any required payments or prepayments from excess cash flow during such period), (c) all federal, state, and local income taxes required to be paid during such period, and (d) all Restricted Payments paid (whether in cash or other property, other than common Equity Interests) during such period.

“Fixed Charge Coverage Ratio” means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP, the ratio of (a) EBITDA for such period *minus* Unfinanced Capital Expenditures made (to the extent not already incurred in a prior period) or incurred during such period, to (b) Fixed Charges for such period. For the purposes of calculating Fixed Charge Coverage Ratio for any Reference Period, if at any time during such Reference Period (and after the Closing Date), any Loan Party or any of its Subsidiaries shall have made a Permitted Acquisition, Fixed Charges and Unfinanced Capital Expenditures for such Reference Period shall be calculated after giving *pro forma* effect thereto or in such other manner acceptable to Agent as if any such Permitted Acquisition occurred on the first day of such Reference Period.

“FMV” means, as of any date of determination, the fair market value of Borrowers’ Eligible Real Property that is estimated to be recoverable in an orderly sale of such Eligible Real Property net of all associated costs and expenses of such sale, such value to be as specified in the most recent Acceptable Appraisal of Real Property.

“Foreign Lender” means any Lender or Participant that is not a United States person within the meaning of IRC section 7701(a)(30).

“Foreign Subsidiary” means any direct or indirect subsidiary of any Loan Party that is organized under the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia.

“Funding Date” means the date on which a Borrowing occurs.

“Funding Losses” has the meaning specified therefor in Section 2.12(b)(ii) of this Agreement.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

“Governing Documents” means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

“Governmental Authority” means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, county, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantor” means (a) each Person that guaranties all or a portion of the Obligations, including any Person that is a “Guarantor” under the Guaranty and Security Agreement, and (b) each other Person that becomes a guarantor after the Closing Date pursuant to Section 5.11 of this Agreement.

“Guaranty and Security Agreement” means a guaranty and security agreement, dated as of even date with this Agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by each of the Loan Parties to Agent.

“Hazardous Materials” means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as “hazardous substances,” “hazardous materials,” “hazardous wastes,” “toxic substances,” or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or “EP toxicity”, (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

“Hedge Agreement” means a “swap agreement” as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

“Hedge Obligations” means any and all obligations or liabilities, whether absolute or contingent, due or to become due, now existing or hereafter arising, of each Loan Party and its Subsidiaries arising under, owing pursuant to, or existing in respect of Hedge Agreements entered into with one or more of the Hedge Providers.

“Hedge Provider” means Wells Fargo or any of its Affiliates.

“Immaterial Subsidiary” means each Subsidiary of a Borrower that is not a Material Subsidiary.

“Increased Reporting Event” means if at any time Availability is less than the greater of (a) 15% of the Maximum Revolver Amount, and (b) \$4,500,000.

“Increased Reporting Period” means the period commencing after the occurrence of an Increased Reporting Event and continuing until the date when no Increased Reporting Event has occurred for 60 consecutive days.

“Indebtedness” as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses) and any earn-out or similar obligations, (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

“Indemnified Liabilities” has the meaning specified therefor in Section 10.3 of this Agreement.

“Indemnified Person” has the meaning specified therefor in Section 10.3 of this Agreement.

“Indemnified Taxes” means, (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by, or on account of any obligation of, any Loan Party under any Loan Document, and (b) to the extent not otherwise described in the foregoing clause (a), Other Taxes.

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“Intercompany Subordination Agreement” means an intercompany subordination agreement, dated as of even date with this Agreement, executed and delivered by each Loan Party and each of its Subsidiaries, and Agent, the form and substance of which is reasonably satisfactory to Agent.

“Intercreditor Agreement” means that certain Intercreditor Agreement, dated as of even date with this Agreement, between Agent and Senior Secured Note Agent.

“Interest Period” means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending 1, 2, 3, or 6 months thereafter; provided, that (a) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period

expires, (b) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (c) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2, 3, or 6 months after the date on which the Interest Period began, as applicable, and (d) Borrowers may not elect an Interest Period which will end after the Maturity Date.

“Inventory” means inventory (as that term is defined in the Code).

“Investment” means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* accounts receivable arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment *plus* the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

“IRC” means the Internal Revenue Code of 1986, as in effect from time to time.

“ISP” means, with respect to any Letter of Credit, the International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any version or revision thereof accepted by the Issuing Bank for use.

“Issuer Document” means, with respect to any Letter of Credit, a letter of credit application, a letter of credit agreement, or any other document, agreement or instrument entered into (or to be entered into) by a Borrower in favor of Issuing Bank and relating to such Letter of Credit.

“Issuing Bank” means Wells Fargo or any other Lender that, at the request of Borrowers and with the consent of Agent, agrees, in such Lender’s sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit pursuant to Section 2.11 of this Agreement, and Issuing Bank shall be a Lender.

“Joinder” means a joinder agreement substantially in the form of Exhibit J-1 to this Agreement.

“Joint Sales Agreement” means, with respect to a radio broadcast station, a joint sales agreement or other similar contractual arrangement pursuant to which a Person, other than the Person holding the FCC License of such radio broadcast station or an Affiliate of such person, obtains the right to (a) set the advertising rates for such radio broadcast station, or (b) conduct or manage the sale of advertising availabilities on such television broadcast station (whether all or a portion of such availabilities).

“Lender” has the meaning set forth in the preamble to this Agreement, shall include Issuing Bank and the Swing Lender, and shall also include any other Person made a party to this Agreement pursuant to the provisions of Section 13.1 of this Agreement and “Lenders” means each of the Lenders or any one or more of them.

---

“Lender Group” means each of the Lenders (including Issuing Bank and the Swing Lender) and Agent, or any one or more of them.

“Lender Group Expenses” means all (a) costs or expenses (including taxes and insurance premiums) required to be paid by any Loan Party or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) documented out-of-pocket fees or charges paid or incurred by Agent in connection with the Lender Group’s transactions with each Loan Party and its Subsidiaries under any of the Loan Documents, including, photocopying, notarization, couriers and messengers, telecommunication, public record searches, filing fees, recording fees, publication, real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent’s customary fees and charges imposed or incurred in connection with any background checks or OFAC/PEP searches related to any Loan Party or its Subsidiaries, (d) Agent’s customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Borrower (whether by wire transfer or otherwise), together with any out-of-pocket costs and expenses incurred in connection therewith, (e) customary charges imposed or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (f) reasonable, documented out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (g) field examination, appraisal, and valuation fees and expenses of Agent related to any field examinations, appraisals, or valuation to the extent of the fees and charges (and up to the amount of any limitation) provided in Section 2.10 of this Agreement, (h) Agent’s and Lenders’ reasonable, documented costs and expenses (including reasonable and documented attorneys’ fees and expenses) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or otherwise in connection with the transactions contemplated by the Loan Documents, Agent’s Liens in and to the Collateral, or the Lender Group’s relationship with any Loan Party or any of its Subsidiaries, (i) Agent’s reasonable and documented costs and expenses (including reasonable and documented attorneys’ fees and due diligence expenses) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable costs and expenses relative to communication costs incurred in connection with a syndication of the loan facilities), or amending, waiving, or modifying the Loan Documents, and (j) Agent’s and each Lender’s reasonable and documented costs and expenses (including reasonable and documented attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a “workout,” a “restructuring,” or an Insolvency Proceeding concerning any Loan Party or any of its Subsidiaries or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether a lawsuit or other adverse proceeding is brought, or in taking any enforcement action or any Remedial Action with respect to the Collateral, provided, that, notwithstanding anything to the contrary set forth in this definition or elsewhere in the Loan Documents, the Loan Parties shall not be liable for the fees of more than one counsel to the Agent and one other counsel to the Lenders, and, if applicable, one local counsel in each jurisdiction to each of Agent and the other Lenders and one specialist counsel for each specialized area of law to each such person or group.

“Lender Group Representatives” has the meaning specified therefor in Section 17.9 of this Agreement.



“Lender-Related Person” means, with respect to any Lender, such Lender, together with such Lender’s Affiliates, officers, directors, employees, attorneys, and agents.

“Letter of Credit” means a letter of credit (as that term is defined in the Code) issued by Issuing Bank.

“Letter of Credit Collateralization” means either (a) providing cash collateral (pursuant to documentation reasonably satisfactory to Agent (including that Agent has a first priority perfected Lien in such cash collateral), including provisions that specify that the Letter of Credit Fees and all commissions, fees, charges and expenses provided for in Section 2.11(k) of this Agreement (including any fronting fees) will continue to accrue while the Letters of Credit are outstanding) to be held by Agent for the benefit of the Revolving Lenders in an amount equal to 103% of the then existing Letter of Credit Usage, (b) delivering to Agent documentation executed by all beneficiaries under the Letters of Credit, in form and substance reasonably satisfactory to Agent and Issuing Bank, terminating all of such beneficiaries’ rights under the Letters of Credit, or (c) providing Agent with a standby letter of credit, in form and substance reasonably satisfactory to Agent, from a commercial bank acceptable to Agent (in its sole discretion) in an amount equal to 103% of the then existing Letter of Credit Usage (it being understood that the Letter of Credit Fee and all fronting fees set forth in this Agreement will continue to accrue while the Letters of Credit are outstanding and that any such fees that accrue must be an amount that can be drawn under any such standby letter of credit).

“Letter of Credit Disbursement” means a payment made by Issuing Bank pursuant to a Letter of Credit.

“Letter of Credit Exposure” means, as of any date of determination with respect to any Lender, such Lender’s participation in the Letter of Credit Usage pursuant to Section 2.11(e) on such date.

“Letter of Credit Fee” has the meaning specified therefor in Section 2.6(b) of this Agreement.

“Letter of Credit Indemnified Costs” has the meaning specified therefor in Section 2.11(f) of this Agreement.

“Letter of Credit Related Person” has the meaning specified therefor in Section 2.11(f) of this Agreement.

“Letter of Credit Sublimit” means \$5,000,000.

“Letter of Credit Usage” means, as of any date of determination, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit, plus (b) the aggregate amount of outstanding reimbursement obligations with respect to Letters of Credit which remain unreimbursed or which have not been paid through a Revolving Loan.

“LIBOR Deadline” has the meaning specified therefor in Section 2.12(b)(i) of this Agreement.

“LIBOR Notice” means a written notice in the form of Exhibit L-1 to this Agreement.

“LIBOR Option” has the meaning specified therefor in Section 2.12(a) of this Agreement.

“LIBOR Rate” means the rate per annum as published by ICE Benchmark Administration Limited (or any successor page or other commercially available source as the Agent may designate from time to time) as of 11:00 a.m., London time, two Business Days prior to the commencement of the requested Interest Period, for a term, and in an amount, comparable to the Interest Period and the amount of the LIBOR Rate Loan requested (whether as an initial LIBOR Rate Loan or as a continuation of a LIBOR Rate Loan or as a conversion of a Base Rate Loan to a LIBOR Rate Loan) by Borrowers in accordance with this Agreement (and, if any such published rate is below zero, then the rate determined pursuant to this definition shall be deemed to be zero). Each determination of the LIBOR Rate shall be made by the Agent and shall be conclusive in the absence of manifest error.

“LIBOR Rate Loan” means each portion of a Revolving Loan that bears interest at a rate determined by reference to the LIBOR Rate.

“LIBOR Rate Margin” has the meaning specified therefor in the definition of “Applicable Margin”.

“License” means any authorization, permit, consent, special temporary authorization, franchise, ordinance, registration, certificate, license, agreement or other right filed with, granted by or entered into with a Governmental Authority which permits or authorizes the acquisition, construction, ownership or operation of a radio broadcast station or any part thereof.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

“Loan” means any Revolving Loan, Swing Loan, or Extraordinary Advance made (or to be made) hereunder.

“Loan Account” has the meaning specified therefor in Section 2.9 of this Agreement.

“Loan Documents” means this Agreement, the Control Agreements, the Copyright Security Agreement, any Borrowing Base Certificate, the Fee Letter, the Guaranty and Security Agreement, the Intercompany Subordination Agreement, the Intercreditor Agreement, any Issuer Documents, the Letters of Credit, the Mortgages, the Patent Security Agreement, the Trademark Security Agreement, any note or notes executed by Borrowers in connection with this Agreement and payable to any member of the Lender Group, and any other instrument or agreement entered into, now or in the future, by any Loan Party or any of its Subsidiaries and any member of the Lender Group in connection with this Agreement (but specifically excluding Bank Product Agreements).

“Loan Party” means any Borrower or any Guarantor.

“Local Marketing Agreement” means, a local marketing agreement, time brokerage agreement or similar arrangement pursuant to which a Person, subject to customary preemption rights and other limitations, obtains the right to exhibit programming and sell advertising time on such radio broadcast station constituting 15% or more of the air time per week of a radio broadcast station licensed to another Person.

“Margin Stock” as defined in Regulation U of the Board of Governors as in effect from time to time.

“Material Adverse Effect” means (a) a material adverse effect in the business, operations, results of operations, assets, liabilities or financial condition of the Loan Parties and their Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Loan Parties and their Subsidiaries, taken as a whole, to perform their payment and other material obligations under the Loan Documents to which they are parties or of the Lender Group’s ability to enforce the Obligations or realize upon the Collateral (other than as a result of an action taken or not taken that is solely in the control of Agent), or (c) a material impairment of the enforceability or priority of Agent’s Liens with respect to all or a material portion of the Collateral.

“Material Contract” means, with respect to any Person, (a) each contract or agreement to which such Person or any of its Subsidiaries is a party involving aggregate consideration payable to or by such Person or such Subsidiary of \$5,000,000 or more (other than purchase orders in the ordinary course of the business of such Person or such Subsidiary and other than contracts that by their terms may be terminated by such Person or Subsidiary in the ordinary course of its business upon less than 60 days’ notice without penalty or premium), (b) each contract or agreement with a Material Third-Party Station involving aggregate consideration of \$1,000,000 or more, and (c) all other contracts or agreements, the loss of which could reasonably be expected to result in a Material Adverse Effect.

“Material Subsidiary” means (a) each Borrower, and (b) each Subsidiary of a Loan Party that (i) owns at least 2.50% of the consolidated total assets of the Loan Parties and their Subsidiaries, (ii) generates at least 2.50% of the consolidated revenues of the Loan Parties and their Subsidiaries, (iii) is the owner of Equity Interests of any Subsidiary of a Loan Party that otherwise constitutes a Material Subsidiary, or (iv) any group comprising Subsidiaries of a Loan Party that each would not have been a Material Subsidiary under clauses (i), (ii), or (iii) but that, taken together, had revenues or total assets in excess of 5.0% of the consolidated revenues or total assets, as applicable, of the Loan Parties and their Subsidiaries.

“Material Third-Party Station” means a terrestrial radio station owned and operated by any Person, other than a Borrower and its Subsidiaries, that programs such station with programming supplied by a Borrower pursuant to a contract or agreement involving aggregate consideration of \$1,000,000 or more.

“Maturity Date” means May 19, 2022.

“Maximum Revolver Amount” means \$30,000,000, decreased by the amount of reductions in the Revolver Commitments made in accordance with Section 2.4(c) of this Agreement.

“Moody’s” has the meaning specified therefor in the definition of Cash Equivalents.

“Mortgages” means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by a Loan Party or one of its Subsidiaries in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property Collateral.

“Net Cash Proceeds” means, with respect to sales and dispositions, cash and Cash Equivalents that received, net of: (a) all reasonable out-of-pocket costs and expenses of such Person incurred in connection with such a sale or disposition, including, without limitation, all legal, accounting, title and recording tax expenses, commissions and other fees and expenses incurred and all federal, state, foreign and local taxes arising in connection with such a sale or disposition that are paid or required to be accrued as a liability under GAAP by such Person; (b) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations associated with such sale or disposition, (c) all payments made by such Person on any Indebtedness that is secured by such properties or other assets in accordance with the terms of any Lien upon or with respect to such properties or other assets or that must, by the terms of such Lien or such Indebtedness, or in order to obtain a necessary consent to such transaction or by applicable law, be repaid to any other Person (other than Parent or any Subsidiary thereof) in connection with such a sale or disposition (other than in the case of Collateral, any Lien which does not rank prior to the Agent’s Liens); and (d) all contractually required distributions and other payments made to minority interest holders in Subsidiaries of such Person as a result of such transaction; *provided, however*, that: (i) in the event that any consideration for a sale or disposition (which would otherwise constitute Net Cash Proceeds) is required by (I) contract to be held in escrow pending determination of whether a purchase price adjustment will be made or (II) GAAP to be reserved against other liabilities in connection with such sale or disposition, such consideration (or any portion thereof) shall become Net Cash Proceeds only at such time as it is released to such Person from escrow or otherwise; and (ii) any non-cash consideration received in connection with any transaction, which is subsequently converted to cash, shall become Net Cash Proceeds only at such time as it is so converted.

“Net Loss Proceeds” means the aggregate cash proceeds received by any Loan Party or any of its Subsidiaries in respect of any Event of Loss, including, without limitation, insurance proceeds, condemnation awards or damages awarded by any judgment, net of the direct cost in recovery of such Net Loss Proceeds (including, without limitation, legal, accounting, appraisal and insurance adjuster fees and any relocation expenses incurred as a result thereof), amounts required to be applied to the repayment of Indebtedness secured by any Permitted Lien on the asset or assets that were the subject of such Event of Loss (other than any Lien which does not rank prior to the Agent’s Liens), and any taxes paid or payable as a result thereof.

“Non-Consenting Lender” has the meaning specified therefor in Section 14.2(a) of this Agreement.

“Non-Defaulting Lender” means each Lender other than a Defaulting Lender.

“Obligations” means (a) all loans (including the Revolving Loans (inclusive of Extraordinary Advances and Swing Loans)), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), reimbursement or indemnification obligations with respect to Letters of Credit (irrespective of whether contingent), premiums, liabilities (including all amounts charged to the Loan Account pursuant to this Agreement), obligations (including indemnification obligations), fees (including the fees provided for in the Fee Letter), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by this Agreement or any of the other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including

all interest not paid when due and all other expenses or other amounts that any Loan Party is required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents, and (b) all Bank Product Obligations; provided that, anything to the contrary contained in the foregoing notwithstanding, the Obligations shall exclude any Excluded Swap Obligation. Without limiting the generality of the foregoing, the Obligations of Borrowers under the Loan Documents include the obligation to pay (i) the principal of the Revolving Loans, (ii) interest accrued on the Revolving Loans (iii) the amount necessary to reimburse Issuing Bank for amounts paid or payable pursuant to Letters of Credit, (iv) Letter of Credit commissions, fees (including fronting fees) and charges, (v) Lender Group Expenses, (vi) fees payable under this Agreement or any of the other Loan Documents, and (vii) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

“OFAC” means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Originating Lender” has the meaning specified therefor in Section 13.1(e) of this Agreement.

“Other Taxes” means all present or future stamp, court, excise, value added, or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

“Overadvance” means, as of any date of determination, that the Revolver Usage is greater than any of the limitations set forth in Section 2.1 or Section 2.11 of this Agreement.

“Parent” has the meaning specified therefor in the preamble to this Agreement.

“Participant” has the meaning specified therefor in Section 13.1(e) of this Agreement.

“Participant Register” has the meaning set forth in Section 13.1(i) of this Agreement.

“Patent Security Agreement” has the meaning specified therefor in the Guaranty and Security Agreement.

“Patriot Act” has the meaning specified therefor in Section 4.13 of this Agreement.

“Payment Conditions” shall mean, at the time of determination with respect to a proposed payment to fund a Specified Transaction, that:

(a) no Event of Default then exists or would arise as a result of the consummation of such Specified Transaction,

(b) either

(i) Availability, (x) at all times during the 30 consecutive days immediately preceding the date of such proposed payment and the consummation of such Specified Transaction, calculated on a *pro forma basis* as if such proposed payment was made, and the Specified Transaction

was consummated, on the first day of such period, and (y) after giving effect to such proposed payment and Specified Transaction, in each case, is not less than the greater of (1) 20% of the Maximum Revolver Amount, and (2) \$6,000,000, or

(ii) both (A) the Fixed Charge Coverage Ratio of the Loan Parties and their Subsidiaries is equal to or greater than 1.00:1.00 for the trailing 12 month period most recently ended for which financial statements are required to have been delivered to Agent pursuant to Schedule 5.1 to this Agreement (calculated on a pro forma basis as if such proposed payment is a Fixed Charge made on the last day of such 12 month period (it being understood that such proposed payment shall also be a Fixed Charge made on the last day of such 12 month period for purposes of calculating the Fixed Charge Coverage Ratio under this clause (ii) for any subsequent proposed payment to fund a Specific Transaction)), and (B) Availability, (x) at all times during the 30 consecutive days immediately preceding the date of such proposed payment and the consummation of such Specified Transaction, calculated on a *pro forma basis* as if such proposed payment was made, and the Specified Transaction was consummated, on the first day of such period, and (y) after giving effect to such proposed payment and Specified Transaction, in each case, is not less than the greater of (X) 15% of the Maximum Revolver Amount, and (Y) \$4,500,000, and

(c) Parent has delivered a certificate of an Authorized Person to Agent certifying that all conditions described in clauses (a) and (b) above have been satisfied.

“Perfection Certificate” means a certificate in the form of Exhibit P-1 to this Agreement.

“Permitted Acquisition” means any Acquisition so long as:

(a) no Event of Default shall have occurred and be continuing or would result from the consummation of the proposed Acquisition and the proposed Acquisition is consensual,

(b) no Indebtedness will be incurred, assumed, or would exist with respect to any Loan Party or its Subsidiaries as a result of such Acquisition, other than Permitted Indebtedness and no Liens will be incurred, assumed, or would exist with respect to the assets of any Loan Party or its Subsidiaries as a result of such Acquisition other than Permitted Liens,

(c) except with respect to any proposed Acquisition for a purchase price of \$2,000,000 or less, Borrowers have provided Agent with its due diligence package relative to the proposed Acquisition, including pro forma profit and loss statements and capital expenditure forecasts of the Parent and its Subsidiaries and the Person or assets to be acquired, all prepared on a basis consistent with Parent’s historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the one year period following the date of the proposed Acquisition, on a month by month basis),

(d) either

(i) Availability, (A) at all times during the 30 consecutive days immediately preceding the date of such proposed Acquisition, calculated on *pro forma basis* as if such proposed Acquisition was consummated, on the first day of such period, and (B) after giving effect to consummation of such proposed Acquisition, in each case, is not less than the greater of (x) 17.5% of the Maximum Revolver Amount, and (y) \$5,250,000, or

(ii) both (A) the Fixed Charge Coverage Ratio of the Loan Parties and their Subsidiaries is equal to or greater than 1.00:1.00 for the trailing 12 month period most recently ended for which financial statements are required to have been delivered to Agent pursuant to Schedule 5.1 to this Agreement (calculated on a pro forma basis as if the payment for the proposed Acquisition is a Fixed Charge made on the last day of such 12 month period (it being understood that such payment shall also be a Fixed Charge made on the last day of such 12 month period for purposes of calculating the Fixed Charge Coverage Ratio under this clause (ii) for any subsequent proposed Acquisition)), and (B) Availability, (x) at all times during the 30 consecutive days immediately preceding the date of such proposed Acquisition, calculated on a *pro forma basis* as if such proposed Acquisition was consummated, on the first day of such period, and (y) after giving effect to consummation of such proposed Acquisition, in each case, is not less than the greater of (1) 12.5% of the Maximum Revolver Amount, and (2) \$3,750,000,

(e) Borrowers have provided Agent with written notice of the proposed Acquisition at least 15 Business Days prior to the anticipated closing date of the proposed Acquisition and, not later than five Business Days prior to the anticipated closing date of the proposed Acquisition, copies of the acquisition agreement and other material documents relative to the proposed Acquisition,

(f) the assets being acquired (other than a *de minimis* amount of assets in relation to Borrowers' and their Subsidiaries' total assets), or the Person whose Equity Interests are being acquired, are useful in or engaged in, as applicable, the business of the Loan Parties and their Subsidiaries or a business reasonably related thereto,

(g) the assets being acquired (other than a *de minimis* amount of assets in relation to the assets being acquired) are located within the United States or the Person whose Equity Interests are being acquired is organized in a jurisdiction located within the United States,

(h) the subject assets or Equity Interests, as applicable, are being acquired directly by a Borrower or one of its Subsidiaries that is a Loan Party, and, in connection therewith, the applicable Loan Party shall have complied with Section 5.11 or 5.12 of this Agreement, as applicable, of this Agreement and, in the case of an acquisition of Equity Interests, the applicable Loan Party shall have demonstrated to Agent that the new Loan Parties have received consideration sufficient to make the joinder documents binding and enforceable against such new Loan Parties, and

(i) all FCC Licenses being acquired in connection with such acquisition are being acquired by a wholly-owned Domestic Subsidiary of Parent.

“Permitted Business” means any business similar in nature to any business conducted by Parent and its Subsidiaries on the Closing Date and any business reasonably ancillary, incidental, complementary or related to the business conducted by Parent and its Subsidiaries on the Closing Date or a reasonable extension, development or expansion thereof, in each case, as determined in good faith by the Board of Directors of Parent.

“Permitted Discretion” means a determination made in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

“Permitted Dispositions” means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business and leases or

subleases of Real Property not useful in the conduct of the business of the Loan Parties and their Subsidiaries (other than Eligible Real Property except for (i) leases or subleases of Eligible Real Property that are in effect on the date hereof and extensions thereof, or (ii) leases or subleases of Eligible Real Property entered into after the date hereof that Agent has approved in its Permitted Discretion),

- (b) sales of Inventory to buyers in the ordinary course of business,
- (c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents,
- (d) the licensing, on a non-exclusive basis, of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,
- (e) the granting of Permitted Liens,
- (f) the sale or discount, in each case without recourse, of accounts receivable (other than Eligible Accounts) arising in the ordinary course of business, but only in connection with the compromise or collection thereof,
- (g) any involuntary loss, damage or destruction of property,
- (h) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property,
- (i) the leasing or subleasing of assets of any Loan Party or its Subsidiaries in the ordinary course of business (other than Eligible Real Property except for (i) leases or subleases of Eligible Real Property that are in effect on the date hereof and extensions thereof, or (ii) leases or subleases of Eligible Real Property entered into after the date hereof that Agent has approved in its Permitted Discretion),
- (j) the sale or issuance of Equity Interests (other than Disqualified Equity Interests) of Parent,
- (k) (i) the lapse of registered patents, trademarks, copyrights and other intellectual property of any Loan Party or any of its Subsidiaries to the extent not economically desirable in the conduct of its business, or (ii) the abandonment of patents, trademarks, copyrights, or other intellectual property rights in the ordinary course of business so long as (in each case under clauses (i) and (ii)), (A) with respect to copyrights, such copyrights are not material revenue generating copyrights, and (B) such lapse is not materially adverse to the interests of the Lender Group,
- (l) the making of Restricted Payments that are expressly permitted to be made pursuant to this Agreement,
- (m) the making of Permitted Investments,
- (n) transfers of assets (i) from any Loan Party or any of its Subsidiaries to a Loan Party, and (ii) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, from any Subsidiary of any Loan Party that is not a Loan Party to any other Subsidiary of any Loan Party that is not a Loan Party,



(o) any exchange of assets (other than Accounts or Eligible Real Property) for assets related to a Permitted Business of a comparable or greater market value, as determined in good faith by Parent, which in the event of an exchange of assets with a fair market value in excess of (i) \$5,000,000 shall be evidenced by a certificate of an Authorized Person of Parent, and (ii) \$10,000,000 shall be set forth in a resolution approved in good faith by at least a majority of the Board of Directors of Parent,

(p) sales or other dispositions of assets not otherwise permitted in clauses (a) through (o) above (other than sales or other dispositions of Accounts or Eligible Real Property)), so long as (i) no Event of Default has occurred and is continuing or would immediately result therefrom, (ii) each such sale or disposition is in an arm's-length transaction and the applicable Loan Party or its Subsidiary receives at least the fair market value of the assets so disposed, (iii) the consideration received by the applicable Loan Party or its Subsidiary consists of at least 75% cash and Cash Equivalents (subject to the last paragraph of this definition) and is paid at the time of the closing of such sale or disposition, and (iv) the Net Cash Proceeds therefrom are applied or reinvested as (and to the extent) required by Section 2.4(c)(iii);

provided, that if, as of any date of determination, sales or dispositions by the Loan Parties during the period of time from the first day of the month in which such date of determination occurs until such date of determination, either individually or in the aggregate, involve \$2,500,000 or more of assets included in the Borrowing Base (based on the fair market value of the assets so disposed) (the "Threshold Amount"), then Borrowers shall have, prior to consummation of the sale or disposition that causes the assets included in the Borrowing that are disposed of during such period to exceed the Threshold Amount, delivered to Agent an updated Borrowing Base Certificate that reflects the removal of the applicable assets from the Borrowing Base.

For purposes of clause (p) above, each of the following shall be deemed to constitute cash and Cash Equivalents:

(i) any liabilities, as shown on the most recent consolidated balance sheet of the Parent or any of Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee of any such assets pursuant to a customary assignment and assumption agreement that releases the Parent or such Subsidiary from further liability;

(ii) any securities, notes or other obligations received by the Parent or any Subsidiary from such transferee that are converted by the Parent or such Subsidiary into cash within 365 days of their receipt to the extent of the cash received in that conversion; and

(iii) any Designated Non-cash Consideration received by Parent or any Subsidiary in such Permitted Disposition having an aggregate fair market value (when taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iii)), as determined in good faith by Parent, that does not exceed 2.0% of Total Assets at time of receipt of such Designated Non-cash Consideration being measured at the time it was received and without giving effect to subsequent changes in value.

"Permitted Holders" means (a) any of Stuart W. Epperson and Edward G. Atsinger III; (b) family members or the relatives of the Persons described in clause (a); (c) any trusts created for the benefit of the Persons described in clauses (a), (b) or (d) or any trust for the benefit of any such trust; or (d) in the event of the incompetence or death of any of the Persons described in clauses (a) and (b), such Person's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Equity Interests of Parent.

---

“Permitted Indebtedness” means:

- (a) Indebtedness in respect of the Obligations,
- (b) Indebtedness as of the Closing Date set forth on Schedule 4.14 to this Agreement and any Refinancing Indebtedness in respect of such Indebtedness,
- (c) Permitted Purchase Money Indebtedness and any Refinancing Indebtedness in respect of such Indebtedness,
- (d) Indebtedness arising in connection with the endorsement of instruments or other payment items for deposit,
- (e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) unsecured guarantees with respect to Indebtedness of any Loan Party or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty could have incurred such underlying Indebtedness,
- (f) Acquired Debt incurred by a Subsidiary of Parent prior to the time that such Subsidiary was acquired by Parent and was not incurred in connection with, or in contemplation of, such acquisition in an aggregate amount not to exceed \$5,000,000 at any time outstanding and any Refinancing Indebtedness in respect thereof,
- (g) Indebtedness arising from agreements of Parent or one of its Subsidiaries providing for indemnification, contribution, earnout, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Equity Interests otherwise permitted under the Loan Documents,
- (h) Indebtedness incurred in the ordinary course of business under performance, surety, statutory, or appeal bonds,
- (i) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to any Loan Party or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year,
- (j) the incurrence by any Loan Party or its Subsidiaries of Indebtedness under Hedge Agreements that is incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with such Loan Party’s or such Subsidiary’s operations and not for speculative purposes,
- (k) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, commercial cards (including so-called “purchase cards”, “procurement cards” or “p-cards”), or Cash Management Services,

(l) unsecured Indebtedness of any Loan Party owing to employees, former employees, former officers, directors, or former directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase or redemption by such Loan Party of the Equity Interests of Parent that has been issued to such Persons, so long as (i) no Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed \$2,000,000, and (iii) such Indebtedness is subordinated in right of payment to the Obligations on terms and conditions reasonably acceptable to Agent,

(m) Indebtedness composing Permitted Investments,

(n) unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business,

(o) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness,

(p) the Senior Secured Note Indebtedness in an aggregate principal amount outstanding as of any date of determination not to exceed the result of (i) \$225,000,000, minus (ii) the aggregate amount of repayments of Senior Secured Notes on or prior to such date of determination and any Refinancing Indebtedness in respect of such Indebtedness,

(q) Permitted Subordinated Indebtedness;

(r) Indebtedness of Parent or any of its Subsidiaries not otherwise permitted pursuant to this definition in an aggregate principal amount not to exceed the greater of \$15,000,000 and 2% of Total Assets at any time outstanding.

“Permitted Intercompany Advances” means loans made by (a) a Loan Party to another Loan Party, (b) a Subsidiary of a Loan Party that is not a Loan Party to another Subsidiary of a Loan Party that is not a Loan Party, (c) a Subsidiary of a Loan Party that is not a Loan Party to a Loan Party, so long as the parties thereto are party to the Intercompany Subordination Agreement, and (d) a Loan Party to a Subsidiary of a Loan Party that is not a Loan Party so long as (i) the aggregate amount of all such loans (by type, not by the borrower) does not exceed \$5,000,000 outstanding at any one time and (ii) the Payment Conditions are satisfied.

“Permitted Investments” means:

(a) Investments in cash and Cash Equivalents,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances made in connection with purchases of goods or services in the ordinary course of business,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries,

- 
- (e) Investments owned by any Loan Party or any of its Subsidiaries on the Closing Date and set forth on Schedule P-1 to this Agreement,
  - (f) guarantees permitted under the definition of Permitted Indebtedness,
  - (g) Permitted Intercompany Advances,
  - (h) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,
  - (i) deposits of cash made in the ordinary course of business to secure performance of operating leases,
  - (j) (i) non-cash loans and advances to employees, officers, and directors of a Loan Party or any of its Subsidiaries for the purpose of purchasing Equity Interests in Parent so long as the proceeds of such loans are used in their entirety to purchase such Equity Interests in Parent, and (ii) loans and advances to employees and officers of a Loan Party or any of its Subsidiaries in the ordinary course of business for any other business purpose and in an aggregate amount not to exceed \$2,000,000 at any one time,
  - (k) Permitted Acquisitions,
  - (l) Investments in the form of the acquisition of Equity Interests and capital contributions made by any Loan Party in any other Loan Party (other than capital contributions to or the acquisition of Equity Interests of Parent),
  - (m) Investments resulting from entering into (i) Bank Product Agreements, or (ii) agreements relative to obligations permitted under clause (j) of the definition of Permitted Indebtedness,
  - (n) equity Investments by any Loan Party in any Subsidiary of such Loan Party which is required by law to maintain a minimum net capital requirement or as may be otherwise required by applicable law,
  - (o) Investments in any Person to the extent such Investment represents the non-cash portion of the consideration received for a Permitted Disposition as permitted pursuant to clause (p) of the definition of Permitted Dispositions;
  - (p) so long as no Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed \$5,000,000 during the term of this Agreement, and
  - (q) any Investments (other than Acquisitions) so long as the Payment Conditions are satisfied.

“Permitted Liens” means:

- (a) Liens granted to, or for the benefit of, Agent to secure the Obligations,

- 
- (b) Liens for unpaid taxes, assessments, or other governmental charges or levies that either (i) are not yet delinquent, or (ii) do not have priority over Agent's Liens and the underlying taxes, assessments, or charges or levies are the subject of Permitted Protests,
- (c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of this Agreement,
- (d) Liens set forth on Schedule P-2 to this Agreement; provided, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 to this Agreement shall only secure the Indebtedness that it secures on the Closing Date and any Refinancing Indebtedness in respect thereof,
- (e) the interests of lessors under operating leases and non-exclusive licensors under license agreements,
- (f) purchase money Liens on fixed assets or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the fixed asset purchased or acquired and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the fixed asset purchased or acquired or any Refinancing Indebtedness in respect thereof,
- (g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests,
- (h) Liens on amounts deposited to secure Parent's and its Subsidiaries' obligations in connection with worker's compensation or other unemployment insurance,
- (i) Liens on amounts deposited to secure Parent's and its Subsidiaries' obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money,
- (j) Liens on amounts deposited to secure Parent's and its Subsidiaries' reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business,
- (k) with respect to any Real Property, easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof and, with respect to any Eligible Real Property or other Real Property subject to a Mortgage, the exceptions set forth in the title insurance policy issued in favor of Agent,
- (l) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,
- (m) Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is the subject of permitted Refinancing Indebtedness and so long as the replacement Liens only encumber those assets that secured the original Indebtedness,
- (n) rights of setoff or bankers' liens upon deposits of funds in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such Deposit Accounts in the ordinary course of business,

- (o) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under the definition of Permitted Indebtedness,
- (p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods,
- (q) Liens on the Collateral securing Indebtedness permitted pursuant to clause (p) of the definition of Permitted Indebtedness so long as such Liens are subject to the Intercreditor Agreement or another intercreditor agreement in form and substance satisfactory to Administrative Agent,
- (r) Liens solely on any cash earnest money deposits made by a Loan Party or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition,
- (s) Liens assumed by any Loan Party or its Subsidiaries in connection with a Permitted Acquisition that secure Acquired Debt that is Permitted Indebtedness, and
- (t) other Liens securing Indebtedness, as measured by principal amount, which, when taken together with the principal amount of all other Indebtedness secured by Liens (excluding Liens permitted by clauses (a) through (s) above) at the time of determination, does not exceed the greater of \$10,000,000 and 1.5% of Total Assets in the aggregate at any time outstanding.

“Permitted Protest” means the right of any Loan Party or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or rental payment; provided, that (a) a reserve with respect to such obligation is established on such Loan Party’s or its Subsidiaries’ books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by such Loan Party or its Subsidiary, as applicable, in good faith, and (c) Agent is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent’s Liens.

“Permitted Purchase Money Indebtedness” means, as of any date of determination, Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred after the Closing Date and at the time of, or within 90 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof, in an aggregate principal amount outstanding at any one time not in excess of the greater of \$10,000,000 and 1.5% of Total Assets in the aggregate.

“Permitted Subordinated Indebtedness” means any unsecured Indebtedness of any Loan Party or its Subsidiaries incurred from time to time that is subordinated in right of payment to the Obligations and (a) that is only guaranteed by the Loan Parties, (b) that is not subject to scheduled amortization, redemption, sinking fund or similar payment and does not have a final maturity, in each case, on or before the date that is 91 days after the Maturity Date, (c) that does not include any financial covenants or any covenant or agreement that is more restrictive or onerous on any Loan Party in any material respect than any comparable covenant in this Agreement, (d) shall be limited to cross-acceleration to designated “senior debt” (including the Obligations), (e) does not exceed \$10,000,000 in the aggregate at any one time outstanding, and (f) the terms and conditions of the subordination are reasonably acceptable to Agent.

“Person” means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

“Platform” has the meaning specified therefor in Section 17.9(c) of this Agreement.

“Projections” means Parent’s forecasted profit and loss statements and capital expenditure forecasts, all prepared on a basis consistent with Parent’s historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

“Pro Rata Share” means, as of any date of determination:

(a) with respect to a Lender’s obligation to make all or a portion of the Revolving Loans, with respect to such Lender’s right to receive payments of interest, fees, and principal with respect to the Revolving Loans, and with respect to all other computations and other matters related to the Revolver Commitments or the Revolving Loans, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender, by (ii) the aggregate Revolving Loan Exposure of all Lenders,

(b) with respect to a Lender’s obligation to participate in the Letters of Credit, with respect to such Lender’s obligation to reimburse Issuing Bank, and with respect to such Lender’s right to receive payments of Letter of Credit Fees, and with respect to all other computations and other matters related to the Letters of Credit, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender, by (ii) the aggregate Revolving Loan Exposure of all Lenders; provided, that if all of the Revolving Loans have been repaid in full and all Revolver Commitments have been terminated, but Letters of Credit remain outstanding, Pro Rata Share under this clause shall be the percentage obtained by dividing (A) the Letter of Credit Exposure of such Lender, by (B) the Letter of Credit Exposure of all Lenders, and

(c) [reserved].

(d) with respect to all other matters and for all other matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of this Agreement), the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender, by (ii) the aggregate Revolving Loan Exposure of all Lenders, in any such case as the applicable percentage may be adjusted by assignments permitted pursuant to Section 13.1; provided, that if all of the Loans have been repaid in full, all Letters of Credit have been made the subject of Letter of Credit Collateralization, and all Commitments have been terminated, Pro Rata Share under this clause shall be the percentage obtained by dividing (A) the Letter of Credit Exposure of such Lender, by (B) the Letter of Credit Exposure of all Lenders.

“Protective Advances” has the meaning specified therefor in Section 2.3(d)(i) of this Agreement.

“Public Lender” has the meaning specified therefor in Section 17.9(c) of this Agreement.

“Qualified Cash” means, as of any date of determination, the amount of unrestricted cash and Cash Equivalents of the Loan Parties and their Subsidiaries that is in Deposit Accounts or in Securities Accounts, or any combination thereof, and which such Deposit Account or Securities Account is the subject of a Control Agreement and is maintained by a branch office of the bank or securities intermediary located within the United States.

“Qualified Equity Interests” means and refers to any Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

“Real Property” means any estates or interests in real property now owned or hereafter acquired by any Loan Party or one of its Subsidiaries and the improvements thereto.

“Real Property Collateral” means (a) the Real Property identified on Schedule R-1 to this Agreement, and (b) any Real Property hereafter acquired by any Loan Party or one of its Subsidiaries with a fair market value in excess of \$2,000,000.

“Real Property Reserves” means, as of any date of determination, those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(c), to establish and maintain with respect to Eligible Real Property or the Maximum Revolver Amount, including based on the results of appraisals.

“Real Property Subline Amount” means \$5,000,000; provided, that such amount shall be permanently reduced each month by \$27,777.78, commencing on June 1, 2017, and on the first day of each month ending thereafter; provided further that such amount shall be reduced as set forth in Section 2.4(e)(iii).

“Receivable Reserves” means, as of any date of determination, those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(c), to establish and maintain (including Reserves for rebates, discounts, warranty claims, and returns) with respect to the Eligible Accounts or the Maximum Revolver Amount.

“Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

“Reference Period” has the meaning set forth in the definition of EBITDA.

“Refinancing Indebtedness” means refinancings, renewals, or extensions of Indebtedness so long as:

(a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto,

(b) such refinancings, renewals, or extensions do not result in a shortening of the final stated maturity or the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, are or could reasonably be expected to be materially adverse to the interests of the Lenders,

(c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to the Lender Group as those that were applicable to the refinanced, renewed, or extended Indebtedness,



(d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended,

(e) if the Indebtedness that is refinanced, renewed or extended was unsecured, such refinancing, renewal or extension shall be unsecured, and

(f) if the Indebtedness that is refinanced, renewed, or extended was secured (i) such refinancing, renewal, or extension shall be secured by substantially the same or less collateral as secured such refinanced, renewed or extended Indebtedness on terms no less favorable to Agent or the Lender Group and (ii) the Liens securing such refinancing, renewal or extension shall not have a priority more senior than the Liens securing such Indebtedness that is refinanced, renewed or extended.

“Register” has the meaning set forth in Section 13.1(h) of this Agreement.

“Registered Loan” has the meaning set forth in Section 13.1(h) of this Agreement.

“Related Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

“Remedial Action” means all actions taken in accordance with and to the extent required by Environmental Law to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials.

“Replacement Lender” has the meaning specified therefor in Section 2.13(b) of this Agreement.

“Report” has the meaning specified therefor in Section 15.16 of this Agreement.

“Required Lenders” means, at any time, Lenders having or holding more than 50% of the sum of the aggregate Revolving Loan Exposure of all Lenders; provided, that (i) the Revolving Loan Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Lenders, and (ii) at any time there are two or more Lenders (who are not Affiliates of one another or Defaulting Lenders), “Required Lenders” must include at least two Lenders (who are not Affiliates of one another).

“Reserves” means, as of any date of determination, Receivables Reserves, Real Property Reserves, Bank Product Reserves and those other reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(c), to establish and maintain (including reserves with respect to (a) sums that any Loan Party or its Subsidiaries are required to pay under any Section of this Agreement or any other Loan Document (such as taxes, assessments, insurance premiums, or, in the case

of leased assets, rents or other amounts payable under such leases) and has failed to pay, and (b) amounts owing by any Loan Party or its Subsidiaries to any Person to the extent secured by a Lien on, or trust over, any of the Collateral (other than a Permitted Lien), which Lien or trust, in the Permitted Discretion of Agent likely would have a priority superior to the Agent's Liens (such as Liens or trusts in favor of landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens or trusts for ad valorem, excise, sales, or other taxes where given priority under applicable law) in and to such item of the Collateral) with respect to the Borrowing Base or the Maximum Revolver Amount.

"Restricted Payment" means (a) any declaration or payment of any dividend or the making of any other payment or distribution, directly or indirectly, on account of Equity Interests issued by Parent or any of its Subsidiaries (including any payment in connection with any merger or consolidation involving Parent) or to the direct or indirect holders of Equity Interests issued by Parent or any of its Subsidiaries in their capacity as such (other than dividends or distributions payable in Qualified Equity Interests issued by Parent or any of its Subsidiaries), or (b) any purchase, redemption, making of any sinking fund or similar payment, or other acquisition or retirement for value (including in connection with any merger or consolidation involving Parent) any Equity Interests issued by Parent or any of its Subsidiaries, or (c) any making of any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Equity Interests of Parent now or hereafter outstanding.

"Revolver Commitment" means, with respect to each Revolving Lender, its Revolver Commitment, and, with respect to all Revolving Lenders, their Revolver Commitments, in each case as such Dollar amounts are set forth beside such Revolving Lender's name under the applicable heading on Schedule C-1 to this Agreement or in the Assignment and Acceptance pursuant to which such Revolving Lender became a Revolving Lender under this Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of this Agreement, and as such amounts may be decreased by the amount of reductions in the Revolver Commitments made in accordance with Section 2.4(c) hereof.

"Revolver Usage" means, as of any date of determination, the sum of (a) the amount of outstanding Revolving Loans (inclusive of Swing Loans and Protective Advances), *plus* (b) the amount of the Letter of Credit Usage.

"Revolving Lender" means a Lender that has a Revolving Loan Exposure or Letter of Credit Exposure.

"Revolving Loan Exposure" means, with respect to any Revolving Lender, as of any date of determination (a) prior to the termination of the Revolver Commitments, the amount of such Lender's Revolver Commitment, and (b) after the termination of the Revolver Commitments, the aggregate outstanding principal amount of the Revolving Loans of such Lender.

"Revolving Loans" has the meaning specified therefor in Section 2.1(a) of this Agreement.

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case of clauses (a) through (d) that is a target of Sanctions, including a target of any country sanctions program administered and enforced by OFAC.

“Sanctioned Person” means, at any time (a) any Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, OFAC’s consolidated Non-SDN list or any other Sanctions-related list maintained by any Governmental Authority, (b) a Person or legal entity that is a target of Sanctions, (c) any Person operating, organized or resident in a Sanctioned Entity, or (d) any Person directly or indirectly owned or controlled (individually or in the aggregate) by or acting on behalf of any such Person or Persons described in clauses (a) through (c) above.

“Sanctions” means individually and collectively, respectively, any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d) Her Majesty’s Treasury of the United Kingdom, or (d) any other Governmental Authority with jurisdiction over any member of Lender Group or any Loan Party or any of their respective Subsidiaries or Affiliates.

“S&P” has the meaning specified therefor in the definition of Cash Equivalents.

“SEC” means the United States Securities and Exchange Commission and any successor thereto.

“Securities Account” means a securities account (as that term is defined in the Code).

“Securities Act” means the Securities Act of 1933, as amended from time to time, and any successor statute.

“Senior Secured Note Agent” means U.S. Bank National Association, in its capacity as collateral agent under the Senior Secured Note Documents.

“Senior Secured Note Documents” means the Senior Secured Note Indenture, the Senior Secured Notes, and the “Security Documents” (as that term is defined in the Senior Secured Note Indenture).

“Senior Secured Note Indebtedness” means Indebtedness evidenced by the Senior Secured Notes.

“Senior Secured Note Indenture” means the Indenture, dated as of May 19, 2017, among Parent, the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee, and Senior Secured Note Agent, governing the Senior Secured Notes.

“Senior Secured Notes” means the 6.75% Senior Secured Notes due 2024 issued by Parent pursuant to the Senior Secured Note Indenture.

“Settlement” has the meaning specified therefor in Section 2.3(e)(i) of this Agreement.

“Settlement Date” has the meaning specified therefor in Section 2.3(e)(i) of this Agreement.

“Shared Services Agreement” means a shared services arrangement or other contractual arrangement pursuant to which a Person owning a radio broadcast station provides certain technical, business, management, administrative, back-office or other services in support of the business or operation of a second television broadcast station owned by another Person (who is not an Affiliate of the first Person).

“Sharing Arrangement” means any Shared Services Agreement, Joint Sales Agreement, or Local Marketing Agreement.

“Solvent” means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person’s debts (including contingent liabilities) is less than all of such Person’s assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or transaction or for which the property remaining with such Person is an unreasonably small capital, (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is “solvent” or not “insolvent”, as applicable within the meaning given those terms and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“Specified Event of Default” means any Event of Default described in any of Sections 8.1, 8.2 (but only with respect to clauses (a) through (e) and (h) of Schedule 5.2 to this Agreement, Sections 6 and 7 of this Agreement, and Section 7(k) of the Guaranty and Security Agreement), 8.4, 8.5 or 8.7 (but only with respect to representations in Sections 4.22 or in any Borrowing Base Certificate).

“Specified Transaction” means, any Investment, prepayment of Indebtedness or Restricted Payment (or declaration of any prepayment or Restricted Payment).

“Standard Letter of Credit Practice” means, for Issuing Bank, any domestic or foreign law or letter of credit practices applicable in the city in which Issuing Bank issued the applicable Letter of Credit or, for its branch or correspondent, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Letter of Credit, as the case may be, in each case, (a) which letter of credit practices are of banks that regularly issue letters of credit in the particular city, and (b) which laws or letter of credit practices are required or permitted under ISP or UCP, as chosen in the applicable Letter of Credit.

“Station” means, at any time and with respect to the radio broadcast stations of any Loan Party or its Subsidiaries (a) as set forth on Schedule 4.27 here, or (b) as acquired, directly or indirectly, by any Loan Party or its Subsidiaries thereof after the Closing Date pursuant to a transaction permitted under the Loan Documents; provided that any such radio broadcast station that ceases to be owned, directly or indirectly, by a Loan Party or its Subsidiaries pursuant to a transaction permitted under the Loan Documents shall, upon consummation of such transaction, cease to be a “Station” hereunder. This definition of “Station” may be used with respect to any single radio station meeting any of the preceding requirements or all such radio stations, as the context requires.

“Subject Holder” has the meaning specified therefor in Section 2.4(e)(v) of this Agreement.

“Subsidiary” of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity.

“Supermajority Lenders” means, at any time, Revolving Lenders having or holding more than 66 2/3% of the aggregate Revolving Loan Exposure of all Revolving Lenders; provided, that (i) the Revolving Loan Exposure of any Defaulting Lender shall be disregarded in the determination of the Supermajority Lenders, and (ii) at any time there are two or more Revolving Lenders (who are not Affiliates of one another), “Supermajority Lenders” must include at least two Revolving Lenders (who are not Affiliates of one another or Defaulting Lenders).

“Swap Obligation” means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swing Lender” means Wells Fargo or any other Lender that, at the request of Borrowers and with the consent of Agent agrees, in such Lender’s sole discretion, to become the Swing Lender under Section 2.3(b) of this Agreement.

“Swing Loan” has the meaning specified therefor in Section 2.3(b) of this Agreement.

“Swing Loan Exposure” means, as of any date of determination with respect to any Lender, such Lender’s Pro Rata Share of the Swing Loans on such date.

“Taxes” means any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto.

“Tax Lender” has the meaning specified therefor in Section 14.2(a) of this Agreement.

“Total Assets” means the total assets of the Loan Parties on a consolidated basis, determined in accordance with GAAP, as of the last day of the most recently ended fiscal quarter of the Parent for which internal financial statements are available.

“Trademark Security Agreement” has the meaning specified therefor in the Guaranty and Security Agreement.

“UCP” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any version or revision thereof accepted by Issuing Bank for use.

“Unfinanced Capital Expenditures” means Capital Expenditures (a) not financed with the proceeds of any incurrence of Indebtedness (other than the incurrence of any Revolving Loans), the proceeds of any sale or issuance of Equity Interests or equity contributions, the proceeds of any asset sale (other than the sale of Inventory in the ordinary course of business) or any insurance proceeds, and (b) that are not reimbursed by a third person (excluding any Loan Party or any of its Affiliates) in the period such expenditures are made pursuant to a written agreement.

“United States” means the United States of America.

“Unused Line Fee” has the meaning specified therefor in Section 2.10(b) of this Agreement.

“Voidable Transfer” has the meaning specified therefor in Section 17.8 of this Agreement.

“Wells Fargo” means Wells Fargo Bank, National Association, a national banking association.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EUBail-In Legislation Schedule.

1.2 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Administrative Borrower notifies Agent that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Administrative Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Agent and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of the Lenders and Borrowers after such Accounting Change conform as nearly as possible to their respective positions immediately before such Accounting Change took effect and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred. When used herein, the term “financial statements” shall include the notes and schedules thereto. Whenever the term “Parent” is used in respect of a financial covenant or a related definition, it shall be understood to mean the Loan Parties and their Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards Board’s Accounting Standards Codification Topic 825 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, and (b) the term “unqualified opinion” as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that is (i) unqualified, and (ii) does not include any explanation, supplemental comment, or other comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit.

1.3 **Code.** Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 **Construction.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms “includes” and “including” are not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Agreement or any other Loan Document refer

to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (ii) all Lender Group Expenses that have accrued and are unpaid regardless of whether demand has been made therefor, and (iii) all fees or charges that have accrued hereunder or under any other Loan Document (including the Letter of Credit Fee and the Unused Line Fee) and are unpaid, (b) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Letter of Credit Collateralization, (c) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing Bank Product Collateralization, (d) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including reasonable attorneys’ fees and legal expenses of one counsel to the Agent and one other counsel to the Lenders, and, if applicable, one local counsel in each jurisdiction to each of Agent and the other Lenders and one specialist counsel for each specialized area of law to each such person or group), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, (e) the payment or repayment in full in immediately available funds of all other outstanding Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Obligations) under Hedge Agreements provided by Hedge Providers) other than (i) unasserted contingent indemnification Obligations, (ii) any Bank Product Obligations (other than Hedge Obligations) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid, and (f) the termination of all of the Commitments of the Lenders. Any reference herein to any Person shall be construed to include such Person’s successors and assigns. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record.

1.5 **Time References.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, all references to time of day refer to Pacific standard time or Pacific daylight saving time, as in effect in Los Angeles, California on such day. For purposes of the computation of a period of time from a specified date to a later specified date, unless otherwise expressly provided, the word “from” means “from and including” and the words “to” and “until” each means “to and including”; provided, that with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day.

1.6 **Schedules and Exhibits.** All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

## 2. LOANS AND TERMS OF PAYMENT.

### 2.1 Revolving Loans.

(a) Subject to the terms and conditions of this Agreement, and during the term of this Agreement, each Revolving Lender agrees (severally, not jointly or jointly and severally) to make revolving loans ("Revolving Loans") to Borrowers in an amount at any one time outstanding not to exceed *the lesser of*

(i) such Lender's Revolver Commitment, or

(ii) such Lender's Pro Rata Share of an amount equal to *the lesser of*:

(A) the amount equal to (1) the Maximum Revolver Amount, *less* (2) the sum of (y) the Letter of Credit Usage at such time *plus* (z) the principal amount of Swing Loans outstanding at such time, and

(B) the amount equal to (1) the Borrowing Base as of such date (based upon the most recent Borrowing Base Certificate delivered by Borrowers to Agent, as adjusted for Reserves established by Agent in accordance with Section 2.1(c)), *less* (2) the sum of (x) the Letter of Credit Usage at such time *plus* (y) the principal amount of Swing Loans outstanding at such time.

(b) Amounts borrowed pursuant to this Section 2.1 may be repaid and, subject to the terms and conditions of this Agreement, reborrowed at any time during the term of this Agreement. The outstanding principal amount of the Revolving Loans, together with interest accrued and unpaid thereon, shall constitute Obligations and shall be due and payable on the Maturity Date or, if earlier, on the date on which they otherwise become due and payable pursuant to the terms of this Agreement.

(c) Anything to the contrary in this Section 2.1 notwithstanding, Agent shall have the right (but not the obligation) at any time, in the exercise of its Permitted Discretion, to establish and increase or decrease Reserves against the Borrowing Base or the Maximum Revolver Amount. The amount of any Reserve established by Agent, and any changes to the eligibility criteria set forth in the definitions of Eligible Accounts and Eligible Real Property shall have a reasonable relationship to the event, condition, other circumstance, or fact that is the basis for such reserve or change in eligibility and shall not be duplicative of any other reserve established and currently maintained or eligibility criteria. Upon establishment or increase in Reserves, Agent agrees to make itself available to discuss the Reserve or increase, and Borrowers may take such action as may be required so that the event, condition, circumstance, or fact that is the basis for such reserve or increase no longer exists, in a manner and to the extent reasonably satisfactory to Agent in the exercise of its Permitted Discretion. In no event shall such opportunity limit the right of Agent to establish or change such Reserve, unless Agent shall have determined, in its Permitted Discretion, that the event, condition, other circumstance, or fact that was the basis for such Reserve or such change no longer exists or has otherwise been adequately addressed by Borrowers.

### 2.2 Reserved.

### 2.3 Borrowing Procedures and Settlements.

(a) **Procedure for Borrowing Revolving Loans.** Each Borrowing shall be made by a written request by an Authorized Person delivered to Agent (which may be delivered through Agent's



electronic platform or portal) and received by Agent no later than 11:00 a.m. (i) on the Business Day that is the requested Funding Date in the case of a request for a Swing Loan, (ii) on the Business Day that is one Business Day prior to the requested Funding Date in the case of a request for a Base Rate Loan, and (iii) on the Business Day that is three Business Days prior to the requested Funding Date in the case of all other requests, specifying (A) the amount of such Borrowing, and (B) the requested Funding Date (which shall be a Business Day); provided, that Agent may, in its sole discretion, elect to accept as timely requests that are received later than 11:00 a.m. on the applicable Business Day. All Borrowing requests which are not made on-line via Agent's electronic platform or portal shall be subject to (and unless Agent elects otherwise in the exercise of its sole discretion, such Borrowings shall not be made until the completion of) Agent's authentication process (with results satisfactory to Agent) prior to the funding of any such requested Revolving Loan.

(b) **Making of Swing Loans.** In the case of a Revolving Loan and so long as any of (i) the aggregate amount of Swing Loans made since the last Settlement Date, minus all payments or other amounts applied to Swing Loans since the last Settlement Date, plus the amount of the requested Swing Loan does not exceed \$7,500,000, or (ii) Swing Lender, in its sole discretion, agrees to make a Swing Loan notwithstanding the foregoing limitation, Swing Lender shall make a Revolving Loan (any such Revolving Loan made by Swing Lender pursuant to this Section 2.3(b) being referred to as a "Swing Loan" and all such Revolving Loans being referred to as "Swing Loans") available to Borrowers on the Funding Date applicable thereto by transferring immediately available funds in the amount of such Borrowing to the Designated Account. Each Swing Loan shall be deemed to be a Revolving Loan hereunder and shall be subject to all the terms and conditions (including Section 3) applicable to other Revolving Loans, except that all payments (including interest) on any Swing Loan shall be payable to Swing Lender solely for its own account. Subject to the provisions of Section 2.3(d)(ii), Swing Lender shall not make and shall not be obligated to make any Swing Loan if Swing Lender has actual knowledge that (i) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing, or (ii) the requested Borrowing would exceed the Availability on such Funding Date. Swing Lender shall not otherwise be required to determine whether the applicable conditions precedent set forth in Section 3 have been satisfied on the Funding Date applicable thereto prior to making any Swing Loan. The Swing Loans shall be secured by Agent's Liens, constitute Revolving Loans and Obligations, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans.

(c) **Making of Revolving Loans.**

(i) In the event that Swing Lender is not obligated to make a Swing Loan, then after receipt of a request for a Borrowing pursuant to Section 2.3(a)(i), Agent shall notify the Lenders by telecopy, telephone, email, or other electronic form of transmission, of the requested Borrowing; such notification to be sent on the Business Day that is (A) in the case of a Base Rate Loan, at least one Business Day prior to the requested Funding Date, or (B) in the case of a LIBOR Rate Loan, prior to 11:00 a.m. at least three Business Days prior to the requested Funding Date. If Agent has notified the Lenders of a requested Borrowing on the Business Day that is one Business Day prior to the Funding Date, then each Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, not later than 10:00 a.m. on the Business Day that is the requested Funding Date. After Agent's receipt of the proceeds of such Revolving Loans from the Lenders, Agent shall make the proceeds thereof available to Borrowers on the applicable Funding Date by transferring immediately available funds equal to such proceeds received by Agent to the Designated Account; provided, that subject to the provisions of Section 2.3(d)(ii), no Lender shall have an obligation to make any Revolving Loan, if (1) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing unless such condition has been waived, or (2) the requested Borrowing would exceed the Availability on such Funding Date.

(ii) Unless Agent receives notice from a Lender prior to 9:30 a.m. on the Business Day that is the requested Funding Date relative to a requested Borrowing as to which Agent has notified the Lenders of a requested Borrowing that such Lender will not make available as and when required hereunder to Agent for the account of Borrowers the amount of that Lender's Pro Rata Share of the Borrowing, Agent may assume that each Lender has made or will make such amount available to Agent in immediately available funds on the Funding Date and Agent may (but shall not be so required), in reliance upon such assumption, make available to Borrowers a corresponding amount. If, on the requested Funding Date, any Lender shall not have remitted the full amount that it is required to make available to Agent in immediately available funds and if Agent has made available to Borrowers such amount on the requested Funding Date, then such Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, no later than 10:00 a.m. on the Business Day that is the first Business Day after the requested Funding Date (in which case, the interest accrued on such Lender's portion of such Borrowing for the Funding Date shall be for Agent's separate account). If any Lender shall not remit the full amount that it is required to make available to Agent in immediately available funds as and when required hereby and if Agent has made available to Borrowers such amount, then that Lender shall be obligated to immediately remit such amount to Agent, together with interest at the Defaulting Lender Rate for each day until the date on which such amount is so remitted. A notice submitted by Agent to any Lender with respect to amounts owing under this Section 2.3(c)(ii) shall be conclusive, absent manifest error. If the amount that a Lender is required to remit is made available to Agent, then such payment to Agent shall constitute such Lender's Revolving Loan for all purposes of this Agreement. If such amount is not made available to Agent on the Business Day following the Funding Date, Agent will notify Administrative Borrower of such failure to fund and, upon demand by Agent, Borrowers shall pay such amount to Agent for Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Revolving Loans composing such Borrowing.

**(d) Protective Advances and Optional Overadvances.**

(i) Any contrary provision of this Agreement or any other Loan Document notwithstanding (but subject to Section 2.3(d)(iv)), at any time (A) after the occurrence and during the continuance of an Event of Default, or (B) that any of the applicable conditions precedent set forth in Section 3 are not satisfied, Agent hereby is authorized by Borrowers and the Lenders, from time to time, in Agent's sole discretion, to make Revolving Loans to, or for the benefit of, Borrowers, on behalf of the Revolving Lenders, that Agent, in its Permitted Discretion, deems necessary or desirable (1) to preserve or protect the Collateral, or any portion thereof, or (2) to enhance the likelihood of repayment of the Obligations (other than the Bank Product Obligations) (the Revolving Loans described in this Section 2.3(d)(i) shall be referred to as "Protective Advances"). Notwithstanding the foregoing, the aggregate amount of all Protective Advances outstanding at any one time shall not exceed 10% of the Borrowing Base.

(ii) Any contrary provision of this Agreement or any other Loan Document notwithstanding, the Lenders hereby authorize Agent or Swing Lender, as applicable, and either Agent or Swing Lender, as applicable, may, but is not obligated to, knowingly and intentionally, continue to make Revolving Loans (including Swing Loans) to Borrowers notwithstanding that an Overadvance exists or would be created thereby, so long as (A) after giving effect to such Revolving Loans, the outstanding Revolver Usage does not exceed the Borrowing Base by more than 10% of the Borrowing Base, and (B)

subject to Section 2.3(d)(iv) below, after giving effect to such Revolving Loans, the outstanding Revolver Usage (except for and excluding amounts charged to the Loan Account for interest, fees, or Lender Group Expenses) does not exceed the Maximum Revolver Amount. In the event Agent obtains actual knowledge that the Revolver Usage exceeds the amounts permitted by this Section 2.3(d), regardless of the amount of, or reason for, such excess, Agent shall notify the Lenders as soon as practicable (and prior to making any (or any additional) intentional Overadvances (except for and excluding amounts charged to the Loan Account for interest, fees, or Lender Group Expenses) unless Agent determines that prior notice would result in imminent harm to the Collateral or its value, in which case Agent may make such Overadvances and provide notice as promptly as practicable thereafter), and the Lenders with Revolver Commitments thereupon shall, together with Agent, jointly determine the terms of arrangements that shall be implemented with Borrowers intended to reduce, within a reasonable time, the outstanding principal amount of the Revolving Loans to Borrowers to an amount permitted by the preceding sentence. In such circumstances, if any Lender with a Revolver Commitment objects to the proposed terms of reduction or repayment of any Overadvance, the terms of reduction or repayment thereof shall be implemented according to the determination of the Required Lenders. In any event if any Overadvance not otherwise made or permitted pursuant to this Section 2.3(d) remains outstanding for more than 60 days, unless otherwise agreed to by the Required Lenders, Borrowers shall immediately repay Revolving Loans in an amount sufficient to eliminate all such Overadvances not otherwise made or permitted to this Section 2.3(d). The foregoing provisions are meant for the benefit of the Lenders and Agent and are not meant for the benefit of Borrowers, which shall continue to be bound by the provisions of Section 2.4(e)(i).

(iii) Each Protective Advance and each Overadvance (each, an “Extraordinary Advance”) shall be deemed to be a Revolving Loan hereunder, except that no Extraordinary Advance shall be eligible to be a LIBOR Rate Loan. Prior to Settlement of any Extraordinary Advance, all payments with respect thereto, including interest thereon, shall be payable to Agent solely for its own account. Each Revolving Lender shall be obligated to settle with Agent as provided in Section 2.3(e) (or Section 2.3(g), as applicable) for the amount of such Lender’s Pro Rata Share of any Extraordinary Advance. The Extraordinary Advances shall be repayable on demand, secured by Agent’s Liens, constitute Obligations hereunder, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans. The provisions of this Section 2.3(d) are for the exclusive benefit of Agent, Swing Lender, and the Lenders and are not intended to benefit Borrowers (or any other Loan Party) in any way.

(iv) Notwithstanding anything contained in this Agreement or any other Loan Document to the contrary, no Extraordinary Advance may be made by Agent if such Extraordinary Advance would cause the aggregate Revolver Usage to exceed the Maximum Revolver Amount or any Lender’s Pro Rata Share of the Revolver Usage to exceed such Lender’s Revolver Commitments; provided that Agent may make Extraordinary Advances in excess of the foregoing limitations so long as such Extraordinary Advances that cause the aggregate Revolver Usage to exceed the Maximum Revolver Amount or a Lender’s Pro Rata Share of the Revolver Usage to exceed such Lender’s Revolver Commitments are for Agent’s sole and separate account and not for the account of any Lender. No Lender shall have an obligation to settle with Agent for such Extraordinary Advances that cause the aggregate Revolver Usage to exceed the Maximum Revolver Amount or a Lender’s Pro Rata Share of the Revolver Usage to exceed such Lender’s Revolver Commitments as provided in Section 2.3(e) (or Section 2.3(g), as applicable).

(e) **Settlement.** It is agreed that each Lender’s funded portion of the Revolving Loans is intended by the Lenders to equal, at all times, such Lender’s Pro Rata Share of the outstanding Revolving Loans. Such agreement notwithstanding, Agent, Swing Lender, and the other Lenders agree (which agreement shall not be for the benefit of Borrowers) that in order to facilitate the administration of

this Agreement and the other Loan Documents, settlement among the Lenders as to the Revolving Loans (including Swing Loans and Extraordinary Advances) shall take place on a periodic basis in accordance with the following provisions:

(i) Agent shall request settlement ("Settlement") with the Lenders on a weekly basis, or on a more frequent basis if so determined by Agent in its sole discretion (1) on behalf of Swing Lender, with respect to the outstanding Swing Loans, (2) for itself, with respect to the outstanding Extraordinary Advances, and (3) with respect to any Loan Party's or any of their Subsidiaries' payments or other amounts received, as to each by notifying the Lenders by telecopy, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m. on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans (including Swing Loans and Extraordinary Advances) for the period since the prior Settlement Date. Subject to the terms and conditions contained herein (including Section 2.3(g)): (y) if the amount of the Revolving Loans (including Swing Loans and Extraordinary Advances) made by a Lender that is not a Defaulting Lender exceeds such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances) as of a Settlement Date, then Agent shall, by no later than 12:00 p.m. on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Lender (as such Lender may designate), an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances), and (z) if the amount of the Revolving Loans (including Swing Loans and Extraordinary Advances) made by a Lender is less than such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances) as of a Settlement Date, such Lender shall no later than 12:00 p.m. on the Settlement Date transfer in immediately available funds to Agent's Account, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances). Such amounts made available to Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the applicable Swing Loans or Extraordinary Advances and, together with the portion of such Swing Loans or Extraordinary Advances representing Swing Lender's Pro Rata Share thereof, shall constitute Revolving Loans of such Lenders. If any such amount is not made available to Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(ii) In determining whether a Lender's balance of the Revolving Loans, (including Swing Loans and Extraordinary Advances) is less than, equal to, or greater than such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances) as of a Settlement Date, Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Agent with respect to principal, interest, fees payable by Borrowers and allocable to the Lenders hereunder, and proceeds of Collateral.

(iii) Between Settlement Dates, Agent, to the extent Extraordinary Advances or Swing Loans are outstanding, may pay over to Agent or Swing Lender, as applicable, any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Extraordinary Advances or Swing Loans. Between Settlement Dates, Agent, to the extent no Extraordinary Advances or Swing Loans are outstanding, may pay over to Swing Lender any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to Swing Lender's Pro Rata Share of the Revolving Loans. If, as of any Settlement Date,

payments or other amounts of the Loan Parties or their Subsidiaries received since the then immediately preceding Settlement Date have been applied to Swing Lender's Pro Rata Share of the Revolving Loans other than to Swing Loans, as provided for in the previous sentence, Swing Lender shall pay to Agent for the accounts of the Lenders, and Agent shall pay to the Lenders (other than a Defaulting Lender if Agent has implemented the provisions of Section 2.3(g)), to be applied to the outstanding Revolving Loans of such Lenders, an amount such that each such Lender shall, upon receipt of such amount, have, as of such Settlement Date, its Pro Rata Share of the Revolving Loans. During the period between Settlement Dates, Swing Lender with respect to Swing Loans, Agent with respect to Extraordinary Advances, and each Lender with respect to the Revolving Loans other than Swing Loans and Extraordinary Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds employed by Swing Lender, Agent, or the Lenders, as applicable.

(iv) Anything in this Section 2.3(e) to the contrary notwithstanding, in the event that a Lender is a Defaulting Lender, Agent shall be entitled to refrain from remitting settlement amounts to the Defaulting Lender and, instead, shall be entitled to elect to implement the provisions set forth in Section 2.3(g).

(f) **Notation.** Agent, as a non-fiduciary agent for Borrowers, shall maintain a register showing the principal amount of the Revolving Loans, owing to each Lender, including the Swing Loans owing to Swing Lender, and Extraordinary Advances owing to Agent, and the interests therein of each Lender, from time to time and such register shall, absent manifest error, conclusively be presumed to be correct and accurate.

**(g) Defaulting Lenders**

(i) Notwithstanding the provisions of Section 2.4(b)(iii), Agent shall not be obligated to transfer to a Defaulting Lender any payments made by Borrowers to Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments (A) first, to Agent to the extent of any Extraordinary Advances that were made by Agent and that were required to be, but were not, paid by Defaulting Lender, (B) second, to Swing Lender to the extent of any Swing Loans that were made by Swing Lender and that were required to be, but were not, paid by the Defaulting Lender, (C) third, to Issuing Bank, to the extent of the portion of a Letter of Credit Disbursement that was required to be, but was not, paid by the Defaulting Lender, (D) fourth, to each Non-Defaulting Lender ratably in accordance with their Commitments (but, in each case, only to the extent that such Defaulting Lender's portion of a Revolving Loan (or other funding obligation) was funded by such other Non-Defaulting Lender), (E) fifth, in Agent's sole discretion, to a suspense account maintained by Agent, the proceeds of which shall be retained by Agent and may be made available to be re-advanced to or for the benefit of Borrowers (upon the request of Borrowers and subject to the conditions set forth in Section 3.2) as if such Defaulting Lender had made its portion of Revolving Loans (or other funding obligations) hereunder, and (F) sixth, from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender in accordance with tier (L) of Section 2.4(b)(iii). Subject to the foregoing, Agent may hold and, in its discretion, re-lend to Borrowers for the account of such Defaulting Lender the amount of all such payments received and retained by Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Pro Rata Share in connection therewith) and for the purpose of calculating the fee payable under Section 2.10(b), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero; provided, that the foregoing shall not apply to any of the matters governed by Section 14.1(a)(i) through (iii). The provisions of this Section 2.3(g) shall remain effective with respect to such Defaulting Lender until the

earlier of (y) the date on which all of the Non-Defaulting Lenders, Agent, Issuing Bank, and Borrowers shall have waived, in writing, the application of this Section 2.3(g) to such Defaulting Lender, or (z) the date on which such Defaulting Lender makes payment of all amounts that it was obligated to fund hereunder, pays to Agent all amounts owing by Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by Agent, provides adequate assurance of its ability to perform its future obligations hereunder (on which earlier date, so long as no Event of Default has occurred and is continuing, any remaining cash collateral held by Agent pursuant to Section 2.3(g)(ii) shall be released to Borrowers). The operation of this Section 2.3(g) shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Borrower of its duties and obligations hereunder to Agent, Issuing Bank, or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle Borrowers, at their option, upon written notice to Agent, to arrange for a substitute Lender to assume the Commitment of such Defaulting Lender, such substitute Lender to be reasonably acceptable to Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no right to refuse to be replaced hereunder, and agrees to execute and deliver a completed form of Assignment and Acceptance in favor of the substitute Lender (and agrees that it shall be deemed to have executed and delivered such document if it fails to do so) subject only to being paid its share of the outstanding Obligations (other than Bank Product Obligations, but including (1) all interest, fees, and other amounts that may be due and payable in respect thereof, and (2) an assumption of its Pro Rata Share of its participation in the Letters of Credit); provided, that any such assumption of the Commitment of such Defaulting Lender shall not be deemed to constitute a waiver of any of the Lender Groups' or Borrowers' rights or remedies against any such Defaulting Lender arising out of or in relation to such failure to fund. In the event of a direct conflict between the priority provisions of this Section 2.3(g) and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.3(g) shall control and govern.

(ii) If any Swing Loan or Letter of Credit is outstanding at the time that a Lender becomes a Defaulting Lender then:

(A) such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares but only to the extent (x) the sum of all Non-Defaulting Lenders' Pro Rata Share of Revolver Usage plus such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure does not exceed the total of all Non-Defaulting Lenders' Revolver Commitments and (y) the conditions set forth in Section 3.2 are satisfied at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrowers shall within one Business Day following notice by the Agent (x) first, prepay such Defaulting Lender's Swing Loan Exposure (after giving effect to any partial reallocation pursuant to clause (A) above), and (y) second, cash collateralize such Defaulting Lender's Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (A) above), pursuant to a cash collateral agreement to be entered into in form and substance reasonably satisfactory to the Agent, for so long as such Letter of Credit Exposure is outstanding; provided, that Borrowers shall not be obligated to cash collateralize any Defaulting Lender's Letter of Credit Exposure if such Defaulting Lender is also Issuing Bank;

(C) if Borrowers cash collateralize any portion of such Defaulting Lender's Letter of Credit Exposure pursuant to this Section 2.3(g)(ii), Borrowers shall not be required to pay any Letter of Credit Fees to Agent for the account of such Defaulting Lender pursuant to Section 2.6(b) with respect to such cash collateralized portion of such Defaulting Lender's Letter of Credit Exposure during the period such Letter of Credit Exposure is cash collateralized;

(D) to the extent the Letter of Credit Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.3(g)(ii), then the Letter of Credit Fees payable to the Non-Defaulting Lenders pursuant to Section 2.6(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Letter of Credit Exposure;

(E) to the extent any Defaulting Lender's Letter of Credit Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.3(g)(ii), then, without prejudice to any rights or remedies of Issuing Bank or any Lender hereunder, all Letter of Credit Fees that would have otherwise been payable to such Defaulting Lender under Section 2.6(b) with respect to such portion of such Letter of Credit Exposure shall instead be payable to Issuing Bank until such portion of such Defaulting Lender's Letter of Credit Exposure is cash collateralized or reallocated;

(F) so long as any Lender is a Defaulting Lender, the Swing Lender shall not be required to make any Swing Loan and Issuing Bank shall not be required to issue, amend, or increase any Letter of Credit, in each case, to the extent (x) the Defaulting Lender's Pro Rata Share of such Swing Loans or Letter of Credit cannot be reallocated pursuant to this Section 2.3(g)(ii), or (y) the Swing Lender or Issuing Bank, as applicable, has not otherwise entered into arrangements reasonably satisfactory to the Swing Lender or Issuing Bank, as applicable, and Borrowers to eliminate the Swing Lender's or Issuing Bank's risk with respect to the Defaulting Lender's participation in Swing Loans or Letters of Credit; and

(G) Agent may release any cash collateral provided by Borrowers pursuant to this Section 2.3(g)(ii) to Issuing Bank and Issuing Bank may apply any such cash collateral to the payment of such Defaulting Lender's Pro Rata Share of any Letter of Credit Disbursement that is not reimbursed by Borrowers pursuant to Section 2.11(d). Subject to Section 17.14, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(h) **Independent Obligations.** All Revolving Loans (other than Swing Loans and Extraordinary Advances) shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Revolving Loan (or other extension of credit) hereunder, nor shall any Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

#### **2.4 Payments; Reductions of Commitments; Prepayments.**

##### **(a) Payments by Borrowers.**

(i) Except as otherwise expressly provided herein, all payments by Borrowers shall be made to Agent's Account for the account of the Lender Group and shall be made in

immediately available funds, no later than 1:30 p.m. on the date specified herein. Any payment received by Agent later than 1:30 p.m. shall be deemed to have been received (unless Agent, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Borrowers prior to the date on which any payment is due to the Lenders that Borrowers will not make such payment in full as and when required, Agent may assume that Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the Defaulting Lender Rate for each day from the date such amount is distributed to such Lender until the date repaid.

**(b) Apportionment and Application.**

(i) So long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account or for the separate account of Issuing Bank) shall be apportioned ratably among the Lenders having a Pro Rata Share of the type of Commitment or Obligation to which a particular fee or expense relates.

(ii) Subject to Section 2.4(b)(v), Section 2.4(d)(ii), and Section 2.4(e), all payments to be made hereunder by Borrowers shall be remitted to Agent and all such payments, and all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to reduce the balance of the Revolving Loans outstanding and, thereafter, to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(iii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents and to pay interest and principal on Extraordinary Advances that are held solely by Agent pursuant to the terms of Section 2.4(d)(iv), until paid in full,

(B) second, to pay any fees or premiums then due to Agent under the Loan Documents, until paid in full,

(C) third, to pay interest due in respect of all Protective Advances, until paid in full,

(D) fourth, to pay the principal of all Protective Advances, until paid in full,



(E) fifth, ratably, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents, until paid in full,

(F) sixth, ratably, to pay any fees or premiums then due to any of the Lenders under the Loan Documents, until paid in full,

(G) seventh, to pay interest accrued in respect of the Swing Loans, until paid in full,

(H) eighth, to pay the principal of all Swing Loans, until paid in full,

(I) ninth, ratably, to pay interest accrued in respect of the Revolving Loans (other than Protective Advances) until paid in full,

(J) tenth, ratably

i. ratably, to pay the principal of all Revolving Loans until paid in full,

ii. to Agent, to be held by Agent, for the benefit of Issuing Bank (and for the ratable benefit of each of the Lenders that have an obligation to pay to Agent, for the account of Issuing Bank, a share of each Letter of Credit Disbursement), as cash collateral in an amount up to 103% of the Letter of Credit Usage (to the extent permitted by applicable law, such cash collateral shall be applied to the reimbursement of any Letter of Credit Disbursement as and when such disbursement occurs and, if a Letter of Credit expires undrawn, the cash collateral held by Agent in respect of such Letter of Credit shall, to the extent permitted by applicable law, be reapplied pursuant to this Section 2.4(b)(iii), beginning with tier (A) hereof),

iii. ratably, to (y) the Bank Product Providers based upon amounts then certified by each applicable Bank Product Provider to Agent (in form and substance satisfactory to Agent) to be due and payable to such Bank Product Provider on account of Bank Product Obligations, and (z) with any balance to be paid to Agent, to be held by Agent, for the ratable benefit of the Bank Product Providers, as cash collateral (which cash collateral may be released by Agent to the applicable Bank Product Provider and applied by such Bank Product Provider to the payment or reimbursement of any amounts due and payable with respect to Bank Product Obligations owed to the applicable Bank Product Provider as and when such amounts first become due and payable and, if and at such time as all such Bank Product Obligations are paid or otherwise satisfied in full, the cash collateral held by Agent in respect of such Bank Product Obligations shall be reapplied pursuant to this Section 2.4(b)(iii), beginning with tier (A) hereof,

(K) eleventh, to pay any other Obligations other than Obligations owed to Defaulting Lenders,

(L) twelfth, ratably to pay any Obligations owed to Defaulting Lenders; and

(M) thirteenth, to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(iv) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive, subject to a Settlement delay as provided in Section 2.3(e).

(v) In each instance, so long as no Application Event has occurred and is continuing, Section 2.4(b)(ii) shall not apply to any payment made by Borrowers to Agent and specified by Borrowers to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(vi) For purposes of Section 2.4(b)(iii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(vii) In the event of a direct conflict between the priority provisions of this Section 2.4 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, if the conflict relates to the provisions of Section 2.3(g) and this Section 2.4, then the provisions of Section 2.3(g) shall control and govern, and if otherwise, then the terms and provisions of this Section 2.4 shall control and govern.

(c) **Reduction of Commitments.**

(i) **Revolver Commitments.** The Revolver Commitments shall terminate on the Maturity Date or earlier termination thereof pursuant to the terms of this Agreement. Borrowers may reduce the Revolver Commitments, without premium or penalty, to an amount (which may be zero) not less than the sum of (A) the Revolver Usage as of such date, *plus* (B) the principal amount of all Revolving Loans not yet made as to which a request has been given by Borrowers under Section 2.3(a), *plus* (C) the amount of all Letters of Credit not yet issued as to which a request has been given by Borrowers pursuant to Section 2.11(a). Each such reduction shall be in an amount which is not less than \$2,000,000 (unless the Revolver Commitments are being reduced to zero and the amount of the Revolver Commitments in effect immediately prior to such reduction are less than \$2,000,000), shall be made by providing not less than ten Business Days prior written notice to Agent, and shall be irrevocable. The Revolver Commitments, once reduced, may not be increased. Each such reduction of the Revolver Commitments shall reduce the Revolver Commitments of each Lender proportionately in accordance with its ratable share thereof. In connection with any reduction in the Revolver Commitments prior to the Maturity Date, if any Loan Party or any of its Subsidiaries owns any Margin Stock, Borrowers shall deliver to Agent an updated Form U-1 (with sufficient additional originals thereof for each Lender), duly executed and delivered by the Borrowers, together with such other documentation as Agent shall reasonably request, in order to enable Agent and the Lenders to comply with any of the requirements under Regulations T, U or X of the Federal Reserve Board.

(ii) **Reserved.**

(d) **Optional Prepayments.**

(i) **Revolving Loans.** Borrowers may prepay the principal of any Revolving Loan at any time in whole or in part, without premium or penalty.

(ii) **Reserved.**

(c) **Mandatory Prepayments.**

(i) **Borrowing Base.** If, at any time, (A) the Revolver Usage on such date exceeds (B) the lesser of (x) the Borrowing Base reflected in the Borrowing Base Certificate most recently delivered by Borrowers to Agent, as adjusted for Reserves established by Agent in accordance with Section 2.1(c), or (y) the Maximum Revolver Amount, then Borrowers shall immediately prepay the Obligations in accordance with Section 2.4(f)(i) in an aggregate amount equal to the amount of such excess.

(ii) **Reserved.**

(iii) **Dispositions and Events of Loss.** Within three Business Days of the date of receipt by any Loan Party or any of its Subsidiaries of (x) the Net Cash Proceeds of any sale or other voluntary disposition of ABL Priority Collateral of any Loan Party or any of its Subsidiaries, or (y) the Net Loss Proceeds of any Event of Loss (but excluding Net Cash Proceeds or Net Loss Proceeds from sales or dispositions which qualify as Permitted Dispositions under clauses (b), (c), (f), (l), (m) or (n) of the definition of Permitted Dispositions or other Permitted Dispositions that do not include ABL Priority Collateral), Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Net Cash Proceeds or Net Loss Proceeds received in respect of ABL Priority Collateral by such Person in connection with such sales or other dispositions; provided, that so long as (A) no Event of Default shall have occurred and is continuing or would result therefrom, (B) Borrowers shall have given Agent written notice promptly following such sale or other disposition or Event of Loss of Borrowers' intention to apply (I) with respect to any Net Cash Proceeds, to the costs of replacement of the properties or assets that are the subject of such sale or disposition or the cost of purchase or construction of other assets useful in the business of such Loan Party or its Subsidiaries, or (II) with respect to any Net Loss Proceeds, to the rebuilding, repair, replacement or construction of improvements to the property affected by the Event of Loss or to the cost of purchase or construction of other assets useful in the business of such Loan Party or its Subsidiaries, (C) the monies are held in a Deposit Account in which Agent has a perfected first-priority security interest, and (D) such Loan Party or its Subsidiary, as applicable, completes such rebuilding, repair, replacement or construction within 365 days after the initial receipt of such monies, then the Loan Party or such Loan Party's Subsidiary whose assets were the subject of such disposition shall have the option to apply such monies as specified in the notice described in clause (B) above unless and to the extent that such applicable period shall have expired without such rebuilding, repair, replacement or construction being made or completed, in which case, any amounts remaining in the Deposit Account referred to in clause (C) above shall be paid to Agent and applied in accordance with Section 2.4(f)(ii). In the event of a voluntary or involuntary sale or disposition of any Eligible Real Property (including as a result of an Event of Loss) and as a result thereof a mandatory prepayment is required pursuant to this Section 2.4(e)(iii), unless such disposition is an Event of Loss and the Net Loss Proceeds are applied to rebuild or repay the Eligible Real Property, the Real Property Subline Amount shall be reduced by the Net Cash Proceeds or Net Loss Proceeds of the Eligible Real Property sold or disposed. Nothing contained in this Section 2.4(e)(iii) shall permit any Loan Party or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.4.

(f) **Application of Payments.**

(i) Each prepayment pursuant to Section 2.4(e)(i) shall, (1) so long as no Application Event shall have occurred and be continuing, be applied, *first*, to the outstanding principal

amount of the Revolving Loans until paid in full, and *second*, to cash collateralize the Letters of Credit in an amount equal to 103% of the then outstanding Letter of Credit Usage, and (2) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(iii).

(ii) Each prepayment pursuant to Section 2.4(e)(iii) shall (A) so long as no Application Event shall have occurred and be continuing, be applied, *first*, to the outstanding principal amount of the Revolving Loans until paid in full, and *second*, to cash collateralize the Letters of Credit in an amount equal to 103% of the then outstanding Letter of Credit Usage, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(iii).

## 2.5 **Promise to Pay; Promissory Notes**

(a) Borrowers agree to pay the Lender Group Expenses on the earlier of (i) the first day of the month following the date on which the applicable Lender Group Expenses were first incurred, or (ii) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (ii)). Borrowers promise to pay all of the Obligations (including principal, interest, premiums, if any, fees, costs, and expenses (including Lender Group Expenses)) in full on the Maturity Date or, if earlier, on the date on which the Obligations (other than the Bank Product Obligations) become due and payable pursuant to the terms of this Agreement. Borrowers agree that their obligations contained in the first sentence of this Section 2.5(a) shall survive payment or satisfaction in full of all other Obligations.

(b) Any Lender may request that any portion of its Commitments or the Loans made by it be evidenced by one or more promissory notes. In such event, Borrowers shall execute and deliver to such Lender the requested promissory notes payable to the order of such Lender in a form furnished by Agent and reasonably satisfactory to Borrowers. Thereafter, the portion of the Commitments and Loans evidenced by such promissory notes and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the order of the payee named therein.

## 2.6 **Interest Rates and Letter of Credit Fee: Rates, Payments, and Calculations**

(a) **Interest Rates.** Except as provided in Section 2.6(c), all Obligations (except for undrawn Letters of Credit) that have been charged to the Loan Account pursuant to the terms hereof shall bear interest as follows:

(i) if the relevant Obligation is a LIBOR Rate Loan, at a *per annum* rate equal to the LIBOR Rate *plus* the LIBOR Rate Margin, and

(ii) otherwise, at a *per annum* rate equal to the Base Rate *plus* the Base Rate Margin.

(b) **Letter of Credit Fee.** Borrowers shall pay Agent (for the ratable benefit of the Revolving Lenders), a Letter of Credit fee (the "**Letter of Credit Fee**") (which fee shall be in addition to the fronting fees and commissions, other fees, charges and expenses set forth in Section 2.11(k)) that shall accrue at a *per annum* rate equal to the LIBOR Rate Margin times the times the average amount of the Letter of Credit Usage during the immediately preceding month.

(c) **Default Rate.** (i) Automatically upon the occurrence and during the continuation of an Event of Default under Section 8.4 or 8.5 and (ii) upon the occurrence and during the continuation of any other Event of Default (other than an Event of Default under Section 8.4 or 8.5), at the direction of Agent or the Required Lenders, and upon written notice by Agent to Borrowers of such direction (provided, that such notice shall not be required for any Event of Default under Section 8.1), (A) all Loans and all Obligations (except for undrawn Letters of Credit) that have been charged to the Loan Account pursuant to the terms hereof shall bear interest at a *per annum* rate equal to two percentage points above the per annum rate otherwise applicable thereunder, and (B) the Letter of Credit Fee shall be increased to two percentage points above the *per annum* rate otherwise applicable hereunder.

(d) **Payment.** Except to the extent provided to the contrary in Section 2.10, Section 2.11(k) or Section 2.12(a), (i) all interest and all other fees payable hereunder or under any of the other Loan Documents (other than Letter of Credit Fees) shall be due and payable, in arrears, on the first day of each month, (ii) all Letter of Credit Fees payable hereunder, and all fronting fees and all commissions, other fees, charges and expenses provided for in Section 2.11(k) shall be due and payable, in arrears, on the first Business Day of each month, and (iii) all costs and expenses payable hereunder or under any of the other Loan Documents, and all other Lender Group Expenses shall be due and payable on the earlier of (x) the first day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred, or (y) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the Loan Account pursuant to the provisions of the following sentence shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (y)). Borrowers hereby authorize Agent, from time to time without prior notice to Borrowers, to charge to the Loan Account (A) on the first day of each month, all interest accrued during the prior month on the Revolving Loans hereunder, (B) on the first Business Day of each month, all Letter of Credit Fees accrued or chargeable hereunder during the prior month, (C) as and when incurred or accrued, all fees and costs provided for in Section 2.10(a) or (c), (D) on the first day of each month, the Unused Line Fee accrued during the prior month pursuant to Section 2.10(b), (E) as and when due and payable, all other fees payable hereunder or under any of the other Loan Documents, (F) as and when incurred or accrued, all other Lender Group Expenses, and (G) as and when due and payable all other payment obligations payable under any Loan Document or any Bank Product Agreement (including any amounts due and payable to the Bank Product Providers in respect of Bank Products). All amounts (including interest, fees, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document or under any Bank Product Agreement) charged to the Loan Account shall thereupon constitute Revolving Loans hereunder, shall constitute Obligations hereunder, and shall initially accrue interest at the rate then applicable to Revolving Loans that are Base Rate Loans (unless and until converted into LIBOR Rate Loans in accordance with the terms of this Agreement).

(e) **Computation.** All interest and fees chargeable under the Loan Documents shall be computed on the basis of a 360 day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue. In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

(f) **Intent to Limit Charges to Maximum Lawful Rate.** In no event shall the interest rate or rates payable under this Agreement, *plus* any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrowers and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that anything contained herein to the contrary notwithstanding, if such rate or rates of interest

or manner of payment exceeds the maximum allowable under applicable law, then, *ipso facto*, as of the date of this Agreement, Borrowers are and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.7 **Crediting Payments.** The receipt of any payment item by Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 1:30 p.m. If any payment item is received into Agent's Account on a non-Business Day or after 1:30 p.m. on a Business Day (unless Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.8 **Designated Account.** Agent is authorized to make the Revolving Loans, and Issuing Bank is authorized to issue the Letters of Credit, under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Person or, without instructions, if pursuant to Section 2.6(d). Borrowers agree to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Revolving Loans requested by Borrowers and made by Agent or the Lenders hereunder. Unless otherwise agreed by Agent and Borrowers, any Revolving Loan or Swing Loan requested by Borrowers and made by Agent or the Lenders hereunder shall be made to the Designated Account.

2.9 **Maintenance of Loan Account; Statements of Obligations.** Agent shall maintain an account on its books in the name of Borrowers (the "Loan Account") on which Borrowers will be charged with all Revolving Loans (including Extraordinary Advances and Swing Loans) made by Agent, Swing Lender, or the Lenders to Borrowers or for Borrowers' account, the Letters of Credit issued or arranged by Issuing Bank for Borrowers' account, and with all other payment Obligations hereunder or under the other Loan Documents, including, accrued interest, fees and expenses, and Lender Group Expenses. In accordance with Section 2.7, the Loan Account will be credited with all payments received by Agent from Borrowers or for Borrowers' account. Agent shall make available to Borrowers monthly statements regarding the Loan Account, including the principal amount of the Revolving Loans, interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within 30 days after Agent first makes such a statement available to Borrowers, Borrowers shall deliver to Agent written objection thereto describing the error or errors contained in such statement.

#### 2.10 **Fees**

(a) **Agent Fees.** Borrowers shall pay to Agent, for the account of Agent, as and when due and payable under the terms of the Fee Letter, the fees set forth in the Fee Letter.

(b) **Unused Line Fee.** Borrowers shall pay to Agent, for the ratable account of the Revolving Lenders, an unused line fee (the "Unused Line Fee") in an amount equal to the Applicable Unused Line Fee Percentage *per annum* times the result of (i) the aggregate amount of the Revolver Commitments, less (ii) the Average Revolver Usage during the immediately preceding month (or portion

thereof), which Unused Line Fee shall be due and payable, in arrears, on the first day of each month from and after the Closing Date up to the first day of the month prior to the date on which the Obligations are paid in full and on the date on which the Obligations are paid in full.

(c) **Field Examination and Other Fees.** Subject to Section 5.7(c), Borrowers shall pay to Agent, field examination, appraisal, and valuation fees and charges, as and when incurred or chargeable, as follows (i) a fee of \$1,000 per day, per examiner, *plus* reasonable out-of-pocket expenses (including travel, meals, and lodging) for each field examination of any Loan Party or its Subsidiaries performed by or on behalf of Agent, and (ii) the fees, charges or expenses paid or incurred by Agent if it elects to employ the services of one or more third Persons to appraise the Collateral, or any portion thereof.

## 2.11 **Letters of Credit.**

(a) Subject to the terms and conditions of this Agreement, upon the request of Borrowers made in accordance herewith, and prior to the Maturity Date, Issuing Bank agrees to issue a requested standby Letter of Credit or a sight commercial Letter of Credit for the account of Borrowers. By submitting a request to Issuing Bank for the issuance of a Letter of Credit, Borrowers shall be deemed to have requested that Issuing Bank issue the requested Letter of Credit. Each request for the issuance of a Letter of Credit, or the amendment, renewal, or extension of any outstanding Letter of Credit, shall be (i) irrevocable and made in writing by an Authorized Person, (ii) delivered to Agent and Issuing Bank via telefacsimile or other electronic method of transmission reasonably acceptable to Agent and Issuing Bank and reasonably in advance of the requested date of issuance, amendment, renewal, or extension, and (iii) subject to Issuing Bank's authentication procedures with results satisfactory to Issuing Bank. Each such request shall be in form and substance reasonably satisfactory to Agent and Issuing Bank and (i) shall specify (A) the amount of such Letter of Credit, (B) the date of issuance, amendment, renewal, or extension of such Letter of Credit, (C) the proposed expiration date of such Letter of Credit, (D) the name and address of the beneficiary of the Letter of Credit, and (E) such other information (including, the conditions to drawing, and, in the case of an amendment, renewal, or extension, identification of the Letter of Credit to be so amended, renewed, or extended) as shall be necessary to prepare, amend, renew, or extend such Letter of Credit, and (ii) shall be accompanied by such Issuer Documents as Agent or Issuing Bank may request or require, to the extent that such requests or requirements are consistent with the Issuer Documents that Issuing Bank generally requests for Letters of Credit in similar circumstances. Issuing Bank's records of the content of any such request will be conclusive. Anything contained herein to the contrary notwithstanding, Issuing Bank may, but shall not be obligated to, issue a Letter of Credit that supports the obligations of a Loan Party or one of its Subsidiaries in respect of (x) a lease of real property to the extent that the face amount of such Letter of Credit exceeds the highest rent (including all rent-like charges) payable under such lease for a period of one year, or (y) an employment contract to the extent that the face amount of such Letter of Credit exceeds the highest compensation payable under such contract for a period of one year.

(b) Issuing Bank shall have no obligation to issue a Letter of Credit if any of the following would result after giving effect to the requested issuance:

(i) the Letter of Credit Usage would exceed the Letter of Credit Sublimit, or

(ii) the Letter of Credit Usage would exceed the Maximum Revolver Amount less the outstanding amount of Revolving Loans (including Swing

Loans), or

(iii) the Letter of Credit Usage would exceed the Borrowing Base at such time ~~less~~ the outstanding principal balance of the Revolving Loans (inclusive of Swing Loans) at such time.

(c) In the event there is a Defaulting Lender as of the date of any request for the issuance of a Letter of Credit, Issuing Bank shall not be required to issue or arrange for such Letter of Credit to the extent (i) the Defaulting Lender's Letter of Credit Exposure with respect to such Letter of Credit may not be reallocated pursuant to Section 2.3(g)(ii), or (ii) Issuing Bank has not otherwise entered into arrangements reasonably satisfactory to it and Borrowers to eliminate Issuing Bank's risk with respect to the participation in such Letter of Credit of the Defaulting Lender, which arrangements may include Borrowers cash collateralizing such Defaulting Lender's Letter of Credit Exposure in accordance with Section 2.3(g)(ii). Additionally, Issuing Bank shall have no obligation to issue or extend a Letter of Credit if (A) any order, judgment, or decree of any Governmental Authority or arbitrator shall, by its terms, purport to enjoin or restrain Issuing Bank from issuing such Letter of Credit, or any law applicable to Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over Issuing Bank shall prohibit or request that Issuing Bank refrain from the issuance of letters of credit generally or such Letter of Credit in particular, (B) the issuance of such Letter of Credit would violate one or more policies of Issuing Bank applicable to letters of credit generally, or (C) if amounts demanded to be paid under any Letter of Credit will not or may not be in United States Dollars.

(d) Any Issuing Bank (other than Wells Fargo or any of its Affiliates) shall notify Agent in writing no later than the Business Day prior to the Business Day on which such Issuing Bank issues any Letter of Credit. In addition, each Issuing Bank (other than Wells Fargo or any of its Affiliates) shall, on the first Business Day of each week, submit to Agent a report detailing the daily undrawn amount of each Letter of Credit issued by such Issuing Bank during the prior calendar week. Each Letter of Credit shall be in form and substance reasonably acceptable to Issuing Bank, including the requirement that the amounts payable thereunder must be payable in Dollars. If Issuing Bank makes a payment under a Letter of Credit, Borrowers shall pay to Agent an amount equal to the applicable Letter of Credit Disbursement on the Business Day such Letter of Credit Disbursement is made and, in the absence of such payment, the amount of the Letter of Credit Disbursement immediately and automatically shall be deemed to be a Revolving Loan hereunder (notwithstanding any failure to satisfy any condition precedent set forth in Section 3) and, initially, shall bear interest at the rate then applicable to Revolving Loans that are Base Rate Loans. If a Letter of Credit Disbursement is deemed to be a Revolving Loan hereunder, Borrowers' obligation to pay the amount of such Letter of Credit Disbursement to Issuing Bank shall be automatically converted into an obligation to pay the resulting Revolving Loan. Promptly following receipt by Agent of any payment from Borrowers pursuant to this paragraph, Agent shall distribute such payment to Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.11(e) to reimburse Issuing Bank, then to such Revolving Lenders and Issuing Bank as their interests may appear.

(e) Promptly following receipt of a notice of a Letter of Credit Disbursement pursuant to Section 2.11(d), each Revolving Lender agrees to fund its Pro Rata Share of any Revolving Loan deemed made pursuant to Section 2.11(d) on the same terms and conditions as if Borrowers had requested the amount thereof as a Revolving Loan and Agent shall promptly pay to Issuing Bank the amounts so received by it from the Revolving Lenders. By the issuance of a Letter of Credit (or an amendment, renewal, or extension of a Letter of Credit) and without any further action on the part of Issuing Bank or the Revolving Lenders, Issuing Bank shall be deemed to have granted to each Revolving Lender, and each Revolving Lender shall be deemed to have purchased, a participation in each Letter of Credit issued by Issuing Bank, in an amount equal to its Pro Rata Share of such Letter of Credit, and each



such Revolving Lender agrees to pay to Agent, for the account of Issuing Bank, such Revolving Lender's Pro Rata Share of any Letter of Credit Disbursement made by Issuing Bank under the applicable Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to Agent, for the account of Issuing Bank, such Revolving Lender's Pro Rata Share of each Letter of Credit Disbursement made by Issuing Bank and not reimbursed by Borrowers on the date due as provided in Section 2.11(d), or of any reimbursement payment that is required to be refunded (or that Agent or Issuing Bank elects, based upon the advice of counsel, to refund) to Borrowers for any reason. Each Revolving Lender acknowledges and agrees that its obligation to deliver to Agent, for the account of Issuing Bank, an amount equal to its respective Pro Rata Share of each Letter of Credit Disbursement pursuant to this Section 2.11(e) shall be absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuation of an Event of Default or Default or the failure to satisfy any condition set forth in Section 3. If any such Revolving Lender fails to make available to Agent the amount of such Revolving Lender's Pro Rata Share of a Letter of Credit Disbursement as provided in this Section, such Revolving Lender shall be deemed to be a Defaulting Lender and Agent (for the account of Issuing Bank) shall be entitled to recover such amount on demand from such Revolving Lender together with interest thereon at the Defaulting Lender Rate until paid in full.

(f) Each Borrower agrees to indemnify, defend and hold harmless each member of the Lender Group (including Issuing Bank and its branches, Affiliates, and correspondents) and each such Person's respective directors, officers, employees, attorneys and agents (each, including Issuing Bank, a "Letter of Credit Related Person") (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), which may be incurred by or awarded against any such Letter of Credit Related Person (other than Taxes, which shall be governed by Section 16) (the "Letter of Credit Indemnified Costs"), and which arise out of or in connection with, or as a result of:

(i) any Letter of Credit or any pre-advice of its issuance;

(ii) any transfer, sale, delivery, surrender or endorsement (or lack thereof) of any Drawing Document at any time(s) held by any such Letter of Credit Related Person in connection with any Letter of Credit;

(iii) any action or proceeding arising out of, or in connection with, any Letter of Credit (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under any Letter of Credit, or for the wrongful dishonor of, or honoring a presentation under, any Letter of Credit;

(iv) any independent undertakings issued by the beneficiary of any Letter of Credit;

(v) any unauthorized instruction or request made to Issuing Bank in connection with any Letter of Credit or requested Letter of Credit, or any error, omission, interruption or delay in such instruction or request, whether transmitted by mail, courier, electronic transmission, SWIFT, or any other telecommunication including communications through a correspondent;

- 
- (vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated;
  - (vii) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of Letter of Credit proceeds or holder of an instrument or document;
  - (viii) the fraud, forgery or illegal action of parties other than the Letter of Credit Related Person;
  - (ix) any prohibition on payment or delay in payment of any amount payable by Issuing Bank to a beneficiary or transferee beneficiary of a Letter of Credit arising out of Anti-Corruption Laws, Anti-Money Laundering Laws, or Sanctions;
  - (x) Issuing Bank's performance of the obligations of a confirming institution or entity that wrongfully dishonors a confirmation;
  - (xi) any foreign language translation provided to Issuing Bank in connection with any Letter of Credit;
  - (xii) any foreign law or usage as it relates to Issuing Bank's issuance of a Letter of Credit in support of a foreign guaranty including without limitation the expiration of such guaranty after the related Letter of Credit expiration date and any resulting drawing paid by Issuing Bank in connection therewith; or
  - (xiii) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of the Letter of Credit Related Person;

provided, that such indemnity shall not be available to any Letter of Credit Related Person claiming indemnification under clauses (i) through (x) above to the extent that such Letter of Credit Indemnified Costs may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Letter of Credit Related Person claiming indemnity. Borrowers hereby agree to pay the Letter of Credit Related Person claiming indemnity on demand from time to time all amounts owing under this Section 2.11(f). If and to the extent that the obligations of Borrowers under this Section 2.11(f) are unenforceable for any reason, Borrowers agree to make the maximum contribution to the Letter of Credit Indemnified Costs permissible under applicable law. This indemnification provision shall survive termination of this Agreement and all Letters of Credit.

(g) The liability of Issuing Bank (or any other Letter of Credit Related Person) under, in connection with or arising out of any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by Borrowers that are caused directly by Issuing Bank's gross negligence or willful misconduct in (i) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (ii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit, or (iii) retaining Drawing Documents presented under a Letter of Credit. Borrowers' aggregate remedies against Issuing Bank and any Letter of Credit Related Person for wrongfully honoring a presentation under any Letter of Credit or wrongfully retaining honored Drawing Documents shall in no event exceed the aggregate amount paid by

Borrowers to Issuing Bank in respect of the honored presentation in connection with such Letter of Credit under Section 2.11(d), *plus* interest at the rate then applicable to Base Rate Loans hereunder. Borrowers shall take action to avoid and mitigate the amount of any damages claimed against Issuing Bank or any other Letter of Credit Related Person, including by enforcing its rights against the beneficiaries of the Letters of Credit. Any claim by Borrowers under or in connection with any Letter of Credit shall be reduced by an amount equal to the sum of (x) the amount (if any) saved by Borrowers as a result of the breach or alleged wrongful conduct complained of, and (y) the amount (if any) of the loss that would have been avoided had Borrowers taken all reasonable steps to mitigate any loss, and in case of a claim of wrongful dishonor, by specifically and timely authorizing Issuing Bank to effect a cure.

(h) Borrowers are responsible for the final text of the Letter of Credit as issued by Issuing Bank, irrespective of any assistance Issuing Bank may provide such as drafting or recommending text or by Issuing Bank's use or refusal to use text submitted by Borrowers. Borrowers understand that the final form of any Letter of Credit may be subject to such revisions and changes as are deemed necessary or appropriate by Issuing Bank, and Borrowers hereby consent to such revisions and changes not materially different from the application executed in connection therewith. Borrowers are solely responsible for the suitability of the Letter of Credit for Borrowers' purposes. If Borrowers request Issuing Bank to issue a Letter of Credit for an affiliated or unaffiliated third party (an "Account Party"), (i) such Account Party shall have no rights against Issuing Bank; (ii) Borrowers shall be responsible for the application and obligations under this Agreement; and (iii) communications (including notices) related to the respective Letter of Credit shall be among Issuing Bank and Borrowers. Borrowers will examine the copy of the Letter of Credit and any other documents sent by Issuing Bank in connection therewith and shall promptly notify Issuing Bank (not later than three (3) Business Days following Borrowers' receipt of documents from Issuing Bank) of any non-compliance with Borrowers' instructions and of any discrepancy in any document under any presentment or other irregularity. Borrowers understand and agree that Issuing Bank is not required to extend the expiration date of any Letter of Credit for any reason. With respect to any Letter of Credit containing an "automatic amendment" to extend the expiration date of such Letter of Credit, Issuing Bank, in its sole and absolute discretion, may give notice of nonrenewal of such Letter of Credit and, if Borrowers do not at any time want the then current expiration date of such Letter of Credit to be extended, Borrowers will so notify Agent and Issuing Bank at least 30 calendar days before Issuing Bank is required to notify the beneficiary of such Letter of Credit or any advising bank of such non-extension pursuant to the terms of such Letter of Credit.

(i) Borrowers' reimbursement and payment obligations under this Section 2.11 are absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including:

(i) any lack of validity, enforceability or legal effect of any Letter of Credit, any Issuer Document, this Agreement, or any Loan Document, or any term or provision therein or herein;

(ii) payment against presentation of any draft, demand or claim for payment under any Drawing Document that does not comply in whole or in part with the terms of the applicable Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person or a transferee of such Person purporting to be a successor or transferee of the beneficiary of such Letter of Credit;

(iii) Issuing Bank or any of its branches or Affiliates being the beneficiary of any Letter of Credit;

(iv) Issuing Bank or any correspondent honoring a drawing against a Drawing Document up to the amount available under any Letter of Credit even if such Drawing Document claims an amount in excess of the amount available under the Letter of Credit;

(v) the existence of any claim, set-off, defense or other right that any Loan Party or any of its Subsidiaries may have at any time against any beneficiary or transferee beneficiary, any assignee of proceeds, Issuing Bank or any other Person;

(vi) Issuing Bank or any correspondent honoring a drawing upon receipt of an electronic presentation under a Letter of Credit requiring the same, regardless of whether the original Drawing Documents arrive at Issuing Bank's counters or are different from the electronic presentation;

(vii) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing that might, but for this Section 2.11(i), constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, any Borrower's or any of its Subsidiaries' reimbursement and other payment obligations and liabilities, arising under, or in connection with, any Letter of Credit, whether against Issuing Bank, the beneficiary or any other Person; or

(viii) the fact that any Default or Event of Default shall have occurred and be continuing;

provided, that subject to Section 2.11(g) above, the foregoing shall not release Issuing Bank from such liability to Borrowers as may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction against Issuing Bank following reimbursement or payment of the obligations and liabilities, including reimbursement and other payment obligations, of Borrowers to Issuing Bank arising under, or in connection with, this Section 2.11 or any Letter of Credit.

(j) Without limiting any other provision of this Agreement, Issuing Bank and each other Letter of Credit Related Person (if applicable) shall not be responsible to Borrowers for, and Issuing Bank's rights and remedies against Borrowers and the obligation of Borrowers to reimburse Issuing Bank for each drawing under each Letter of Credit shall not be impaired by:

(i) honor of a presentation under any Letter of Credit that on its face substantially complies with the terms and conditions of such Letter of Credit, even if the Letter of Credit requires strict compliance by the beneficiary;

(ii) honor of a presentation of any Drawing Document that appears on its face to have been signed, presented or issued (A) by any purported successor or transferee of any beneficiary or other Person required to sign, present or issue such Drawing Document or (B) under a new name of the beneficiary;

(iii) acceptance as a draft of any written or electronic demand or request for payment under a Letter of Credit, even if nonnegotiable or not in the form of a draft or notwithstanding any requirement that such draft, demand or request bear any or adequate reference to the Letter of Credit;

(iv) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness or legal effect of any Drawing Document (other than Issuing Bank's determination that such Drawing Document appears on its face substantially to comply with the terms and conditions of the Letter of Credit);

(v) acting upon any instruction or request relative to a Letter of Credit or requested Letter of Credit that Issuing Bank in good faith believes to have been given by a Person authorized to give such instruction or request;

(vi) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation or any delay in giving or failing to give notice to any Borrower;

(vii) any acts, omissions or fraud by, or the insolvency of, any beneficiary, any nominated person or entity or any other Person or any breach of contract between any beneficiary and any Borrower or any of the parties to the underlying transaction to which the Letter of Credit relates;

(viii) assertion or waiver of any provision of the ISP or UCP that primarily benefits an issuer of a letter of credit, including any requirement that any Drawing Document be presented to it at a particular hour or place;

(ix) payment to any presenting bank (designated or permitted by the terms of the applicable Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice applicable to it;

(x) acting or failing to act as required or permitted under Standard Letter of Credit Practice applicable to where Issuing Bank has issued, confirmed, advised or negotiated such Letter of Credit, as the case may be;

(xi) honor of a presentation after the expiration date of any Letter of Credit notwithstanding that a presentation was made prior to such expiration date and dishonored by Issuing Bank if subsequently Issuing Bank or any court or other finder of fact determines such presentation should have been honored;

(xii) dishonor of any presentation that does not strictly comply or that is fraudulent, forged or otherwise not entitled to honor; or

(xiii) honor of a presentation that is subsequently determined by Issuing Bank to have been made in violation of international, federal, state or local restrictions on the transaction of business with certain prohibited Persons.

(k) Borrowers shall pay immediately upon demand to Agent for the account of Issuing Bank as non-refundable fees, commissions, and charges (it being acknowledged and agreed that any charging of such fees, commissions, and charges to the Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this Section 2.11(k)): (i) a fronting fee which shall be imposed by Issuing Bank equal to 0.250% per annum times the average amount of the Letter of Credit Usage during the immediately preceding month plus (ii) any and all other customary commissions, fees and charges then in effect imposed by, and any and all expenses incurred by, Issuing Bank, or by any adviser, confirming institution or entity or other nominated person, relating to Letters of Credit, at the time of issuance of any Letter of Credit and upon the occurrence of any other activity with respect to any Letter of Credit (including transfers, assignments of proceeds, amendments, drawings, renewals or cancellations).

(l) If by reason of (x) any Change in Law, or (y) compliance by Issuing Bank or any other member of the Lender Group with any direction, request, or requirement (irrespective of whether

having the force of law) of any Governmental Authority or monetary authority including, Regulation D of the Board of Governors as from time to time in effect (and any successor thereto):

(i) any reserve, deposit, or similar requirement is or shall be imposed or modified in respect of any Letter of Credit issued or caused to be issued hereunder or hereby, or any Loans or obligations to make Loans hereunder or hereby, or

(ii) there shall be imposed on Issuing Bank or any other member of the Lender Group any other condition regarding any Letter of Credit, Loans, or obligations to make Loans hereunder,

and the result of the foregoing is to increase, directly or indirectly, the cost to Issuing Bank or any other member of the Lender Group of issuing, making, participating in, or maintaining any Letter of Credit or to reduce the amount receivable in respect thereof, then, and in any such case, Agent may, at any time within a reasonable period after the additional cost is incurred or the amount received is reduced, notify Borrowers, and Borrowers shall pay within 30 days after demand therefor, such amounts as Agent may specify to be necessary to compensate Issuing Bank or any other member of the Lender Group for such additional cost or reduced receipt, together with interest on such amount from the date of such demand until payment in full thereof at the rate then applicable to Base Rate Loans hereunder; provided, that (A) Borrowers shall not be required to provide any compensation pursuant to this Section 2.11(l) for any such amounts incurred more than 180 days prior to the date on which the demand for payment of such amounts is first made to Borrowers, and (B) if an event or circumstance giving rise to such amounts is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The determination by Agent of any amount due pursuant to this Section 2.11(l), as set forth in a certificate setting forth the calculation thereof in reasonable detail, shall, in the absence of manifest or demonstrable error, be final and conclusive and binding on all of the parties hereto.

(m) Each standby Letter of Credit shall expire not later than the date that is 12 months after the date of the issuance of such Letter of Credit provided, that any standby Letter of Credit may provide for the automatic extension thereof for any number of additional periods each of up to one year in duration; provided further, that with respect to any Letter of Credit which extends beyond the Maturity Date, Letter of Credit Collateralization shall be provided therefor on or before the date that is five Business Days prior to the Maturity Date. Each commercial Letter of Credit shall expire on the earlier of (i) 120 days after the date of the issuance of such commercial Letter of Credit and (ii) five Business Days prior to the Maturity Date.

(n) If (i) any Event of Default shall occur and be continuing, or (ii) Availability shall at any time be less than zero, then on the Business Day following the date when the Administrative Borrower receives notice from Agent or the Required Lenders (or, if the maturity of the Obligations has been accelerated, Revolving Lenders with Letter of Credit Exposure representing greater than 50% of the total Letter Credit Exposure) demanding Letter of Credit Collateralization pursuant to this Section 2.11(n) upon such demand, Borrowers shall provide Letter of Credit Collateralization with respect to the then existing Letter of Credit Usage. If Borrowers fail to provide Letter of Credit Collateralization as required by this Section 2.11(n), the Revolving Lenders may (and, upon direction of Agent, shall) advance, as Revolving Loans the amount of the cash collateral required pursuant to the Letter of Credit Collateralization provision so that the then existing Letter of Credit Usage is cash collateralized in accordance with the Letter of Credit Collateralization provision (whether or not the Revolver Commitments have terminated, an Overadvance exists or the conditions in Section 3 are satisfied).

(o) Unless otherwise expressly agreed by Issuing Bank and Borrowers when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit.

(p) Issuing Bank shall be deemed to have acted with due diligence and reasonable care if Issuing Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement.

(q) In the event of a direct conflict between the provisions of this Section 2.11 and any provision contained in any Issuer Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.11 shall control and govern.

(r) The provisions of this Section 2.11 shall survive the termination of this Agreement and the repayment in full of the Obligations with respect to any Letters of Credit that remain outstanding.

(s) At Borrowers' costs and expense, Borrowers shall execute and deliver to Issuing Bank such additional certificates, instruments and/or documents and take such additional action as may be reasonably requested by Issuing Bank to enable Issuing Bank to issue any Letter of Credit pursuant to this Agreement and related Issuer Document, to protect, exercise and/or enforce Issuing Banks' rights and interests under this Agreement or to give effect to the terms and provisions of this Agreement or any Issuer Document. Each Borrower irrevocably appoints Issuing Bank as its attorney-in-fact and authorizes Issuing Bank, without notice to Borrowers, to execute and deliver ancillary documents and letters customary in the letter of credit business that may include but are not limited to advisements, indemnities, checks, bills of exchange and issuance documents. The power of attorney granted by the Borrowers is limited solely to such actions related to the issuance, confirmation or amendment of any Letter of Credit and to ancillary documents or letters customary in the letter of credit business. This appointment is coupled with an interest.

## 2.12 **LIBOR Option.**

(a) **Interest and Interest Payment Dates.** In lieu of having interest charged at the rate based upon the Base Rate, Borrowers shall have the option, subject to Section 2.12(b) below (the "LIBOR Option") to have interest on all or a portion of the Revolving Loans be charged (whether at the time when made (unless otherwise provided herein), upon conversion from a Base Rate Loan to a LIBOR Rate Loan, or upon continuation of a LIBOR Rate Loan as a LIBOR Rate Loan) at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto; provided, that subject to the following clauses (ii) and (iii), in the case of any Interest Period greater than three months in duration, interest shall be payable at three month intervals after the commencement of the applicable Interest Period and on the last day of such Interest Period), (ii) the date on which all or any portion of the Obligations are accelerated pursuant to the terms hereof, or (iii) the date on which this Agreement is terminated pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Borrowers have properly exercised the LIBOR Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, at the written election of Agent or the Required Lenders, Borrowers no longer shall have the option to request that Revolving Loans bear interest at a rate based upon the LIBOR Rate.

(b) **LIBOR Election.**

(i) Borrowers may, at any time and from time to time, so long as Borrowers have not received a notice from Agent (which notice Agent may elect to give or not give in its discretion unless Agent is directed to give such notice by the Required Lenders, in which case, it shall give the notice to Borrowers), after the occurrence and during the continuance of an Event of Default, to terminate the right of Borrowers to exercise the LIBOR Option during the continuance of such Event of Default, elect to exercise the LIBOR Option by notifying Agent prior to 11:00 a.m. at least three Business Days prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). Notice of Borrowers' election of the LIBOR Option for a permitted portion of the Revolving Loans and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline. Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the affected Lenders.

(ii) Each LIBOR Notice shall be irrevocable and binding on Borrowers. In connection with each LIBOR Rate Loan, each Borrower shall indemnify, defend, and hold Agent and the Lenders harmless against any loss, cost, or expense actually incurred by Agent or any Lender as a result of (A) the payment or required assignment of any principal of any LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of any LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in any LIBOR Notice delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of Agent or a Lender delivered to Borrowers setting forth in reasonable detail any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section 2.12 shall be conclusive absent manifest error. Borrowers shall pay such amount to Agent or the Lender, as applicable, within 30 days of the date of its receipt of such certificate.

(iii) Unless Agent, in its sole discretion, agrees otherwise, Borrowers shall have not more than five LIBOR Rate Loans in effect at any given time. Borrowers may only exercise the LIBOR Option for proposed LIBOR Rate Loans of at least \$250,000.

(c) **Conversion; Prepayment.** Borrowers may convert LIBOR Rate Loans to Base Rate Loans or prepay LIBOR Rate Loans at any time provided, that in the event that LIBOR Rate Loans are converted or prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any prepayment through the required application by Agent of any payments or proceeds of Collateral in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the Obligations pursuant to the terms hereof, each Borrower shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with Section 2.12 (b)(ii).

(d) **Special Provisions Applicable to LIBOR Rate.**

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs (other than Taxes which shall be governed by Section 16), in each case, due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including any Changes in Law and changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Borrowers and Agent notice of such a determination and adjustment and Agent



promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrowers may, by notice to such affected Lender (A) require such Lender to furnish to Borrowers a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Rate Loans of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.12(b)(ii)).

(ii) In the event that any change in market conditions or any Change in Law shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Borrowers and Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and (z) Borrowers shall not be entitled to elect the LIBOR Option until such Lender determines that it would no longer be unlawful or impractical to do so.

(e) **No Requirement of Matched Funding.** Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate.

### 2.13 Capital Requirements.

(a) If, after the date hereof, Issuing Bank or any Lender determines that (i) any Change in Law regarding capital, liquidity or reserve requirements for banks or bank holding companies, or (ii) compliance by Issuing Bank or such Lender, or their respective parent bank holding companies, with any guideline, request or directive of any Governmental Authority regarding capital adequacy or liquidity requirements (whether or not having the force of law), has the effect of reducing the return on Issuing Bank's, such Lender's, or such holding companies' capital or liquidity as a consequence of Issuing Bank's or such Lender's commitments, Loans, participations or other obligations hereunder to a level below that which Issuing Bank, such Lender, or such holding companies could have achieved but for such Change in Law or compliance (taking into consideration Issuing Bank's, such Lender's, or such holding companies' then existing policies with respect to capital adequacy or liquidity requirements and assuming the full utilization of such entity's capital) by any amount deemed by Issuing Bank or such Lender to be material, then Issuing Bank or such Lender may notify Borrowers and Agent thereof. Following receipt of such notice, Borrowers agree to pay Issuing Bank or such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within 30 days after presentation by Issuing Bank or such Lender of a statement in the amount and setting forth in reasonable detail Issuing Bank's or such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, Issuing Bank or such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of Issuing Bank or any Lender to demand compensation pursuant to this Section shall not constitute a waiver of Issuing Bank's or such Lender's right to demand such compensation; provided, that Borrowers shall not be required to compensate Issuing Bank or a Lender pursuant to this Section for any reductions in return incurred more than 180 days prior to the date that Issuing Bank or such Lender notifies Borrowers of such Change in Law giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided further, that if such claim arises by reason of the Change in Law that is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If Issuing Bank or any Lender requests additional or increased costs referred to in Section 2.11(l) or Section 2.12(d)(i) or amounts under Section 2.13(a) or sends a notice under Section 2.12(d)(ii) relative to changed circumstances (such Issuing Bank or Lender, an “Affected Lender”), then, at the request of Administrative Borrower, such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or would eliminate the illegality or impracticality of funding or maintaining LIBOR Rate Loans, and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrowers agree to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrowers’ obligation to pay any future amounts to such Affected Lender pursuant to Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or to enable Borrowers to obtain LIBOR Rate Loans, then Borrowers (without prejudice to any amounts then due to such Affected Lender under Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or indicates that it is no longer unlawful or impractical to fund or maintain LIBOR Rate Loans, may designate a different Issuing Bank or substitute a Lender or prospective Lender, in each case, reasonably acceptable to Agent to purchase the Obligations owed to such Affected Lender and such Affected Lender’s commitments hereunder (a “Replacement Lender”), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and commitments, and upon such purchase by the Replacement Lender, which such Replacement Lender shall be deemed to be “Issuing Bank” or a “Lender” (as the case may be) for purposes of this Agreement and such Affected Lender shall cease to be “Issuing Bank” or a “Lender” (as the case may be) for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protection of Sections 2.11(l), 2.12(d), and 2.13 shall be available to Issuing Bank and each Lender (as applicable) regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for issuing banks or lenders affected thereby to comply therewith. Notwithstanding any other provision herein, neither Issuing Bank nor any Lender shall demand compensation pursuant to this Section 2.13 if it shall not at the time be the general policy or practice of Issuing Bank or such Lender (as the case may be) to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

2.14 **Reserved.**

2.15 **Joint and Several Liability of Borrowers.**

(a) Each Borrower is accepting joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Lender Group under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as aco-debtor, joint and several liability with the other Borrowers, with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 2.15), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them. Accordingly, each Borrower hereby waives any and all suretyship defenses that would otherwise be available to such Borrower under applicable law.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due, whether upon maturity, acceleration, or otherwise, or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligations until such time as all of the Obligations are paid in full, and without the need for demand, protest, or any other notice or formality.

(d) The Obligations of each Borrower under the provisions of this Section 2.15 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of the provisions of this Agreement (other than this Section 2.15(d)) or any other circumstances whatsoever.

(e) Without limiting the generality of the foregoing and except as otherwise expressly provided in this Agreement, each Borrower hereby waives presentments, demands for performance, protests and notices, including notices of acceptance of its joint and several liability, notice of any Revolving Loans or any Letters of Credit issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Agreement, notices of the existence, creation, or incurring of new or additional Obligations or other financial accommodations or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by Agent or Lenders under or in respect of any of the Obligations, any right to proceed against any other Borrower or any other Person, to proceed against or exhaust any security held from any other Borrower or any other Person, to protect, secure, perfect, or insure any security interest or Lien on any property subject thereto or exhaust any right to take any action against any other Borrower, any other Person, or any collateral, to pursue any other remedy in any member of the Lender Group's or any Bank Product Provider's power whatsoever, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement), any right to assert against any member of the Lender Group or any Bank Product Provider, any defense (legal or equitable), set-off, counterclaim, or claim which each Borrower may now or at any time hereafter have against any other Borrower or any other party liable to any member of the Lender Group or any Bank Product Provider, any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the Obligations or any security therefor, and any right or defense arising by reason of any claim or defense based upon an election of remedies by any member of the Lender Group or any Bank Product Provider including any defense based upon an impairment or elimination of such Borrower's rights of subrogation, reimbursement, contribution, or indemnity of such Borrower against any other Borrower. Without limiting the generality of the foregoing, each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any

of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.15 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.15, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of each Borrower under this Section 2.15 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 2.15 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any other Borrower or any Agent or Lender. Each of the Borrowers waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof. Any payment by any Borrower or other circumstance which operates to toll any statute of limitations as to any Borrower shall operate to toll the statute of limitations as to each of the Borrowers. Each of the Borrowers waives any defense based on or arising out of any defense of any Borrower or any other Person, other than payment of the Obligations to the extent of such payment, based on or arising out of the disability of any Borrower or any other Person, or the validity, legality, or unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Borrower other than payment of the Obligations to the extent of such payment. Agent may, at the election of the Required Lenders, foreclose upon any Collateral held by Agent by one or more judicial or nonjudicial sales or other dispositions, whether or not every aspect of any such sale is commercially reasonable or otherwise fails to comply with applicable law or may exercise any other right or remedy Agent, any other member of the Lender Group, or any Bank Product Provider may have against any Borrower or any other Person, or any security, in each case, without affecting or impairing in any way the liability of any of the Borrowers hereunder except to the extent the Obligations have been paid.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of Borrowers and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of Borrowers' financial condition and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.15 are made for the benefit of Agent, each member of the Lender Group, each Bank Product Provider, and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers as often as occasion therefor may arise and without requirement on the part of Agent, any member of the Lender Group, any Bank Product Provider, or any of their successors or assigns first to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.15 shall remain in

effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by Agent or any Lender upon the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section 2.15 will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights that arise from the existence, payment, performance or enforcement of the provisions of this Section 2.15, including rights of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Agent, any other member of the Lender Group, or any Bank Product Provider against any Borrower, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including the right to take or receive from any Borrower, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any member of the Lender Group hereunder or under any of the Bank Product Agreements are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor. If any amount shall be paid to any Borrower in violation of the immediately preceding sentence, such amount shall be held in trust for the benefit of Agent, for the benefit of the Lender Group and the Bank Product Providers, and shall forthwith be paid to Agent to be credited and applied to the Obligations and all other amounts payable under this Agreement, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as Collateral for any Obligations or other amounts payable under this Agreement thereafter arising. Notwithstanding anything to the contrary contained in this Agreement, no Borrower may exercise any rights of subrogation, contribution, indemnity, reimbursement or other similar rights against, and may not proceed or seek recourse against or with respect to any property or asset of, any other Borrower (the "Foreclosed Borrower"), including after payment in full of the Obligations, if all or any portion of the Obligations have been satisfied in connection with an exercise of remedies in respect of the Equity Interests of such Foreclosed Borrower whether pursuant to this Agreement or otherwise.

(i) Each of the Borrowers hereby acknowledges and affirms that it understands that to the extent the Obligations are secured by Real Property located in California, the Borrowers shall be liable for the full amount of the liability hereunder notwithstanding the foreclosure on such Real Property by trustee sale or any other reason impairing such Borrower's right to proceed against any other Loan Party. In accordance with Section 2856 of the California Civil Code or any similar laws of any other applicable jurisdiction, each of the Borrowers hereby waives until such time as the Obligations have been paid in full:

(i) all rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the Borrowers by reason of Sections 2787 to 2855, inclusive, 2899, and 3433 of the California Civil Code or any similar laws of any other applicable jurisdiction;

(ii) all rights and defenses that the Borrowers may have because the Obligations are secured by Real Property located in California, meaning, among other things, that: (A)

Agent, the other members of the Lender Group, and the Bank Product Providers may collect from the Borrowers without first foreclosing on any real or personal property collateral pledged by any Loan Party, and (B) if Agent, on behalf of the Lender Group, forecloses on any Real Property Collateral pledged by any Loan Party, (1) the amount of the Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (2) the Lender Group may collect from the Loan Parties even if, by foreclosing on the Real Property Collateral, Agent or the other members of the Lender Group have destroyed or impaired any right the Borrowers may have to collect from any other Loan Party, it being understood that this is an unconditional and irrevocable waiver of any rights and defenses the Borrowers may have because the Obligations are secured by Real Property (including, without limitation, any rights or defenses based upon Sections 580a, 580d, or 726 of the California Code of Civil Procedure or any similar laws of any other applicable jurisdiction); and

(iii) all rights and defenses arising out of an election of remedies by Agent, the other members of the Lender Group, and the Bank Product Providers, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for the Obligations, has destroyed the Borrowers' rights of subrogation and reimbursement against any other Loan Party by the operation of Section 580d of the California Code of Civil Procedure or any similar laws of any other applicable jurisdiction or otherwise.

### 3. CONDITIONS; TERM OF AGREEMENT.

3.1 **Conditions Precedent to the Initial Extension of Credit.** The obligation of each Lender to make the initial extensions of credit provided for hereunder is subject to the fulfillment, to the satisfaction of Agent and each Lender, of each of the conditions precedent set forth on Schedule 3.1 to this Agreement (the making of such initial extensions of credit by a Lender being conclusively deemed to be its satisfaction or waiver of the conditions precedent).

3.2 **Conditions Precedent to all Extensions of Credit.** The obligation of the Lender Group (or any member thereof) to make any Revolving Loans hereunder (or to extend any other credit hereunder) at any time shall be subject to the following conditions precedent:

(a) the representations and warranties of each Loan Party or its Subsidiaries contained in this Agreement or in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date); and

(b) no Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof.

3.3 **Maturity.** The Commitments shall continue in full force and effect for a term ending on the Maturity Date (unless terminated earlier in accordance with the terms hereof).

3.4 **Effect of Maturity.** On the Maturity Date, all commitments of the Lender Group to provide additional credit hereunder shall automatically be terminated and all of the Obligations (other

than Hedge Obligations) immediately shall become due and payable without notice or demand and Borrowers shall be required to repay all of the Obligations (other than Hedge Obligations) in full. No termination of the obligations of the Lender Group (other than payment in full of the Obligations and termination of the Commitments) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full. When all of the Obligations have been paid in full, Agent will, at Borrowers' sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent.

3.5 **Early Termination by Borrowers.** Borrowers have the option, at any time upon ten Business Days prior written notice to Agent, to repay all of the Obligations in full and terminate the Commitments. The foregoing notwithstanding, (a) Borrowers may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of third party Indebtedness if the closing for such issuance or incurrence does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination), and (b) Borrowers may extend the date of termination at any time with the consent of Agent (which consent shall not be unreasonably withheld or delayed).

3.6 **Conditions Subsequent.** The obligation of the Lender Group (or any member thereof) to continue to make Revolving Loans (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of the conditions subsequent set forth on Schedule 3.6 to this Agreement (the failure by Borrowers to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof (unless such date is extended, in writing, by Agent, which Agent may do without obtaining the consent of the other members of the Lender Group), shall constitute an Event of Default).

#### 4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each of Parent and each Borrower makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of the making of each Revolving Loan (or other extension of credit) made thereafter, as though made on and as of the date of such Revolving Loan (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date), and such representations and warranties shall survive the execution and delivery of this Agreement:

##### 4.1 **Due Organization and Qualification; Subsidiaries.**

(a) Each Loan Party and each of its Subsidiaries (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business

in any state where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) to this Agreement (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement) is a complete and accurate description of the authorized Equity Interests of each Loan Party, by class, and, as of the Closing Date, a description of the number of shares of each such class that are issued and outstanding.

(c) Set forth on Schedule 4.1(c) to this Agreement (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement), is a complete and accurate list of the Loan Parties' direct and indirect Subsidiaries, showing: (i) the number of shares of each class of common and preferred Equity Interests authorized for each of such Subsidiaries, and (ii) the number and the percentage of the outstanding shares of each such class owned directly or indirectly by each Loan Party. All of the outstanding Equity Interests of each such Subsidiary has been validly issued and is fully paid and non-assessable.

(d) Except as set forth on Schedule 4.1(d) to this Agreement, there are no subscriptions, options, warrants, or calls relating to any shares of any Loan Party's or any of its Subsidiaries' Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument. No Loan Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or any security convertible into or exchangeable for any of its Equity Interests.

#### 4.2 **Due Authorization: No Conflict**

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party do not and will not (i) violate any material provision of federal, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, the Governing Documents of any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material agreement of any Loan Party or its Subsidiaries where any such conflict, breach or default could individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any material agreement of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals, the failure to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

4.3 **Governmental Consents**. The execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent, or



approval of, or notice to, or other action with or by, any Governmental Authority, other than (i) registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect, (ii) certain filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date; (iii) the filing of certain Loan Documents with the FCC after the Closing Date, and (iv) the prior approval of the FCC, as may be required for the Lenders to exercise certain of their rights with respect to the Broadcast Licenses and the Stations, as applicable.

#### 4.4 **Binding Obligations; Perfected Liens.**

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Agent's Liens are validly created, perfected (other than (i) in respect of motor vehicles that are subject to a certificate of title, (ii) money, (iii) letter-of-credit rights (other than supporting obligations), (iv) commercial tort claims (other than those that, by the terms of the Guaranty and Security Agreement, are required to be perfected), and (v) any Deposit Accounts and Securities Accounts not subject to a Control Agreement as permitted by Section 7(k)(iv) of the Guaranty and Security Agreement, and subject only to the filing of financing statements, the recordation of the Copyright Security Agreement, the filing of the Trademark Security Agreement and the recordation of the Mortgages to the extent required hereby, in each case, in the appropriate filing offices), and first priority Liens, subject only to Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, the interests of lessors under Capital Leases, and, solely with respect to non-ABL Priority Collateral, the Liens securing the Senior Secured Notes.

4.5 **Title to Assets; No Encumbrances.** Each of the Loan Parties and its Subsidiaries has (a) good, sufficient and legal title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets reflected in their most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereby. All of such assets are free and clear of Liens except for Permitted Liens.

#### 4.6 **Litigation.**

(a) There are no actions, suits, or proceedings pending or, to the knowledge of any Borrower, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect.

(b) Schedule 4.6(b) to this Agreement sets forth a complete and accurate description of each of the actions, suits, or proceedings with asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of, \$2,500,000 that, as of the Closing Date, is pending or, to the knowledge of any Borrower, threatened against a Loan Party or any of its Subsidiaries.

4.7 **Compliance with Laws.** No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or

(b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.8 **No Material Adverse Effect.** All historical financial statements relating to the Loan Parties and their Subsidiaries that have been delivered by Borrowers to Agent have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments) and present fairly in all material respects, the Loan Parties' and their Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since December 31, 2016, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Effect.

4.9 **Solvency.**

(a) Each Loan Party is Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10 **Employee Benefits.** No Loan Party, none of their Subsidiaries, nor any of their ERISA Affiliates maintains or contributes to any Benefit Plan.

4.11 **Environmental Condition.** Except as set forth on Schedule 4.11 to this Agreement and except as could not reasonably be expected to result in a Material Adverse Effect, (a) to each Borrower's knowledge, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries, or by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, release or transport was in violation of any applicable Environmental Law, (b) to each Borrower's knowledge, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a Hazardous Materials disposal site, (c) no Loan Party nor any of its Subsidiaries has received written notice that an Environmental Lien has attached to any revenues or to any Real Property owned or operated by a Loan Party or its Subsidiaries, and (d) no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any outstanding written order, consent decree, or settlement agreement with any Person relating to any Environmental Law or Environmental Liability.

4.12 **Complete Disclosure.** All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about the industry of any Loan Party or its Subsidiaries) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about the industry of any Loan Party or its Subsidiaries) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any

material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent on February 22, 2017 represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections represent, Borrowers' good faith estimate, on the date such Projections are delivered, of the Loan Parties' and their Subsidiaries' future performance for the periods covered thereby based upon assumptions believed by Borrowers to be reasonable at the time of the delivery thereof to Agent (it being understood that such Projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, and no assurances can be given that such Projections will be realized, and although reflecting Borrowers' good faith estimate, projections or forecasts based on methods and assumptions which Borrowers believed to be reasonable at the time such Projections were prepared, are not to be viewed as facts, and that actual results during the period or periods covered by the Projections may differ materially from projected or estimated results).

4.13 **Patriot Act.** To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001, as amended) (the "**Patriot Act**").

4.14 **Indebtedness.** Set forth on Schedule 4.14 to this Agreement is a true and complete list of all Indebtedness of each Loan Party and each of its Subsidiaries outstanding immediately prior to the Closing Date (other than unsecured Permitted Indebtedness outstanding immediately prior to the Closing Date with respect to any one transaction or a series of related transactions in an amount not to exceed \$250,000; provided, that all such Permitted Indebtedness, in the aggregate, shall not exceed \$2,000,000) that is to remain outstanding immediately after giving effect to the closing hereunder on the Closing Date and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of the date set forth therein.

4.15 **Payment of Taxes.** Except as otherwise permitted under Section 5.5, all Tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all other Taxes upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable. Each Loan Party and each of its Subsidiaries have made adequate provision in accordance with GAAP for all Taxes not yet due and payable. No Borrower knows of any proposed Tax assessment against a Loan Party or any of its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings; provided, that such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.16 **Margin Stock.** Neither any Loan Party nor any of its Subsidiaries owns any Margin Stock or is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made to Borrowers will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors. Neither any Loan Party nor any of its Subsidiaries expects to acquire any Margin Stock.

4.17 **Governmental Regulation.** No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation (other than the Communications Laws) which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a “registered investment company” or a company “controlled” by a “registered investment company” or a “principal underwriter” of a “registered investment company” as such terms are defined in the Investment Company Act of 1940.

4.18 **OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws.** No Loan Party or any of its Subsidiaries is in violation of any Sanctions. No Loan Party nor any of its Subsidiaries nor, to the knowledge of such Loan Party, any director, officer, employee, agent or Affiliate of such Loan Party or such Subsidiary (a) is a Sanctioned Person or a Sanctioned Entity, (b) has any assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. Each of the Loan Parties and its Subsidiaries, and to the knowledge of each such Loan Party, each director, officer, employee, agent and Affiliate of each such Loan Party and each such Subsidiary, is in compliance with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. No proceeds of any Loan made or Letter of Credit issued hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, or otherwise used in any manner that would result in a violation of any Sanction, Anti-Corruption Law or Anti-Money Laundering Law by any Person (including any Lender, Bank Product Provider, or other individual or entity participating in any transaction).

4.19 **Employee and Labor Matters.** There is (i) no unfair labor practice complaint pending or, to the knowledge of any Borrower, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party or its Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a material liability, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries that could reasonably be expected to result in a material liability, or (iii) to the knowledge of any Borrower, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of any Loan Party or its Subsidiaries. None of any Loan Party or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.20 **Parent as a Holding Company.** Parent is a holding company and does not have any material liabilities (other than liabilities arising under the Loan Documents and the Senior Secured Note Documents), own any material assets (other than the Equity Interests of other Borrowers) or engage in any operations or business (other than the ownership of other Borrowers and their Subsidiaries); provided that the foregoing shall not restrict Parent from participating in tax, accounting and other administrative matters as a member or parent of the consolidated group or providing indemnification or paying reasonable fees and expenses to officers and directors.

4.21 **Leases.** Each Loan Party and its Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and, subject to Permitted Protests, all of such material leases are valid and subsisting and no material default by the applicable Loan Party or its Subsidiaries exists under any of them.

4.22 **Eligible Accounts.** As to each Account that is identified by Borrowers as an Eligible Account in a Borrowing Base Certificate submitted to Agent, such Account is (a) a bona fide existing payment obligation of the applicable Account Debtor created by the sale and delivery of Inventory or the rendition of services to such Account Debtor in the ordinary course of a Borrower's business, (b) owed to a Borrower without any known defenses, disputes, offsets, counterclaims, or rights of return or cancellation, and (c) not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Agent-discretionary criteria) set forth in the definition of Eligible Accounts.

4.23 **Senior Secured Note Documents.** Borrowers have delivered to Agent a complete and correct copy of the Senior Secured Note Documents, including all schedules and exhibits thereto, executed on the Closing Date. The execution, delivery and performance of each of the Senior Secured Note Documents has been duly authorized by all necessary action on the part of each Borrower who is a party thereto. Each Senior Secured Note Document is the legal, valid and binding obligation of each Borrower who is a party thereto, enforceable against each such Borrower in accordance with its terms, in each case, except (i) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting generally the enforcement of creditors' rights, and (ii) the availability of the remedy of specific performance or injunctive or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought.

4.24 **Immaterial Subsidiaries.** No Immaterial Subsidiary (a) owns any assets (other than assets of *ade minimis* nature), (b) has any liabilities (other than liabilities of a *de minimis* nature), or (c) engages in any business activity.

4.25 **Hedge Agreements.** On each date that any Hedge Agreement is executed by any Hedge Provider, Borrower and each other Loan Party satisfy all eligibility, suitability and other requirements under the Commodity Exchange Act (7 U.S.C. § 1, et seq., as in effect from time to time) and the Commodity Futures Trading Commission regulations.

4.26 **Material Contracts.** Set forth on Schedule 4.26 (as such Schedule may be updated from time to time in accordance herewith) is a reasonably detailed description of the Material Contracts of each Loan Party and its Subsidiaries as of the most recent date on which Parent provided the Compliance Certificate pursuant to Section 5.1; provided, that Borrowers may amend Schedule 4.26 to add additional Material Contracts so long as such amendment occurs by written notice to Agent on the date that Parent provides the Compliance Certificate. Except for matters which, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, each Material Contract (other than those that have expired at the end of their normal terms) (a) is in full force and effect and is binding upon and enforceable against the applicable Loan Party or its Subsidiary and, to each Borrower's knowledge, each other Person that is a party thereto in accordance with its terms, (b) has not been otherwise amended or modified (other than amendments or modifications permitted by Section 6.6(b)), and (c) is not in default due to the action or inaction of the applicable Loan Party or its Subsidiary.

4.27 **FCC Licenses.**

(a) Each of the Loan Parties and its Subsidiaries holds such validly issued Broadcast Licenses, or agreements with the licensee of a Station to provide programming to the Station, necessary to

conduct their respective businesses as currently conducted, and each such Broadcast License is in full force and effect. As of the Closing Date, the Stations, together with their respective Broadcast Licenses, are identified on Schedule 4.27, and each such Broadcast License has the expiration date set forth on Schedule 4.27.

(b) No Borrower has knowledge of any condition imposed by the FCC as part of any Broadcast License which is neither set forth on the face thereof as issued by the FCC nor contained in the Communications Laws applicable generally to stations of the type, nature, class, or location of the Station in question. Except as otherwise set forth on Schedule 4.27, each Station has been and is being operated in all material respects in accordance with the terms and conditions of the Broadcast Licenses applicable to it and the Communications Laws. Except as set forth on Schedule 4.27, no event has occurred with respect to such Broadcast Licenses, which, with the giving of notice or the lapse of time or both, would constitute grounds for revocation of any of the Broadcast Licenses, other than the expiration of such Broadcast Licenses in accordance with their terms and except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as otherwise set forth on Schedule 4.27, as of the Closing Date, no proceedings are pending or, to the knowledge any Borrower, are threatened which may result in the revocation, modification, non-renewal or suspension of any applicable Broadcast License, the denial of any pending applications, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to any Station, other than (i) any proceedings which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (ii) proceedings affecting the radio broadcasting industry in general.

(d) All reports, applications, and other documents required to be filed by any of the Loan Parties and its Subsidiaries with the FCC with respect to the Stations have been timely filed, and all such reports, applications and documents are true, correct, and complete in all respects. No Borrower has knowledge of any matters which, could reasonably be expected to result in the suspension or revocation of or the refusal to renew any Broadcast License or the imposition on any of the Loan Parties or its Subsidiaries of any material fines or forfeitures by the FCC, or which could reasonably be expected to result in the revocation, rescission, reversal, or material adverse modification of the authorization of any Broadcast License.

(e) There are no unsatisfied or otherwise outstanding citations issued by the FCC with respect to any Station or its operations. Each of the Loan Parties and its Subsidiaries each have paid all fees required to be paid pursuant to the Communications Laws.

4.28 **Sharing Arrangements.** All Sharing Arrangements entered into between any Loan Party or any of its Subsidiaries and any other Person that are effective on the Closing Date are listed on Schedule 4.28, and full and complete copies thereof have been delivered or made available to the Administrative Agent.

## 5. AFFIRMATIVE COVENANTS.

Each of Parent and each other Borrower covenants and agrees that, until the termination of all of the Commitments and payment in full of the Obligations:

5.1 **Financial Statements, Reports, Certificates.** Borrowers (a) will deliver to Agent each of the financial statements, reports, and other items set forth on Schedule 5.1 to this Agreement no later than the times specified therein, (b) agree that no Subsidiary of a Loan Party will have a fiscal year

different from that of Parent, (c) agree to maintain a system of accounting that enables Borrowers to produce financial statements in accordance with GAAP, and (d) agree that they will, and will cause each other Loan Party to, (i) keep a reporting system that shows all additions, sales, claims, returns, and allowances with respect to their and their Subsidiaries' sales, and (ii) maintain their billing systems and practices substantially as in effect as of the Closing Date and shall only make material modifications thereto with notice to, and with the consent of, Agent.

5.2 **Reporting.** Borrowers (a) will deliver to Agent each of the reports set forth on Schedule 5.2 to this Agreement at the times specified therein, and (b) agree to use commercially reasonable efforts in cooperation with Agent to facilitate and implement a system of electronic collateral reporting in order to provide electronic reporting of each of the items set forth on such Schedule.

5.3 **Existence.** Except as otherwise permitted under Section 6.3 or Section 6.4, each Loan Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization and, except as could not reasonably be expected to result in a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses (including FCC Licenses), accreditations, authorizations, or other approvals material to their businesses.

5.4 **Maintenance of Properties.** Each Loan Party will, and will cause each of its Subsidiaries to, maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty, and condemnation and Permitted Dispositions excepted.

5.5 **Taxes.** Each Loan Party will, and will cause each of its Subsidiaries to, pay in full before delinquency or before the expiration of any extension period all Taxes imposed, levied, or assessed against it, or any of its assets or in respect of any of its income, businesses, or franchises, other than Taxes not in excess of \$500,000 outstanding at any time and other than to the extent that the validity of such Tax is the subject of a Permitted Protest.

5.6 **Insurance.** Each Loan Party will, and will cause each of its Subsidiaries to, at Borrowers' expense, maintain insurance respecting each of each Loan Party's and its Subsidiaries' assets wherever located, covering liabilities, losses or damages as are customarily insured against by other Persons engaged in same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies acceptable to Agent (it being agreed that, as of the Closing Date, each insurance company identified on any insurance certificate delivered to Agent on the Closing Date is acceptable to Agent) and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to Agent (it being agreed that the amount, adequacy, and scope of the policies of insurance of Borrowers in effect as of the Closing Date are acceptable to Agent). All property insurance policies are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard lender's loss payable endorsement with a standard non-contributory "lender" or "secured party" clause and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the lender's loss payable and additional insured endorsements in favor of Agent and shall provide for not less than thirty days (ten days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If any Loan Party or its Subsidiaries fails to maintain such insurance, Agent may arrange for such insurance,

but at Borrowers' expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrowers shall give Agent prompt notice of any loss exceeding \$500,000 covered by the casualty or business interruption insurance of any Loan Party or its Subsidiaries. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral (but subject to the rights of the holders of the Senior Secured Notes in respect of Collateral that does not constitute ABL Priority Collateral), to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

**5.7 Inspection.**

(a) Each Loan Party will, and will cause each of its Subsidiaries to, permit Agent, any Lender, and each of their respective duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided, that an authorized representative of a Borrower shall be allowed to be present) at such reasonable times and intervals as Agent or any Lender, as applicable, may designate and, so long as no Event of Default has occurred and is continuing, with reasonable prior notice to Borrowers and during regular business hours, at Borrowers' expense in accordance with the provisions of the Fee Letter, subject to the limitations set forth below in Section 5.7(c).

(b) Each Loan Party will, and will cause each of its Subsidiaries to, permit Agent and each of its duly authorized representatives or agents to conduct field examinations, appraisals or valuations at such reasonable times and intervals as Agent may designate, at Borrowers' expense in accordance with the provisions of the Fee Letter, subject to the limitations set forth below in Section 5.7(c). So long as no Default or Event of Default has occurred and is continuing, Agent agrees to provide Borrowers with a copy of the report for any such valuation upon request by Borrowers so long as (i) such report exists, (ii) the third person employed by Agent to perform such valuation consents to such disclosure, and (iii) Borrowers execute and deliver to Agent a non-reliance letter reasonably satisfactory to Agent.

(c) So long as no Event of Default shall have occurred and be continuing during a calendar year, Borrowers shall not be obligated to reimburse Agent for more than one field examination and one appraisal of each Real Property subject to a first priority perfected Lien in favor of Agent in such calendar year (increasing to two field examinations if an Increased Reporting Event has occurred during such calendar year), in each case, except for field examinations conducted in connection with a proposed Permitted Acquisition, whether or not consummated. Borrowers shall only be obligated to reimburse Agent for other appraisals of Real Property and valuations of other assets during the continuance of an Event of Default.

**5.8 Compliance with Laws.** Each Loan Party will, and will cause each of its Subsidiaries to,

(a) comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect;



(b) comply in all material respects with all terms and conditions of all Broadcast Licenses and use their commercially reasonable efforts to keep in full force and effect all of the Broadcast Licenses, except to the extent such failure could not reasonably be expected to have a Material Adverse Effect.

5.9 **Environmental.** Each Loan Party will, and will cause each of its Subsidiaries to,

(a) Keep any property either owned or operated by any Loan Party or its Subsidiaries free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens,

(b) Comply, in all material respects, with Environmental Laws and provide to Agent documentation of such compliance which Agent reasonably requests,

(c) Promptly notify Agent of any release of which any Loan Party has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by any Loan Party or its Subsidiaries and take any Remedial Actions required to abate said release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, and

(d) Promptly, but in any event within five Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) notice that an Environmental Lien has been filed against any of the real or personal property of a Loan Party or its Subsidiaries, (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against a Loan Party or its Subsidiaries, and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority under Environmental Law and against a Loan Party or its Subsidiaries.

5.10 **Disclosure Updates.** Each Loan Party will, promptly and in no event later than ten Business Days after obtaining knowledge thereof, notify Agent if any written information, exhibit, or report furnished to Agent or the Lenders contained, at the time it was furnished, any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

5.11 **Formation of Subsidiaries.**

(a) Each Loan Party will, at the time that any Loan Party forms any direct or indirect Subsidiary, acquires any direct or indirect Subsidiary after the Closing Date, or at any time when any direct or indirect Subsidiary of a Loan Party that previously was an Immaterial Subsidiary becomes a Material Subsidiary, within ten days of such event (or such later date as permitted by Agent in its sole discretion) (i) unless such Subsidiary is an Excluded Subsidiary, cause such new Subsidiary (A) if such Subsidiary is a Domestic Subsidiary and Administrative Borrower requests, subject to the consent of Agent, that such Domestic Subsidiary be joined as a Borrower hereunder, to provide to Agent a Joinder to this Agreement, and (B) to provide to Agent a joinder to the Guaranty and Security Agreement, in each case, together with such other security agreements (including Mortgages with respect to any Real Property owned in fee of such new Subsidiary with a fair market value of greater than \$2,000,000), as well as appropriate financing statements (and with respect to all property subject to a Mortgage, fixture filings), all in form and substance reasonably satisfactory to Agent (including being sufficient to grant Agent a first priority Lien (in each case, subject to Permitted Liens) in and to the assets of such newly

formed or acquired Subsidiary, but excluding any assets of the type expressly excluded from the Collateral (as defined in the Guaranty and Security Agreement) pursuant to Section 3 of the Guaranty and Security Agreement), (ii) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or an addendum to the Guaranty and Security Agreement) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary, subject to the rights, if any, of the holders of the Senior Secured Notes and in form and substance reasonably satisfactory to Agent; provided, that only 65% of the total outstanding voting Equity Interests of any first tier Subsidiary of a Loan Party that is a CFC (and none of the Equity Interests of any Subsidiary of such CFC) shall be required to be pledged (which pledge, if reasonably requested by Agent, shall be governed by the laws of the jurisdiction of such Subsidiary), and (iii) provide to Agent all other documentation, including the Governing Documents of such Subsidiary and one or more opinions of counsel reasonably satisfactory to Agent, which, in its opinion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance, flood certification documentation or other documentation with respect to all Real Property owned in fee and subject to a Mortgage).

(b) Any document, agreement, or instrument executed or issued pursuant to this Section 5.11 shall constitute a Loan Document.

5.12 **Further Assurances.** Each Loan Party will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Agent, execute or deliver to Agent any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "Additional Documents") that Agent may reasonably request in form and substance reasonably satisfactory to Agent, to create, perfect, and continue perfected or to better perfect Agent's Liens in all of the assets of each of the Loan Parties (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal) (other than any assets expressly excluded from the Collateral (as defined in the Guaranty and Security Agreement) pursuant to Section 3 of the Guaranty and Security Agreement), to create and perfect Liens in favor of Agent in any Real Property acquired by any other Loan Party with a fair market value in excess of \$2,000,000, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. To the maximum extent permitted by applicable law, if any Borrower or any other Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time not to exceed 5 Business Days following the request to do so, each Borrower and each other Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of the Loan Parties, including all of the outstanding capital Equity Interests of each Subsidiary of Parent and its Subsidiaries (in each case, other than with respect to any assets expressly excluded from the Collateral (as defined in the Guaranty and Security Agreement) pursuant to Section 3 of the Guaranty and Security Agreement). If the Senior Secured Note Agent receives any additional guaranty, letter of credit, or any other credit enhancement after the Closing Date, the Loan Parties shall cause the same to be granted to Agent and/or the other members of the Lender Group (as the case may be), subject to the terms of the Intercreditor Agreement.

5.13 **Lender Meetings.** Parent will, within 90 days after the close of each fiscal year of Parent, at the request of Agent or of the Required Lenders and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time or, at the option of Agent, by conference call) with all Lenders who choose to attend such meeting at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of the Loan Parties and their Subsidiaries and the projections presented for the current fiscal year of Parent.

5.14 **Location of Chief Executive Office.** Each Loan Party will not, and will cause each of its Subsidiaries to not, change their respective chief executive offices from the locations identified on Schedule 7 to the Guaranty and Security Agreement unless the Administrative Borrower has given Agent 10 days' (or such shorter period of time permitted by the Agent in its sole discretion) prior notice thereof and has delivered all additional financing statements reasonably requested by the Agent to maintain the security interests contemplated hereby. Each Loan Party will, and will cause each of its Subsidiaries to, use their commercially reasonable efforts for a period of sixty (60) days (or such longer period as Agent and Borrowers may agree) after the date hereof to obtain Collateral Access Agreements for each of the locations identified on Schedule 7 to the Guaranty and Security Agreement to the extent constituting an office at which material books and records are located and (b) within sixty (60) days (or such longer period as Agent and Borrowers may agree) after the acquisition of, or execution and delivery of a lease with respect to leased office locations acquired after the Closing Date at which material books and records are located, a Collateral Access Agreement from the lessors thereof. For the avoidance of doubt, it is agreed and understood that in no event shall a Default or Event of Default occur as a result of the failure to deliver any such Collateral Access Agreement so long as the Loan Parties have used commercially reasonable efforts in accordance with the foregoing.

5.15 **OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws.** Each Loan Party will, and will cause each of its Subsidiaries to comply with all applicable Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Each of the Loan Parties and its Subsidiaries shall implement and maintain in effect policies and procedures designed to ensure compliance by the Loan Parties and their Subsidiaries and their respective directors, officers, employees, agents and Affiliates with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Each of the Loan Parties shall and shall cause their respective Subsidiaries to comply with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.

## 6. NEGATIVE COVENANTS.

Each of Parent and each other Borrower covenants and agrees that, until the termination of all of the Commitments and the payment in full of the Obligations:

6.1 **Indebtedness.** Each Loan Party will not, and will not permit any of its Subsidiaries to, create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 **Liens.** Each Loan Party will not, and will not permit any of its Subsidiaries to, create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens; provided further, that any such Liens on ABL Priority Collateral permitted under this Section 6.2 shall be junior to the Liens on the ABL Priority Collateral securing the Obligations and shall be subject to the Intercreditor Agreement or other intercreditor arrangement acceptable to the Agent.

6.3 **Restrictions on Fundamental Changes.** Each Loan Party will not, and will not permit any of its Subsidiaries to,

(a) Other than in order to consummate a Permitted Acquisition, enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests, except for (i)

any merger between a Loan Party and a Subsidiary of such Loan Party that is not a Loan Party so long as such Loan Party is the surviving entity of any such merger, and (ii) any merger between Subsidiaries of any Loan Party that are not Loan Parties,

(b) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for (i) the liquidation or dissolution of non-operating Subsidiaries of any Loan Party with nominal assets and nominal liabilities, (ii) the liquidation or dissolution of a Loan Party (other than any Borrower) or any of its wholly-owned Subsidiaries so long as all of the assets (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party or Subsidiary are transferred to a Loan Party that is not liquidating or dissolving, or (iii) the liquidation or dissolution of a Subsidiary of any Loan Party that is not a Loan Party (other than any such Subsidiary the Equity Interests of which (or any portion thereof) is subject to a Lien in favor of Agent) so long as all of the assets of such liquidating or dissolving Subsidiary are transferred to a Subsidiary of a Loan Party that is not liquidating or dissolving,

(c) suspend or cease operating a substantial portion of its or their business, except as permitted pursuant to clauses (a) or (b) above or in connection with a transaction permitted under Section 6.4, or

(d) change its classification/status for U.S. federal income tax purposes.

6.4 **Disposal of Assets.** Other than Permitted Dispositions or transactions expressly permitted by Sections 6.3 or 6.9, each Loan Party will not, and will not permit any of its Subsidiaries to, convey, sell, lease, license, assign, transfer, or otherwise dispose of any of its or their assets.

6.5 **Nature of Business.** Each Loan Party will not, and will not permit any of its Subsidiaries to, engage in any business other than the Permitted Business or acquire any properties or assets that are not reasonably related to the conduct of the Permitted Business.

6.6 **Prepayments and Amendments.** Each Loan Party will not, and will not permit any of its Subsidiaries to,

(a) Except in connection with Refinancing Indebtedness permitted by Section 6.1,

(i) optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Loan Party or its Subsidiaries, other than (A) the Obligations in accordance with this Agreement, (B) Hedge Obligations, (C) Permitted Intercompany Advances to the extent provided in the Intercompany Subordination Agreement, (D) so long as no Event of Default has occurred and is continuing, other Indebtedness in an aggregate amount not to exceed \$500,000 in any one fiscal year or \$2,500,000 in the aggregate during the term of the Agreement, or (E) any Indebtedness so long as the Payment Conditions are satisfied, or

(ii) make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions, or

(b) Directly or indirectly, amend, modify, or change any of the terms or provisions of:

(i) any agreement, instrument, document, indenture, or other writing evidencing or concerning Permitted Indebtedness if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of the Lenders,

(ii) the Senior Secured Note Documents to the extent that such amendment, modification or change (A) would make any of the covenants or defaults or events of default set forth in the Senior Secured Note Documents more restrictive as to Parent or any of its Subsidiaries than the covenants and defaults or events of default set forth in the Senior Secured Note Documents, in each case, as in effect on Closing Date, (B) would change to earlier dates any dates upon which payments of principal or interest are due thereon, (C) would change the redemption, mandatory prepayment, or defeasance provisions thereof, (D) would restrict any Loan Party from making payments of the Obligations that would otherwise be permitted under the Senior Secured Note Documents as in effect on the date hereof, or (E) would increase the cash pay portion of any interest rate by more than 3.00 percentage points per annum or add any recurring fees,

(iii) the Governing Documents of any Loan Party or any of its Subsidiaries if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of the Lenders, or

(iv) any Material Contract except to the extent that such amendment, modification, or change could not reasonably be expected to have a Material Adverse Effect.

6.7 **Restricted Payments.** Each Loan Party will not, and will not permit any of its Subsidiaries to, make any Restricted Payment, provided, that so long as it is permitted by law,

(a) so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Loan Parties shall be permitted to consummate the purchase, redemption, retirement or other acquisition for value of Equity Interests in Parent held by employees, officers or directors or by former employees, officers or directors of Parent or any of its Subsidiaries (or their estates or beneficiaries under their estates) upon death, disability, retirement or termination of employment; *provided* that the aggregate consideration paid for such purchase, redemption, retirement or other acquisition of such Equity Interests does not exceed \$3,000,000 in any calendar year; *provided* that any unused amounts in any calendar year may be carried forward to one or more future periods *provided, further*, that the aggregate amount of repurchases made pursuant to this clause (a) may not exceed \$5,000,000 in any calendar year,

(b) so long as no Event of Default shall have occurred and be continuing or would result therefrom, Parent may make distributions to former employees, officers, or directors of Parent (or any spouses, ex-spouses, or estates of any of the foregoing), solely in the form of forgiveness of Indebtedness of such Persons owing to Parent on account of repurchases of the Equity Interests of Parent held by such Persons; provided, that such Indebtedness was incurred by such Persons solely to acquire Equity Interests of Parent,

(c) direct or indirect wholly-owned Subsidiaries of Parent may make dividends and distributions to the Loan Party that is the direct owner of the equity of such wholly-owned Subsidiary,

(d) so long as no Event of Default would result therefrom, issuances of Qualified Equity Interests by Parent to the ESOT in satisfaction of any employer contribution obligation under the ESOP;

(e) Parent may pay quarterly dividends to the holders of its Equity Interests in an amount not to exceed \$2,000,000 in any fiscal quarter, so long as, after giving pro forma effect thereto, the Consolidated Total Debt Ratio would be less than or equal to 6.00 to 1.00, or

(f) any Restricted Payments so long as the Payment Conditions are satisfied.

6.8 **Accounting Methods.** Each Loan Party will not, and will not permit any of its Subsidiaries to, modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP).

6.9 **Investments.** Each Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment except for Permitted Investments.

6.10 **Transactions with Affiliates.** Each Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction with any Affiliate of any Loan Party or any of its Subsidiaries except for:

(a) transactions (other than the payment of management, consulting, monitoring, or advisory fees) between such Loan Party or its Subsidiaries, on the one hand, and any Affiliate of such Loan Party or its Subsidiaries, on the other hand, so long as such transactions (i) are fully disclosed to Agent prior to the consummation thereof, if they involve one or more payments by such Loan Party or its Subsidiaries in excess of \$3,500,000 for any single transaction or series of related transactions, and (ii) are no less favorable, taken as a whole, to such Loan Party or its Subsidiaries, as applicable, than would be obtained in an arm's length transaction with a non-Affiliate,

(b) any indemnity provided for the benefit of directors (or comparable managers) of a Loan Party or one of its Subsidiaries so long as it has been approved by such Loan Party's or such Subsidiary's board of directors (or comparable governing body) in accordance with applicable law,

(c) the payment of reasonable compensation, severance, or employee benefit arrangements to employees, officers, and outside directors of a Loan Party or one of its Subsidiaries in the ordinary course of business and consistent with industry practice so long as it has been approved by such Loan Party's or such Subsidiary's board of directors (or comparable governing body) in accordance with applicable law,

(d) (i) transactions solely among the Loan Parties, and (ii) transactions solely among Subsidiaries of Loan Parties that are not Loan Parties,

(e) transactions permitted by Section 6.3, Section 6.7, or Section 6.9.

(f) agreements for the non-exclusive licensing of intellectual property, or distribution of products, in each case, among the Loan Parties and their Subsidiaries for the purpose of the counterparty thereof operating its business, and agreements for the assignment of intellectual property from any Loan Party or any of its Subsidiaries to any Loan Party, and

(g) so long as no Event of Default would result therefrom, the issuance of Qualified Equity Interests by Parent and contributions to the capital of Parent.

6.11 **Use of Proceeds.** Each Loan Party will not, and will not permit any of its Subsidiaries to, use the proceeds of any Loan made hereunder for any purpose other than (a) on the Closing Date, (i) to repay, in full, the outstanding principal, accrued interest, and accrued fees and expenses owing under or in connection with the Existing Credit Facility and (ii) to pay the fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, Senior Secured Note Documents and the transactions contemplated hereby and thereby, in each case, as set forth in the final settlement and closing statement that is attached to the letter of direction executed and delivered by Borrowers to Agent, and (b) thereafter, not in violation of the terms hereof, for their lawful and permitted purposes; provided that (x) no part of the proceeds of the Loans will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors, (y) no part of the proceeds of any Loan or Letter of Credit will be used, directly or indirectly, to make any payments to a Sanctioned Entity or a Sanctioned Person, to fund any investments, loans or contributions in, or otherwise make such proceeds available to, a Sanctioned Entity or a Sanctioned Person, to fund any operations, activities or business of a Sanctioned Entity or a Sanctioned Person, or in any other manner that would result in a violation of Sanctions by any Person, and (z) that no part of the proceeds of any Loan or Letter of Credit will be used, directly or, to Borrowers' knowledge, indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws.

6.12 **Limitation on Issuance of Equity Interests.** Except for the issuance or sale of Qualified Equity Interests by Parent, each Loan Party will not, and will not permit any of its Subsidiaries to, issue or sell any of its Equity Interests.

6.13 **Parent as Holding Company.** Parent will not incur any liabilities (other than liabilities arising under the Loan Documents and the Senior Secured Note Documents), own or acquire any assets (other than the Equity Interests of other Borrowers) or engage itself in any operations or business, except in connection with its ownership of other Borrowers and its rights and obligations under the Loan Documents and the Senior Secured Note Documents; provided that the foregoing shall not restrict Parent from participating in tax, accounting and other administrative matters as a member or parent of the consolidated group or providing indemnification or paying reasonable fees and expenses to officers and directors.

6.14 **Immaterial Subsidiaries.** Each Loan Party will not permit any Immaterial Subsidiary to (a) own any assets (other than assets of *de minimis* nature), (b) have any liabilities (other than liabilities of a *de minimis* nature), or (c) engage in any business activity.

6.15 **Agency Relationships.** Each Loan Party will not, and will not permit any of its Subsidiaries to, enter into any, or renew any existing or expired, contract, agreement or order with any Account Debtor, that contains any term that (x) establishes that a Loan Party is (i) holding any payment made by such Account Debtor in trust, or similar language, by such Loan Party, for payment to any other Person or (ii) collecting any payment from such Account Debtor as agent for such Account Debtor for payment to any other Person or (y) creates or establishes an agency or agency-like relationship between such Account Debtor and a Loan Party or a Loan Party and another Person.

7. **FINANCIAL COVENANT.** Each of Parent and each other Borrower covenants and agrees that, upon the occurrence and during the continuance of a Covenant Trigger Period, Borrowers will maintain a Fixed Charge Coverage Ratio, calculated for each 12 month period ending on the first day of any Covenant Testing Period and the last day of each fiscal month occurring until the end of any Covenant Testing Period (including the last day thereof), in each case of at least 1.00 to 1.00.

## 8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an “Event of Default”) under this Agreement:

8.1 **Payments.** If Borrowers fail to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for a period of five Business Days, (b) all or any portion of the principal of the Loans, or (c) any amount payable to Issuing Bank in reimbursement of any drawing under a Letter of Credit;

8.2 **Covenants.** If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.6, 5.1, 5.2, 5.3 (solely if any Borrower is not in good standing in its jurisdiction of organization), 5.6, 5.7 (solely if any Borrower refuses to allow Agent or its representatives or agents to visit any Borrower’s properties, inspect its assets or books or records, examine and make copies of its books and records, or discuss Borrowers’ affairs, finances, and accounts with officers and employees of any Borrower), 5.10, 5.11, 5.13, or 5.14 of this Agreement, (ii) Section 6 of this Agreement, (iii) Section 7 of this Agreement, or (iv) Section 7 of the Guaranty and Security Agreement;

(b) fails to perform or observe any covenant or other agreement contained in any of Sections 5.3 (other than if any Borrower is not in good standing in its jurisdiction of organization), 5.4, 5.5, 5.8, and 5.12 of this Agreement and such failure continues for a period of fifteen days after the earlier of (i) the date on which such failure shall first become known to any officer of any Borrower, or (ii) the date on which written notice thereof is given to Borrowers by Agent; or

(c) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of thirty days after the earlier of (i) the date on which such failure shall first become known to any officer of any Borrower, or (ii) the date on which written notice thereof is given to Borrowers by Agent;

8.3 **Judgments.** If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of \$10,000,000, or more (except to the extent fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of its Subsidiaries, or with respect to any of their respective assets, and either (a) there is a period of 60 consecutive days at any time after the entry of any such judgment, order, or award during which (i) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (ii) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award;



8.4 **Voluntary Bankruptcy, etc.** If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries;

8.5 **Involuntary Bankruptcy, etc.** If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within sixty calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein;

8.6 **Default Under Other Agreements** If there is (a) a default in one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to the Senior Secured Indebtedness or a Loan Party's or any of its Subsidiaries' other Indebtedness involving an aggregate amount of \$10,000,000 or more, and such default (i) occurs at the final maturity of the obligations thereunder, or (ii) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder, or (b) a default in or an involuntary early termination of one or more Hedge Agreements to which a Loan Party or any of its Subsidiaries is a party involving an aggregate amount of \$10,000,000 or more;

8.7 **Representations, etc.** If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.8 **Guaranty.** If the obligation of any Guarantor under the guaranty contained in the Guaranty and Security Agreement is limited or terminated by operation of law or by such Guarantor (other than in accordance with the terms of this Agreement) or if any Guarantor repudiates or revokes or purports to repudiate or revoke any such guaranty;

8.9 **Security Documents.** If the Guaranty and Security Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, (except to the extent of Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens or the interests of lessors under Capital Leases) first priority (with respect to the ABL Priority Collateral) or second priority (with respect to assets that do not constitute ABL Priority Collateral) Lien on the Collateral covered thereby, except (a) as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement, or (b) with respect to Collateral the aggregate value of which, for all such Collateral, does not exceed at any time, \$250,000, or (c) as the result of an action or failure to act on the part of Agent;

8.10 **Loan Documents.** The validity or enforceability of any material provision of any Loan Document shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document; or

8.11 **Change of Control.** A Change of Control shall occur, whether directly or indirectly.

8.12 **Material Cessation of Broadcasting.** The over-the-air broadcast operations at any Station shall be interrupted at any time for more than 48 hours, whether or not consecutive, during any period of 14 consecutive days, and such interruption could reasonably be expected to have a Material Adverse Effect.

8.13 **Termination of Material Licenses.** Any (a) material License (including any Broadcast License) shall be revoked or cancelled or expired by its terms and not be renewed, or shall be modified, in each case in a manner which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (b) any administrative law judge or other representative of the FCC shall have issued an initial decision in any renewal or revocation proceeding to the effect that a Broadcast License should be revoked or not be renewed, or (c) any other proceeding shall have been instituted by the FCC or shall have been commenced before any court, the FCC or any other regulatory body that could reasonably be expected to result in (i) cancellation, termination, rescission, revocation, suspension, material impairment, or denial of renewal of a material License, (ii) a modification of a material License in a material adverse respect or a renewal thereof on terms that materially and adversely affect the economic or commercial value or usefulness thereof, or (iii) a forfeiture (within the meaning of 47 C.F.R. § 1.80 of the FCC's regulations) or other materially adverse effect on or with respect to a material License that would reasonably be expected to have a Material Adverse Effect.

8.14 **Material Distribution.** Any Material Contracts with any Material Third-Party Stations shall be terminated or cancelled without renewal where such terminations or cancellations could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

## 9. RIGHTS AND REMEDIES.

9.1 **Rights and Remedies.** Upon the occurrence and during the continuation of an Event of Default, Agent may, and, at the instruction of the Required Lenders, shall, in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) by written notice to Borrowers, (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by each Borrower, and (ii) direct Borrowers to provide (and Borrowers agree that upon receipt of such notice Borrowers will provide) Letter of Credit Collateralization to Agent to be held as security for Borrowers' reimbursement obligations for drawings that may subsequently occur under issued and outstanding Letters of Credit;

(b) by written notice to Borrowers, declare the Commitments terminated, whereupon the Commitments shall immediately be terminated together with (i) any obligation of any Revolving Lender to make Revolving Loans, (ii) the obligation of the Swing Lender to make Swing Loans, and (iii) the obligation of Issuing Bank to issue Letters of Credit; and

(c) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under applicable law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to Borrowers or any other Person or any act by the Lender Group, the Commitments shall automatically terminate and the Obligations (other than the Bank Product Obligations), inclusive of the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and Borrowers shall automatically be obligated to repay all of such Obligations in full (including Borrowers being obligated to provide (and Borrowers agree that they will provide) (1) Letter of Credit Collateralization to Agent to be held as security for Borrowers' reimbursement obligations in respect of drawings that may subsequently occur under issued and outstanding Letters of Credit and (2) Bank Product Collateralization to be held as security for Borrowers' or their Subsidiaries' obligations in respect of outstanding Bank Products), without presentment, demand, protest, or notice or other requirements of any kind, all of which are expressly waived by Parent and the other Borrowers.

9.2 **Remedies Cumulative.** The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Default or Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.3 **Reserved.**

## 10. WAIVERS; INDEMNIFICATION.

10.1 **Demand; Protest; etc.** Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which any Borrower may in any way be liable.

10.2 **The Lender Group's Liability for Collateral.** Each Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by the Loan Parties.

10.3 **Indemnification.** Each Borrower shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender-Related Persons, the Issuing Bank, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery (provided, that Borrowers shall not be liable for costs and expenses

(including attorneys' fees) of any Lender (other than Wells Fargo) incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Loan Parties' and their Subsidiaries' compliance with the terms of the Loan Documents (provided, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders that do not involve any acts or omissions of any Loan Party, or (ii) disputes solely between or among the Lenders and their respective Affiliates that do not involve any acts or omissions of any Loan Party; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent (but not the Lenders unless the dispute involves an act or omission of a Loan Party) relative to disputes between or among Agent on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand, or (iii) any claims for Taxes, which shall be governed by Section 16, other than Taxes which relate to primarily non-Tax claims), (b) with respect to any actual or prospective investigation, litigation, or proceeding related to this Agreement, any other Loan Document, the making of any Loans or issuance of any Letters of Credit hereunder, or the use of the proceeds of the Loans or the Letters of Credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by any Loan Party or any of its Subsidiaries or any Environmental Actions, Environmental Liabilities or Remedial Actions related in any way to any such assets or properties of any Loan Party or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing notwithstanding, no Borrower shall have any obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrowers were required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrowers with respect thereto. **WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.**

#### 11. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as a party may designate in accordance herewith), or

telefacsimile. In the case of notices or demands to any Loan Party or Agent, as the case may be, they shall be sent to the respective address set forth below:

If to any Loan Party: **SALEM MEDIA GROUP, INC.**  
4880 Santa Rosa Road  
Camarillo, CA 93012  
Attn: Evan Masyr, Chief Financial Officer  
Christopher J. Henderson, General Counsel  
Fax No. (805) 384-4505

with copies to: **K&L GATES LLP**  
1 Park Plaza, 12th Floor  
Irvine, CA 92612  
Attn: David C. Lee, Esq.  
Fax No.: (949) 623-4508

If to Agent: **WELLS FARGO BANK, NATIONAL ASSOCIATION**  
2450 Colorado Avenue, Suite 3000 West  
Santa Monica, CA 90404  
Attn: Loan Portfolio Manager  
Fax No.: (310) 453-7442

with copies to: **PAUL HASTINGS LLP**  
695 Town Center Drive  
Seventeenth Floor  
Costa Mesa, CA 92626  
Attn: Katherine E. Bell, Esq.  
Fax No.: (714) 668-6338

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or three Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

**12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.**

**(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR**

THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH OF PARENT AND EACH OTHER BORROWER AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF PARENT AND EACH OTHER BORROWER AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH OF PARENT AND EACH OTHER BORROWER AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH OF PARENT AND EACH OTHER BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY LOAN PARTY AGAINST THE AGENT, THE SWING LENDER, ANY OTHER LENDER, ISSUING BANK, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT,

OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSSES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH LOAN PARTY HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

(f) IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN CLAUSE (C) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.

(ii) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY, PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.

(iii) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE

ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER; PROVIDED, THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.

(vi) THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.

(vii) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1 Assignments and Participations.

(a) (i) Subject to the conditions set forth in clause (a)(ii) below, any Lender may assign and delegate all or any portion of its rights and duties under the Loan Documents (including



the Obligations owed to it and its Commitments) to one or more assignees (each, an “Assignee”), with the prior written consent (such consent not be unreasonably withheld or delayed) of:

(A) Borrowers; provided, that no consent of Borrowers shall be required (1) if a Specified Event of Default has occurred and is continuing, or (2) in connection with an assignment to a Person that is a Lender or an Affiliate (other than natural persons) of a Lender; provided further, that Borrowers shall be deemed to have consented to a proposed assignment unless they object thereto by written notice to Agent within five Business Days after having received written notice thereof; and

(B) Agent, Swing Lender, and Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) no assignment may be made to a natural person,

(B) no assignment may be made to a Loan Party or an Affiliate of a Loan Party,

(C) the amount of the Commitments and the other rights and obligations of the assigning Lender hereunder and under the other Loan Documents subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Agent) shall be in a minimum amount (unless waived by Agent) of \$5,000,000 (except such minimum amount shall not apply to (I) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender, or a Related Fund of such Lender, or (II) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least \$5,000,000),

(D) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement,

(E) the parties to each assignment shall execute and deliver to Agent an Assignment and Acceptance; provided, that Borrowers and Agent may continue to deal solely and directly with the assigning Lender in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrowers and Agent by such Lender and the Assignee,

(F) unless waived by Agent, the assigning Lender or Assignee has paid to Agent, for Agent’s separate account, a processing fee in the amount of \$3,500, and

(G) the assignee, if it is not a Lender, shall deliver to Agent an Administrative Questionnaire in a form approved by Agent (the “Administrative Questionnaire”).

(b) From and after the date that Agent receives the executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall be a “Lender” and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance

covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Lender *pro tanto*.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons (a "Participant") participating interests in all or any portion of its Obligations, its Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations, the Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of

the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender, (v) no participation shall be sold to a natural person, (vi) no participation shall be sold to a Loan Party or an Affiliate of a Loan Party, and (vii) all amounts payable by Borrowers hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Borrowers, the Collateral, or otherwise in respect of the Obligations. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to any Loan Party and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement to secure obligations of such Lender, including any pledge in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law; provided, that no such pledge shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Agent (as a non-fiduciary agent on behalf of Borrowers) shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of a portion of each Loan (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"). Other than in connection with an assignment by a Lender of all or any portion of its portion of each Loan to an Affiliate of such Lender or a Related Fund of such Lender (i) a Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and (ii) any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrowers shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary. In the case of any assignment by a Lender of all or any portion of each Loan to an Affiliate of such Lender or a Related Fund of such Lender, and which assignment is not recorded in the Register, the assigning Lender, on behalf of Borrowers, shall maintain a register comparable to the Register.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as anon-fiduciary agent on behalf of Borrowers, shall maintain (or cause to be maintained) a register on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the Registered Note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register.

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register to the extent it has one) available for review by Borrowers from time to time as Borrowers may reasonably request.

13.2 **Successors.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, that no Borrower may assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and, except as expressly required pursuant to Section 13.1, no consent or approval by any Borrower is required in connection with any such assignment.

#### 14. AMENDMENTS; WAIVERS.

##### 14.1 **Amendments and Waivers.**

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document (other than the Fee Letter), and no consent with respect to any departure by Parent or any other Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

- (i) increase the amount of or extend the expiration date of any Commitment of any Lender or amend, modify, or eliminate the last sentence of Section 2.4(c)(i),
- (ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,
- (iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except in connection with the waiver of applicability of Section 2.6(c) (which waiver shall be effective with the written consent of the Required Lenders)),

- 
- (iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,
  - (v) amend, modify, or eliminate Section 3.1,
  - (vi) amend, modify, or eliminate Section 15.11,
  - (vii) other than as permitted by Section 15.11, release or contractually subordinated Agent's Lien in and to any of the Collateral,
  - (viii) amend, modify, or eliminate the definitions of "Required Lenders", "Supermajority Lenders" or "Pro Rata Share",
  - (ix) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, release any Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by any Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents,
  - (x) amend, modify, or eliminate any of the provisions of Section 2.4(b)(i), (ii) or (iii), or
  - (xi) amend, modify, or eliminate any of the provisions of Section 13.1 with respect to assignments to, or participations with, Persons who are Loan Parties or Affiliates of a Loan Party;
- (b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate,
- (i) the definition of, or any of the terms or provisions of, the Fee Letter, without the written consent of Agent and Borrowers (and shall not require the written consent of any of the Lenders),
  - (ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrowers, and the Required Lenders;
- (c) No amendment, waiver, modification, elimination, or consent shall amend, without written consent of Agent, Borrowers and the Supermajority Lenders, modify, or eliminate the definition of Borrowing Base or any of the defined terms (including the definitions of Eligible Accounts and Eligible Real Property) that are used in such definition to the extent that any such change results in more credit being made available to Borrowers based upon the Borrowing Base, but not otherwise, or the definition of Maximum Revolver Amount;
- (d) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to Issuing Bank, or any other rights or duties of Issuing Bank under this Agreement or the other Loan Documents, without the written consent of Issuing Bank, Agent, Borrowers, and the Required Lenders;
- (e) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to Swing Lender, or any other rights or duties of Swing Lender under this Agreement or the other Loan Documents, without the written consent of Swing Lender, Agent, Borrowers, and the Required Lenders; and

(f) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of any Loan Party, shall not require consent by or the agreement of any Loan Party, and (ii) any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(i) through (iii) that affect such Lender.

#### 14.2 **Replacement of Certain Lenders.**

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16, then Borrowers or Agent, upon at least five Business Days prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a “Non-Consenting Lender”) or any Lender that made a claim for compensation (a “Tax Lender”) with one or more Replacement Lenders, and the Non-Consenting Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Non-Consenting Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever, but including (i) all interest, fees and other amounts that may be due in respect thereof, (ii) an assumption of its Pro Rata Share of participations in the Letters of Credit, and (iii) Funding Losses). If the Non-Consenting Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or on behalf of the Non-Consenting Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations, the Commitments, and the other rights and obligations of the Non-Consenting Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Non-Consenting Lender or Tax Lender, as applicable, shall remain obligated to make the Non-Consenting Lender’s or Tax Lender’s, as applicable, Pro Rata Share of Revolving Loans and to purchase a participation in each Letter of Credit, in an amount equal to its Pro Rata Share of participations in such Letters of Credit.

14.3 **No Waivers; Cumulative Remedies.** No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or

any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by Parent and the other Borrowers of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

**15. AGENT; THE LENDER GROUP.**

15.1 **Appointment and Authorization of Agent.** Each Lender hereby designates and appoints Wells Fargo as its agent under this Agreement and the other Loan Documents and each Lender hereby irrevocably authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to designate, appoint, and authorize) Agent to execute and deliver each of the other Loan Documents on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders (and the Bank Product Providers) on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender (or Bank Product Provider), and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, payments and proceeds of Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, or to take any other action with respect to any Collateral or Loan Documents which may be necessary to perfect, and maintain perfected, the security interests and Liens upon Collateral pursuant to the Loan Documents, (c) make Revolving Loans, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) exclusively receive, apply, and distribute payments and proceeds of the Collateral as provided in the Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to any Loan Party or its Subsidiaries, the Obligations, the Collateral, or otherwise related to any of same as provided in the Loan Documents, and (g) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

15.2 **Delegation of Duties.** Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct.

15.3 **Liability of Agent.** None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders (or Bank Product Providers) for any recital, statement, representation or warranty made by any Loan Party or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Loan Party or its Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders (or Bank Product Providers) to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of any Loan Party or its Subsidiaries. No Agent-Related Person shall have any liability to any Lender, and Loan Party or any of their respective Affiliates if any request for a Loan, Letter of Credit or other extension of credit was not authorized by the applicable Borrower. Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Loan Document or applicable law or regulation.

15.4 **Reliance by Agent.** Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, telefacsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrowers or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders (and, if it so elects, the Bank Product Providers) against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders (and Bank Product Providers).

15.5 **Notice of Default or Event of Default** Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Borrowers referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge.



If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 15.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9; provided, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

15.6 **Credit Decision.** Each Lender (and Bank Product Provider) acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of any Loan Party and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender (or Bank Product Provider). Each Lender represents (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to represent) to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of each Borrower or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrowers. Each Lender also represents (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to represent) that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of each Borrower or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender (or Bank Product Provider) with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender (or Bank Product Provider) with any credit or other information with respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement (or such Bank Product Provider entered into a Bank Product Agreement).

15.7 **Costs and Expenses; Indemnification.** Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrowers are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from payments or proceeds of the Collateral received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders (or Bank Product Providers). In the event Agent is not reimbursed

for such costs and expenses by the Loan Parties and their Subsidiaries, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so) from and against any and all Indemnified Liabilities; provided, that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make a Revolving Loan or other extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out of pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

15.8 **Agent in Individual Capacity.** Wells Fargo and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide Bank Products to, acquire Equity Interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party and its Subsidiaries and Affiliates and any other Person party to any Loan Document as though Wells Fargo were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, pursuant to such activities, Wells Fargo or its Affiliates may receive information regarding a Loan Party or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of such Loan Party or such other Person and that prohibit the disclosure of such information to the Lenders (or Bank Product Providers), and the Lenders acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" include Wells Fargo in its individual capacity.

15.9 **Successor Agent.** Agent may resign as Agent upon 30 days (ten days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and Borrowers (unless such notice is waived by Borrowers or a Default or Event of Default has occurred and is continuing) and without any notice to the Bank Product Providers. If Agent resigns under this Agreement, the Required Lenders shall be entitled, with (so long as no Event of Default has occurred and is continuing) the consent of Borrowers (such consent not to be unreasonably withheld, delayed, or conditioned), appoint a successor Agent for the Lenders (and the Bank Product Providers). If, at the time that Agent's resignation is effective, it is acting as Issuing Bank or the Swing Lender, such resignation shall also operate to effectuate its resignation as Issuing Bank or the Swing Lender, as applicable, and it shall automatically be relieved of any further obligation to issue Letters of Credit, or to make Swing Loans. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders and Borrowers, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders with (so long as no Event of Default has occurred and is

continuing) the consent of Borrowers (such consent not to be unreasonably withheld, delayed, or conditioned). In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

15.10 **Lender in Individual Capacity.** Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide Bank Products to, acquire Equity Interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party and its Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group (or the Bank Product Providers). The other members of the Lender Group acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding a Loan Party or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of such Loan Party or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

15.11 **Collateral Matters.**

(a) The Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to release any Lien on any Collateral (i) upon the termination of the Commitments and payment and satisfaction in full by the Loan Parties and their Subsidiaries of all of the Obligations, (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if Borrowers certify to Agent that the sale or disposition is permitted under Section 6.4 (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which no Loan Party or any of its Subsidiaries owned any interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased or licensed to a Loan Party or its Subsidiaries under a lease or license that has expired or is terminated in a transaction permitted under this Agreement, or (v) in connection with a credit bid or purchase authorized under this Section 15.11. The Loan Parties and the Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent, based upon the instruction of the Required Lenders, to (a) consent to the sale of, credit bid, or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent in accordance with applicable law in

any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders and the Bank Product Providers shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such contingent or unliquidated claims cannot be estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the Collateral that is the subject of such credit bid or purchase) and the Lenders and the Bank Product Providers whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the Collateral that is the subject of such credit bid or purchase (or in the Equity Interests of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders and the Bank Product Providers (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration; provided, that Bank Product Obligations not entitled to the application set forth in Section 2.4(b)(iii)(J) shall not be entitled to be, and shall not be, credit bid, or used in the calculation of the ratable interest of the Lenders and Bank Product Providers in the Obligations which are credit bid. Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of (y) if the release is of all or substantially all of the Collateral, all of the Lenders (without requiring the authorization of the Bank Product Providers), or (z) otherwise, the Required Lenders (without requiring the authorization of the Bank Product Providers). Upon request by Agent or Borrowers at any time, the Lenders will (and if so requested, the Bank Product Providers will) confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 15.11; provided, that (1) anything to the contrary contained in any of the Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly released) upon (or obligations of Borrowers in respect of) any and all interests retained by any Borrower, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Each Lender further hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to irrevocably authorize) Agent, at its option and in its sole discretion, to subordinate (by contract or otherwise) any Lien granted to or held by Agent on any property under any Loan Document (a) to the holder of any Permitted Lien on such property if such Permitted Lien secures purchase money Indebtedness (including Capitalized Lease Obligations) which constitute Permitted Indebtedness and (b) to the extent Agent has the authority under this Section 15.11 to release its Lien on such property.

(b) Agent shall have no obligation whatsoever to any of the Lenders (or the Bank Product Providers) (i) to verify or assure that the Collateral exists or is owned by a Loan Party or any of its Subsidiaries or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to verify or assure that any particular items of Collateral meet the eligibility criteria applicable in respect thereof, (iv) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (v) to exercise at all or in any particular manner or under any duty of care,

disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral in its capacity as one of the Lenders and that Agent shall have no other duty or liability whatsoever to any Lender (or Bank Product Provider) as to any of the foregoing, except as otherwise expressly provided herein.

**15.12 Restrictions on Actions by Lenders; Sharing of Payments.**

(a) Each of the Lenders agrees that it shall not, without the express written consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of Agent, set off against the Obligations, any amounts owing by such Lender to any Loan Party or its Subsidiaries or any deposit accounts of any Loan Party or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such distributions by Agent, such Lender promptly shall (A) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

**15.13 Agency for Perfection.** Agent hereby appoints each other Lender (and each Bank Product Provider) as its agent (and each Lender hereby accepts (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to accept) such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

**15.14 Payments by Agent to the Lenders** All payments to be made by Agent to the Lenders (or Bank Product Providers) shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

15.15 **Concerning the Collateral and Related Loan Documents.** Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents. Each member of the Lender Group agrees (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to agree) that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders (and such Bank Product Provider).

15.16 **Field Examination Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information** By becoming a party to this Agreement, each Lender:

(a) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each field examination report respecting any Loan Party or its Subsidiaries (each, a "Report") prepared by or at the request of Agent, and Agent shall so furnish each Lender with such Reports,

(b) expressly agrees and acknowledges that Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any field examination will inspect only specific information regarding the Loan Parties and their Subsidiaries and will rely significantly upon the Loan Parties' and their Subsidiaries' books and records, as well as on representations of Borrowers' personnel,

(d) agrees to keep all Reports and other material, non-public information regarding the Loan Parties and their Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.9, and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrowers, and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

In addition to the foregoing, (x) any Lender may from time to time request of Agent in writing that Agent provide to such Lender a copy of any report or document provided by any Loan Party or its Subsidiaries to Agent that has not been contemporaneously provided by such Loan Party or such Subsidiary to such Lender, and, upon receipt of such request, Agent promptly shall provide a copy of same to such Lender, (y) to the extent that Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from any Loan Party or its Subsidiaries, any Lender may, from time to time, reasonably request Agent to exercise such right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of Borrowers the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from such Loan Party or such Subsidiary, Agent promptly shall provide a copy of same to such Lender, and (z) any time that Agent renders to Borrowers a statement regarding the Loan Account, Agent shall send a copy of such statement to each Lender.

15.17 **Several Obligations; No Liability.** Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) to make any credit available hereunder shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective Commitments, to make an amount of such credit not to exceed, in principal amount, at any one time outstanding, the amount of their respective Commitments. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 15.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to any Borrower or any other Person for any failure by any other Lender (or Bank Product Provider) to fulfill its obligations to make credit available hereunder, nor to advance for such Lender (or Bank Product Provider) or on its behalf, nor to take any other action on behalf of such Lender (or Bank Product Provider) hereunder or in connection with the financing contemplated herein.

15.18 **Reserved.**

16. **WITHHOLDING TAXES.**

16.1 **Payments.** All payments made by any Loan Party under any Loan Document will be made free and clear of, and without deduction or withholding for, any Taxes, except as otherwise required by applicable law, and in the event any deduction or withholding of Taxes is required, the applicable Loan Party shall make the requisite withholding, promptly pay over to the applicable Governmental Authority the withheld tax, and furnish to Agent as promptly as possible after the date the payment of any such Tax is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Loan Parties. Furthermore, if any such Tax is an Indemnified Tax or an Indemnified Tax is so levied or imposed, the Loan Parties agree to pay the full amount of such Indemnified Taxes and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement, any note, or Loan Document, including any amount paid pursuant to this Section 16.1 after withholding or deduction for or on account of any Indemnified Taxes, will not be less than the amount provided for herein. The Loan Parties will promptly pay any Other Taxes or reimburse Agent for such Other Taxes upon Agent's demand. The Loan Parties shall jointly and severally indemnify each Indemnified Person (as defined in Section 10.3) (collectively a "Tax Indemnitee") for the full amount of Indemnified Taxes arising in connection with this Agreement or any other Loan Document or breach thereof by any Loan Party (including, without limitation, any Indemnified Taxes imposed or asserted on, or attributable to, amounts payable under this Section 16) imposed on, or paid by, such Tax Indemnitee and all reasonable costs and expenses related thereto (including fees and disbursements of attorneys and other tax professionals), as and when they are incurred and irrespective of whether suit is brought, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority (other than Indemnified Taxes and additional amounts that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Tax Indemnitee). The obligations of the Loan Parties under this Section 16 shall survive the termination of this Agreement, the resignation and replacement of the Agent, and the repayment of the Obligations.

## 16.2 Exemptions.

(a) If a Lender or Participant is entitled to claim an exemption or reduction from United States withholding tax, such Lender or Participant agrees with and in favor of Agent, to deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) and the Administrative Borrower on behalf of all Borrowers one of the following before receiving its first payment under this Agreement:

(i) if such Lender or Participant is entitled to claim an exemption from United States withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender or Participant, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of Administrative Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation related to Borrowers within the meaning of Section 864(d)(4) of the IRC, and (B) a properly completed and executed IRS Form W-8BEN, Form W-8BEN-E or Form W-8IMY (with proper attachments as applicable);

(ii) if such Lender or Participant is entitled to claim an exemption from, or a reduction of, withholding tax under a United States tax treaty, a properly completed and executed copy of IRS Form W-8BEN or Form W-8BEN-E, as applicable;

(iii) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, a properly completed and executed copy of IRS Form W-8ECI;

(iv) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because such Lender or Participant serves as an intermediary, a properly completed and executed copy of IRS Form W-8IMY (including a withholding statement and copies of the tax certification documentation for its beneficial owner(s) of the income paid to the intermediary, if required based on its status provided on the Form W-8IMY); or

(v) a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding or backup withholding tax.

(b) Each Lender or Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent and Administrative Borrower (or, in the case of a Participant, to the Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender or Participant claims an exemption from withholding tax in a jurisdiction other than the United States, such Lender or such Participant agrees with and in favor of Agent and Borrowers, to deliver to Agent and Administrative Borrower (or, in the case of a Participant, to the Lender granting the participation only) any such form or forms, as may be required under the laws of such jurisdiction as a condition to exemption from, or reduction of, foreign withholding or backup withholding tax before receiving its first payment under this Agreement, but only if such Lender or such Participant is legally able to deliver such forms, or the providing of or delivery of such forms in the Lender's reasonable judgment would not subject such Lender to any material unreimbursed cost or expense or materially prejudice the legal or commercial position of such Lender (or its Affiliates); provided, further, that nothing in this Section 16.2(c) shall require a Lender or Participant to disclose any



information that it deems to be confidential (including without limitation, its tax returns). Each Lender and each Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent and Administrative Borrower (or, in the case of a Participant, to the Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a Lender or Participant claims exemption from, or reduction of, withholding tax and such Lender or Participant sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of Borrowers to such Lender or Participant, such Lender or Participant agrees to notify Agent and Administrative Borrower (or, in the case of a sale of a participation interest, to the Lender granting the participation only) of the percentage amount in which it is no longer the beneficial owner of Obligations of Borrowers to such Lender or Participant. To the extent of such percentage amount, Agent and Administrative Borrower will treat such Lender's or such Participant's documentation provided pursuant to Section 16.2(a) or 16.2(c) as no longer valid. With respect to such percentage amount, such Participant or Assignee may provide new documentation, pursuant to Section 16.2(a) or 16.2(c), if applicable. Borrowers agree that each Participant shall be entitled to the benefits of this Section 16 with respect to its participation in any portion of the Commitments and the Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

(e) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable due diligence and reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) at the time or times prescribed by law and at such time or times reasonably requested by Agent (or, in the case of a Participant, the Lender granting the participation) such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by Agent (or, in the case of a Participant, the Lender granting the participation) as may be necessary for Agent or Borrowers to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (e), "FATCA" shall include any amendments made to FATCA or an intergovernmental agreement after the date of this Agreement.

### 16.3 **Reductions.**

(a) If a Lender or a Participant is subject to an applicable withholding tax, Agent (or, in the case of a Participant, the Lender granting the participation) may withhold from any payment to such Lender or such Participant an amount equivalent to the applicable withholding tax. If the forms or other documentation required by Section 16.2(a) or 16.2(c) are not delivered to Agent (or, in the case of a Participant, to the Lender granting the participation), then Agent (or, in the case of a Participant, to the Lender granting the participation) may withhold from any payment to such Lender or such Participant not providing such forms or other documentation an amount equivalent to the applicable withholding tax.

(b) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent (or, in the case of a Participant, to the Lender granting the participation) did not properly withhold tax from amounts paid to or for the account of any Lender or any Participant due to a failure on the part of the Lender or any Participant (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Agent (or such Participant failed to notify the Lender granting the participation) of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such

Lender shall indemnify and hold Agent harmless (or, in the case of a Participant, such Participant shall indemnify and hold the Lender granting the participation harmless) for all amounts paid, directly or indirectly, by Agent (or, in the case of a Participant, to the Lender granting the participation), as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent (or, in the case of a Participant, to the Lender granting the participation only) under this Section 16, together with all costs and expenses (including attorneys' fees and expenses). The obligation of the Lenders and the Participants under this subsection shall survive the payment of all Obligations and the resignation or replacement of Agent.

16.4 **Refunds.** If Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes to which the Loan Parties have paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to the Administrative Borrower on behalf of the Loan Parties (but only to the extent of payments made, or additional amounts paid, by the Loan Parties under this Section 16 with respect to Indemnified Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the applicable Governmental Authority with respect to such a refund); provided, that the Loan Parties, upon the request of Agent or such Lender, agrees to repay the amount paid over to the Loan Parties (plus any penalties, interest or other charges, imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct or gross negligence of Agent or Lender hereunder as finally determined by a court of competent jurisdiction) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything in this Agreement to the contrary, this Section 16 shall not be construed to require Agent or any Lender to make available its tax returns (or any other information which it deems confidential) to Loan Parties or any other Person or require Agent or any Lender to pay any amount to an indemnifying party pursuant to Section 16.4, the payment of which would place Agent or such Lender (or their Affiliates) in a less favorable net after-Tax position than such Person would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

## 17. GENERAL PROVISIONS.

17.1 **Effectiveness.** This Agreement shall be binding and deemed effective when executed by Parent, each other Borrower, Agent, and each Lender whose signature is provided for on the signature pages hereof.

17.2 **Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 **Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or Parent or any other Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 **Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 **Bank Product Providers.** Each Bank Product Provider in its capacity as such shall be deemed a third party beneficiary hereof and of the provisions of the other Loan Documents for purposes of any reference in a Loan Document to the parties for whom Agent is acting. Agent hereby agrees to act as agent for such Bank Product Providers and, by virtue of entering into a Bank Product Agreement, the applicable Bank Product Provider shall be automatically deemed to have appointed Agent as its agent and to have accepted the benefits of the Loan Documents. It is understood and agreed that the rights and benefits of each Bank Product Provider under the Loan Documents consist exclusively of such Bank Product Provider's being a beneficiary of the Liens and security interests (and, if applicable, guarantees) granted to Agent and the right to share in payments and collections out of the Collateral as more fully set forth herein. In addition, each Bank Product Provider, by virtue of entering into a Bank Product Agreement, shall be automatically deemed to have agreed that Agent shall have the right, but shall have no obligation, to establish, maintain, relax, or release reserves in respect of the Bank Product Obligations and that if reserves are established there is no obligation on the part of Agent to determine or insure whether the amount of any such reserve is appropriate or not. In connection with any such distribution of payments or proceeds of Collateral, Agent shall be entitled to assume no amounts are due or owing to any Bank Product Provider unless such Bank Product Provider has provided a written certification (setting forth a reasonably detailed calculation) to Agent as to the amounts that are due and owing to it and such written certification is received by Agent a reasonable period of time prior to the making of such distribution. Agent shall have no obligation to calculate the amount due and payable with respect to any Bank Products, but may rely upon the written certification of the amount due and payable from the applicable Bank Product Provider. In the absence of an updated certification, Agent shall be entitled to assume that the amount due and payable to the applicable Bank Product Provider is the amount last certified to Agent by such Bank Product Provider as being due and payable (less any distributions made to such Bank Product Provider on account thereof). Borrowers may obtain Bank Products from any Bank Product Provider, although Borrowers are not required to do so. Each Borrower acknowledges and agrees that no Bank Product Provider has committed to provide any Bank Products and that the providing of Bank Products by any Bank Product Provider is in the sole and absolute discretion of such Bank Product Provider. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no provider or holder of any Bank Product shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Obligations owing thereunder, nor shall the consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

17.6 **Debtor-Creditor Relationship.** The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.7 **Counterparts; Electronic Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by

telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

**17.8 Revival and Reinstatement of Obligations; Certain Waivers.**

(a) If any member of the Lender Group or any Bank Product Provider repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group or such Bank Product Provider in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document or any Bank Product Agreement, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group or Bank Product Provider elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group or Bank Product Provider elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group or Bank Product Provider related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist, and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated, or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party in respect of such liability or any Collateral securing such liability. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations.

(b) Reserved.

**17.9 Confidentiality.**

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding the Loan Parties and their Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group (including the Bank Product Providers); provided, that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided, that (x) prior to any disclosure under this clause (iv), the disclosing

party agrees to provide Borrowers with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Borrowers pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowers, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process; provided, that (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Borrowers with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrowers pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement; provided, that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 17.9 or pursuant to confidentiality requirements substantially similar to those contained in this Section 17.9 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (ix) with respect to litigation involving any Person (other than any Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Borrowers with prior written notice thereof, and (x) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document.

(b) Anything in this Agreement to the contrary notwithstanding, Agent may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of any Borrower or the other Loan Parties and the Commitments provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of the Agent.

(c) Each Loan Party agrees that Agent may make Borrower Materials available to the Lenders by posting the Communications on IntraLinks, SyndTrak or a substantially similar secure electronic transmission system (the "Platform"). The Platform is provided "as is" and "as available." Agent does not warrant the accuracy or completeness of the Borrower Materials, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by Agent in connection with the Borrower Materials or the Platform. In no event shall Agent or any of the Agent-Related Persons have any liability to the Loan Parties, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or Agent's transmission of communications through the Internet, except to the extent the liability of such

person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such person's gross negligence or willful misconduct. Each Loan Party further agrees that certain of the Lenders may be "public-side" Lenders (*i.e.*, Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties shall be deemed to have authorized Agent and its Affiliates and the Lenders to treat Borrower Materials marked "PUBLIC" or otherwise at any time filed with the SEC as not containing any material non-public information with respect to the Loan Parties or their securities for purposes of United States federal and state securities laws. All Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor" (or another similar term). Agent and its Affiliates and the Lenders shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" or that are not at any time filed with the SEC as being suitable only for posting on a portion of the Platform not marked as "Public Investor" (or such other similar term).

17.10 **Survival.** All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent, Issuing Bank, or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or been terminated.

17.11 **Patriot Act; Due Diligence.** Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify each Loan Party in accordance with the Patriot Act. In addition, Agent and each Lender shall have the right to periodically conduct due diligence on all Loan Parties, their senior management and key principals and legal and beneficial owners. Each Loan Party agrees to cooperate in respect of the conduct of such due diligence and further agrees that the reasonable costs and charges for any such due diligence by Agent shall constitute Lender Group Expenses hereunder and be for the account of Borrowers.

17.12 **Integration.** This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof. The foregoing to the contrary notwithstanding, all Bank Product Agreements, if any, are independent agreements governed by the written provisions of such Bank Product Agreements, which will remain in full force and effect, unaffected by any repayment, prepayments, acceleration, reduction, increase, or change in the terms of any credit extended hereunder, except as otherwise expressly provided in such Bank Product Agreement.

17.13 **Parent as Agent for Borrowers.** Each Borrower hereby irrevocably appoints Parent as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower") which appointment shall remain in full force and effect unless and until Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (a) to provide Agent with all notices with respect to Revolving Loans and

Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and the other Loan Documents (and any notice or instruction provided by Administrative Borrower shall be deemed to be given by Borrowers hereunder and shall bind each Borrower), (b) to receive notices and instructions from members of the Lender Group (and any notice or instruction provided by any member of the Lender Group to the Administrative Borrower in accordance with the terms hereof shall be deemed to have been given to each Borrower), (c) to enter into Bank Product Provider Agreements on behalf of Borrowers and their Subsidiaries, and (d) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Revolving Loans and Letters of Credit and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. It is understood that the handling of the Loan Account and Collateral in a combined fashion, as more fully set forth herein, is done solely as an accommodation to Borrowers in order to utilize the collective borrowing powers of Borrowers in the most efficient and economical manner and at their request, and that Lender Group shall not incur liability to any Borrower as a result hereof. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Loan Account and the Collateral in a combined fashion since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group. To induce the Lender Group to do so, and in consideration thereof, each Borrower hereby jointly and severally agrees to indemnify each member of the Lender Group and hold each member of the Lender Group harmless against any and all liability, expense, loss or claim of damage or injury, made against the Lender Group by any Borrower or by any third party whosoever, arising from or incurred by reason of (i) the handling of the Loan Account and Collateral of Borrowers as herein provided, or (ii) the Lender Group's relying on any instructions of the Administrative Borrower, except that Borrowers will have no liability to the relevant Agent-Related Person or Lender-Related Person under this Section 17.13 with respect to any liability that has been finally determined by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of such Agent-Related Person or Lender-Related Person, as the case may be.

17.14 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution

Authority.

---

[Signature pages to follow.]



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

**PARENT AND A BORROWER:**

**SALEM MEDIA GROUP, INC.**, a Delaware corporation

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

**BORROWERS:**

**AIR HOT, INC.  
BISON MEDIA, INC.  
CARON BROADCASTING, INC.  
COMMON GROUND BROADCASTING, INC.  
INSPIRATION MEDIA, INC.  
NEW INSPIRATION BROADCASTING COMPANY, INC.  
NI ACQUISITION CORP.  
PENNSYLVANIA MEDIA ASSOCIATES, INC.  
REACH SATELLITE NETWORK, INC.  
SALEM CONSUMER PRODUCTS, INC.  
SALEM COMMUNICATIONS HOLDING CORPORATION  
SALEM MEDIA OF COLORADO, INC.  
SALEM MEDIA OF HAWAII, INC.  
SALEM MEDIA OF KENTUCKY, INC.  
SALEM MEDIA OF OHIO, INC.  
SALEM MEDIA OF OREGON, INC.  
SALEM MEDIA OF TEXAS, INC.  
SALEM MEDIA OF VIRGINIA, INC.  
SALEM MEDIA REPRESENTATIVES, INC.  
SALEM PUBLISHING, INC.  
SALEM RADIO NETWORK INCORPORATED  
SALEM RADIO PROPERTIES, INC.  
SCA LICENSE CORPORATION  
SOUTH TEXAS BROADCASTING, INC.  
SRN NEWS NETWORK, INC.  
SRN STORE, INC.**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[SIGNATURE PAGE TO CREDIT AGREEMENT]

**BORROWERS:**

**INSPIRATION MEDIA OF TEXAS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF ILLINOIS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF MASSACHUSETTS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM MEDIA OF NEW YORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM RADIO OPERATIONS, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM SATELLITE MEDIA, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SALEM WEB NETWORK, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

**SCA-PALO ALTO, LLC**  
**BY: SCA LICENSE CORPORATION,**  
**its Managing Member**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

**EAGLE PRODUCTS, LLC**  
**BY: CARON BROADCASTING, INC.,**  
**its Managing Member**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[SIGNATURE PAGE TO CREDIT AGREEMENT]

**AGENT AND LENDER:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
a national banking association, as Agent and as a Lender

By: /s/ Nicholas Ply

Name: Nicholas Ply  
Its Authorized Signatory

[SIGNATURE PAGE TO CREDIT AGREEMENT]

EXHIBIT A-1

**FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT**

This **ASSIGNMENT AND ACCEPTANCE AGREEMENT** ("Assignment Agreement") is entered into as of \_\_\_\_\_ between \_\_\_\_\_ ("Assignor") and \_\_\_\_\_ ("Assignee"). Reference is made to the Agreement described in Annex I hereto (the "Credit Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Credit Agreement.

1. In accordance with the terms and conditions of Section 13 of the Credit Agreement, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to the Assignor's rights and obligations under the Loan Documents as of the date hereof with respect to the Obligations owing to the Assignor, and Assignor's portion of the Commitments, all to the extent specified on Annex I.

2. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; (b) makes no representation or warranty and assumes no responsibility with respect to (i) any statements, representations or warranties made in or in connection with the Loan Documents, or (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or any Guarantor or the performance or observance by any Borrower or any Guarantor of any of their respective obligations under the Loan Documents or any other instrument or document furnished pursuant thereto, and (d) represents and warrants that the amount set forth as the Purchase Price on Annex I represents the amount owed by Borrowers to Assignor with respect to Assignor's share of the Term Loan and the Revolving Loans assigned hereunder, as reflected on Assignor's books and records.

3. The Assignee (a) confirms that it has received copies of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (b) agrees that it will, independently and without reliance upon Agent, Assignor, or any other Lender, based upon such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under the Loan Documents; (c) confirms that it is not a natural person, a Loan Party, or an Affiliate of a Loan Party; (d) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Agent by the terms thereof, together with such powers as are reasonably incidental thereto; [and] (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender[; and (f) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].

4. Following the execution of this Assignment Agreement by the Assignor and Assignee, the Assignor will deliver this Assignment Agreement to the Agent for recording by the Agent.

---

The effective date of this Assignment (the "Settlement Date") shall be the latest to occur of (a) the date of the execution and delivery hereof by the Assignor and the Assignee, (b) the receipt by Agent for its sole and separate account a processing fee in the amount of \$3,500 (if required by the Credit Agreement), (c) the receipt of any required consent of the Agent and Borrowers, and (d) the date specified in Annex I.

5. As of the Settlement Date (a) the Assignee shall be a party to the Credit Agreement and, to the extent of the interest assigned pursuant to this Assignment Agreement, have the rights and obligations of a Lender thereunder and under the other Loan Documents, and (b) the Assignor shall, to the extent of the interest assigned pursuant to this Assignment Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the other Loan Documents, provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of the Credit Agreement, including such assigning Lender's obligations under Article 15 and Section 17.9(a) of the Credit Agreement.

6. Upon the Settlement Date, Assignee shall pay to Assignor the Purchase Price (as set forth in Annex I). From and after the Settlement Date, Agent shall make all payments that are due and payable to the holder of the interest assigned hereunder (including payments of principal, interest, fees and other amounts) to Assignor for amounts which have accrued up to but excluding the Settlement Date and to Assignee for amounts which have accrued from and after the Settlement Date. On the Settlement Date, Assignor shall pay to Assignee an amount equal to the portion of any interest, fee, or any other charge that was paid to Assignor prior to the Settlement Date on account of the interest assigned hereunder and that are due and payable to Assignee with respect thereto, to the extent that such interest, fee or other charge relates to the period of time from and after the Settlement Date.

7. This Assignment Agreement may be executed in counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Assignment Agreement may be executed and delivered by telecopier or other facsimile transmission all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

8. THIS ASSIGNMENT AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 12 OF THE CREDIT AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement and Annex I hereto to be executed by their respective officers, as of the first date written above.

[NAME OF ASSIGNOR],

as Assignor

By \_\_\_\_\_  
Name:  
Title:

[NAME OF ASSIGNEE],

as Assignee

By \_\_\_\_\_  
Name:  
Title:

ACCEPTED THIS DAY OF

\_\_\_\_\_

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as Agent, as Swing Lender and as Issuing Bank

By \_\_\_\_\_  
Name:  
Title:

[[ \_\_\_\_\_ ], [as Swing Lender] [and] [as Issuing Bank]

By \_\_\_\_\_  
Name:  
Title:]

**[SALEM MEDIA GROUP, INC.]**, a Delaware corporation, as Administrative Borrower

By \_\_\_\_\_  
Name:  
Title:]<sup>1</sup>

<sup>1</sup> Include to the extent required by Section 13.1(a)(i)(A).

ANNEX FOR ASSIGNMENT AND ACCEPTANCE

ANNEX I

1. Borrowers: **SALEM MEDIA GROUP, INC.**, a Delaware corporation ("Parent"), and its Subsidiaries from time to time party to the Credit Agreement

2. Name and Date of Credit Agreement:

Credit Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among Parent, as parent, Borrowers, the lenders party thereto as "Lenders", and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), as administrative agent for each member of the Lender Group and the Bank Product Providers.

3. Date of Assignment Agreement: \_\_\_\_\_

4. Amounts:

a. Assigned Amount of Revolver Commitment \$ \_\_\_\_\_

b. Assigned Amount of Revolving Loans \$ \_\_\_\_\_

5. Settlement Date: \_\_\_\_\_

6. Purchase Price \$ \_\_\_\_\_

7. Notice and Payment Instructions, etc.

Assignee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Assignor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Summary Page Borrowing Base Certificate

Date \_\_\_\_\_  
Name \_\_\_\_\_

A/R As of: \_\_\_\_\_

The undersigned, Salem Media Group, Inc. ("Parent"), pursuant to that certain Credit Agreement dated as of May 19, 2017 (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the "Credit Agreement"), entered into among Parent, the Subsidiaries of Parent identified on the signature pages of thereof as "Borrowers", those additional entities that thereafter become parties thereto as Borrowers in accordance with the terms thereof by executing the form of Joinder attached thereto as Exhibit J-1 (together with Parent, each a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders signatory thereto from time to time and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as thadministrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns, if any, in such capacity, "Agent"), hereby certifies to Agent that the following items, calculated in accordance with the terms and definitions set forth in the Credit Agreement for such items, are true and correct.

Accounts Receivable and Real Estate

Accounts Receivable Balance per Aging Report Assigned To Wells Fargo Capital Finance	_____
Less Ineligibles (detailed on page 2)	_____
Eligible Accounts Receivable	_____
Accounts Receivable Availability before Sublimit(s)	_____
<b>Net Available Accounts Receivable after Sublimit(s)</b>	<input type="text"/>
Appraised FMV of Real Estate	_____
<b>Net Available Real Estate after Sublimit</b>	<input type="text"/>

Summary & Other Assets

<b>Reserves</b>			
_____			_____
_____			_____
<b>Total Reserves Calculated before the Credit Line</b>			<input type="text" value="—"/>
<b>Total Collateral Availability</b>			<input type="text" value="—"/>
<b>Availability before Reserves</b>	<b>Total Credit Line</b> <u>30,000,000.00</u>	<i>Suppressed Availability</i>	<input type="text" value="—"/>
<b>Reserves</b>			
_____			_____
_____			_____
<b>Total Reserves Calculated after the Credit Line</b>			<input type="text" value="—"/>
<b>Total Availability after Reserves before Loan Balance and LCs</b>			<input type="text" value="—"/>
Letter of Credit Balance	As of: _____		_____
Loan Ledger Balance	As of: _____		_____
<b>Net Availability</b>			<input type="text" value="—"/>



Additionally, the undersigned hereby certifies and represents and warrants to the Lender Group on behalf of the Borrowers that (i) as of the date hereof, each representation or warranty contained in or pursuant to any Loan Document, any agreement, instrument, certificate, document or other writing furnished at any time under or in connection with any Loan Document, and as of the effective date of any advance, continuation or conversion requested above is true and correct in all material respects (except to the extent any representation or warranty expressly related to an earlier date), (ii) each of the covenants and agreements contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), (iii) no Default or Event of Default has occurred and is continuing on the date hereof, nor will any thereof occur after giving effect to the request above, and (iv) all of the foregoing is true and correct as of the effective date of the calculations set forth above and that such calculations have been made in accordance with the requirements of the Credit Agreement.

---

Authorized Signer

**EXHIBIT C-1**

**FORM OF COMPLIANCE CERTIFICATE**

[on Parent's letterhead]

To: Wells Fargo Bank, National Association  
2450 Colorado Avenue, Suite 3000 West  
Santa Monica, California 90404  
Attn: Loan Portfolio Manager

Re: Compliance Certificate dated \_\_\_\_\_, 20\_\_

Ladies and Gentlemen:

Reference is hereby made to that certain Credit Agreement, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among **SALEM MEDIA GROUP, INC.**, a Delaware corporation ("Parent"), the Subsidiaries of Parent identified on the signature pages thereof as "Borrowers", and those additional entities that become parties thereto as Borrowers in accordance with the terms thereof by executing the form of Joinder attached thereto as Exhibit J-1 (each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender" and, collectively, the "Lenders"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity "Agent"). Capitalized terms used herein, but not specifically defined herein, shall have the meanings ascribed to them in the Credit Agreement.

Pursuant to Section 5.1 of the Credit Agreement, the undersigned officer of Parent hereby certifies as of the date hereof that:

1. The financial information of Parent and its Subsidiaries furnished in Schedule 1 attached hereto has been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for year-end audit adjustments and the lack of footnotes), and fairly presents in all material respects the financial condition of Parent, Borrowers and their Subsidiaries as of the date set forth therein.
2. Such officer has reviewed the terms of the Credit Agreement and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and financial condition of Parent and its Subsidiaries during the accounting period covered by the financial statements delivered pursuant to Section 5.1 of the Credit Agreement.
3. Such review has not disclosed the existence on and as of the date hereof, and the undersigned does not have knowledge of the existence as of the date hereof, of any event or condition that constitutes a Default or Event of Default, except for such conditions or events listed on Schedule 2 attached hereto, in each case specifying the nature and period of existence thereof and what action Parent and its Subsidiaries have taken, are taking, or propose to take with respect thereto.

4. Except as set forth on Schedule 3 attached hereto, the representations and warranties of each of Parent and each Borrower set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date.

5. As set forth on Schedule 4 attached hereto is a written report of all new Patents, Trademarks or Copyrights that are registered or the subject of pending applications for registrations, and of all Intellectual Property Licenses that are material to the conduct of each Loan Parties' business, in each case, which were acquired, registered, or for which applications for registration were filed by any Loan Party and any statement of use or amendment to allege use with respect to intent-to-use trademark applications, in each case since the date the last Compliance Certificate was delivered.

6. **[As of the date hereof, Borrowers and their Subsidiaries are in compliance with the applicable covenant contained in Section 7 of the Credit Agreement.]<sup>1</sup>**

7. **[Set forth on Schedule 5 are the calculations of EBITDA and Fixed Charge Coverage Ratio for the accounting period covered by the attached financial information.]<sup>2</sup>**

[Signature page follows.]

---

<sup>1</sup> Paragraphs 6 should not be included in a Compliance Certificate unless a Covenant Testing Period is in effect. "Covenant Testing Period" means a period (a) commencing on the last day of the fiscal month of Parent most recently ended prior to a Covenant Trigger Event for which Borrowers are required to deliver to Agent monthly financial statements pursuant to Schedule 5.1 to this Agreement, and (b) continuing through and including the first day after such Covenant Trigger Event that Availability has equaled or exceeded the greater of (a) 15% of the Maximum Revolver Amount, and (b) \$4,500,000 for 60 consecutive days.

<sup>2</sup> Paragraph 7 only needs to be included in a Compliance Certificate delivered at the end of a fiscal quarter or if a Covenant Testing Period is in effect.

---

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this \_\_\_ day of \_\_\_\_\_, 20\_\_.

**SALEM MEDIA GROUP, INC.,**  
a Delaware corporation, as Parent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO COMPLIANCE CERTIFICATE]

---

**SCHEDULE 1**

**Financial Information**

---

**SCHEDULE 2**

**Default or Event of Default**

---

**SCHEDULE 3**

**Representations and Warranties**

---

**SCHEDULE 4**

**Intellectual Property**



**SCHEDULE 5**

**Financial Covenant<sup>3</sup>**

**I. EBITDA**

(a) Consolidated Net Income	\$ _____
(b)	
(i) Consolidated Interest Charges	\$ _____
(ii) federal, state, local, and foreign income tax expense	
(iii) depreciation and amortization expense	\$ _____
(iv) stock-based compensation expenses which do not represent a cash item	\$ _____
(v) other expenses reducing such Consolidated Net Income which do not represent a cash item in such period	\$ _____
(vi) fees and expenses associated with the Transactions	\$ _____
(vii) fees and expenses incurred in connection with any merger, acquisition or joint venture or disposition	\$ _____
(viii) fees, costs, charges, expenses and other amounts incurred (or required to be reimbursed) with respect to field examinations, audit, valuations or other actions of the Agent or any other member of the Lender Group	\$ _____
(ix) the amount of "run-rate" cost savings, operating expense reductions, other operating improvements and expense reductions and synergies (collectively, the " <u>Cost Savings</u> ") projected by Borrowers in good faith and certified by an authorized officer of the Administrative Borrower in writing to be realized as a result of any merger, acquisition, joint venture, material disposition taken or to be taken by the Borrowers or any of their Subsidiaries and permitted hereunder, which Cost Savings shall be calculated on a pro forma basis as though such Cost Savings had been realized on the first day of such period, net of the amount of actual benefits realized from such actions during such period and not otherwise added back to EBITDA;	\$ _____

<sup>3</sup> The descriptions of the calculations set forth in this certificate are sometimes abbreviated for simplicity, but are qualified in their entirety by reference to the full text of the calculations provided in the Credit Agreement.

---

(c) federal, state, local and foreign income tax credits

(d) all non-cash or non-operating items increasing Consolidated Net Income \$ \_\_\_\_\_

(e) EBITDA (Sum of (a) and (b)(i) through (ix) minus (c) and (d)) \$ \_\_\_\_\_

**II. Minimum Fixed Charge Coverage Ratio**

(a) EBITDA (from (e) above) \$ \_\_\_\_\_

(b) unfinanced Capital Expenditures \$ \_\_\_\_\_

(c) (a) – (b)

(d) \$ \_\_\_\_\_

(i) Consolidated Interest Charges required to be paid (other than interest paid-in-kind, amortization of financing fees, and other non-cash Consolidated Interest Charges) during such period \$ \_\_\_\_\_

(ii) scheduled principal payments in respect of Indebtedness that are required to be paid during such period (including any required payments or prepayments from excess cash flow during such period) \$ \_\_\_\_\_

(iii) all federal, state, and local income taxes required to be paid during such period \$ \_\_\_\_\_

(iv) all Restricted Payments paid (whether in cash or other property, other than common Equity Interests) \$ \_\_\_\_\_

(e) Sum of (d)(i) through (iv) \$ \_\_\_\_\_

Ratio of (c) to (e) \_\_\_\_\_ to 1

Minimum Required 1 to 1

EXHIBIT J-1

[FORM OF] JOINDER AGREEMENT

This JOINDER AGREEMENT (this "Agreement"), is entered into as of \_\_\_\_, \_\_ 20\_\_, by and among \_\_\_\_\_, a \_\_\_\_\_ ("New Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Wells Fargo"), as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Credit Agreement, dated as of May 19, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the lenders identified on the signature pages thereto (each of such lenders, together with its successor and permitted assigns, a "Lender"), Agent, SALEM MEDIA GROUP, INC., a Delaware corporation ("Parent"), and the Subsidiaries of Parent identified on the signature pages thereto as "Borrowers" (together with New Borrower, Parent and those additional Persons that are joined as a party to the Credit Agreement by executing the form of Joinder attached thereto as Exhibit J-1, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the Lender Group has agreed to make or issue Loans, Letters of Credit and other certain financial accommodations thereunder;

**WHEREAS**, initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Credit Agreement;

**WHEREAS**, pursuant to that certain Intercompany Subordination Agreement, dated as of even date with the Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Intercompany Subordination Agreement"), by and among Parent, each of Parent's Subsidiaries listed on the signature pages thereto as an obligor (such Subsidiaries, together with Parent, are referred to hereinafter each individually as a "Obligor", and individually and collectively, jointly and severally, as "Obligors") and Agent, each Obligor has agreed to the subordination of indebtedness of each other Obligor owed to such Obligor on the terms set forth therein;

**WHEREAS**, pursuant to that certain Fee Letter, dated as of even date with the Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Fee Letter"), by and among Borrowers and Agent, each Borrower has agreed to pay certain fees to Agent on the terms set forth therein;

**WHEREAS**, New Borrower is required to become a party to the Credit Agreement by, among other things, executing and delivering this Agreement to Agent; and

**WHEREAS**, New Borrower has determined that the execution, delivery and performance of this Agreement directly benefit, and are within the corporate purposes and in the best interests of, New Borrower, by virtue of the financial accommodations available to New Borrower from time to time pursuant to the terms and conditions of the Credit Agreement.

**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, each of the parties hereto hereby agrees as follow:

1. Joinder of New Borrower to the Credit Agreement. By its execution of this Agreement, New Borrower hereby (a) agrees that from and after the date of this Agreement it shall be a party to the Credit Agreement as a "Borrower" and shall be bound by all of the terms, conditions, covenants, agreements and obligations set forth in the Credit Agreement, (b) accepts joint and several liability for the Obligations pursuant to the terms of the Loan Documents, and (c) confirms that, after giving effect to the supplement to the Schedules to the Credit Agreement provided for in Section 2 below, the representations and warranties contained in Section 4 of the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified by materiality in the context thereof) as they relate to New Borrower as of the date this Agreement. New Borrower hereby agrees that each reference to a "Borrower" or the "Borrowers" in the Credit Agreement and the other Loan Documents shall include New Borrower. New Borrower acknowledges that it has received a copy of the Credit Agreement and the other Loan Documents and that it has read and understands the terms thereof.

2. Updated Schedules. Attached as Exhibit A hereto are supplements to the information contained in each of [Schedules ] to the Credit Agreement revised, which supplements include all information required to be provided therein with respect to New Borrower. From and after the date hereof, all references in any Loan Document to any such Schedule to the Credit Agreement shall mean such Schedule, as amended by Exhibit A attached hereto; provided, that any use of the term "as of the date hereof" or any term of similar import, in any provision of the Credit Agreement relating to New Borrower or any of the information amended by such Schedule hereby, shall be deemed to refer to the date of this Agreement.

3. Joinder of New Borrower to the Intercompany Subordination Agreement. By its execution of this Agreement, New Borrower hereby (a) agrees that from and after the date of this Agreement it shall be an Obligor under the Intercompany Subordination Agreement as if it were a signatory thereto and shall be bound by all of the provisions thereof, and (b) agrees that it shall comply with and be subject to all the terms, conditions, covenants, agreements and obligations set forth in the Intercompany Subordination Agreement. New Borrower hereby agrees that each reference to an "Obligor" or the "Obligors" in the Intercompany Subordination Agreement shall include New Borrower. New Borrower acknowledges that it has received a copy of the Intercompany Subordination Agreement and that it has read and understands the terms thereof.

4. Joinder of New Borrower to the Fee Letter. By its execution of this Agreement, New Borrower hereby (a) agrees that from and after the date of this Agreement it shall be a "Borrower" party to the Fee Letter as if it were a signatory thereto and shall be bound by all of the provisions thereof, and (b) agrees that it shall comply with and be subject to all of the terms, conditions, covenants, agreements and obligations set forth in the Fee Letter applicable to Borrowers. New Borrower hereby agrees that each reference to "Borrower" or "Borrowers" in the Fee Letter shall include New Borrower. New Borrower acknowledges that it has received a copy of the Fee Letter and that it has read and understands the terms thereof.

5. Representations and Warranties of New Borrower. New Borrower hereby represents and warrants to Agent for the benefit of the Lender Group and the Bank Product Providers as follows and on each date as of the date hereof and on each date on which the representations and warranties of the Borrowers are remade pursuant to Section 3.2 of the Credit Agreement:

(a) It (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business in any state where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into this Agreement and the other Loan Documents to which it is made a party and to carry out the transactions contemplated hereby and thereby.

(b) The execution, delivery, and performance by it of this Agreement and any other Loan Document to which New Borrower is made a party (i) have been duly authorized by all necessary action on the part of New Borrower and (ii) do not and will not (A) violate any material provision of federal, state, or local law or regulation applicable to New Borrower or its Subsidiaries, the Governing Documents of New Borrower or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on New Borrower or its Subsidiaries, (B) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material agreement of New Borrower or its Subsidiaries where any such conflict, breach or default could individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (C) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of New Borrower, other than Permitted Liens, (D) require any approval of New Borrower's interestholders or any approval or consent of any Person under any material agreement of New Borrower, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals, the failure to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect, or (E) require any registration with, consent, or approval of, or notice to or other action with or by, any Governmental Authority, other than (i) registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect, (ii) certain filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the date of this Agreement, (iii) the filing of certain Loan Documents with the FCC after the date of this Agreement, and (iv) the prior approval of the FCC, as may be required for the Lenders to exercise certain of their rights with respect to the FCC Licenses and the Stations, as applicable.

(c) This Agreement and each Loan Document to which New Borrower is a party is the legally valid and binding obligation of New Borrower, enforceable against New Borrower in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(d) after giving effect to the supplement to the Schedules to the Credit Agreement provided for in Section 2 above, Joinder No. and the Pledged Interest Addendum, each other representation and warranty applicable to New Borrower as a Borrower under the Loan Documents is true, correct and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof, as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date).

6. Additional Requirements. Concurrent with the execution and delivery of this Agreement, Agent shall have received the following, each in form and substance satisfactory to Agent:

(a) a Joinder No. to the Guaranty and Security Agreement, dated as of the date hereof, by and among New Borrower and Agent (Joinder No. ), together with copies of the original Equity Interest certificates, if any, representing all of the Equity Interests of the Subsidiaries of New Borrower required to be pledged under the Guaranty and Security Agreement and any original promissory notes of New Borrower, accompanied by copies of the undated Equity Interest powers/transfer forms executed in blank, and the same shall be in full force and effect;

(b) a Pledged Interests Addendum by \_\_\_\_\_, a \_\_\_\_\_, dated as of the date hereof, with respect to the pledge of Equity Interest of New Borrower, owned by \_\_\_\_\_, together with copies of the original stock certificates, if any, representing all of the Equity Interests of New Borrower held by \_\_\_\_\_, accompanied by copies of the undated stock powers executed in blank and other proper instruments of transfer, and the same shall be in full force and effect;

(c) appropriate financing statement to be filed in the office of the \_\_\_\_\_ Secretary of State against New Borrower to perfect the Agent's Liens in and to the Collateral of New Borrower;

(d) a certificate from the Secretary of New Borrower, dated as of the date hereof, (i) attesting to the resolutions of New Borrower's [Board of Directors] [Managers] authorizing its execution, delivery, and performance of this Agreement and the other Loan Documents to which New Borrower is or will become a party, (ii) authorizing officers of New Borrower to execute the same, and (iii) attesting to the incumbency and signatures of such specific officers of New Borrower;

(e) a certificate of status with respect to New Borrower, dated as of a recent date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of New Borrower, which certificate shall indicate that New Borrower is in good standing in such jurisdiction;

(f) certificates of status with respect to New Borrower, dated as of a recent date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of New Borrower) in which the failure to be duly qualified or licensed would constitute a Material Adverse Effect, which certificates shall indicate that New Borrower is in good standing in such jurisdictions;

(g) copies of New Borrower's Governing Documents, as amended, modified or supplemented to the date hereof, certified by the Secretary of New Borrower; and

(h) evidence that New Borrower has been added to the Loan Parties' existing insurance policies required by Section 5.6 of the Credit Agreement;

(i) a customary opinion of counsel regarding such matters as to New Borrower as Agent or its counsel may reasonably request, and which is otherwise in form and substance reasonably satisfactory to Agent (it being understood that such opinion shall be limited to this Agreement, and the documents executed or delivered in connection herewith (including the financing statement filed against New Borrower); and

(j) such other agreements, instruments, approvals or other documents requested by Agent prior to the date hereof in order to create, perfect and establish the first priority of, or otherwise protect, any Lien purported to be covered by any Loan Document or otherwise to effect the intent that New Borrower shall become bound by all of the terms, covenants and agreements contained in the Loan Documents and that, to the extent set forth in the Credit Agreement and the Guaranty and Security Agreement, all property and assets of New Borrower shall become Collateral for the Obligations.

Notwithstanding anything herein to the contrary, prior to the Discharge of Notes Obligations (as defined in the Intercreditor Agreement), the requirements of this Agreement to deliver stock certificates and stock powers to Agent shall be deemed satisfied by delivery of such original stock certificates and stock powers to Senior Secured Note Agent (as bailee for Agent as provided in the Intercreditor Agreement).

7. Further Assurances. At any time upon the reasonable request of Agent, New Borrower shall promptly execute and deliver to Agent such Additional Documents as Agent shall reasonably request pursuant to the Credit Agreement and the other Loan Documents, in each case in form and substance reasonably satisfactory to Agent.

8. Notices. Notices to New Borrower shall be given in the manner set forth for Borrowers in Section 11 of the Credit Agreement.

9. Choice of Law and Venue; Jury Trial Waiver; Judicial Reference. THIS AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 12 OF THE CREDIT AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

10. Binding Effect. This Agreement shall be binding upon New Borrower, and the other Loan Parties and shall inure to the benefit of the Agent and the Lenders, together with their respective successors and permitted assigns.

11. Effect on Loan Documents.

(a) Except as contemplated to be supplemented by this Agreement, Joinder No. and the Pledged Interests Addendum, the Credit Agreement, the Fee Letter, the Intercompany Subordination Agreement and each other Loan Document shall continue to be, and shall remain, in full force and effect. Except as expressly contemplated hereby, this Agreement shall not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of any other term or condition of the Credit Agreement, the Fee Letter, the Intercompany Subordination Agreement or any of the instruments or agreements referred to therein, as the same may be amended or modified from time to time.

(b) Each reference in the Credit Agreement and the other Loan Documents to "Borrower", "Obligor" or words of like import referring to a Borrower or an Obligor shall include and refer to New Borrower and (b) each reference in the Credit Agreement, the Fee Letter, the Intercompany Subordination Agreement or any other Loan Document to this "Agreement", "hereunder", "herein", "hereof", "thereunder", "therein", "thereof", or words of like import referring to the Credit Agreement, the Fee Letter, the Intercompany Subordination Agreement or any other Loan Document shall mean and refer to such agreement as supplemented by this Agreement, Joinder No. and the Pledged Interests Addendum.

12. Miscellaneous

(a) This Agreement is a Loan Document. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be equally effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic image scan transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the

---

remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

(c) Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

(d) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against any member of the Lender Group or New Borrower, whether under any rule of construction or otherwise. This Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

(e) The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto.

(f) This Agreement shall be subject to the rules of construction set forth in Section 1.4 of the Credit Agreement, and such rules of construction are incorporated herein by this reference, *mutatis mutandis*.

[remainder of this page intentionally left blank]



---

IN WITNESS WHEREOF, New Borrower and Agent have caused this Agreement to be duly executed by its authorized officer as of the day and year first above written.

**NEW BORROWER:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO JOINDER AGREEMENT]

**AGENT:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
a national banking association

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[SIGNATURE PAGE TO JOINDER AGREEMENT]



---

**SCHEDULE 4.1(b)**

**CAPITALIZATION OF BORROWERS**

---

**SCHEDULE 4.1(c)**

**CAPITALIZATION OF BORROWERS' SUBSIDIARIES**

**EXHIBIT L-1**

**FORM OF LIBOR NOTICE**

Wells Fargo Bank, National Association, as Agent  
under the below referenced Credit Agreement  
2450 Colorado Avenue, Suite 3000 West  
Santa Monica, California 90404  
Attn: Loan Portfolio Manager

Ladies and Gentlemen:

Reference is hereby made to that certain Credit Agreement, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among **SALEM MEDIA GROUP, INC.**, a Delaware corporation ("Parent"), the Subsidiaries of Parent identified on the signature pages thereof as "Borrowers", and those additional entities that become parties thereto as Borrowers in accordance with the terms thereof by executing the form of Joinder attached thereto as Exhibit J-1 (each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender" and, collectively, the "Lenders"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity "Agent"). Capitalized terms used herein, but not specifically defined herein, shall have the meanings ascribed to them in the Credit Agreement.

This LIBOR Notice represents Borrowers' request to elect the LIBOR Option with respect to outstanding Revolving Loans in the amount of \$ (the "LIBOR Rate Advance"), and is a written confirmation of the telephonic notice of such election given to Agent].

The LIBOR Rate Advance will have an Interest Period of [1, 2, 3, 6] month(s) commencing on .

Administrative Borrower represents and warrants that (i) as of the date hereof, the representations and warranties of each of Parent and each Borrower contained in the Credit Agreement and in the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date)), (ii) each of the covenants and agreements

contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), and (iii) no Default or Event of Default has occurred and is continuing on the date hereof, nor will any thereof occur after giving effect to the request above.

[signature pages follow]

---

Dated: \_\_\_\_\_

**SALEM MEDIA GROUP, INC.**, a Delaware corporation, as  
Administrative Borrower

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[SIGNATURE PAGE TO LIBOR NOTICE]



EXHIBIT P-1

[FORM OF] PERFECTION CERTIFICATE

Reference is hereby made to (a) that certain Credit Agreement, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., a Delaware corporation ("Parent"), each of the Parent's corporate subsidiaries identified on Exhibit A attached hereto (the "Corporate Subsidiaries"), each of the Parent's limited liability company subsidiaries identified on Exhibit B attached hereto (the "LLC Subsidiaries"), Eagle Products, LLC, a Delaware limited liability company ("Eagle"), and those additional entities that become parties thereto as Borrowers in accordance with the terms thereof by executing the form of Joinder attached thereto as Exhibit J-1 (together with Parent, the Corporate Subsidiaries, the LLC Subsidiaries and Eagle, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender" and, collectively, the "Lenders"), and Wells Fargo Bank, National Association, a national banking association ("Wells Fargo"), as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns "Administrative Agent") and as lead arranger, (b) that certain Indenture, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Parent, each of the Parent's subsidiaries that are signatories thereto, as "Guarantors", and U.S. Bank National Association as "Trustee", (c) that certain Guaranty and Security Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Guaranty and Security Agreement") by and among Parent, Borrowers and the Subsidiaries of Borrowers party thereto (each, a "Grantor" and collectively, the "Grantors"), and Administrative Agent, and (d) that certain Security Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Notes Security Agreement") by and among Parent, Borrowers and the Subsidiaries of Borrowers party thereto and U.S. Bank National Association as "Collateral Agent" (together with the Administrative Agent, the "Agents") (together with the Guaranty and Security Agreement, the "Security Agreements").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Credit Agreement. Any terms (whether capitalized or lower case) used in this Perfection Certificate that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein or in the Credit Agreement; provided that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. As used herein, the term "Loan Parties" shall mean the "Loan Parties" as that term is defined in the Credit Agreement and "Code" shall mean the "Code" as that term is defined in the Security Agreements.

The undersigned, the Chief Financial Officer of the Parent, the Corporate Subsidiaries, Carbon Broadcasting, Inc., an Ohio corporation, in its capacity as Manager of Eagle (the "Eagle Manager") and SCA License Corporation, a Delaware corporation, in its capacity as Manager of the LLC Subsidiaries (the "LLC Manager"), hereby certifies in my capacity as Chief Financial Officer and not in my individual capacity to Agents and each of the other members of the Lender Group and the Bank Product Providers as follows as of May 19, 2017:

1. Names.

(a) The exact legal name of each Loan Party, as such name appears in its certified certificate of incorporation, articles of incorporation, certificate of formation, or any other organizational document, is set forth in Schedule 1(a). Each Loan Party is (i) the type of entity disclosed next to its

name in **Schedule 1(a)** and (ii) a registered organization except to the extent disclosed in **Schedule 1(a)**. Also set forth in **Schedule 1(a)** is the organizational identification number, if any, of each Loan Party that is a registered organization, the Federal Taxpayer Identification Number of each Loan Party and the jurisdiction of formation of each Loan Party. Each Loan Party has qualified to do business in the states listed on **Schedule 1(a)**.

(b) Set forth in **Schedule 1(b)** hereto is a list of any other legal names each Loan Party has had in the past five years, together with the date of the relevant name change.

(c) Set forth in **Schedule 1(c)** is a list of all other names used by each Loan Party in connection with any business or organization to which such Loan Party became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise or on any filings with the Internal Revenue Service, in each case, at any time in the past five years. Except as set forth in **Schedule 1(c)**, no Loan Party has changed its jurisdiction of organization at any time during the past four months.

2. **Chief Executive Offices.** The chief executive office of each Loan Party is located at the address set forth in **Schedule 2** hereto.

3. **Real Property.**

(a) Attached hereto as **Schedule 3(a)** is a list of all (i) Real Property (as defined in the Security Agreements) of each Loan Party, (ii) filing offices for any mortgages to encumber the Real Property pursuant to the Loan Documents, (iii) common names, addresses and uses of each parcel of Real Property (stating improvements located thereon) and (iv) other information relating thereto required by such Schedule. Except as described on **Schedule 3(a)** attached hereto: (A) no Loan Party has entered into any leases, subleases, tenancies, franchise agreements, licenses or other occupancy arrangements as owner, lessor, sublessor, licensor, franchisor or grantor with respect to any of the real property described on **Schedule 3(a)** and (B) no Loan Party has any leases which require the consent of the landlord, tenant or other party thereto to the transactions contemplated by the Loan Documents. The legal descriptions of real property to be encumbered by a mortgage pursuant to the Loan Documents shall be attached to the recorded mortgage thereof.

(b) **Schedule 3(b)** sets forth all third parties ("Bailees") with possession of any Collateral (including inventory and equipment) of the Loan Parties, including the name and address of such Bailee, a description of the inventory and equipment in such Bailee's possession and the location of such inventory and equipment (if none please so state).

4. **Extraordinary Transactions.** Except for those purchases, mergers, acquisitions, consolidations, and other transactions described on **Schedule 4** attached hereto, all of the Collateral has been originated by each Loan Party in the ordinary course of business or consists of goods which have been acquired by such Loan Party in the ordinary course of business from a person in the business of selling goods of that kind.

5. **Stock Ownership and Other Equity Interests.** Attached hereto as **Schedule 5(a)** is a true and correct list of each of all of the authorized, and the issued and outstanding, Equity Interests of each Loan Party and its Subsidiaries and the record and beneficial owners of such Equity Interests. Also set forth on **Schedule 5(a)** is each equity investment of each Loan Party that represents 50% or less of the equity of the entity in which such investment was made. Attached hereto as **Schedule 5(b)** is a true and correct organizational chart of Parent, Borrowers and their Subsidiaries.

6. Instruments and Chattel Paper. Attached hereto as **Schedule 6** is a true and correct list of all promissory notes, instruments (other than checks to be deposited in the ordinary course of business), tangible chattel paper, electronic chattel paper and other evidence of Indebtedness held by each Loan Party as of the date hereof having an aggregate value or face amount in excess of \$1,000,000, including all intercompany notes between or among any two or more Loan Parties or any of their Subsidiaries.

7. Intellectual Property.

(a) **Schedule 7(a)** provides a complete and correct list of all registered Copyrights (as defined in the Security Agreements) owned by any Loan Party, all applications for registration of Copyrights owned by any Loan Party, and all other Copyrights owned by any Loan Party and material to the conduct of the business of any Loan Party. **Schedule 7(a)** provides a complete and correct list of all Patents (as defined in the Security Agreements) owned by any Loan Party and all applications for Patents owned by any Loan Party. **Schedule 7(a)** provides a complete and correct list of all registered Trademarks (as defined in the Security Agreements) owned by any Loan Party, all applications for registration of Trademarks owned by any Loan Party, and all other Trademarks owned by any Loan Party and material to the conduct of the business of any Loan Party.

(b) **Schedule 7(b)** provides a complete and correct list of all Intellectual Property Licenses (as defined in the Security Agreements) entered into by any Loan Party pursuant to which (i) any Loan Party has provided any license or other rights in Intellectual Property (as defined in the Security Agreements) owned or controlled by such Loan Party to any other Person (other than non-exclusive software licenses granted in the ordinary course of business) or (ii) any Person has granted to any Loan Party any license or other rights in Intellectual Property owned or controlled by such Person that is material to the business of such Loan Party, including any Intellectual Property that is incorporated in any Inventory, software, or other product marketed, sold, licensed, or distributed by such Loan Party;

8. Commercial Tort Claims. Attached hereto as **Schedule 8** is a true and correct list of all commercial tort claims that exceed \$1,000,000 held by each Loan Party, including a brief description thereof.

9. Deposit Accounts and Securities Accounts. Attached hereto as **Schedule 9** is a true and complete list of all Deposit Accounts and Securities Accounts (each as defined in the Security Agreements) maintained by each Loan Party, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account.

10. Letter-of-Credit Rights. Attached hereto as **Schedule 10** is a true and correct list of all letters of credit issued in favor of any Loan Party, as beneficiary thereunder, having an aggregate value or face amount in excess of \$1,000,000.

11. Other Assets: A Loan Party owns the following kinds of assets:

Aircraft:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Vessels, boats or ships:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Railroad rolling stock:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Motor Vehicles or other similar titled collateral:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

---

If the answer is yes to any of these other types of assets, please describe on **Schedule 11**.

12. **Special Grantors.** Except as specifically identified on **Schedule 12**, none of the Loan Parties is a: (i) primarily engaged in farming operations (as defined in Section 9-102(a)(35)), (ii) a trust, (iii) a foreign air carrier within the meaning of the federal aviation act of 1958, as amended, (iv) a branch or agency of a bank which bank is not organized under the law of the United States or any state thereof or (v) located (within the meaning of Section 9-307) in the Commonwealth and Puerto Rico. Each Loan Party identified on Schedule 12 may be a “transmitting utility” (as defined in Section 9-102(a)(80) of the UCC) and the jurisdictions for filing listed next to such Loan Party’s name on Schedule 12 are the jurisdictions for “transmitting utility” filings that would be required to be made with respect to such Loan Party if it were a transmitting utility in order to perfect Agent’s security interest in the fixtures of such Loan Party by fixture filing.

[The Remainder of this Page has been intentionally left blank]

IN WITNESS WHEREOF, we have hereunto signed this Perfection Certificate as of this day of , 20 .

**PARENT:**

**SALEM MEDIA GROUP, INC.**, a Delaware corporation

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

**BORROWERS:**

**AIR HOT, INC.  
BISON MEDIA, INC.  
CARON BROADCASTING, INC.  
COMMON GROUND BROADCASTING, INC.  
INSPIRATION MEDIA, INC.  
NEW INSPIRATION BROADCASTING COMPANY, INC.  
NI ACQUISITION CORP.  
PENNSYLVANIA MEDIA ASSOCIATES, INC.  
REACH SATELLITE NETWORK, INC.  
SALEM CONSUMER PRODUCTS, INC.  
SALEM COMMUNICATIONS HOLDING CORPORATION  
SALEM MEDIA OF COLORADO, INC.  
SALEM MEDIA OF HAWAII, INC.  
SALEM MEDIA OF KENTUCKY, INC.  
SALEM MEDIA OF OHIO, INC.  
SALEM MEDIA OF OREGON, INC.  
SALEM MEDIA OF TEXAS, INC.  
SALEM MEDIA OF VIRGINIA, INC.  
SALEM MEDIA REPRESENTATIVES, INC.  
SALEM PUBLISHING, INC.  
SALEM RADIO NETWORK INCORPORATED  
SALEM RADIO PROPERTIES, INC.  
SCA LICENSE CORPORATION  
SOUTH TEXAS BROADCASTING, INC.  
SRN NEWS NETWORK, INC.  
SRN STORE, INC.**

By: /s/ Evan D. Masyr  
Name: Evan D. Masyr  
Title: Chief Financial Officer

[SIGNATURE PAGES CONTINUE]

**BORROWERS:**

**INSPIRATION MEDIA OF TEXAS, LLC  
SALEM MEDIA OF ILLINOIS, LLC  
SALEM MEDIA OF MASSACHUSETTS, LLC  
SALEM MEDIA OF NEW YORK, LLC  
SALEM RADIO OPERATIONS, LLC  
SALEM SATELLITE MEDIA, LLC  
SALEM WEB NETWORK, LLC  
SCA-PALO ALTO, LLC**

BY: SCA LICENSE CORPORATION,  
ITS MANAGER

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

**EAGLE PRODUCTS, LLC**

BY: CARON BROADCASTING, INC.,  
ITS MANAGER

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

---

**EXHIBIT A**

**CORPORATE SUBSIDIARIES**

AIR HOT, INC.  
BISON MEDIA, INC.  
CARON BROADCASTING, INC.  
COMMON GROUND BROADCASTING, INC.  
INSPIRATION MEDIA, INC.  
NEW INSPIRATION BROADCASTING COMPANY, INC.  
NI ACQUISITION CORP.  
PENNSYLVANIA MEDIA ASSOCIATES, INC.  
REACH SATELLITE NETWORK, INC.  
SALEM CONSUMER PRODUCTS, INC.  
SALEM COMMUNICATIONS HOLDING CORPORATION  
SALEM MEDIA OF COLORADO, INC.  
SALEM MEDIA OF HAWAII, INC.  
SALEM MEDIA OF KENTUCKY, INC.  
SALEM MEDIA OF OHIO, INC.  
SALEM MEDIA OF OREGON, INC.  
SALEM MEDIA OF TEXAS, INC.  
SALEM MEDIA OF VIRGINIA, INC.  
SALEM MEDIA REPRESENTATIVES, INC.  
SALEM PUBLISHING, INC.  
SALEM RADIO NETWORK INCORPORATED  
SALEM RADIO PROPERTIES, INC.  
SCA LICENSE CORPORATION  
SOUTH TEXAS BROADCASTING, INC.  
SRN NEWS NETWORK, INC.  
SRN STORE, INC.

---

**EXHIBIT B**

**LLC SUBSIDIARIES**

INSPIRATION MEDIA OF TEXAS, LLC  
SALEM MEDIA OF ILLINOIS, LLC  
SALEM MEDIA OF MASSACHUSETTS, LLC  
SALEM MEDIA OF NEW YORK, LLC  
SALEM RADIO OPERATIONS, LLC  
SALEM SATELLITE MEDIA, LLC  
SALEM WEB NETWORK, LLC  
SCA-PALO ALTO, LLC



**Schedule 1(a)**  
**Legal Names, Etc.**

<u>Legal Name</u>	<u>Type of Entity</u>	<u>Registered Organization (Yes/No)</u>	<u>Organizational Number</u>	<u>Federal Taxpayer Identification Number</u>	<u>Jurisdiction of Formation</u>	<u>States Where Qualified to do Business*1</u>
Salem Media Group, Inc.	Corporation	Yes	2351582	77-0121400	DE	CA*, IN, WA
Air Hot, Inc.	Corporation	Yes	4632228	80-0316086	DE	CA, CO, MN, NJ, NY, TX, VA*
Bison Media, Inc.	Corporation	Yes	19961049899	77-0434654	CO	TX*, WA
Caron Broadcasting, Inc.	Corporation	Yes	968648	77-0439370	OH	AZ, CA, DC, FL, KY, MI, MD, MO, NC, OR, SC*, TN, VA, WA
Common Ground Broadcasting, Inc.	Corporation	Yes	209090-81	93-1079989	OR	AZ*, FL, MN, OH, WA
Eagle Products, LLC	Limited Liability Company	Yes	5456971	32-0427053	DE	D.C.*, WA
Inspiration Media, Inc.	Corporation	Yes	2-378992-8	77-0132974	WA	TX
Inspiration Media of Texas, LLC	Limited Liability Company	Yes	07085781-22	75-2615876	TX	
New Inspiration Broadcasting Company, Inc.	Corporation	Yes	C0854634	95-3356921	CA	UT, WA

<sup>1</sup> \*\*\* Jurisdictions in which failure to be duly qualified or licensed would constitute a Material Adverse Effect.

NI Acquisition Corp.	Corporation	Yes	C2032267	77-0472233	CA
Pennsylvania Media Associates, Inc.	Corporation	Yes	1546025	94-3134636	PA FL, GA, MA*, MI, NE KY
Reach Satellite Network, Inc.	Corporation	Yes	0248743	62-1499223	TN VA
Salem Consumer Products, Inc.	Corporation	Yes	4384090	26-0592055	DE CA*, VA
Salem Communications Holding Corporation	Corporation	Yes	3231850	52-2253737	DE AZ, CA*, FL, IN, KY, MD, NC, NV, OK, OR, TN, VA, WA
Salem Media of Massachusetts, LLC	Limited Liability Company	Yes	4468736	26-1524392	DE IL*, KY, MA, MN, OH
Salem Media of Colorado, Inc.	Corporation	Yes	19931082450	84-1239646	CO
Salem Media of Hawaii, Inc.	Corporation	Yes	3039118	91-1973005	DE HI*
Salem Media of Illinois, LLC	Limited Liability Company	Yes	3333936	52-2295222	DE FL, IL*, NE, TX
Salem Media of Kentucky, Inc.	Corporation	Yes	0473858	61-1346985	KY
Salem Media of New York, LLC	Limited Liability Company	Yes	3333898	52-2293254	DE NJ, NY*, OR
Salem Media of Ohio, Inc.	Corporation	Yes	579033	95-3690954	OH
Salem Media of Oregon, Inc.	Corporation	Yes	033167-83	77-0114986	OR
Salem Media of Texas, Inc.	Corporation	Yes	01319897-00	77-0379125	TX
Salem Media of Virginia, Inc.	Corporation	Yes	0488450-8	54-1927897	VA D.C., MD

Salem Media Representatives, Inc.	Corporation	Yes	01195013-00	77-0281576	TX	AL, AZ, CA, GA, IL, MI, MN, MO, NC, NE, NJ, NY, SC, WA
Salem Publishing, Inc.	Corporation	Yes	0222737	95-3394730	TN	CA, CO, FL, GA, IL, KY, NC, SC, TX
Salem Radio Network Incorporated	Corporation	Yes	2290095	77-0305542	DE	CA, CO, KY, LA, MO, MS, NC, NY, OH, TN, TX*, VA, WA
Salem Radio Operations, LLC	Limited Liability Company	Yes	3356549	77-0581097	DE	
Salem Radio Properties, Inc.	Corporation	Yes	3058511	52-2194731	DE	AZ, CA, CO, FL, GA, HI, IA, IL, IN, KY, MD, NE, OH, PA, SC, TX*, VA, WA
Salem Satellite Media, LLC	Limited Liability Company	Yes	3399935	52-2324849	DE	VA*
Salem Web Network, LLC	Limited Liability Company	Yes	2988989	52-2141739	DE	AL, AZ, CA, CO, FL, GA, IL, IN, MA, MD, MI, MO, NH, NJ, NY, NV, NC, OH, OK, PA, SC, TN*, TX, VA*, WA, WI, WV
SCA License Corporation	Corporation	Yes	3258707	52-2255733	DE	CA*, CO, FL, IL, KY, MA, MN, NJ, NY, OH, VA
SCA-Palo Alto, LLC	Limited Liability Company	Yes	3543669	36-4502016	DE	CA*
South Texas Broadcasting, Inc.	Corporation	Yes	0132756600	77-0388924	TX	AR, FL, GA*, MN, NC, NY, VA
SRN News Network, Inc.	Corporation	Yes	0139401300	77-0426090	TX	D.C., VA
SRN Store, Inc.	Corporation	Yes	801830764	46-3434092	TX	

---

**Schedule 1(b)**

**Prior Names**

<b><u>Loan Party/Subsidiary</u></b>	<b><u>Prior Name</u></b>	<b><u>Date of Change</u></b>
Salem Media Group, Inc.	Salem Communications Corporation	2/19/2015
Salem Media of Massachusetts, LLC	Salem Media Group, LLC	10/28/2015

**Schedule 1(e)**

**Changes in Corporate Identity; Other Names**

<b><u>Loan Party/Subsidiary</u></b>	<b><u>Name of Entity</u></b>	<b><u>Action</u></b>	<b><u>Date of Action</u></b>	<b><u>State of Formation</u></b>	<b><u>List of All Other Names Used on Any Filings with the Internal Revenue Service During Past Five Years</u></b>
Salem Media of Massachusetts, LLC	Salem Media Group, LLC	Name Change	10/28/2015	DE	None
Salem Media Group, Inc.	Salem Communications Corporation	Name Change	2/19/2015	DE	None

---

**Schedule 2**

**Chief Executive Offices**

<b><u>Loan Party/Subsidiary</u></b>	<b><u>Address</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Salem Media Group, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Air Hot, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Bison Media, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Caron Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Common Ground Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Eagle Products, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Inspiration Media, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Inspiration Media of Texas, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
New Inspiration Broadcasting Company, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
NI Acquisition Corp.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Pennsylvania Media Associates, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Reach Satellite Network, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Consumer Products, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA

---

Salem Communications Holding Corporation	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Massachusetts, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Colorado, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Hawaii, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Illinois, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Kentucky, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of New York, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Ohio, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Oregon, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Texas, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media of Virginia, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Media Representatives, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Publishing, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Radio Network Incorporated	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Radio Operations, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Radio Properties, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA

---

Salem Satellite Media, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
Salem Web Network, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
SCA License Corporation	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
SCA-Palo Alto, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
South Texas Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
SRN News Network, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA
SRN Store, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	Ventura	CA



**Schedule 3(a)**

**Real Property**

**I. Owned Real Property**

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	4880 Santa Rosa Road, Camarillo, CA  Ventura County, CA	Office	Office	Yes	Ventura County Clerk's Office	No
Salem Radio Properties, Inc.	70 Salem Turnpike, Saugus, MA  Essex County, MA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	3700 Hazel Ave. (aka 3700 Dix), Lincoln Park, MI  Wayne County, MI	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	3201 Mt Troy Rd/Lot & Block 117-P-30, Reserve Township, Pittsburgh, PA  Allegheny County, PA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	3366 Pleasant Valley Road, Seven Hills, OH  Cuyahoga County, OH	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	9446 Broadview Road, Broadview Heights (Cleveland), OH  Cuyahoga County, OH	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1377 Salt Springs Road, Warren, OH  Trumbull County, OH	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	4623 Corydon Pike, New Albany, IN  Floyd County, IN	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	3505 & 3509 Hamburg Pike, Jeffersonville, IN  Clark County, IN	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	3000 Colfax Rd (aka 6500 29th Griffith, & 6600 W 29th) Griffith & Gary, IN  Lake County, IN	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	2355 Ballard Road (aka 711 Forest Edge Lane) Des Plaines, IN  Cook County, IL	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	South of 167 <sup>th</sup> Street, Lockport, IL  Will County, IL	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	8214 Old Pond Creek Road, Pegram, TN  Davidson County, TN	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	322 Radio Tower Ln (aka Porterfield Rd), Readyville, TN  Cannon County, TN	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	14775 Downing Street, Dover, FL  Hillsborough County, FL	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	5211 W. Laurel Street, Tampa, FL  Hillsborough County, FL	Office	Office	No		No
Salem Radio Properties, Inc.	.9 miles N of Fre 54 and Meadow Brook Dr., Odessa, FL  Pasco County, FL	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1000 Harbor Lake Dr., Industrial Park, Safety Harbor, FL  Pinnellas Park, FL	Land Only	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1000 Harbor Lake Dr., Industrial Park, Safety Harbor, FL  Pinnellas Park, FL	Building Only	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	9549 Fruitville Rd. (aka 2200 Dog Kennel Rd), Sarasota, FL Sarasota County, FL	Land Only	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	2000 Cheshire Bridge Road, Atlanta, Edgewood GA Fulton County, GA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1188 Lake View, Altamonte Springs, FL Seminole County, FL	Office	Office	No	N/A	No
Salem Radio Properties, Inc.	1770 Sheeler Ave., Apopka, FL Orange County, FL	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1550 E. 58th Avenue (at N. Franklin Street), Commerce City, CO Adams County, CO	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	4580 Airport Road, Colorado Springs, CO  El Paso County, CO	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1600 Longstreet Drive, Riverview Industrial Park (Lot 8,9,10), Lewisville, TX  Denton County, TX	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	Industrial Center Road near 111410 and Perrin-Beitel Road, San Antonio, TX  Bexar County, TX	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	755 Show Case (aka S. Orange Show Rd)  San Bernardino, CA  San Bernardino County, CA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	1154-1160 N. King Street, Honolulu (Oahu) HI  Honolulu County, HI	Office	Office	Yes	State of Hawaii Bureau of Conveyances	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	5700 South 36 <sup>th</sup> St. (W of Gifford Rd, S of Rt 92/275), Council Bluffs, IA Pottawattamie County, IA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	4650 El Reposo Dr. (aka 4970 Wawona St) Los Angeles, CA Los Angeles County, CA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	642 Parrish Lane, McEwen, TN Humphreys County, TN	Undeveloped Land	Transmitter Land	No	N/A	No
Salem Radio Properties, Inc.	3116 St. Augustine Road, Dallas, TX Dallas County, TX	Undeveloped Land	Transmitter Land	No	N/A	No
Salem Radio Properties, Inc.	1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA Walton County, GA	Transmitter	Transmitter Building, Antenna and Equipment	Yes	Walton County Clerk of the Superior Court - Real Estate Division	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	Piney Grove Rd & Bullock Trail, Loganville, GA Walton County, GA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	Minnis Rd & Farm to Market 902, Collinsville, TX Grayson County, TX	Transmitter	Transmitter Building, Antenna and Equipment	Yes	Grayson County Clerk's Office	No
Salem Radio Properties, Inc.	5701 Bruton Road, Dallas, TX Dallas County, TX	Land	Transmitter building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	10426 Cemetery Road (aka 10426 196 <sup>th</sup> Street SW), Vashon Island, WA King County, WA	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	Muth Valley Rd, Lakeside, CA San Diego County, CA	Undeveloped Land	Transmitter Land	No	N/A	No



<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	Buffalo Lane & County Rd #58 (18200 S 180th Springfield) Springfield, NE Sarpy County, NE	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	6424Hartman Ave. @ 64th St., Omaha, NE Douglas County, NE	Transmitter	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	6611 Country Road, McKinney, TX Collin County, TX	Land	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	Vacant Land (Longden Ave East of Myrtle Ave), Covina, CA Los Angeles County, CA	Undeveloped Land	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	9490 Braun Road, San Antonio, TX Bexar County, TX	Land	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	6400 N. Beltline Road, Irving, TX  Dallas County, TX	Office	Office	Yes	Dallas County Clerk - Recording Division	No
Salem Radio Properties, Inc.	6839 W. Farmer Road, Phoenix, AZ  Maricopa County, AZ	Land	Transmitter, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	11430 Gandy Blvd., St. Petersburg, FL  Pinellas County, FL	Land	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	350 NE 71 <sup>st</sup> Street, Miami, FL  Miami-Dade, FL	Land	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	4297 Sanders Road, Powder Springs, GA  Cobb County, GA	Land	Transmitter Building, Antenna and Equipment	No	N/A	No

<u>Loan Party</u>	<u>Common Name and Address</u>	<u>Purpose/Use</u>	<u>Improvements Located on Real Property</u>	<u>To be Encumbered by Mortgage</u>	<u>Filing Office for Mortgage</u>	<u>Option to Purchase/ Right of First Refusal</u>
Salem Radio Properties, Inc.	546 Schlucter Germaine Road, Belleville, IL St. Clair County, IL	Land	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	917 Lilac Drive, North, Golden Valley, MN Hennepion, MN	Land	Transmitter Building, Antenna and Equipment	No	N/A	No
Salem Radio Properties, Inc.	889 Agnew Road, Baldwin, PA Allegheny County, PA	Land	Transmitter Building, Antenna and Equipment	No	N/A	No

## II. Leases

<u>ENTITY</u>	<u>LEASED PREMISES ADDRESS</u>	<u>LANDLORD</u>
Salem Media Group, Inc.	162 Aviator Place, Camarillo, CA 93012	MKL Properties
Salem Radio Network Incorporated	1820 Eastlake Avenue, 1st Floor, Seattle, WA 98102	Bonneville Int'l Corp
Salem Radio Properties, Inc.	23830 Pacific Highway South, Kent, WA 98032	Mulvaney Group
Salem Communications Holding Corporation	3100 John Hinkle Place, Bloomington, IN 47408	Gallagher Property Mgt
Salem Media of Virginia, Inc.	1735 N Lynn Street, 5th Floor, Arlington, VA 22909	TMG International Place
Pennsylvania Media Associates, Inc.	500 Victory Road in Marina Bay, Quincy, MA 02171	500 Victory Road Limited
Salem Media of New York, LLC	111 Broadway, New York, NY 10006	Clear Channel Communications
Pennsylvania Media Associates, Inc.	875 Greentree Rd, Pittsburgh, PA 15220	PWC Pitt, LLC
New Inspiration Broadcasting Company, Inc.	One Fremont Pl, 39650 Liberty St, Fremont, CA 94538	Shapell Properties
Salem Media of Ohio, Inc.	8101 North High Street, Columbus, OH 43235	PNL Ohio LLC
Caron Broadcasting, Inc.	12250 Weber Hill Road, St. Louis, MO 63127	Weber Hill Investments
Reach Satellite Network, Inc.	312 South Church Street, Murfreesboro, TN 37130	Leonard Anderson
Caron Broadcasting, Inc.	1990 Main Street, Office #703, Sarasota, FL 34236	HQ Global dba Regus
South Texas Broadcasting, Inc.	2970 Peachtree NW , Atlanta, GA 30305	TSO Buckhead Centre
Bison Media, Inc.	7150 Campus Drive, Colorado Springs, CO 80920	SW 7150 Campus Dr
South Texas Broadcasting, Inc.	6161 Savoy Drive, Houston, TX 770376	ARI, Inc
Salem Media of Illinois, LLC	1916 Gulfway Drive / Hwy 124, Winnie, TX 77665	Winnie Wash & Storage
New Inspiration Broadcasting Company, Inc.	500 E Esplanade Drive, Oxnard, CA 93036	Duesenberg Investment Co
South Texas Broadcasting, Inc.	415 North McKinley St., Little Rock, AR 72205	Plaza West Properties
Salem Media of Illinois, LLC	11717 Burt Street, Omaha, NE 68154	11717 LLC
Salem Media of Oregon, Inc.	6400 SE Lake Road, Milwaukie, OR 97222 (Portland)	Cruise 224, LLC
New Inspiration Broadcasting Company, Inc.	9255 Towne Centre Drive, San Diego, CA 92121	dba La Jolla Centre II LLC
Salem Media of Kentucky, Inc.	9960 Corporate Campus Dr., Louisville, KY 40223	Fenley Portfolio Trust
Inspiration Media, Inc.	705 Union Station Bldg, Seattle, WA 98104	705 Union Station
New Inspiration Broadcasting Company, Inc.	1425/1435 River Park Drive, Sacramento, CA 95815	Point West Corp. Plaza
New Inspiration Broadcasting Company, Inc.	625 The City Drive , Orange, CA 92868	BRE CA Office Owner LLC
South Texas Broadcasting, Inc.	2301 Lucien Way, Maitland, FL 32751	CRP-Colonnades, LLC
New Inspiration Broadcasting Company, Inc.	701 N Brand Boulevard, Glendale, CA 91203	California Credit Union
Salem Web Network, LLC	111 Virginia St., Richmond, VA 23219	JPMCC

Caron Broadcasting, Inc.  
Salem Media Representatives, Inc.  
Pennsylvania Media Associates, Inc.

Caron Broadcasting, Inc.  
Caron Broadcasting, Inc.  
Common Ground Broadcasting, Inc.  
Salem Media of Illinois, LLC  
Caron Broadcasting, Inc.  
Salem Media of Massachusetts, LLC  
Salem Media of New York, LLC  
Pennsylvania Media Associates, Inc.  
Salem Radio Properties, Inc.  
Pennsylvania Media Associates, Inc.  
Pennsylvania Media Associates, Inc.  
Pennsylvania Media Associates, Inc.  
Salem Media of Colorado, Inc.  
Caron Broadcasting, Inc.  
Salem Media of Massachusetts, LLC  
Salem Media of Kentucky, Inc.  
Salem Media of Kentucky, Inc.  
Caron Broadcasting, Inc.  
Pennsylvania Media Associates, Inc.  
Salem Media of Ohio, Inc.  
Caron Broadcasting, Inc.  
Salem Media of Ohio, Inc.  
Salem Radio Properties, Inc.  
South Texas Broadcasting, Inc.  
South Texas Broadcasting, Inc.  
South Texas Broadcasting, Inc.  
Common Ground Broadcasting, Inc.  
Caron Broadcasting, Inc.  
Common Ground Broadcasting, Inc.  
Common Ground Broadcasting, Inc.

300 New Jersey Avenue, NW Washington, DC 20001  
14 Penn Plaza, 225 W 34th St, Manhattan, NY 10001  
Lots 35 & 36 Pearl Lake, Magnolia Drive, Orlando, FL 32810  
5757 Blue Lagoon Dr, Blue Lagoon, Miami, FL 33126  
2 Radio Plaza, Ferndale, MI 48220  
4 Summit Park Dr., Independence OH 44131-2583  
25 Northwest Point, Elk Grove, IL 60007  
494 Old Nashville Highway, Lavergne, TN 37086  
1860 Mellwood Ave, Louisville, KY 40206  
110 Commerce Way, Hackensack, NJ 07601  
4068 Mystic Valley Parkway, Medford, MA 02155  
2355 Ballard Road, Des Plaines, IL 60641  
75 Concord Avenue, Lexington, MA 02421  
Meyers Road, Oak Park, MI 48237-3209  
115 Longwood Hills Road, Longwood, FL 32750  
190 Mine Lane, Boulder, CO 80302  
150 SW 27th Avenue, SW Miami, FL 33135  
26501 Renaissance Parkway, Cleveland, OH 44128  
2308 Brunswick Avenue, St. Louis Park, MN 55416  
2308 Brunswick Avenue, St. Louis Park, MN 55416  
1360, LLC - Virginia Key, Miami-Dade County,  
20931 Meyers Road, Oak Park, MI 48237  
776 Twin Rivers Drive, Columbus, OH 43215  
Abbey Road, North Royalton, Ohio 44133  
950 Stimmel Road, Columbus, OH 43223  
26700 S.W. 8th Street, Miami, FL 33194  
2034 Lenox Road, Atlanta, GA 30324  
2034 Lenox Road, Atlanta, GA 30324  
Johnson Road, Alpharetta, GA 30004  
1400 Davis Street, Ferry Road, East Carondelet, IL 62240  
5820 Cane Ridge Road, Antioch, TN 37013  
2110 Cliff Road, Eagan, MN 55122-3522  
2110 Cliff Road, Eagan, MN 55122-3522

Jones Day  
14 So. Williamsport Holdings  
  
Sandra Parks & Kenneth Brown  
Ivy Blue Lagoon Property LLC  
Greater Boston Radio  
Summit Cleveland Realty  
NWP Acquisition LLC  
Harley Faulkner  
1860 Mellwood, LLC  
Industrialand Associates  
Fellsway Associates  
Gillick Realtors  
American Tower  
American Tower  
American Tower  
American Tower  
American Tower  
American Tower  
CTD Properties  
CTD Properties WWTC  
CBS Radio Stations Inc  
Richland Towers  
WBNS-TV  
Oschek Family Radio Tower Trust  
Sinclair Communications  
National Park Services  
JW Broadcasting  
JW Broadcasting  
SBA Infrastructure, LLC  
Atsinger Family Trust  
SBA Towers, Inc.  
SBC  
SBC

Pennsylvania Media Associates, Inc.	117 Ridge Park, Lafayette Hill, PA 19444	SBC
Inspiration Media, Inc.	10108 Madison Ave NE, Winslow WA 98110	SBC
Inspiration Media, Inc.	10108 Madison Ave NE, Winslow WA 98110	SBC
Common Ground Broadcasting, Inc.	7401 W. Camelback Road, Phoenix, AZ 85033	SBC
New Inspiration Broadcasting Company, Inc.	1701 Athens Ave, Lincoln, CA 95648	SBC
New Inspiration Broadcasting Company, Inc.	3636 Enterprise Ave., Hayward, CA 94545	SBC
Caron Broadcasting, Inc.	992 Inland Center Drive, San Bernardino, CA 92408	SBC
Pennsylvania Media Associates, Inc.	405 Ring Road, Altamonte Springs, FL	SBC
Salem Media of Colorado, Inc.	Brighton Rd., S of Bromley Lane, Brighton, CO 80601	SBC
Salem Media of Texas, Inc.	7025 E US Hwy 87, China Grove, TX 78220 (Day Site)	SBC
Salem Media of Texas, Inc.	7025 E US Hwy 87, China Grove, TX 78220 (Nite Site)	SBC
Common Ground Broadcasting, Inc.	7401 W. Camelback Road, Phoenix, AZ 85033	SBC
South Texas Broadcasting, Inc.	14919 Welcome Lane Houston, TX, 77014	SBC
South Texas Broadcasting, Inc.	4100 County Road, #833, Alvin, TX 77511	Atsinger Trust/Epperson
Pennsylvania Media Associates, Inc.	00 Salt Marsh, Quincy, MA	Atsinger Family Trust
Inspiration Media of Texas, LLC	1450 Cedar W. Belt Line Road, Cedar Hill, TX 75104	Sonsinger Broadcasting
New Inspiration Broadcasting Company, Inc.	3951 Canyon De Oro Drive, Encinitas, CA 92024	Atsinger Family Trust
Salem Media of Virginia, Inc.	5217 N 19th Road, Arlington, VA 22207	Greater Washington Ed
South Texas Broadcasting, Inc.	322 1st Street Avenue N, Suite 500, Minneapolis, MN 55401	
Salem Publishing, Inc.	895 State Farm Road, Oak Summit Office Park, Boone, NC 28607	DP Property Acquisition, LLC
Salem Radio Network Incorporated	4658 Barranca Parkway, Irvine, CA 92604	Ashco
Pennsylvania Media Associates, Inc.	5109 Carder Road, Orlando, FL 32810	The Irvine Company
New Inspiration Broadcasting Company, Inc.	9588 Chantry Hill Road, Placer (Newcastle) , CA 95658	Pinnacle Towers, LLC
Salem Media of Colorado, Inc.	3131 South Vaughn Way, Aurora, CO 80014	Cox Radio Inc
Bison Media, Inc.	6169 Transmitter Lane, Colorado Springs, CO 80920	CCP I and II LLC
Bison Media, Inc.	6169 Transmitter Lane, Colorado Springs, CO 80920	Cheyenne Propagation Co.
Inspiration Media of Texas, LLC	1310 W Beltline Road, Cedar Hill, TX 75104 -	Cheyenne Propagation Co.
Bison Media, Inc.	5800, Dallas County Texas.	American Tower
Bison Media, Inc.	4605 W. Baker Road, Baytown, TX 77522	Mortenson Broadcasting
Inspiration Media of Texas, LLC	4930 Military Parkway, Dallas, TX 75227	Crown Castle Towers
		MBC of Texas-KKGR

Salem Media of Illinois, LLC  
South Texas Broadcasting, Inc.  
Salem Media of Texas, Inc.  
Common Ground Broadcasting, Inc.  
Salem Media of Oregon, Inc.  
New Inspiration Broadcasting Company, Inc.  
New Inspiration Broadcasting Company, Inc.  
Caron Broadcasting, Inc.  
Caron Broadcasting, Inc.

New Inspiration Broadcasting Company, Inc.  
New Inspiration Broadcasting Company, Inc.  
Salem Media of Virginia, Inc.  
Salem Media of Virginia, Inc.  
Caron Broadcasting, Inc.  
Salem Media of Hawaii, Inc.

Salem Media of Hawaii, Inc.  
Pennsylvania Media Associates, Inc.  
SCA-Palo Alto, LLC  
New Inspiration Broadcasting Company, Inc.  
New Inspiration Broadcasting Company, Inc.  
Salem Web Network, LLC  
Salem Radio Network Incorporated  
Salem Media of Virginia, Inc.  
New Inspiration Broadcasting Company, Inc.  
Salem Media of Illinois, LLC  
Inspiration Media, Inc.  
New Inspiration Broadcasting Company, Inc.  
Salem Radio Properties, Inc.  
Salem Media of Oregon, Inc.  
Salem Media of Oregon, Inc.  
Caron Broadcasting, Inc.  
New Inspiration Broadcasting Company, Inc.  
Salem Media of Virginia, Inc.  
Salem Media of Ohio, Inc.  
South Texas Broadcasting, Inc.

Hwy 90 near FM 1009, Devers, TX 77538-7052  
Crystal Mountain West, Little Rock, AR 72223  
9601 McAllister Freeway, San Antonio, TX 78216  
3701 Pinnacle Peak Road, Phoenix, AZ 85050  
9700 SE Eastview Drive, Portland, OR 97086  
13019 Glory Lane, Rancho Cordova, CA 95742  
5008 Jefferson Blvd, West Sacramento, CA 95691  
1479 Sanborn Road, Yuba City, CA 95993  
21065 County Road 13 (west end Rd 13, Bald Mt), Capay  
CA  
Gibraltar Peak - 5km NE of Santa Barbara, CA  
11865 Moreno Avenue, Lakeside, CA 92040  
5601 River Road, Bethesda, MD 20816  
7351 Hunton Street, Warrenton, VA 20187  
1430 Wade Hampton Blvd., Greenville, SC 29614  
45 Ahui Street, Kaka' ako Makai Honolulu, Oahu, HI  
96813  
Palehua, Oahu, HI, Ala Moana Hotel  
5800 N 72nd Street, Omaha NE 68134  
1790 Rutgers St. Palo Alto, CA 94303  
3600 Linda Vista Drive, Glendale, CA 91206  
Fox Television tower on Mt. Wilson  
6060 Central, Suite 440 Dallas, TX 75206  
404/402 BNA Drive, Nashville, TN 37217  
219 East Davis Street, Suite 220, Culpepper, VA 22701  
9588 Chantry Hill Road, Placer (Newcastle), CA 95658  
4605 West Baker Road, Harris TX 77520  
2042 E Marc Ave., Tacoma WA 98422  
6501 173rd Ave, SE, Isaaquah, WA 98027  
1290 Casitas Vistas Road, Ojai, CA 93001  
4700 Council Crest Dr., Portland, OR 97239  
4700 Council Crest Dr., Portland, OR 97239  
4700 Council Crest Dr., Portland, OR 97239  
4200 E. Townsend, Orange, CA 92867  
8800 Brookville Road, Silver Spring, MD 20910  
825 Greenfield Drive, Columbus, OH 43223  
3111 W Parkwood Avenue, Friendswood, TX 77546

Spectrasite/American Tower  
Cumulus Radio Corp  
RBL McAll I & II, LP  
Sierra National Corp  
KPHP Radio  
John James Tracy Trust  
Willowslough Properties  
Results Radio, LLC

Bald Mountain Comm  
Community Radio, Inc.  
Family Stations Inc  
Kenwood Golf&Country  
Radio Companion  
Bob Jones University

Office of Hawaiian Affairs  
Ala Moana Property  
Gray Television Group, Inc.  
San Francisco Water  
Richland Towers  
Community Television KCET  
AP-Prescott Twin Sixties  
CCP Property Owner  
Praise Communications  
Pinnacle Towers, LLC  
Pinnacle Towers, LLC  
Port of Tacoma  
Ratelco  
Rancho Casitas  
Stonehenge Tower LLC  
Stonehenge Tower LLC  
Stonehenge Tower LLC  
Vertical Bridge  
Vertical Bridge  
Vertical Bridge  
VB-S1 Assets, LLC

**Schedule 3(a)**

**Real Property (cont.)**

**Required Consents: Loan Party Held Landlord/ Grantor Interests**

**I. Landlord's / Tenant's Consent Required**

None.

**II. Leases, Subleases, Tenancies, Franchise Agreements, Licenses or Other Occupancy Agreements Pursuant to which any Loan Party holds Landlord's / Grantor's Interest**

- Salem Radio Properties, Inc. holds Landlord's Interest at the following locations:

<u>Site Address</u>	<u>Site Name</u>	<u>Tenant Name</u>
10426 Cemetery Road, Vashon, WA	KGNW-AM	Clear Channel
18200 S 180th Street, Sarpy, NE	KGBI-FM	NRG Media, LLC
Tower A - 199 Ft., Palehua, HI	KAIM-FM	Trinity Broadcasting Network
1290 Casitas Vistas, Road, Ojai, CA	KDAR-FM	Cumulus
1290 Casitas Vistas, Road, Ojai, CA	KDAR-FM	Entravision
1621 Piney Grove, Loganville, GA	WFSH-FM	Walton County
1621 Piney Grove, Loganville, GA	WFSH-FM	Cumulus
8 Tower Road, Greenville, SC	WGTK-Paris Mountain	Asheville Media Group
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Communications Service Center
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	USA Mobility
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	LoJack Corporation
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Communications Service Center
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	US Postal Service
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Homeland Security-US Customs
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Asmore Brothers
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	IRS
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Drug Enforcement Agency



9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Ashmore Brothers
9 Tower Road, Greenville, SC	WGTK-Paris Mountain	Global Vision
10 Tower Road, Greenville, SC	WGTK-Paris Mountain	Calvary Chapel of Twin Falls
11 Tower Road, Greenville, SC	WGTK-Paris Mountain	Total Communications, Inc.
12 Tower Road, Greenville, SC	WGTK-Paris Mountain	Greenville County
4623 Corydon Pike, New Albany, IN	WFIA-AM	iHeart Media
Tower A-199, Palehua Ridge, HI	KAIM-FM	One Love Outreach
Tower A-199, Palehua Ridge, HI	KAIM-FM	Hawaii-Three Media (Hochman)
Tower A-199, Palehua Ridge, HI	KAIM-FM	Calvary Chapel of Honolulu
Tower A-199, Palehua Ridge, HI	KAIM-FM	Ohana Broadcasting
Tower A-199, Palehua Ridge, HI	KAIM-FM	Univision/HI TV
6839 W Farmer Road, Phoenix, AZ	KXXT	Gutierrez-Palmemberg, Inc
407 Minnis Road, & Farm 902, Grayson County, TX	KWRD-FM-Ethel Tower	Radio One
407 Minnis Road, & Farm 902, Grayson County, TX	KWRD-FM-Ethel Tower	ABC Radio Disney
Agnew Road, Baldwin Boro, Lot:00075 Blk:0058J	WPGP-AM	iHeart
3201 Mt. Troy Road, Reserve Township	WPIT-AM	T-Mobile
4880 Santa Rosa Road, Camarillo, CA	Corporate Head.	Noridian Solutions
4880 Santa Rosa Road, Camarillo, CA	Corporate Head.	Robert Brown
4880 Santa Rosa Road, Camarillo, CA	Corporate Head.	Eric Halvorson
4880 Santa Rosa Road, Camarillo, CA	Corporate Head.	George Nasser
4880 Santa Rosa Road, Camarillo, CA	Corporate Head.	Media & Public Affairs Strategy
4880 Santa Rosa Road, Camarillo, CA	Corporate Head.	Peter Chang

---

**Schedule 3(b)**

**Bailees**

None.

---

**Schedule 4**

**Transactions Other Than in the Ordinary Course of Business**

None.

**Schedule 5(a)**

**(a) Equity Interests of Loan Parties and Subsidiaries**

<b>Current Legal Entities Owned</b>	<b>Record Owner</b>	<b>Certificate No.</b>	<b>No. Shares/Interest</b>	<b>Percent Pledged</b>
Air Hot, Inc.	Salem Media Group, Inc.			
	f/k/a Salem Communications Corporation	2	1,000	100%
Bison Media, Inc.	Salem Communications Holding Corporation	3	1,000	100%
Caron Broadcasting, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Common Ground Broadcasting, Inc.	Salem Communications Holding Corporation	003	1,000	100%
Inspiration Media, Inc.	Salem Communications Holding Corporation	2	100	100%
Inspiration Media of Texas, LLC	Salem Radio Operations, LLC and SCA License Corporation	N/A	Membership Interests	100%
Eagle Products, LLC	Caron Broadcasting, Inc.	N/A	Membership Interests	100%

New Inspiration Broadcasting Company, Inc.	Salem Communications Holding Corporation	4	30,600	100%
NI Acquisition Corp.	Salem Communications Holding Corporation	3	1,000	100%
Pennsylvania Media Associates, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Reach Satellite Network, Inc.	Salem Communications Holding Corporation	22	100	100%
Salem Communications Holding Corporation	Salem Communications Corporation	1	1,000	100%
Salem Consumer Products, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Salem Media of Massachusetts, LLC	SCA License Corporation	N/A	Membership Interests	100%
Salem Media of Colorado, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Salem Media of Hawaii, Inc.	Salem Communications Holding Corporation	2	1,000	100%

			Membership	
Salem Media of Illinois, LLC	Salem Radio Operations, LLC and SCA License Corporation	N/A	Interests	100%
Salem Media of Kentucky, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Salem Media of New York, LLC			Membership	
	Salem Radio Operations, LLC and SCA License Corporation	N/A	Interests	100%
Salem Media of Ohio, Inc.	Salem Communications Holding Corporation	7	100	100%
Salem Media of Oregon, Inc.	Salem Communications Holding Corporation	4	100	100%
Salem Media of Texas, Inc.	Salem Communications Holding Corporation	2	1,000	100%
	New Inspiration Broadcasting Company, Inc.	6		
			850	
Salem Media of Virginia, Inc.	Salem Communications Holding Corporation	4	150	100%
Salem Media Representatives, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Salem Publishing, Inc.	Salem Communications Corporation	8	1,000	100%

Salem Radio Network Incorporated	Salem Communications Holding Corporation	6	200	100%
Salem Radio Operations, LLC			Membership	
	SCA License Corporation	N/A	Interests	100%
Salem Radio Properties, Inc.	Salem Communications Holding Corporation	2	1,000	100%
Salem Satellite Media, LLC			Membership	
	SCA License Corporation	N/A	Interests	100%
Salem Web Network, LLC			Membership	
	SCA License Corporation	N/A	Interests	100%
SCA License Corporation	Salem Communications Holding Corporation	3	1,000	100%
SCA-Palo Alto, LLC			Membership	
	SCA License Corporation	N/A	Interests	100%
South Texas Broadcasting, Inc.	Salem Communications Holding Corporation	2	1,000	100%
SRN News Network, Inc.	Salem Communications Holding Corporation	2	1,000	100%
SRN Store, Inc.	Salem Radio Network Incorporated	2	1,000	100%

---

**Schedule 5(b)**

**Organizational Chart**

*See attached.*



---

**Schedule 6**

None.

Schedule 7(a)

Copyrights, Patents and Trademarks

**UNITED STATES COPYRIGHTS**

Registrations:

<u>OWNER</u>	<u>TITLE</u>	<u>REGISTRATION NUMBER</u>
Salem Communications Holding Corporation	The Bill Bennett Show, Episodes 1-29, 31,32, 39-42; 2/1/07 - 3/30/07	SRu000879938
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 108-172, 7/1/07 - 9/30/07	SRu000876228
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 173-238, 10/1/07 - 12/31/07	SRu000876231
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 239-303, 1/1/08 - 3/31/08	SRu000876229
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 304-368, 4/1/08 - 6/30/08	SRu000876232
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 087-152, 6/1/07 - 8/31/07	SRu000876226
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 153-217, 9/1/07 - 11/30/07	SRu000876225
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 218-282, 12/1/07 - 2/29/08	SRu000876223
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 283-347, 3/1/08 - 5/31/08	SRu000876214
Salem Communications Holding Corporation	The Dennis Prager Show : no. 1-20	SRu000664152
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 173-238, 10/1/07 - 12/31/07	SRu000876202
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 108-172, 7/1/07 - 9/30/07	SRu000876227
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 239-303, 1/1/08 - 3/31/08	SRu000876203
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 304-368, 4/1/08 - 6/30/08	SRu000876233
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 043-107, 4/2/07 - 6/29/07	SRu000889343
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 1-33, 38-42, 2/1/07 -3/30/07	SRu000882947
Salem Communications Holding Corporation	Janet Parshall's America : 130-195	SRu000876205
Salem Communications Holding Corporation	Janet Parshall's America : 196-261	SRu000876206
Salem Communications Holding Corporation	Janet Parshall's America : 262-325	SRu000876207

Salem Communications Holding Corporation	Janet Parshall's America, Episodes 1-27, 31-63; 2/1/07 - 4/30/07	SRu000879936
Salem Communications Holding Corporation	The Michael Medved Show : 021-086	SRu001037379
Salem Communications Holding Corporation	The Michael Medved Show : 087-152	SRu000876235
Salem Communications Holding Corporation	The Michael Medved Show : 153-217	SRu000876238
Salem Communications Holding Corporation	The Michael Medved Show : 218-282	SRu000876234
Salem Communications Holding Corporation	The Michael Medved Show : 283-347	SRu000876237
Salem Communications Holding Corporation	The Michael Medved Show : no. 1-20	SRu000664151
Salem Communications Holding Corporation	The Mike Gallagher Show : 130-195	SRu000876215
Salem Communications Holding Corporation	The Mike Gallagher Show : 196-261	SRu000876218
Salem Communications Holding Corporation	The Mike Gallagher Show : 262-325	SRu000876221
Salem Communications Holding Corporation	The Mike Gallagher Show, Episodes 1-63, 2/1/07 - 4/30/07	SRu000882952
Salem Radio Network, Inc.	The Dennis Prager show : 9/19/2005 through 9/23/2005 episodes / Dennis Prager	SR0000378812
Salem Publishing, Inc.	Audio Adrenaline : the unbiased, unabridged & unbelievable story of Audio Adrenaline / by Shari MacDonald.	TX0005296474
Salem Publishing, Inc.	Avalon / by Merrill Farnsworth.	TX0005133008
Salem Publishing, Inc.	CCM lifelines : newsboys / by Lucas W. Hendrickson.	TX0005249670
Salem Publishing, Inc.	CCM lifelines : the 100 greatest albums in Christian music / Thom Granger, editor.	TX0005292804
Salem Publishing, Inc.	Jaci Velasquez / by Linda Warren.	TX0005296475
Salem Publishing, Inc.	Steven Curtis Chapman / By Melissa Riddle.	TX0005136607

Applications: None.

**OTHER COPYRIGHTS**

Registrations: None.

Applications: None.

---

**Schedule 7(a)**

**Copyrights, Patents and Trademarks (cont.)**

**UNITED STATES PATENTS:**

Registrations: None.

Applications: None.

**OTHER PATENTS:**

Registrations: None.

Applications: None.

Schedule 7(a)

Copyrights, Patents and Trademarks (cont.)

**UNITED STATES TRADEMARKS:**

Registrations:

<u>OWNER</u>	<u>REGISTRATION NUMBER</u>	<u>TRADEMARK</u>
Air Hot, Inc.	3205952	HOT AIR
Caron Broadcasting, Inc.	2736979	CROSSWALK.COM
Caron Broadcasting, Inc.	2805120	CROSSWALK
New Inspiration Broadcasting Company, Inc.	2569476	THE FISH
New Inspiration Broadcasting Company, Inc.	2616697	THE FISH 95.9 FM (Design)
Salem Communications Holding Corporation	4793162	REGNERY
Salem Communications Holding Corporation	4793163	LITTLE PATRIOT PRESS
Salem Communications Holding Corporation	4675160	RADIO LUZ
Salem Communications Holding Corporation	4667592	THE ANSWER
Salem Communications Holding Corporation	4599766	TODAY'S CHRISTIAN MUSIC
Salem Communications Holding Corporation	4477818	SOLID GOSPEL
Salem Communications Holding Corporation	4470854	THE WORD IN PRAISE
Salem Communications Holding Corporation	4192191	BULL MARKET ALERT
Salem Communications Holding Corporation	4252619	THE ALPHA INVESTOR LETTER
Salem Communications Holding Corporation	4121884	TEACON
Salem Communications Holding Corporation	4643211	FAMILY TALK
Salem Communications Holding Corporation	4188879	REDSTATE
Salem Communications Holding Corporation	4017393	FAMILY EVENTS
Salem Communications Holding Corporation	4011756	THE GLOBAL GURU
Salem Communications Holding Corporation	4095506	ETF TRADER
Salem Communications Holding Corporation	4098079	MAKING MONEY ALERT

---

Salem Communications Holding Corporation	4098082	HIGH MONTHLY INCOME
Salem Communications Holding Corporation	4098083	HEDGE FUND TRADER
Salem Communications Holding Corporation	4098084	HIGH-INCOME ALERT
Salem Communications Holding Corporation	4104215	TURNAROUND TRADER
Salem Communications Holding Corporation	3933015	DAILY EVENTS
Salem Communications Holding Corporation	3316971	WNTP
Salem Communications Holding Corporation	3316951	KLFE
Salem Communications Holding Corporation	3316950	KCRO
Salem Communications Holding Corporation	3316953	WORL
Salem Communications Holding Corporation	3316913	KLUP
Salem Communications Holding Corporation	3316905	WYLL
Salem Communications Holding Corporation	3316906	KSLR
Salem Communications Holding Corporation	3316882	WFHM
Salem Communications Holding Corporation	3316869	KKNT
Salem Communications Holding Corporation	3316870	KYCR
Salem Communications Holding Corporation	3316862	WWTC
Salem Communications Holding Corporation	3316389	KBIQ
Salem Communications Holding Corporation	3293430	KGFT
Salem Communications Holding Corporation	3293372	WGKA
Salem Communications Holding Corporation	3293352	KSKY
Salem Communications Holding Corporation	3293330	WEZE
Salem Communications Holding Corporation	3292877	WAVA
Salem Communications Holding Corporation	3292876	WFIL
Salem Communications Holding Corporation	3292824	KPRZ
Salem Communications Holding Corporation	3397026	KRLA
Salem Communications Holding Corporation	3397015	KCBQ

Salem Communications Holding Corporation	3397001	KKLA
Salem Communications Holding Corporation	3396999	KGU
Salem Communications Holding Corporation	3396987	KKFS
Salem Communications Holding Corporation	3396982	KFAX
Salem Communications Holding Corporation	3396984	KFIS
Salem Communications Holding Corporation	3396955	KFSH
Salem Communications Holding Corporation	3291058	STARFISH
Salem Communications Holding Corporation	3188777	SERMONSEARCH
Salem Communications Holding Corporation	3164206	POLITICALLY INCORRECT GUIDE
Salem Communications Holding Corporation	2856493	DOUG FABIAN'S SUCCESSFUL INVESTING
Salem Communications Holding Corporation	3382286	CELEBRATE FREEDOM
Salem Communications Holding Corporation	2583356	S
Salem Communications Holding Corporation	2726199	FORECASTS & STRATEGIES
Salem Communications Holding Corporation	2351187	CONSERVATIVE LEADERSHIP SERIES
Salem Communications Holding Corporation	2527818	LIFELINE PRESS
Salem Communications Holding Corporation	2252408	CONSERVATIVE BOOK CLUB
Salem Communications Holding Corporation	1956285	AND RIGHTLY SO
Salem Communications Holding Corporation	1908426	THE NATIONAL CONSERVATIVE WEEKLY
Salem Communications Holding Corporation	1902669	HUMAN EVENTS
Salem Communications Holding Corporation	1996372	SALEM COMMUNICATIONS CORPORATION
Salem Communications Holding Corporation	1198671	FORECASTS & STRATEGIES
Salem Web Network, LLC	4022953	GOD TUBE
Salem Publishing, Inc.		THE SINGING NEWS MAGAZINE THE PRINTED VOICE OF
	1604548	GOSPEL MUSIC
Salem Radio Network Incorporated	1968784	SALEM RADIO NETWORK
Salem Radio Network Incorporated	1935920	SRN
Salem Web Network, LLC	4604746	REPRAY

---

Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC

4706370  
4356547  
4762271  
4022953  
3134729

TWITCHY  
GODTUBE  
TOWNHALL.COM  
GODTUBE (Design)  
TOWNHALL.COM (Design)

Applications: None.

**OTHER TRADEMARKS:**

Registrations: None.

Applications: None.



---

**Schedule 7(b)**

**Intellectual Property Licenses**

None.

---

**Schedule 8**

**Commercial Tort Claims**

None.

**Schedule 9**

**Deposit Accounts and Securities Accounts**

<u>Owner</u>	<u>Type of Account</u>	<u>Bank</u>	<u>Account Numbers</u>
Salem Media Group Inc.	Concentration Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Depository	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Payroll Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Payroll Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Depository	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Bank Account	Wells Fargo Bank	[ ]
Salem Communications Holding Corp	AP Account	Wells Fargo Bank	[ ]
Salem Consumer Products	Depository	Wells Fargo Bank	[ ]
South Texas Broadcasting Inc. dba Xulon Press	Depository	Bank of America	[ ]
Salem Media of Oregon, Inc.	Depository	US Bank	[ ]
Caron Broadcasting Inc.	Depository	Wells Fargo Bank	[ ]
Eagle Products LLC	Depository	Wells Fargo Bank	[ ]
Salem Web Network LLC	Depository	Wells Fargo Bank	[ ]
Salem Publishing, Inc.	Depository	Wells Fargo Bank	[ ]
Salem Web Network LLC	Depository	Wells Fargo Bank	[ ]

---

**Schedule 10**

**Letter of Credit Rights**

None.

---

**Schedule 11**

**Vehicles**

*See Attached.*

**Archway Program  
Vehicle Schedule  
Exhibit D**

**NAMED INSURED: Salem Media Group, Inc.**

Item	Year	Make Type	Model	Vehicle Class (PPT,Lt,Med,Heavy XHeavy,Trailer)	Vehicle Information Number	Cost New	Garaging City	Garaging State	Garaging Zip Code	Radius	Use
1	2002	Dodge	Gr. Caravan	Private Passenger	[ ]		Phoenix	AZ		60 mile	Commercial
2	2011	Chevrolet	Tahoe	Private Passenger	[ ]	\$ 34,352	Phoenix	AZ		60 mile	Commercial
3	1997	Ford	Econoline Van	Private Passenger	[ ]		Little Rock	AR		60 mile	Commercial
4	2014	GMC	Terrain	Private Passenger	[ ]	\$ 27,390	Little Rock	AR		60 mile	Commercial
5	2006	BMW	760LI	Private Passenger	[ ]	\$119,906	Camarillo	CA		60 mile	Commercial
6	1996	Chev	Astro Van	Private Passenger	[ ]	\$ 20,000	Glendale	CA		60 mile	Commercial
7	1995	Ford	Econoline Van	Private Passenger	[ ]	\$ 16,985	Glendale	CA		60 mile	Commercial
8	2002	Chev	Astro Van	Private Passenger	[ ]		Glendale	CA		60 mile	Commercial
9	2006	Ford	Expedition	Private Passenger	[ ]		Glendale	CA		60 mile	Commercial
10	2015	Nissan	NV 2500 HD S	Private Passenger	[ ]	\$ 28,356	Glendale	CA		60 mile	Commercial
11	2014	Nissan	NV200	Private Passenger	[ ]	\$ 20,443	Glendale	CA		60 mile	Commercial
12	2004	Chev	Tahoe	Private Passenger	[ ]		Los Angeles	CA		60 mile	Commercial
13	1999	Chev	Astro Van	Private Passenger	[ ]		Oxnard	CA		60 mile	Commercial
14	2001	Chev	Express	Private Passenger	[ ]		Sacramento	CA		60 mile	Commercial
15	2008	Toyota	Sequoia	Private Passenger	[ ]	\$ 34,346	San Bernadino	CA		60 mile	Commercial
16	2013	Ford	E150 Van	Private Passenger	[ ]		San Diego	CA		60 mile	Commercial
17	1998	Chev	Astro Van	Private Passenger	[ ]		San Francisco	CA		60 mile	Commercial
18	2000	GMC	Chevy Van	Medium	[ ]		Colorado Spgs	CO		60 mile	Commercial
19	2000	Dodge	Durango	Private Passenger	[ ]		Colorado Spgs	CO		60 mile	Commercial
20	2003	Chev	Astro Van	Private Passenger	[ ]		Aurora	CO		60 mile	Commercial
21	1999	Dodge	Ram	Light	[ ]		Demver	CO		60 mile	Commercial
22	2007	Ford	Explorer	Private Passenger	[ ]		Aurora	CO		60 mile	Commercial
23	1995	Nissan	Quest	Private Passenger	[ ]		Jacksonville	FL		60 mile	Commercial
24	2001	Chev	Express	Private Passenger	[ ]		Orlando	FL		60 mile	Commercial
25	2007	GMC	Yukon	Private Passenger	[ ]		Orlando	FL		60 mile	Commercial
26	2013	Nissan	Quest	Private Passenger	[ ]	\$ 19,999	Tampa	FL	33607	60 mile	Commercial
27	2012	Ford	Transit Connect XLT	Private Passenger	[ ]	\$ 20,499	Tampa	FL	33607	60 mile	Commercial
28	2007	Ford	Escape XLT	Private Passenger	[ ]	26409	Tampa	FL	33607	60 mile	Commercial
29	2015	Hyundai	Tucson	Private Passenger	[ ]		Miami	FL		60 mile	Commercial
<del>30</del>	<del>2002</del>	<del>Isuzu</del>	<del>Rodeo</del>	<del>Private Passenger</del>	<del>[ ]</del>	<del>\$ 4,841</del>	<del>Miami</del>	<del>FL</del>		<del>60 mile</del>	<del>Commercial</del>
31	2017	Hyundai	Sante Fe	Private Passenger	[ ]	\$ 31,238	Miami	FL		60 mile	Commercial
<del>32</del>	<del>1994</del>	<del>Chev</del>	<del>Astro Van</del>	<del>Private Passenger</del>	<del>[ ]</del>		<del>Atlanta</del>	<del>GA</del>		<del>60 mile</del>	<del>Commercial</del>
33	2011	Honda	Pilot	Private Passenger	[ ]		Atlanta	GA		60 mile	Commercial
34	2011	Honda	Pilot	Private Passenger	[ ]		Atlanta	GA		60 mile	Commercial
35	2003	GMC	Savannah	Private Passenger	[ ]		Atlanta	GA		60 mile	Commercial
36	2010	Jeep	Commander	Private Passenger	[ ]		Atlanta	GA		60 mile	Commercial
37	2013	Ford	LGT CONVTLN	Light	[ ]		Atlanta	GA		60 mile	Commercial
38	2007	Mazda	Van	Private Passenger	[ ]		Honolulu	HI		60 mile	Commercial
39	2013	Ford	E150 Cargo Van	Private Passenger	[ ]		Honolulu	HI		60 mile	Commercial
40	2014	Chevrolet	Traverse	Private Passenger	[ ]		Elk Grove Village	IL		60 mile	Commercial
41	2007	Hummer	H3	Private Passenger	[ ]	\$ 34,376	Elk Grove	IL		60 mile	Commercial
42	2005	Pontiac	Vibe	Private Passenger	[ ]	\$ 23,000	Elk Grove	IL		60 mile	Commercial
43	2016	Honda	CRV LX	Private Passenger	[ ]		Boston	MA		60 mile	Commercial
NEW	2015	Mitsubishi	Outlander	Private Passenger	[ ]		Boston	MA		60 mile	Commercial
44	2011	Toyota	RAV4	Private Passenger	[ ]	\$ 16,103	Eagan	MN		60 mile	Commercial
45	2002	Ford	E250	Light	[ ]		Omaha	NE		60 mile	Commercial
46	2005	Ford	E250	Private Passenger	[ ]	\$ 22,028	Harrison	NJ	07029	60 mile	Commercial
47	2012	Honda	CRV	Private Passenger	[ ]	\$ 27,590	New York	NY	10006	60 mile	Commercial
48	2008	Ford	E250	Private Passenger	[ ]	\$ 19,000	Cleveland	OH		60 mile	Commercial
49	2007	Jeep	Liberty	Private Passenger	[ ]		Cleveland	OH		60 mile	Commercial
50	2013	Dodge	Journey	Private Passenger	[ ]	\$ 16,232	Columbus	OH		60 mile	Commercial
51	2003	Chev	Suburban	Private Passenger	[ ]		Portland	OR		60 mile	Commercial
52	2007	Kia	Sorento	Private Passenger	[ ]		Portland	OR		60 mile	Commercial
53	2014	Toyota	Sienna	Private Passenger	[ ]	\$ 30,000	Portland	OR		60 mile	Commercial
54	2014	Toyota	Sienna	Private Passenger	[ ]	\$ 30,000	Portland	OR		60 mile	Commercial

**Archway Program  
Vehicle Schedule  
Exhibit D**

**NAMED INSURED: Salem Media Group, Inc.**

Item	Year	Make Type	Model	Vehicle Class (PPT,Lt,Med,Heavy XHeavy,Trailer)	Vehicle Information Number	Cost New	Garaging City	Garaging State	Garaging Zip Code	Radius	Use
55	1998	Dodge	Ram	Light	[ ]		Philadelphia	PA	19444	60 mile	Commercial
56	2005	Chrysler	Town & Country	Private Passenger	[ ]		Philadelphia	PA	19444	60 mile	Commercial
57	2004	Chev	Express Van	Private Passenger	[ ]		Pittsburgh	PA		60 mile	Commercial
58	2007	Chrysler	Town & Country	Private Passenger	[ ]		Greenville	SC		60 mile	Commercial
59	2012	GMC	Terrain SLE	Private Passenger	[ ]		Greenville	SC		60 mile	Commercial
60	2001	Mazda	MPV	Private Passenger	[ ]		Nashville	TN		60 mile	Commercial
61	2003	Chev	ES-1500	Private Passenger	[ ]		Nashville	TN		60 mile	Commercial
NEW	2016	Ford	Transit Connect XLT	Private Passenger	[ ]		Nashville	TN		60 miles	Commercial
62	2000	GMC	Savannah	Private Passenger	[ ]		Dallas	TX		60 mile	Commercial
NEW	2003	Ford	Econoline E150	Private Passenger	[ ]		Dallas	TX		60 mile	Commercial
<del>63</del>	<del>2000</del>	<del>GMC</del>	<del>Safari</del>	<del>Private Passenger</del>	<del>[ ]</del>		<del>Dallas</del>	<del>TX</del>		<del>60 mile</del>	<del>Commercial</del>
64	2012	Chevrolet	Express G2500	Private Passenger	[ ]		Dallas/Ft Worth	TX		60 mile	Commercial
65	2013	Chevrolet	Express Van	Private Passenger	[ ]		Dallas/Ft Worth	TX		60 mile	Commercial
66	2010	Jeep	Wrangler Rubicon	Private Passenger	[ ]		Houston	TX		60 mile	Commercial
67	2003	Ford	E150 Van	Private Passenger	[ ]		Irving	TX		60 mile	Commercial
68	2011	Chevrolet	Suburban	Private Passenger	[ ]	\$26,765	San Antonio	TX	78216	60 mile	Commercial
NEW	2013	Chrysler	Town & Country	Private Passenger	[ ]		Arlington	VA		60 mile	Commercial
<del>69</del>	<del>2000</del>	<del>Chev</del>	<del>Astro Van</del>	<del>Private Passenger</del>	<del>[ ]</del>		<del>Arlington</del>	<del>VA</del>		<del>60 mile</del>	<del>Commercial</del>
70	2015	Ford	Transit Connect	Private Passenger	[ ]	\$26,875	Seattle	WA		60 mile	Commercial
71	1999	Pontiac	Montana	Private Passenger	[ ]		Seattle	WA		60 mile	Commercial
1	2006	Bigtex	Absolute Trailer	Trailer	[ ]		St. Paul	MN		60 mile	Commercial
2	1999	Continental	Trailer	Trailer	[ ]		Portland	OR		60 mile	Commercial
3	2010	Heavy Duty	Utility Trailer	Trailer	[ ]		Seattle	WA		60 mile	Commercial

---

**Schedule 12**

Special Grantors

<u>Loan Party</u>	<u>Jurisdiction For Filing</u>
Salem Radio Properties, Inc.	CA, CO, FL, GA, HI, IA, IL, IN, MA, MI, NE, OH, PA, TN, TX, WA
Caron Broadcasting, Inc.	CA, FL, OH, OR, TN
Salem Media of Massachusetts, LLC	KY, OH
Salem Media of New York, LLC	NJ
Pennsylvania Media Associates, Inc.	FL, MA, MI, NE, PA
Salem Media of Colorado, Inc.	CO
Salem Media of Kentucky, Inc.	MN
Salem Media of Ohio, Inc.	OH
South Texas Broadcasting, Inc.	AR, GA, TX
Common Ground Broadcasting, Inc.	AZ, IL, MN
Inspiration Media, Inc.	WA
New Inspiration Broadcasting Co.	CA
Salem Media of Texas, Inc.	TX
Inspiration Media of Texas, LLC	TX



---

Salem Media of Virginia, Inc.	MD, VA
Salem Media of Hawaii, Inc.	HI
SCA-Palo Alto, LLC	CA
Salem Radio Network, Inc.	TN
Salem Media of Illinois, LLC	TX
Salem Media of Oregon, Inc.	OR
Bison Media, Inc.	CO, TX

FORM OF SUPPLEMENT TO PERFECTION CERTIFICATE

Supplement (this "Supplement"), dated as of \_\_\_\_\_, 20\_\_\_\_, to the Perfection Certificate, dated as of \_\_\_\_\_, 20\_\_\_\_ (as amended, restated, supplemented or otherwise modified from time to time, the "Perfection Certificate") by each of the parties listed on the signature pages thereto and those additional entities that thereafter become Loan Parties.

Reference is hereby made to (a) that certain Credit Agreement, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., a Delaware corporation ("Parent"), each of the Parent's corporate subsidiaries identified on Exhibit A attached hereto (the "Corporate Subsidiaries"), each of the Parent's limited liability company subsidiaries identified on Exhibit B attached hereto (the "LLC Subsidiaries"), Eagle Products, LLC, a Delaware limited liability company ("Eagle"), and those additional entities that become parties thereto as Borrowers in accordance with the terms thereof by executing the form of Joinder attached thereto as Exhibit J-1 (together with Parent, the Corporate Subsidiaries, the LLC Subsidiaries and Eagle, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender" and, collectively, the "Lenders"), and Wells Fargo Bank, National Association, a national banking association ("Wells Fargo"), as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns "Administrative Agent") and as lead arranger, (b) that certain Indenture, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Indenture"), by and among Parent, each of the Parent's subsidiaries that are signatories thereto, as "Guarantors", and U.S. Bank National Association as "Trustee", (c) that certain Guaranty and Security Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Guaranty and Security Agreement") by and among Parent, Borrowers and the Subsidiaries of Borrowers party thereto (each, a "Grantor" and collectively, the "Grantors"), and Administrative Agent, and (d) that certain Security Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Notes Security Agreement") by and among Parent, Borrowers and the Subsidiaries of Borrowers party thereto and U.S. Bank National Association as "Collateral Agent" (together with the Administrative Agent, the "Agents") (together with the Guaranty and Security Agreement, the "Security Agreements").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Credit Agreement. Any terms (whether capitalized or lower case) used in this Perfection Certificate that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein or in the Credit Agreement; provided that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. As used herein, the term "Loan Parties" shall mean the "Loan Parties" as that term is defined in the Credit Agreement and "Code" shall mean the "Code" as that term is defined in the Security Agreements.

WHEREAS, pursuant to Section 5.2 of the Credit Agreement, the Loan Parties must execute and deliver a Perfection Certificate and the execution and delivery of the Perfection Certificate may be accomplished by the execution of this Supplement in favor of the Agents, for the benefit of each member of the Lender Group and the Bank Product Providers;

In accordance with Section 5.2 of the Credit Agreement, the undersigned, the \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_, hereby certify (in my capacity as \_\_\_\_\_ and not in my individual capacity) to the Agents and each of the other members of the Lender Group and the Bank Product Providers as follows as of \_\_\_\_\_, 20\_\_\_\_: [the information in the Perfection Certificate delivered on or prior to the Closing Date is true, correct, and complete on and as of the date hereof.] [Schedule 1(a), “Legal Names, Etc.”, Schedule 1(b), “Prior Names”, Schedule 1(c), “Changes in Corporate Identity; Other Names”, Schedule 2, “Chief Executive Offices”, Schedule 3(a), “Real Property”, [Schedule 3(b), “Bailees”,] Schedule 4, “Transactions Other Than in the Ordinary Course of Business”, Schedule 5(a), “Equity Interests”, Schedule 5(b), “Organizational Chart” Schedule 6, “Instruments and Chattel Paper”, Schedule 7(a), “Copyrights, Patents and Trademarks”, Schedule 7(b), “Intellectual Property Licenses”, Schedule 8, “Commercial Tort Claims”, Schedule 9, “Deposit Accounts and Securities Accounts”, Schedule 10, “Letter-of-Credit Rights”, and Schedule [11], “Other Assets” attached hereto supplement Schedule 1(a), Schedule 1(b), Schedule 1(c), Schedule 2, Schedule 3, Schedule 4, Schedule 5(a), Schedule 5(b), Schedule 6, Schedule 7(a), Schedule 7(b), Schedule 8, Schedule 9, Schedule 10, [Schedule 11,] and Schedule [12] respectively, to the Perfection Certificate and shall be deemed a part thereof for all purposes of the Perfection Certificate.]

The undersigned officers of each of the Loan Parties hereby certify as of the date hereof on behalf of the Loan Parties in their capacity as officers of the Loan Parties and not in their individual capacities that no additional filings or actions are required to create, preserve or perfect the security interests in the Collateral granted, assigned or pledged to the Agents pursuant to the Loan Documents.

Except as expressly supplemented hereby, the Perfection Certificate shall remain in full force and effect.

\_\_\_\_\_  
2 Insert appropriate officer(s), as applicable.

---

IN WITNESS WHEREOF, we have hereunto signed this Supplement to Perfection Certificate as of this      day of      , 20      .

**[PARENT]**

By: \_\_\_\_\_  
Name:  
Title:

**[BORROWER]**

By: \_\_\_\_\_  
Name:  
Title:

**[BORROWER]**

By: \_\_\_\_\_  
Name:  
Title:

**[GUARANTOR]**

By: \_\_\_\_\_  
Name:  
Title:

---

Schedule A-1

Agent's Account

An account at a bank designated by Agent from time to time as the account into which Borrowers shall make all payments to Agent for the benefit of the Lender Group and the Bank Product Providers and into which the Lenders and Issuing Banks shall make all payments to Agent under this Agreement and the other Loan Documents; unless and until Agent notifies the Administrative Borrower, the Lenders, and Issuing Banks to the contrary, Agent's Account shall be that certain deposit account bearing account number [ ], reference [ ], and maintained by Agent with Wells Fargo Bank, N.A., 420 Montgomery Street, San Francisco, CA, ABA #[ ].

---

Schedule A-2

Authorized Persons

**Evan D. Masyr**  
Executive Vice President and Chief Financial Officer

**Christopher J. Henderson**  
Senior Vice President, General Counsel and Secretary

---

Schedule C-1

Commitments

<u>Lender</u>	<u>Commitment</u>	<u>Pro Rata Share</u>
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$30,000,000	100%
<b>TOTAL</b>	<b>\$30,000,000</b>	<b>100%</b>

---

Schedule D-1

Designated Account

Wells Fargo Bank

ABA Number: [            ]

Account Number: [            ]



---

Schedule E-1

Eligible Real Property

Loan Party

Common Name and Address

---

Salem Radio Properties, Inc.

4880 Santa Rosa Road, Camarillo, CA Ventura County, CA

Salem Radio Properties, Inc.

6400 N. Beltline Road, Irving, TX Dallas County, TX

---

Schedule P-1

Permitted Investments

None.

Schedule P-2

Permitted Liens

<u>Debtor</u>	<u>Secured Party</u>	<u>Filing Number</u>	<u>Original Filing Date</u>	<u>Description<sup>1</sup></u>
Salem Media Group, Inc.	CIT Bank, N.A.	20154973029	10/28/2015	Equipment
Salem Communications Corporation	Dell Financial Services L.L.C.	20060427146	02/03/2006	Equipment
Salem Media of Kentucky, Inc	Duplicator Sales & Service Inc.	2013-2640825-43.01	05/09/2013	Equipment

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Serial Number</u>	<u>Trademark</u>
Salem Communications Holding Corporation	Fleet National Bank	1198671	73283371	FORECASTS & STRATEGIES
Salem Communications Holding Corporation	Fleet National Bank	2726199	75747279	FORECASTS & STRATEGIES

- Liens in respect to capital leases as described on Schedule 4.14.

<sup>1</sup> Please refer to the relevant UCC Financing Statement for a complete description of the collateral referenced herein.

Schedule R-1

Real Property Collateral

**First Lien Real Property Collateral**

<u>Loan Party</u>	<u>Common Name and Address</u>
Salem Radio Properties, Inc.	4880 Santa Rosa Road, Camarillo, CA Ventura County, CA
Salem Radio Properties, Inc.	6400 N. Beltline Road, Irving, TX Dallas County, TX

**Second Lien Real Property Collateral**

<u>Loan Party</u>	<u>Common Name and Address</u>
Salem Radio Properties, Inc.	1154-1160 N. King Street, Honolulu (Oahu) HI Honolulu County, HI
Salem Radio Properties, Inc.	1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA Walton County, GA
Salem Radio Properties, Inc.	470 Minnis Rd & Farm to Market 902, Collinsville, TX 76233 Grayson County, TX

---

Schedule 3.1

Conditions Precedent

*See attached.*

The obligation of each Lender to make its initial extension of credit provided for in this Agreement is subject to the fulfillment, to the satisfaction of each Lender (the making of such initial extension of credit by any Lender being conclusively deemed to be its satisfaction or waiver of the following), of each of the following conditions precedent:

(a) the Closing Date shall occur on or before June 1, 2017;

(b) Agent shall have received evidence that appropriate financing statements shall be duly filed in such office or offices as may be necessary or, in the opinion of Agent, desirable to perfect the Agent's Liens in and to the Collateral;

(c) Agent shall have received each of the following documents, in form and substance satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

(i) a completed Borrowing Base Certificate,

(ii) the Copyright Security Agreement,

(iii) the Fee Letter,

(iv) the Guaranty and Security Agreement,

(v) the Intercompany Subordination Agreement,

(vi) the Intercreditor Agreement,

(vii) a completed Perfection Certificate for each of the Loan Parties,

(viii) the Trademark Security Agreement, and

(ix) the Revolving Loan Note;

(d) Agent shall have received a certificate from the Secretary of each Loan Party (or its manager) (i) attesting to the resolutions of each Loan Party's board of directors, members or managers (as applicable) authorizing such Loan Party's execution, delivery, and performance of the Loan Documents to which it is a party, (ii) authorizing specific officers of such Loan Party to execute the same, and (iii) attesting to the incumbency and signatures of such specific officers of such Loan Party;

(e) Agent shall have received copies of each Loan Party's Governing Documents, as amended, modified, or supplemented to the Closing Date, which Governing Documents shall be (i) certified by the Secretary of such Loan Party (or its manager), and (ii) with respect to Governing Documents that are charter documents, certified as of a recent date (not more than 30 days prior to the Closing Date) by the appropriate governmental official;

(f) Agent shall have received a certificate of status with respect to each Loan Party, dated within 10 days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Loan Party, which certificate shall indicate that such Loan Party is in good standing in such jurisdiction;

---

(g) Agent shall have received certificates of status with respect to each Loan Party, each dated within 30 days of the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such Loan Party) in which its failure to be duly qualified or licensed would constitute a Material Adverse Effect, which certificates shall indicate that such Loan Party is in good standing in such jurisdictions;

(h) Agent shall have received certificates of insurance as is required by Section 5.6 of this Agreement, the form and substance of which shall be satisfactory to Agent;

(i) Agent shall have received an opinion of the Loan Parties' counsel in form and substance satisfactory to Agent;

(j) Agent shall have received an opinion of the Loan Parties' FCC counsel in form and substance satisfactory to Agent;

(k) Prior to or simultaneously with the extension of credit under the Agreement, all Indebtedness of Borrowers under the Existing Credit Facility shall be repaid in full, and Agent shall have received a payoff letter, together with termination statements and other documentation evidencing the termination of all Liens securing the Existing Credit Facility in and to the assets of the Loan Parties, as applicable;

(l) Borrowers shall have minimum Availability exceeding \$7,500,000 after giving effect to the initial extension of credit hereunder and the payment of all fees and expenses required to be paid by the Borrowers on the Closing Date under the Agreement or in the other Loan Documents.

(m) Agent shall have completed its business, legal, and collateral due diligence, including (i) a collateral audit and review of Borrowers' and their respective Subsidiaries' books and records and verification of Borrowers' representations and warranties to Lender Group, and (ii) a review of Borrowers' and their respective Subsidiaries' Material Contracts, in each case, the results of which shall be satisfactory to Agent;

(n) Agent shall have completed (i) Patriot Act searches, OFAC/PEP searches and customary individual background checks for each Loan Party, and (ii) OFAC/PEP searches and customary individual background searches for each Loan Party's senior management, key principals, and legal and beneficial owners, the results of which shall be satisfactory to Agent;

(o) Agent shall have received a set of Projections of Borrowers for the 5 year period following the Closing Date (on a year by year basis), in form and substance (including as to scope and underlying assumptions) satisfactory to Agent;

(p) Borrowers shall have paid or, concurrently with the initial extensions of credit, shall pay, all Lender Group Expenses incurred in connection with the transactions evidenced by this Agreement and the other Loan Documents;

(q) Agent shall have received a certificate from the Secretary of Parent dated as of the Closing Date, attaching true and correct copies of the Senior Secured Note Documents. Such

---

certificate of a Secretary shall certify that the attached documents are true and correct copies of such documents, as of the Closing Date, and that such documents have been entered into by the Loan Parties in compliance with all applicable laws and all necessary approvals and are in full force and effect and certifying that such documents have not been amended, supplemented or otherwise modified;

(r) Prior to or simultaneously with the extension of credit by any Lender to Borrowers on the Closing Date, Agent shall have received evidence satisfactory to the Agent of receipt by Borrowers of proceeds of Indebtedness under the Senior Secured Notes in an aggregate amount of not more than \$255,000,000;

(s) Parent and its Subsidiaries shall have received all licenses, approvals or evidence of other actions required by any Governmental Authority in connection with the execution and delivery by Parent and its Subsidiaries of the Loan Documents or with the consummation of the transactions contemplated thereby; and

(t) all other documents and legal matters in connection with the initial extension of credit hereunder shall have been delivered, executed, or recorded and shall be in form and substance satisfactory to Agent.



---

Schedule 3.6

Conditions Subsequent

*See attached.*

---

(a) On or prior to the date that is thirty (30) days after the Closing Date (or such longer period as may be agreed by Agent in its sole discretion), Agent shall have received an authenticated Control Agreement (which may include a Controlled Account Agreement) with respect to each Deposit Account or Securities Account maintained by any Loan Party (other than with respect to any Excluded Accounts), in each case, in form and substance reasonably satisfactory to Agent, and each such agreement shall be in full force and effect.

(b) (i) On or prior to the date that is one hundred and eighty (180) days after the Closing Date (or such later date as agreed to by Agent in writing in its sole discretion), Agent shall have received (A) Mortgages, in form and substance satisfactory to Agent, duly executed and delivered by the parties thereto; provided, that such Mortgages shall conform in all material respects to the corresponding Mortgages executed pursuant to the Senior Secured Note Indenture, which such Mortgages shall be in full force and effect, (B) opinions from legal counsel addressed to Agent for its benefit of (x) local counsel (who is reasonably acceptable to Agent) in each jurisdiction where Real Property Collateral is located with respect to the enforceability of the Mortgages and (y) counsel (who is reasonably acceptable to Agent) for the Loan Parties regarding due authorization, execution and delivery of the Mortgages, in form and substance reasonably satisfactory to Agent, and in scope substantially similar to the opinions with respect to the Mortgages of Eligible Real Property delivered on the Closing Date, and (C) zoning reports, which such reports shall be reasonably satisfactory to Agent, with respect to the Real Property Collateral at each of the following locations:

1154-1160 N. King Street, Honolulu (Oahu), HI;

1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA; and

470 Minnis Rd & Farm to Market 902, Collinsville, TX.

(ii) On or prior to the date is that one hundred and eighty (180) days after the Closing Date (or such later date as agreed to by Agent in writing in its sole discretion) Agent shall have received mortgagee title insurance policies (or marked commitments to issue the same) for the Real Property Collateral issued by a title insurance company satisfactory to Agent (each a "Mortgage Policy" and, collectively, the "Mortgage Policies") in amounts satisfactory to Agent assuring Agent that the Mortgages on such Real Property Collateral are valid and enforceable first priority mortgage Liens on such Real Property Collateral free and clear of all defects and encumbrances except Permitted Liens, and the Mortgage Policies otherwise shall be in form and substance satisfactory to Agent; provided, that such Mortgage Policies shall conform in all material respects to the corresponding title policies issued pursuant to the Senior Secured Note Indenture.

(c) The Loan Parties shall use commercially reasonable efforts to deliver or cause to be delivered to Agent amendments to the following Governing Documents that were requested by Agent prior to the Closing Date, in each case in form and substance reasonably satisfactory to Agent, duly executed and delivered by the parties thereto, and each such agreement shall be in full force and effect:

- 
- (i) Operating Agreement of Salem Media of Illinois, LLC;
  - (ii) Operating Agreement of Inspiration Media of Texas, LLC;
  - (iii) Operating Agreement of OnePlace, LLC (for the avoidance of doubt, this is the operating agreement of Salem Web Network, LLC);
  - (iv) Operating Agreement of Salem Media of New York, LLC;
  - (v) Operating Agreement of Eagle Products, LLC;
  - (vi) Operating Agreement of SCA-Palo Alto, LLC;
  - (vii) Operating Agreement of Salem Satellite Media, LLC;
  - (viii) Operating Agreement of Salem Radio Operations, LLC; and
  - (ix) Operating Agreement of Salem Media Group, LLC (for the avoidance of doubt, this is the operating agreement of Salem Media of Massachusetts, LLC).

(d) The Loan Parties shall reasonably cooperate with Agent to provide information necessary for completion of zoning reports, which such reports shall be reasonably satisfactory to Agent, with respect to the Real Property Collateral at each of the following locations:

- (i) 4880 Santa Rosa Road, Camarillo, CA; and
- (ii) 6400 N. Beltline Road, Irving, TX.

(e) The Loan Parties shall use commercially reasonable efforts to deliver or cause to be delivered to Agent estoppel certificates, which such certificates shall be reasonably satisfactory to Agent and in full force and effect, from all parties to whom any Loan Party owes any maintenance or monetary obligation pursuant to any agreements recorded against the Real Property Collateral at any of the following locations:

- (i) 4880 Santa Rosa Road, Camarillo, CA;
- (ii) 6400 N. Beltline Road, Irving, TX;
- (iii) 1154-1160 N. King Street, Honolulu (Oahu), HI;
- (iv) 1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA; and
- (v) 470 Minnis Rd & Farm to Market 902, Collinsville, TX.

(f) The Loan Parties shall use commercially reasonable efforts to deliver or cause to be delivered to Agent evidence, in each case in form and substance reasonably satisfactory to Agent, that each of the following Accounts have been closed:

<u>Owner</u>	<u>Type of Account</u>	<u>Bank</u>	<u>Account Number</u>
South Texas Broadcasting Inc. dba Xulon Press	Depository	Bank of America	[ ]
Salem Media of Oregon, Inc.	Depository	US Bank	[ ]

(g) Within ten (10) Business Days after the Closing Date (or such later date as Agent may agree in its Permitted Discretion), the Loan Parties shall deliver or cause to be delivered to Agent a subordination and non-disturbance agreement in form and substance reasonably satisfactory to Agent, which such agreement shall be in full force and effect, with respect to the lease of premises to Noridian Healthcare Solutions, LLC.

Schedule 4.1(b)

Capitalization of Borrowers

<u>Current Legal Entities Owned</u>	<u>Loan Party</u>	<u>Class</u>	<u>No. Shares/Interest</u>	<u>No. and Percent of Shares/Interests Issued</u>
Air Hot, Inc.	Salem Media Group, Inc.	Common	1,000	100%
Bison Media, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Caron Broadcasting, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Common Ground Broadcasting, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Inspiration Media, Inc.	Salem Communications Holding Corporation	Common	100	100%
Inspiration Media of Texas, LLC	Salem Radio Operations, LLC and SCA License Corporation	—	—	100%
Eagle Products, LLC	Caron Broadcasting, Inc.	—	—	100%
New Inspiration Broadcasting Company, Inc.	Salem Communications Holding Corporation	Common	30,600	100%

NI Acquisition Corp.	Salem Communications Holding Corporation	Common	1,000	100%
Pennsylvania Media Associates, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Reach Satellite Network, Inc.	Salem Communications Holding Corporation	Common	100	100%
Salem Communications Holding Corporation	Salem Communications Corporation	Common	1,000	100%
Salem Consumer Products, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Salem Media of Massachusetts, LLC	SCA License Corporation	—	—	100%
Salem Media of Colorado, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Salem Media of Hawaii, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Salem Media of Illinois, LLC	Salem Radio Operations, LLC and SCA License Corporation	—	—	100%
Salem Media of Kentucky, Inc.	Salem Communications Holding Corporation	Common	1,000	100%

Salem Media of New York, LLC	Salem Radio Operations, LLC and SCA License Corporation	—	—	100%
Salem Media of Ohio, Inc.	Salem Communications Holding Corporation	Common	100	100%
Salem Media of Oregon, Inc.	Salem Communications Holding Corporation	Common	100	100%
Salem Media of Texas, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
	New Inspiration Broadcasting Company, Inc.		850	
Salem Media of Virginia, Inc.	Salem Communications Holding Corporation	Common	150	100%
Salem Media Representatives, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Salem Publishing, Inc.	Salem Communications Corporation	Common	1,000	100%
Salem Radio Network Incorporated	Salem Communications Holding Corporation	Common	200	100%
Salem Radio Operations, LLC	SCA License Corporation	—	—	100%

Salem Radio Properties, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
Salem Satellite Media, LLC	SCA License Corporation	—	—	100%
Salem Web Network, LLC	SCA License Corporation	—	—	100%
SCA License Corporation	Salem Communications Holding Corporation	Common	1,000	100%
SCA-Palo Alto, LLC	SCA License Corporation	—	—	100%
South Texas Broadcasting, Inc.	Salem Communications Holding Corporation	Common	1,000	100%
SRN News Network Inc.	Salem Communications Holding Corporation	Common	1,000	100%
SRN Store, Inc.	Salem Radio Network Incorporated	Common	1,000	100%



---

Schedule 4.1(c)

Capitalization of Borrowers' Subsidiaries

None.

---

Schedule 4.1(d)

Subscriptions, Options, Warrants, Calls

As of March 31, 2017: 1,590,500 options and 178,592 shares of restricted stock

---

<sup>1</sup> This number changes daily with non-insider trades and grant expirations. Such amounts shall be updated upon request by Administrative Agent, but not otherwise.

---

Schedule 4.6

Litigation

- Salem Media of New York, LLC  
Dante Michael-Anthony Vitoria v. Salem Media of New York, LLC  
Index No. 652244/2016  
Filed 4/27/2016  
As of the Closing Date, the case is still in the discovery phase. The company holds insurance coverage with a \$75,000 deductible.
- Salem Media Group, Inc.  
Michael Grecco Productions Inc. v. Salem Media Group, Inc. et al  
Index No. 17CV02146  
Filed 3/17/2017  
The company anticipates no exposure on this case and expects a dismissal with no payments made.

---

Schedule 4.11

Environmental Matters

None.

Schedule 4.14

Indebtedness

<b>Purchase Obligations: Contingent Earn-Outs and Installments</b>		<b>Amount Due</b>
Acq of FM Translator K283CA, Festus, Missouri	Total purchase price is \$40,000, \$8,000 deposit made	\$ 32,000
Acq of FM Translator K232FM (formerly K276FZ), Eaglemount, Washington	Total purchase price is \$40,000, \$8,000 deposit made	\$ 32,000
Acq of KHTE-FM, Little Rock, Arkansas	Operating under an LMA with an option to purchase in 2018	\$ 1,200,000
Christian Concert Alerts	Holdback due within 6 months / 1 year or upon settlement of Sellers tax matter	\$ 50,000
Mike Turner Investment	Payable up to \$250,000 if revenue targets are achieved	\$ 65,848
Perry Newsletters	Percentage of revenue due	\$ 12,363
Bible Devotional	Payable up to \$76,500 if revenue targets are met	\$ 3,595
Grace Hill Media	6% of movie collections over \$1 million	\$ 37,000

**Indebtedness for Borrowed Money and Capital Lease Obligations**

<u>Entity</u>	<u>Description</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Balance 12/31/2016</u>
Caron Broadcasting, Inc.	Toshiba Copier	7/27/2012	10/31/2017	\$ 2,009
Caron Broadcasting, Inc.	Blue Technologies	10/1/2014	9/1/2019	\$ 36,415
Salem Media of Illinois, LLC	Ricoh Copier	4/22/2013	4/21/2018	\$ 25,627
Bison Media, Inc.	Copier	11/1/2011	10/31/2016 <sup>1</sup>	—
Inspiration Media of Texas, LLC	Pitney Bowes	9/13/2012	3/12/2018	\$ 3,714
Inspiration Media, Inc.	Pacific Automation Office	11/5/2013	11/5/2018	\$ 8,551
Pennsylvania Media Associates, Inc.	Gray Television Group	3/1/2007	2/28/2022	\$ 491,489

<sup>1</sup> Lease expired and being paid on a month to month basis pending a new lease agreement.

---

Schedule 4.26

Material Contracts

None.

Schedule 4.27

FCC Licenses and Stations

<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
WAFS(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BZ-20160617ABV	4/1/2020
WDWD(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BMML-20090916ADR	4/1/2020
WFSH-FM	South Texas Broadcasting, Inc.	FM Broadcast Station License	BMLH-2006726APQ	4/1/2020
WFSH-FM	South Texas Broadcasting, Inc.	Auxiliary License	BXLH-20061102ABS	4/1/2020
WFSH-FM	South Texas Broadcasting, Inc.	STL	WMV274	4/1/2020
WGKA(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BL-20060808AAD	4/1/2020
WGKA(AM)	Pennsylvania Media Associates, Inc.	RPU	KPL534	4/1/2020
WLTA(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BZ-20140528AIW	4/1/2020
WNIV(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BZ-20140930APL	4/1/2020
WNIV(AM)	South Texas Broadcasting, Inc.	STL	WLP961	4/1/2020
WBIX(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-20041105BDI	4/1/2022
WEZE(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-830428AC	4/1/2022
WROL(AM)	Salem Media of Massachusetts, LLC	AM Broadcast Station License	BL-20130418ACS	4/1/2022
W262CV	Salem Media of Massachusetts, LLC	Translator License (Primary Station - WROL)	BLFT-20140912ABJ	4/20/2022
W262CV	Salem Media of Massachusetts, LLC	Translator STA - (Primary Station - WROL)	BLESTA-20170203ADB	5/25/2017
WWDJ(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-20060126ARK	4/1/2022
WWDJ(AM)	Pennsylvania Media Associates, Inc.	STA	BESTA-20160314ACO	4/1/2022
WIND(AM)	Salem Media of Illinois, LLC	AM Broadcast Station License	BZ-20040702AGC	12/1/2020

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
WIND(AM)	Salem Media of Illinois, LLC	IG 2 Way System	WQOM433	11/15/2021
WYLL(AM)	Salem Media of Massachusetts, LLC	AM Broadcast Station License	BMML-20141202ACO	12/1/2020
WYLL(AM)	Salem Media of Massachusetts, LLC	Auxiliary License	BXL-20110321ADL	12/1/2020
WYLL(AM)	Salem Media of Massachusetts, LLC	MDCL	20130201BHX	12/1/2020
WYLL(AM)	Salem Media of Massachusetts, LLC	STL	WQWI307	12/1/2020
WYLL(AM)	Salem Media of Massachusetts, LLC	STL	WQWR802	12/1/2020
WFHM-FM	Salem Media of Massachusetts, LLC	FM Broadcast Station License	BMLH-20020812ABY	10/1/2020
WHK(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BZ-20050606AJT	10/1/2020
WHK(AM)	Common Ground Broadcasting, Inc.	STL	WQNQ915	10/1/2020
WHKW(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BS-283	10/1/2020
WHKW(AM)	Caron Broadcasting, Inc.	MDCL	20130130ALO	10/1/2020
WHKW(AM)	Caron Broadcasting, Inc.	STL	WQFF379	10/1/2020
WHKZ(AM)	Salem Media of Massachusetts, LLC	AM Broadcast Station License	BZ-20021218ABE	10/1/2020
KBIQ(FM)	Bison Media, Inc.	FM Broadcast Station License	BMLH-20030423AAT	4/1/2021
KBIQ(FM)	Bison Media, Inc.	STL	KA061	4/1/2021
KGFT(FM)	Bison Media, Inc.	FM Broadcast Station License	BMLH-20010216AAB	4/1/2021
KGFT(FM)	Bison Media, Inc.	Auxiliary License	BXLH-20080118ACU	4/1/2021
KGFT(FM)	Bison Media, Inc.	RPU	KPH290	4/1/2021
KGFT(FM)	Bison Media, Inc.	STL	WLI349	4/1/2021
KZNT(AM)	Bison Media, Inc.	AM Broadcast Station License	BML-20110311ACL	4/1/2021
K266CK	Bison Media, Inc.	Translator STA (Primary Station - KZNT)	BLSTA-20161107ABM	5/22/2017
WRFD(AM) (day time only)	Salem Media of Ohio, Inc.	AM Broadcast Station License	BL-970918AF	10/1/2020
W283CL	Salem Media of Ohio, Inc.	Translator License (Primary Station - WRFD)	BLFT-20161123AAH	10/1/2020



<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
WTOH(FM)	Salem Media of Ohio, Inc.	FM Broadcast Station License	BLH-19970501KB	10/1/2020
WTOH(FM)	Salem Media of Ohio, Inc.	STL	WLO955	10/1/2020
WTOH(FM)	Salem Media of Ohio, Inc.	STL	WPY1925	10/1/2020
WTOH(FM)	Salem Media of Ohio, Inc.	STL	WQSX358	10/1/2020
W240CX	Salem Media of Ohio, Inc.	Translator License (Primary Station - WTOH)	BLFT-20141107AEE	10/1/2020
KEXB(AM)	Inspiration Media of Texas, LLC	AM Broadcast Station License	BL-19951017AD	8/1/2021
KLTY(FM)	Inspiration Media of Texas, LLC	FM Broadcast Station License	BLH-20020725AAO	8/1/2021
KLTY(FM)	Inspiration Media of Texas, LLC	Auxiliary License	BXLH-20120104ACJ	8/1/2021
KLTY(FM)	Inspiration Media of Texas, LLC	STL	WPXF990	8/1/2021
KSKY(AM)	Bison Media, Inc.	AM Broadcast Station License	BL-200221125ABT	8/1/2021
KSKY(AM)	Bison Media, Inc.	STA	BESTA-20090226ACJ	Recurring No Exp due to Mexican interference
KSKY(AM)	Bison Media, Inc.	STA	BESTA20091216ADP	Recurring No Exp due to Mexican interference
KSKY(AM)	Bison Media, Inc.	STA	BESTA-20100506AEV	Recurring No Exp due to Mexican interference
KTNO(AM)	Inspiration Media of Texas, LLC	AM Broadcast Station License	BZ-20120710ACZ	8/1/2021
K273BJ	Inspiration Media of Texas, LLC	Translator License (Primary Station - KTNO)	20090121ADC	8/1/2021

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
KWRD-FM	Inspiration Media of Texas, LLC	FM Broadcast Station License	BLH-20120831ABC	8/1/2021
KWRD-FM	Inspiration Media of Texas, LLC	Auxiliary License	BXLH-20121210ACO	8/1/2021
KWRD-FM	Inspiration Media of Texas, LLC	Auxiliary License	BXLH-20121210ACP	8/1/2021
KWRD-FM	Inspiration Media of Texas, LLC	STL	WPXF989	8/1/2021
KBJD(AM)	Salem Media of Colorado, Inc.	AM Broadcast Station License	BL-20000105AAQ	4/1/2021
KBJD(AM)	Salem Media of Colorado, Inc.	STA	20070205AEX	4/1/2021
KDMT(AM)	Salem Media of Colorado, Inc.	AM Broadcast Station License	BL-20040816ACL	4/1/2021
KNUS(AM)	Salem Media of Colorado, Inc.	AM Broadcast Station License	BZ-20130828AGI	4/1/2021
KNUS(AM)	Salem Media of Colorado, Inc.	RPU	KB97011	4/1/2021
KNUS(AM)	Salem Media of Colorado, Inc.	RPU	WPYS231	4/1/2021
KRKS(AM)	Salem Media of Colorado, Inc.	AM Broadcast Station License	BL-20000105AAR	4/1/2021
KRKS(AM)	Salem Media of Colorado, Inc.	STA	20070205AEY	4/1/2021
KRKS(AM)	Salem Media of Colorado, Inc.	STL	WQ0F985	9/14/2021
KRKS(AM)	Salem Media of Colorado, Inc.	STL	WQOG798	9/22/2021
KRKS-FM	Salem Media of Colorado, Inc.	FM Broadcast Station License	BMLH-19981009KC	4/1/2021

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
KRKS-FM	Salem Media of Colorado, Inc.	STL	WDZ697	4/1/2021
WDTK(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-20100129AEM	10/1/2020
WDTK(AM)	Pennsylvania Media Associates, Inc.	RPU	KPF895	10/1/2020
W268CN	Pennsylvania Media Associates, Inc.	Translator License (Primary Station - WDTK)	BLFT-20160916AAZ	10/1/2020
WLQV(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BMML-20101117BHW	10/1/2020
WLQV(AM)	Caron Broadcasting, Inc.	MDCL	20130130ALP	10/1/2020
W224CC	Pennsylvania Media Associates, Inc.	Translator License (Primary Station - WLQV)	BLFT-20161117ABA	10/1/2020
WGTK-FM	Caron Broadcasting, Inc.	FM Broadcast Station License	BLH-20080425ABD	12/1/2019
WGTK-FM	Caron Broadcasting, Inc.	RPU	KB97131	12/1/2019
WGTK-FM	Caron Broadcasting, Inc.	RPU	KPG877	12/1/2019
WGTK-FM	Caron Broadcasting, Inc.	RPU	WPYZ342	12/1/2019
WGTK-FM	Caron Broadcasting, Inc.	STL	WBS372	12/1/2019
WGTK-FM	Caron Broadcasting, Inc.	STL	WQYD524	8/24/2026
WGTK-FM	Caron Broadcasting, Inc.	STL	WQYD526	8/24/2026

<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
W245CH	Caron Broadcasting, Inc.	Translator License (Primary Station - KGTK-FM)	BLFT-20141219ABG	12/1/2019
W275BJ	Caron Broadcasting, Inc.	Translator License (Primary Station - WGTK-FM)	BLFT-20150629ABO	12/1/2019
WLTE(FM)	Caron Broadcasting, Inc.	FM Broadcast Station License	BLH-20150313ABA	12/1/2019
WRTH(FM)	Caron Broadcasting, Inc.	FM Broadcast Station License	BMLH-20150504ACF	12/1/2019
WRTH(FM)	Caron Broadcasting, Inc.	STL	WMF997	12/1/2019
KAIM-FM	Salem Media of Hawaii, Inc.	FM Broadcast Station License	BLH-19990430KB	2/1/2022
KAIM-FM	Salem Media of Hawaii, Inc.	STL	WPUQ858	2/1/2022
KGU(AM)	Salem Media of Hawaii, Inc.	AM Broadcast Station License	BZ-20141121ANF	2/1/2022
KGU-FM	Salem Media of Hawaii, Inc.	FM Broadcast Station License	BLH-19970418KG	2/1/2022
KGU-FM	Salem Media of Hawaii, Inc.	Auxiliary License	BXLH-20121003ABW	2/1/2022
KGU-FM	Salem Media of Hawaii, Inc.	RPU	KQB551	2/1/2022
KGU-FM	Salem Media of Hawaii, Inc.	STL	WPNB716	2/1/2022
KGU-FM	Salem Media of Hawaii, Inc.	STL	WPNB717	2/1/2022
KHCM(AM)	Salem Media of Hawaii, Inc. (under Local Marketing Agreement, programmed by Gospel Broadcasting Chapel Hawaii)	AM Broadcast Station License	BZ-20141121ANH	2/1/2022

<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
KHCM-FM	Salem Media of Hawaii, Inc.	FM Broadcast Station License	BMLH-20050719AHM	2/1/2022
KHCM-FM	Salem Media of Hawaii, Inc.	STA	BSTA-20161222AAK	7/30/2017
KHCM-FM	Salem Media of Hawaii, Inc.	STL	WAQ311	2/1/2022
KHNR(AM)	Salem Media of Hawaii, Inc.	AM Broadcast Station License	BZ-20141121ANG	2/1/2022
KHNR(AM)	Salem Media of Hawaii, Inc.	STL	WH944	2/1/2022
KHNR(AM)	Salem Media of Hawaii, Inc.	STL	WMW671	2/1/2022
KKOL-FM	Salem Media of Hawaii, Inc.	FM Broadcast Station License	BLH-920828KG	2/1/2022
KKOL-FM	Salem Media of Hawaii, Inc.	Auxiliary License	BXLH-20121003ACA	2/1/2022
KKOL-FM	Salem Media of Hawaii, Inc.	STL	WMU643	2/1/2022
KKHT-FM	Salem Media of Illinois, LLC	FM Broadcast Station License	BLH-20111020ACS	8/1/2021
KKHT-FM	Salem Media of Illinois, LLC	Auxiliary License	BXLH-2070221ACR	8/1/2021
KNTH(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BMML-20130205ACZ	8/1/2021
KNTH(AM)	South Texas Broadcasting, Inc.	RPU	KQB608	8/1/2021
KNTH(AM)	South Texas Broadcasting, Inc.	STL	WBB447	8/1/2021
KTEK(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BMML-20121206AEL	8/1/2021
KTEK(AM)	South Texas Broadcasting, Inc.	RPU	KPG223	8/1/2021
KTEK(AM)	South Texas Broadcasting, Inc.	STL	WLF360	8/1/2021
K241CM	South Texas Broadcasting, Inc.	Translator License (Primary Station - KTEK)	BLFT-20161222ABO	8/1/2021
KDIS-FM	South Texas Broadcasting, Inc.	FM Broadcast Station License	BLH-20140220ADC	6/1/2020
KDIS-FM	South Texas Broadcasting, Inc.	STL	WMF422	6/1/2020
KHTE-FM	South Texas Broadcasting, Inc. (as Programmed under Local Marketing Agreement) (Not Salem Owned)	FM Broadcast Station License	BLH-19960307KB	6/1/2020

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
KHTE-FM	South Texas Broadcasting, Inc. (as Programmed under Local Marketing Agreement) (Not Salem Owned)	Auxiliary License	BXLH-20070620ACB	6/1/2020
KKSP(FM)	South Texas Broadcasting, Inc.	FM Broadcast Station License	BPH-20151005HTG	6/1/2020
KKSP(FM)	South Texas Broadcasting, Inc.	Auxiliary License	BXLH-20070620ACG	6/1/2020
KKSP(FM)	South Texas Broadcasting, Inc.	STL	WPZI266	6/1/2020
KFSH-FM	New Inspiration Broadcasting Company, Inc.	FM Broadcast Station License	BLH-20081110ALO	12/1/2021
KKLA-FM	New Inspiration Broadcasting Company, Inc.	FM Broadcast Station License	BLH-20060829BEO	12/1/2021
KKLA-FM	New Inspiration Broadcasting Company, Inc.	Auxiliary License	BXMLH-20020516AAQ	12/1/2021
KKLA-FM	New Inspiration Broadcasting Company, Inc.	STL	WQLL709	12/1/2021
KRLA(AM)	New Inspiration Broadcasting Company, Inc.	AM Broadcast Station License	BL-20061006ADR	12/1/2021
KRLA(AM)	New Inspiration Broadcasting Company, Inc.	MDCL	20130130ALM	12/1/2021
KRLA(AM)	New Inspiration Broadcasting Company, Inc.	STL	WLP519	12/1/2021
KTIE(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BL-20070321AEG	12/1/2021
WFIA-FM	Salem Media of Kentucky, Inc. (under Local Marketing Agreement, programmed by Word Broadcasting Network, LLC)	FM Broadcast Station License	BLH-20010430AAH	8/1/2020
WFIA-FM	Salem Media of Kentucky, Inc. (under Local Marketing Agreement, programmed by Word Broadcasting Network, LLC)	STL	WQJX476	8/1/2020
WGTK(AM)	Salem Media of Kentucky, Inc. (under Local Marketing Agreement, programmed by Word Broadcasting Network, LLC)	AM Broadcast Station License	BR-308	8/1/2020
W297BV	Caron Broadcasting, Inc. (under Local Marketing Agreement, programmed by Word Broadcasting Network, LLC)	Translator License (Primary Station - WJIE)	BLFT-20170105AGX	8/1/2020

<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
WJIE(AM) (fmly WFIA)	Salem Media of Massachusetts, LLC (under Local Marketing Agreement, programmed by Word Broadcasting Network, LLC)	AM Broadcast Station License	BL-20081110AMT	8/1/2020
WHIM(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BMML-20101229ABT	2/1/2020
WHIM(AM)	Caron Broadcasting, Inc.	MDCL	20140204ADB	2/1/2020
WHIM(AM)	Caron Broadcasting, Inc.	STA	BESTA-20161122ABE	6/1/2017
WHIM(AM)	Caron Broadcasting, Inc.	STL	WQIA553	2/1/2020
WHIM(AM)	Caron Broadcasting, Inc.	STL	WSJ66	2/1/2020
WKAT(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BL-871123AK	2/1/2020
WKAT(AM)	Caron Broadcasting, Inc.	RPU	WHE914	2/1/2020
WKAT(AM)	Caron Broadcasting, Inc.	STL	WLD501	2/1/2020
WOCN	Caron Broadcasting, Inc. (under Local Marketing Agreement, programmed by Radio TV Miami, LLC)	AM Broadcast Station License	BML-20060711ADG	2/1/2020
WZAB(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BMML-20101229ABS	2/1/2020
KDIZ(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BZ-19980714AD	4/1/2021
KKMS(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BMML-20110719ADM	4/1/2021
KYCR(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BZ-20040723ARB	4/1/2021
WWTC(AM)	Salem Media of Massachusetts, LLC	AM Broadcast Station License	BMML-20100429AEG	4/1/2021
K298CO	Salem Media of Massachusetts, LLC	Translator STA (Primary Station - WWTC)	BSTA-20161228AAA	7/3/2017
WBOZ(FM)	Reach Satellite Network, Inc.	FM Broadcast Station License	BLH-970214KB	8/1/2020
WBOZ(FM)	Reach Satellite Network, Inc.	STL	WPNJ997	8/1/2020
WFFH(FM)	Caron Broadcasting, Inc.	FM Broadcast Station License	BLH-20060608ACY	8/1/2020
WFFH(FM)	Caron Broadcasting, Inc.	Auxiliary License	BXMLH-20050408AAA	8/1/2020
WFFH(FM)	Caron Broadcasting, Inc.	STL	WPXT512	8/1/2020
WFFI(FM)	Caron Broadcasting, Inc.	FM Broadcast Station License	BLH-19991116AIQ	8/1/2020
WFFI(FM)	Caron Broadcasting, Inc.	STL	WPXR325	8/1/2020

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
WMCA(AM)	Salem Media of New York, LLC	AM Broadcast Station License	BMML-20131018AIX	6/1/2022
WNYM(AM)	Salem Media of New York, LLC	AM Broadcast Station License	BZ-20120515AGO	6/1/2022
WNYM(AM)	Salem Media of New York, LLC	MDCL	20140304ADR	6/1/2022
KCRO(AM)	Salem Media of Illinois, LLC	AM Broadcast Station License	BZ-20120508ADX	6/1/2021
KCRO(AM)	Salem Media of Illinois, LLC	STL	WLJ382	6/1/2021
K293CJ	Salem Media of Illinois, LLC	Translator License (Primary Station - KCRO)	BMPFT-20160928ACR	6/1/2021
KGBI-FM	Pennsylvania Media Associates, Inc.	FM Broadcast Station License	BMLH-20100625ABK	6/1/2021
KGBI-FM	Pennsylvania Media Associates, Inc.	Auxiliary License	BXLH-20090311AAS	6/1/2021
KOTK(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BR-20050201BGV	6/1/2021
K233CO	Salem Media of Illinois, LLC	Translator License (Primary Station - KOTK)	BLFT-20161107ABH	6/1/2021
WBZW(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-20100714ACX	2/1/2020
WBZW(AM)	Pennsylvania Media Associates, Inc.	RPU	KC23705	2/1/2020
WBZW(AM)	Pennsylvania Media Associates, Inc.	STL	WLL730	2/1/2020
WDYZ(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BL-20070413AHC	2/1/2020
WORL(AM)	Salem Media of Illinois, LLC	AM Broadcast Station License	BL-20140416ABR	2/1/2020
WORL(AM)	Salem Media of Illinois, LLC	PTA	BL-20140416ABR	2/1/2020
W288CJ	Pennsylvania Media Associates, Inc.	Translator License (Primary Station - WORL)	BLFT-20161214ABA	2/1/2020
WTLN(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-20090225ADM	2/1/2020
WTLN(AM)	Pennsylvania Media Associates, Inc.	STA	BESTA-20170214AAR	9/14/2017
WTLN(AM)	Pennsylvania Media Associates, Inc.	STL	WLO858	2/1/2020
WTLN(AM)	Pennsylvania Media Associates, Inc.	STL	WPXV755	2/1/2020



<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
W235CJ	Pennsylvania Media Associates, Inc.	Translator License (Primary Station - WTLN)	BLFT-20150722ABM	2/1/2020
W235CR	Pennsylvania Media Associates, Inc.	Translator License (Primary Station - WTLN)	BLFT-20071226AAN	2/1/2020
KDAR(FM)	New Inspiration Broadcasting Company, Inc.	FM Broadcast Station License	BLH-970528KA	12/1/2021
KDAR(FM)	New Inspiration Broadcasting Company, Inc.	Auxiliary License	BXLH-20021030ABI	12/1/2021
KDAR-FM1	New Inspiration Broadcasting Company, Inc.	Booster	BLFTB-20080422AAU	12/1/2021
KDAR(FM)	New Inspiration Broadcasting Company, Inc.	STL	WLJ754	12/1/2021
KDAR(FM)	New Inspiration Broadcasting Company, Inc.	STL	WQEN963	12/1/2021
WFIL(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BL-980715AC	8/1/2022
WNTP(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BL-20070626ASI	8/1/2022
WNTP(AM)	Pennsylvania Media Associates, Inc.	MDCL	20120806ACF	8/1/2022
KKNT(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BZ-19990603DC	10/1/2021
KKNT(AM)	Common Ground Broadcasting, Inc.	STL	WPNG425	10/1/2021
KKNT(AM)	Common Ground Broadcasting, Inc.	STL	WPNM797	10/1/2021
KPXQ(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BMML-20110811ACJ	10/1/2021
KPXQ(AM)	Common Ground Broadcasting, Inc.	MDCL	20130130ALL	10/1/2021
KPXQ(AM)	Common Ground Broadcasting, Inc.	STL	WPOT267	10/1/2021
KXXT(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BL-20000815ACV	10/1/2021
KXXT(AM)	Common Ground Broadcasting, Inc.	STL	WPJC868	10/1/2021
WORD-FM	Pennsylvania Media Associates, Inc.	FM Broadcast Station License	BLH-20141022ABC	8/1/2022
WORD-FM	Pennsylvania Media Associates, Inc.	Auxiliary License	BXLH-20141022ABD	8/1/2022
WORD-FM	Pennsylvania Media Associates, Inc.	STL	WPRR597	8/1/2022

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
WPGP(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BZ-20120604AGL	8/1/2022
WPGP(AM)	Pennsylvania Media Associates, Inc.	STL	WQXC203	8/1/2022
WPIT(AM)	Pennsylvania Media Associates, Inc.	AM Broadcast Station License	BL-20141022ABS	8/1/2022
WPIT(AM)	Pennsylvania Media Associates, Inc.	STL	WPWH530	8/1/2022
W243BW	Pennsylvania Media Associates, Inc.	Translator License (Primary Station - WPIT)	BLFT-20080804AAF	6/1/2022
W243BW	Pennsylvania Media Associates, Inc.	Translator STA (Primary Station - WPIT)	BLESTA-20161221ABL	5/1/2017
KDZR(AM)	Salem Media of Oregon, Inc.	AM Broadcast Station License	BZ-2004031ACL	2/1/2022
KFIS(AM)	Caron Broadcasting, Inc.	FM Broadcast Station License	BLH-20020306AAK	2/1/2022
KFIS(AM)	Caron Broadcasting, Inc.	Auxiliary License	BXLH-20040908AAQ	2/1/2022
KPDQ(AM)	Salem Media of Oregon, Inc.	AM Broadcast Station License	BL-19990309DF	2/1/2022
KPDQ(AM)	Salem Media of Oregon, Inc.	STL	WLG903	2/1/2022
KPDQ-FM	Salem Media of Oregon, Inc.	FM Broadcast Station License	BPH-20040824ABG	2/1/2022
KPDQ-FM	Salem Media of Oregon, Inc.	Auxiliary License	BXLH-20140923AHU	2/1/2022
KRYP(FM)	Salem Media of Oregon, Inc.	FM Broadcast Station License	BLH-20060208AMG	2/1/2022
KRYP(FM)	Salem Media of Oregon, Inc.	Auxiliary License	BXLH-20150526ACQ	2/1/2022
KFIA(AM)	New Inspiration Broadcasting Company, Inc.	AM Broadcast Station License	BL-19961015AC	12/1/2021
KFIA(AM)	New Inspiration Broadcasting Company, Inc.	MDCL	20140520ANQ	12/1/2021
KFIA(AM)	New Inspiration Broadcasting Company, Inc.	STL	WPWW902	12/1/2021
K245AR	New Inspiration Broadcasting Company, Inc.	Translator License (Primary Station - KFIA)	BLFT-20070824AGX	12/1/2021
KKFS(FM)	New Inspiration Broadcasting Company, Inc.	FM Broadcast Station License	BRH-20130801AQJ	12/1/2021

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
KKFS(FM)	New Inspiration Broadcasting Company, Inc.	STL	WQFQ243	12/1/2021
KSAC-FM	Caron Broadcasting, Inc.	FM Broadcast Station License	BLH-19961113KA	12/1/2021
KSAC-FM	Caron Broadcasting, Inc.	STL	WPWH697	12/1/2021
KSAC-FM	Caron Broadcasting, Inc.	STL	WPWH747	12/1/2021
KTKZ(AM)	New Inspiration Broadcasting Company, Inc.	AM Broadcast Station License	BZ-20140729ADK	12/1/2021
KTKZ(AM)	New Inspiration Broadcasting Company, Inc.	STL	WPRX887	12/1/2021
KTKZ(AM)	New Inspiration Broadcasting Company, Inc.	STL	WPWH347	12/1/2021
KLUP(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BL-20130705ABA	8/1/2021
KLUP(AM)	South Texas Broadcasting, Inc.	RUP	KPM473	8/1/2021
KLUP(AM)	South Texas Broadcasting, Inc.	STL	WMG488	8/1/2021
KRDY(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BZ-20070404AAF	8/1/2021
KSLR(AM)	Salem Media of Texas, Inc.	AM Broadcast Station License	BR-20130401ANR	8/1/2021
KSLR(AM)	Salem Media of Texas, Inc.	RPU	WPMZ613	8/1/2021
KSLR(AM)	Salem Media of Texas, Inc.	RPU	WQDM593	8/1/2021
KSLR(AM)	Salem Media of Texas, Inc.	STA	BSTA-20170103ABA	7/11/2017

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
KSLR(AM)	Salem Media of Texas, Inc.	STL	WHY765	8/1/2021
KSLR(AM)	Salem Media of Texas, Inc.	STL	WPOV530	8/1/2021
KCBQ(AM)	New Inspiration Broadcasting Company, Inc.	AM Broadcast Station License	BML-20091030AIG	12/1/2021
KCBQ(AM)	New Inspiration Broadcasting Company, Inc.	MDCL	20130130ALI	12/1/2021
KPRZ(AM)	New Inspiration Broadcasting Company, Inc.	AM Broadcast Station License	BML-20090116ACV	12/1/2021
KPRZ(AM)	New Inspiration Broadcasting Company, Inc.	MDCL	BML-20090116ACV	12/1/2021
KPRZ(AM)	New Inspiration Broadcasting Company, Inc.	STL	WPNN711	12/1/2021
KDOW(AM)	SCA-Palo Alto, LLC	AM Broadcast Station License	BR-20130801ATY	12/1/2021
KFAX(AM)	New Inspiration Broadcasting Company, Inc.	AM Broadcast Station License	BMML-20100409ACF	12/1/2021
KFAX(AM)	New Inspiration Broadcasting Company, Inc.	MDCL	20130130ALJ	12/1/2021
KTRB(AM)	New Inspiration Broadcasting Company, Inc. (as Programmer under Local Marketing Agreement) (Not Salem Owned)	AM Broadcast Station License	BL-20100408ACQ	12/1/2021
KTRB(AM)	New Inspiration Broadcasting Company, Inc. (as Programmer under Local Marketing Agreement) (Not Salem Owned)	STA	BESTA-20161221ABK	7/19/2017
KGNW(AM)	Inspiration Media, Inc.	AM Broadcast Station License	BZ-20040212ADU	2/1/2022
KGNW(AM)	Inspiration Media, Inc.	STA	BLSTA-20170124ABW	2/1/2022
KGNW(AM)	Inspiration Media, Inc.	MDCL	20130130ALK	2/1/2022

<b>Call Sign</b>	<b>Licensee Name</b>	<b>Type of FCC License or Authorization</b>	<b>FCC License No.</b>	<b>Date of Expiration</b>
KGNW(AM)	Inspiration Media, Inc.	STL	WLJ573	2/1/2022
K281CQ	Inspiration Media, Inc.	Translator License (Primary Station - KGNW)	BLFT-20070410AAW	2/1/2022
KKOL(AM)	Inspiration Media, Inc.	AM Broadcast Station License	BML-20090410AWK	2/1/2022
KKOL(AM)	Inspiration Media, Inc.	MDCL	20120806ACE	2/1/2022
KKOL(AM)	Inspiration Media, Inc.	STA	BESTA-20161013AAX	5/15/2017
KLFE(AM)	Inspiration Media, Inc.	AM Broadcast Station License	BMML-20150825ABC	2/1/2022
KLFE(AM)	Inspiration Media, Inc.	STL	WHY250	2/1/2022
KNTS(AM)	Inspiration Media, Inc.	AM Broadcast Station License	BZ-20150825ABD	2/1/2022
KXFN(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BZ-20021008ACD	2/1/2021
KXFN(AM)	Caron Broadcasting, Inc.	RPU	WHE804	2/1/2021
KXFN(AM)	Caron Broadcasting, Inc.	STL	WDT831	2/1/2021
WSDZ(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BL-20020909ABQ	12/1/2020
WGUL(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BZ-20061027AHP	2/1/2020
WLCC(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BL-20040429ABP	2/1/2020
WTBN(AM)	Common Ground Broadcasting, Inc.	AM Broadcast Station License	BML-20100506AGM	2/1/2020
WTBN(AM)	Common Ground Broadcasting, Inc.	STA	BESTA-20170105AGJ	8/13/2017
WTWD(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BZ-20010904ABN	2/1/2020
W271CY	South Texas Broadcasting, Inc.	Translator License (Primary Station - WTWD)	BLFT-20170413AAM	2/1/2020
WWMI(AM)	South Texas Broadcasting, Inc.	AM Broadcast Station License	BMML-20120815ABU	2/1/2020
WLSS(AM)	Caron Broadcasting, Inc.	AM Broadcast Station License	BL-20040716ACI	2/1/2020
W229BR	Caron Broadcasting, Inc.	Translator License (Primary Station - WLSS)	BLFT-20161025ABF	2/1/2020
W276CR	Caron Broadcasting, Inc.	Translator License (Primary Station - WLSS)	BLFT-20160115ABW	2/1/2020

<u>Call Sign</u>	<u>Licensee Name</u>	<u>Type of FCC License or Authorization</u>	<u>FCC License No.</u>	<u>Date of Expiration</u>
WAVA-FM	Salem Media of Virginia, Inc.	FM Broadcast Station License	BLH-20070426ACO	10/1/2019
WAVA-FM	Salem Media of Virginia, Inc.	Auxiliary License	BXLH-20090313ACB	10/1/2019
WAVA(AM) (daytime only)	Salem Media of Virginia, Inc.	AM Broadcast Station License	BZ-20110715AEI	10/1/2019
WAVA(AM) (daytime only)	Salem Media of Virginia, Inc.	Auxiliary License	BXL-20140519AIF	10/1/2019
WRCW(AM)	Salem Media of Virginia, Inc.	AM Broadcast Station License	BMML-20120221ADT	10/1/2019
WWRC(AM)	Salem Media of Virginia, Inc.	AM Broadcast Station License	BZ-20151222BQR	10/1/2019
WWRC(AM)	Salem Media of Virginia, Inc.	Aux. CP	BMXP-20140715AAU	10/30/2017
WWRC(AM)	Salem Media of Virginia, Inc.	MDCL	20130410ABY	10/1/2019

---

Schedule 4.28

Sharing Arrangements

1. Time Brokerage and Program Services Agreement dated as of October 9, 2015 by and between Caron Broadcasting, Inc. and Radio TV Miami, LLC.
2. Time Brokerage and Program Services Agreement dated as of November 3, 2016 by and between Salem Media of Massachusetts, LLC, Salem Media of Kentucky, Inc. and World Broadcasting Network, Inc.
3. Time Brokerage and Program Services Agreement dated as of December 9, 2014 by and between Salem Media of Hawaii, Inc. and Gospel Broadcasting Chapel Hawaii, as amended by First Amendment to Time Brokerage Agreement dated as of January 13, 2017.
4. Time Brokerage and Program Services Agreement dated as of March 27, 2015 by and between Crain Media Group, LLC and South Texas Broadcasting, Inc., as amended by First Amendment to Time Brokerage Agreement dated as of October 1, 2015.
5. Local Marketing Agreement dated as of December 15, 2016 by and between East Bay Broadcasting, LLC and New Inspiration Broadcasting Company, Inc.

---

Schedule 5.1

Financial Statements, Reports, Certificates

*See attached.*



**Schedule 5.1**

Deliver to Agent each of the financial statements, reports, or other items set forth below at the following times in form reasonably satisfactory to Agent:

as soon as available, but in any event within 30 days (45 days in the case of a month that is the end of one of Parent's fiscal quarters) after the end of each month during each of Parent's fiscal years,	(a) an unaudited consolidated balance sheet, income statement, statement of cash flow, and statement of shareholder's equity covering Parent, and its Subsidiaries' operations during such period and compared to the prior period and plan, together with a corresponding discussion and analysis of results from management,  (b) a Compliance Certificate, together with the underlying calculations, if a Covenant Testing Period is in effect or if such month is the end of one of Parent's fiscal quarters, to arrive at EBITDA and Fixed Charge Coverage Ratio.
as soon as available, but in any event within 45 days after the end of each month that is the last month of one of Parent's fiscal quarters during each of Parent's fiscal years,	(c) an unaudited statement of cash flow and statement of shareholder's equity covering Parent, and its Subsidiaries' operations during such period and compared to the prior period and plan, together with a corresponding discussion and analysis of results from management.
as soon as available, but in any event within 90 days after the end of Parent's fiscal years,	(d) consolidated financial statements of Parent and its Subsidiaries for each such fiscal year, audited by a Big Four or other independent certified public accountants reasonably acceptable to Agent (it being agreed that Crowe Horwath is acceptable to Agent) and certified, without any qualifications (including any (i) "going concern" or like qualification or exception, (ii) qualification or exception as to the scope of such audit, or (iii) qualification which relates to the treatment or classification of any item and which, as a condition to the removal of such qualification, would require an adjustment to such item, the effect of which would be to cause any noncompliance with the provisions of <u>Section 7</u> of the Agreement), by such accountants to have been prepared in accordance with GAAP (such audited financial statements to include a balance sheet, income statement, statement of cash flow, and statement of shareholder's equity, and, if prepared, such accountants' letter to management, it being agreed and understood that the information required by this clause may be furnished in the form of a Form 10K filed in accordance with the requirements of the SEC), and  (e) a Compliance Certificate, together with the underlying calculations to arrive at EBITDA and Fixed Charge Coverage Ratio.

as soon as available, but in any event within 30 days after the start of Parent's fiscal years,	(f) copies of Parent and its Subsidiaries' Projections, in form and substance (including as to scope and underlying assumptions) satisfactory to Agent, in its Permitted Discretion, for the forthcoming three years, year by year, and for the forthcoming fiscal year, month by month, certified by the chief financial officer of Parent as being such officer's good faith estimate of the financial performance of Parent and its Subsidiaries during the period covered thereby.
Promptly after filing by Parent	(g) Form 10-Q quarterly reports, Form 10-K annual reports, and Form 8-K current reports, (h) any other filings made by Parent with the SEC, and (i) any other information that is provided by Parent to its shareholders generally.
promptly, but in any event within 5 days after any Borrower has knowledge of any event or condition that constitutes a Default or an Event of Default,	(j) notice of such event or condition and a statement of the curative action that Borrowers propose to take with respect thereto.
promptly after the commencement thereof, but in any event within 5 days after the service of process with respect thereto on Parent or any of its Subsidiaries,	(k) notice of all actions, suits, or proceedings brought by or against Parent or any of its Subsidiaries before any Governmental Authority which reasonably could be expected to result in a Material Adverse Effect.
promptly following request of Agent,	(l) any other information reasonably requested relating to the financial condition of Parent and its Subsidiaries.
promptly following their submission with the FCC or any other Federal, state, or local Governmental Authority,	(m) copies of any and all periodic or special reports filed by the Parent or any of its Subsidiaries, if such reports are publicly available and indicate a material adverse change in the business, operations, or financial condition of Parent and its Subsidiaries, taken as a whole.
promptly and in any event within 5 Business Days after the receipt by Parent or its Subsidiaries or the occurrence of	(n) any lapse, termination, or relinquishment of any material Broadcast License or any other material License held by Parent or any of its Subsidiaries, or any denial by the FCC or other Governmental Authority of any application to renew or extend such material Broadcast License for the usual period thereof.

---

Schedule 5.2

Collateral Reporting

*See attached.*

**Schedule 5.2**

Provide Agent with each of the documents set forth below at the following times in form reasonably satisfactory to Agent:

<p>If (x) no Increased Reporting Period is in effect, monthly (no later than the 10th day of each month), or (y) an Increased Reporting Period is in effect, weekly (no later than Wednesday of each week, commencing with the first such day to occur during any Increased Reporting Period),</p>	<p>(a) an executed Borrowing Base Certificate,                  (b) a detailed aging, by total, of each Borrower's Accounts, together with a reconciliation and supporting documentation for any reconciling items noted,                  (c) a monthly Account roll-forward, in a format acceptable to Agent in its discretion, tied to the beginning and ending account receivable balances of Borrowers' general ledger                  (d) a detailed calculation of those Accounts that are not eligible for the Borrowing Base,                  (e) notice of all claims, offsets, or disputes asserted by Account Debtors with respect to each Borrower's Accounts,                  (f) a summary aging, by vendor, of each Loan Party's accounts payable and any book overdraft and an aging, by vendor, of any held checks, and                  (g) a detailed report regarding each Loan Party's and its Subsidiaries' cash and Cash Equivalents, including an indication of which amounts constitute Qualified Cash.</p>
<p>Monthly (no later than the 30th day of each month),</p>	<p>(h) a reconciliation of Accounts and accounts payable of Borrowers' general ledger to its monthly financial statements, including any book reserves related to each category.</p>
<p>Quarterly (no later than the 45th day after the end of each fiscal quarter),</p>	<p>(i) a report regarding each Loan Party's and its Subsidiaries' accrued, but unpaid, <i>ad valorem</i> taxes,                  (j) a report detailing all intercompany amounts due between or among any Loan Parties and/or any of their Subsidiaries, and                  (k) a Perfection Certificate or a supplement to the Perfection Certificate.</p>
<p>Annually (no later than 90 days after the end of each fiscal year),</p>	<p>(l) a detailed list of each Loan Party's and its Subsidiaries' customers, with contact information.</p>
<p>Upon request by Agent,</p>	<p>(m) such other reports as to the Collateral of any Loan Party and its Subsidiaries, as Agent may reasonably request.</p>

## GUARANTY AND SECURITY AGREEMENT

This **GUARANTY AND SECURITY AGREEMENT** (this "Agreement"), dated as of May 19, 2017, by and among the Persons listed on the signature pages hereof as "Grantors" and those additional entities that hereafter become parties hereto by executing the form of Joinder attached hereto as Annex 1 (each, a "Grantor" and collectively, the "Grantors"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), in its capacity as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Credit Agreement, of even date herewith (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., as parent ("Parent"), each of the Parent's subsidiaries that are signatories thereto and those additional entities that hereafter become parties to the Credit Agreement as Borrowers in accordance with the terms thereof (together with Parent, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and assigns, is referred to hereinafter as a "Lender"), and Agent as lead arranger, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof; and

**WHEREAS**, Agent has agreed to act as agent for the benefit of the Lender Group and the Bank Product Providers in connection with the transactions contemplated by the Credit Agreement and this Agreement;

**WHEREAS**, in order to induce the Lender Group to enter into the Credit Agreement and the other Loan Documents and to extend the Loans thereunder, to induce the Bank Product Providers to enter into the Bank Product Agreements, and to induce the Lender Group and the Bank Product Providers to make financial accommodations to Borrowers as provided for in the Credit Agreement, the other Loan Documents and the Bank Product Agreements, (a) each Grantor (other than any Borrower) has agreed to guaranty the Guaranteed Obligations, and (b) each Grantor has agreed to grant to Agent, for the benefit of the Lender Group and the Bank Product Providers, a continuing security interest in and to the Collateral in order to secure the prompt and complete payment, observance and performance of, among other things, the Secured Obligations; and

**WHEREAS**, each Grantor (other than any Borrower) is an Affiliate or a Subsidiary of each Borrower and, as such, will benefit by virtue of the financial accommodations extended to Borrowers by the Lender Group.

**NOW, THEREFORE**, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions; Construction.

(a) All initially capitalized terms used herein (including in the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Credit Agreement. Any terms (whether capitalized or lower case) used in this Agreement that are defined in the Code (including, without limitation, Account, Account Debtor, Chattel Paper, Commercial Tort Claims, Deposit Account, Drafts, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Inventory, Investment Property, Instruments, Letters of Credit, Letter of Credit Rights, Promissory Notes, Proceeds, Securities Account and Supporting Obligations) shall be construed and defined as set forth in the Code unless otherwise defined herein or in the Credit Agreement; provided, that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

- (i) "Acquisition Documents" means the agreements, instruments and documents evidencing, or entered into in connection with, an Acquisition (including a Permitted Acquisition) by a Grantor.
- (ii) "Activation Instruction" has the meaning specified therefor in Section 7(k) hereof.
- (iii) "Agent" has the meaning specified therefor in the preamble to this Agreement.
- (iv) "Agreement" has the meaning specified therefor in the preamble to this Agreement.
- (v) "Books" means books and records (including each Grantor's Records indicating, summarizing, or evidencing such Grantor's assets (including the Collateral) or liabilities, each Grantor's Records relating to such Grantor's business operations or financial condition, and each Grantor's goods or General Intangibles related to such information).
- (vi) "Borrower" and "Borrowers" have the respective meanings specified therefor in the recitals to this Agreement.
- (vii) "Cash Dominion Event" means the occurrence of either of the following: (A) the occurrence and continuance of any Specified Event of Default, or (B) Excess Availability is less than the greater of (x) 15% of the Maximum Revolver Amount, and (y) \$4,500,000.
- (viii) "Cash Dominion Period" means the period commencing after the occurrence of a Cash Dominion Event and continuing until the date when (A) no Specified Event of Default shall exist and be continuing, and (B) Excess Availability is greater than the greater of (x) 15% of the Maximum Revolver Amount, and (y) \$4,500,000 for 60 consecutive days.
- (ix) "Code" means the New York Uniform Commercial Code, as in effect from time to time; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to Agent's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

- (x) “Collateral” has the meaning specified therefor in Section 3 hereof.
- (xi) “Collection Account” means a Deposit Account of a Grantor which is used exclusively for deposits of collections and proceeds of Collateral and not as a disbursement or operating account upon which checks or other drafts may be drawn.
- (xii) “Commercial Tort Claims” means commercial tort claims (as that term is defined in the Code), and includes those commercial tort claims listed on Schedule 1.
- (xiii) “Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.
- (xiv) “Controlled Account” has the meaning specified therefor in Section 7(k) hereof.
- (xv) “Controlled Account Agreements” means those certain cash management agreements, in form and substance reasonably satisfactory to Agent, each of which is executed and delivered by a Grantor, Agent, and one of the Controlled Account Banks.
- (xvi) “Controlled Account Bank” has the meaning specified therefor in Section 7(k) hereof.
- (xvii) “Copyrights” means any and all rights in any works of authorship, including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule 2, (C) income, license fees, royalties, damages, and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (D) the right to sue for past, present, and future infringements thereof, and (E) all of each Grantor’s rights corresponding thereto throughout the world.
- (xviii) “Copyright Security Agreement” means each Copyright Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit A.
- (xix) “Credit Agreement” has the meaning specified therefor in the recitals to this Agreement.
- (xx) “Excluded Accounts” means (A) Deposit Accounts and Securities Accounts with an aggregate amount on deposit therein of not more than \$500,000 at any one time for all such Deposit Accounts or Securities Accounts, or (B) Deposit Accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for any Grantor’s employees.
- (xxi) “Excluded Swap Obligation” means, with respect to any Grantor, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Grantor of (including by virtue of the joint and several liability provisions of Section 2.15 of the Credit Agreement with respect to any Grantor that is a Borrower), or the grant by such Grantor of a security interest to secure, such Swap

Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Grantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Grantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

(xxii) "Foreclosed Grantor" has the meaning specified therefor in Section 2(i)(iv) hereof.

(xxiii) "General Intangibles" means general intangibles (as that term is defined in the Code), and includes payment intangibles, software, contract rights, rights to payment, rights under Hedge Agreements (including the right to receive payment on account of the termination (voluntarily or involuntarily) of such Hedge Agreements), rights arising under common law, statutes, or regulations, choses or things in action, goodwill, Intellectual Property, Intellectual Property Licenses, purchase orders, customer lists, route lists, rights to payment and other rights under Acquisition Documents, rights to payment and other rights under any royalty or licensing agreements, including Intellectual Property Licenses, infringement claims, monies due or recoverable from pension funds, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, interests in a partnership or limited liability company which do not constitute a security under Article 8 of the Code, and any other personal property other than Commercial Tort Claims, money, Accounts, Chattel Paper, Deposit Accounts, goods, Investment Property, Negotiable Collateral, and oil, gas, or other minerals before extraction.

(xxiv) "Grantor" and "Grantors" have the respective meanings specified therefor in the preamble to this Agreement.

(xxv) "Guarantied Obligations" means all of the Obligations (including any Bank Product Obligations) now or hereafter existing, whether for principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), fees (including the fees provided for in the Fee Letter), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), or otherwise, and any and all expenses (including reasonable outside counsel fees and out-of-pocket expenses) incurred by Agent, any other member of the Lender Group, or any Bank Product Provider (or any of them) in enforcing any rights under the any of the Loan Documents; provided that, notwithstanding anything to the contrary set forth in this definition, the Loan Parties shall not be liable for the fees of more than one counsel to the Agent, one counsel to the other Lenders, if applicable, one local counsel in each jurisdiction to each of Agent and the other Lenders and one specialist counsel for each specialized area of law to each such person or group. Without limiting the generality of the foregoing, Guarantied Obligations shall include all amounts that constitute part of the Guarantied Obligations and would be owed by any Borrower to Agent, any other member of the Lender Group, or any Bank Product Provider but for the fact that they are unenforceable or not allowable, including due to the existence of a bankruptcy, reorganization, other Insolvency Proceeding or similar proceeding involving any Borrower or any guarantor; provided that, anything to the contrary contained in the foregoing notwithstanding, the Guarantied Obligations shall exclude any Excluded Swap Obligation.



(xxvi) “Guarantor” means each Grantor other than any Borrower.

(xxvii) “Guaranty” means the guaranty set forth in Section 2 hereof.

(xxviii) “Intellectual Property” means any and all Patents, Copyrights, Trademarks, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, product designs, industrial designs, blueprints, drawings, data, customer lists, URLs and domain names, specifications, documentations, reports, catalogs, literature, and any other forms of technology or proprietary information of any kind, including all rights therein and all applications for registration or registrations thereof.

(xxix) “Intellectual Property Licenses” means, with respect to any Grantor, (A) any licenses or other similar rights provided to such Grantor in or with respect to Intellectual Property owned or controlled by any other Person, and (B) any licenses or other similar rights provided to any other Person in or with respect to Intellectual Property owned or controlled by such Grantor, in each case, including (x) any software license agreements (other than license agreements for commercially available off-the-shelf software that is generally available to the public which have been licensed to a Grantor pursuant to end-user licenses), (y) the license agreements listed on Schedule 3, and (z) the right to use any of the licenses or other similar rights described in this definition in connection with the enforcement of the Lender Group’s rights under the Loan Documents.

(xxx) “Investment Property” means (A) any and all investment property, and (B) any and all of the following (regardless of whether classified as investment property under the Code): all Pledged Interests, Pledged Operating Agreements, and Pledged Partnership Agreements.

(xxxi) “Joinder” means each Joinder to this Agreement executed and delivered by Agent and each of the other parties listed on the signature pages thereto, in substantially the form of Annex 1.

(xxxii) “Lender” and “Lenders” have the respective meanings specified therefor in the recitals to this Agreement.

(xxxiii) “Negotiable Collateral” means letters of credit, letter-of-credit rights, instruments, promissory notes, drafts and documents (as each such term is defined in the Code).

(xxxiv) “Notes Priority Collateral” has the meaning specified therefor in the Intercreditor Agreement.

(xxxv) “Parent” has the meaning specified therefor in the recitals to this Agreement.

(xxxvi) “Patents” means patents and patent applications, including (A) the patents and patent applications listed on Schedule 4, (B) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (C) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (D) the right to sue for past, present, and future infringements thereof, and (E) all of each Grantor’s rights corresponding thereto throughout the world.

(xxxvii) “Patent Security Agreement” means each Patent Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit B.

(xxxviii) “Pledged Companies” means each Person listed on Schedule 5 as a “Pledged Company”, together with each other Person, all or a portion of whose Equity Interests are acquired or otherwise owned by a Grantor after the Closing Date and is required to be pledged pursuant to Section 5.11 of the Credit Agreement.

(xxxix) “Pledged Interests” means all of each Grantor’s right, title and interest in and to all of the Equity Interests now owned or hereafter acquired by such Grantor, regardless of class or designation, including in each of the Pledged Companies, and all substitutions therefor and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Equity Interests, the right to receive any certificates representing any of the Equity Interests, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof and the right to receive all dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and all cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

(xl) “Pledged Interests Addendum” means a Pledged Interests Addendum substantially in the form of Exhibit C.

(xli) “Pledged Operating Agreements” means all of each Grantor’s rights, powers, and remedies under the limited liability company operating agreements of each of the Pledged Companies that are limited liability companies.

(xlii) “Pledged Partnership Agreements” means all of each Grantor’s rights, powers, and remedies under the partnership agreements of each of the Pledged Companies that are partnerships.

(xliii) “Proceeds” has the meaning specified therefor in Section 3 hereof.

(xliv) “PTO” means the United States Patent and Trademark Office.

(xlv) “Qualified ECP Grantor” means, in respect of any Swap Obligation, each Grantor that has total assets exceeding \$10,000,000 at the time the relevant guaranty, keepwell, or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

(xlvi) “Real Property” means any estates or interests in real property now owned or hereafter acquired by any Grantor and the improvements thereto.

(xlvii) “Record” means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(xlviii) “Secured Obligations” means each and all of the following: (A) all of the present and future obligations of each of the Grantors arising from, or owing under or pursuant to, this

Agreement (including the Guaranty), the Credit Agreement, or any of the other Loan Documents, (B) all Bank Product Obligations, and (C) all other Obligations of each Borrower and all other Guaranteed Obligations of each Guarantor (including, in the case of each of clauses (A), (B) and (C), Lender Group Expenses and any interest, fees, or expenses that accrue after the filing of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any Insolvency Proceeding); provided that, anything to the contrary contained in the foregoing notwithstanding, the Secured Obligations shall exclude any Excluded Swap Obligation.

(xlix) "Security Interest" has the meaning specified therefor in Section 3 hereof.

(l) "Supporting Obligations" means supporting obligations (as such term is defined in the Code), and includes letters of credit and guaranties issued in support of Accounts, Chattel Paper, documents, General Intangibles, instruments or Investment Property.

(li) "Swap Obligation" means, with respect to any Grantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

(lii) "Trademarks" means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 6, (B) all renewals thereof, (C) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (D) the right to sue for past, present and future infringements and dilutions thereof, (E) the goodwill of each Grantor's business symbolized by the foregoing or connected therewith, and (F) all of each Grantor's rights corresponding thereto throughout the world.

(liii) "Trademark Security Agreement" means each Trademark Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit D.

(liv) "URL" means "uniform resource locator," an internet web address.

(lv) "VIN" has the meaning specified therefor in Section 5(h) hereof.

(b) This Agreement shall be subject to the rules of construction set forth in Section 1.4 of the Credit Agreement, and such rules of construction are incorporated herein by this reference, *mutatis mutandis*.

(c) All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

## 2. Guaranty.

(a) In recognition of the direct and indirect benefits to be received by Guarantors from the proceeds of the Revolving Loans, the issuance of the Letters of Credit, and the entering into of the Bank Product Agreements and by virtue of the financial accommodations to be made to Borrowers,

each of the Guarantors, jointly and severally, hereby unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the Guaranteed Obligations. If any or all of the Obligations constituting Guaranteed Obligations becomes due and payable, each of the Guarantors, unconditionally and irrevocably, and without the need for demand, protest, or any other notice or formality, promises to pay such Guaranteed Obligations to Agent, for the benefit of the Lender Group and the Bank Product Providers, together with any and all out-of-pocket expenses (including Lender Group Expenses) that may be incurred by Agent or any other member of the Lender Group or any Bank Product Provider in demanding, enforcing, or collecting any of the Guaranteed Obligations (including the enforcement of any collateral for such Guaranteed Obligations or any collateral for the obligations of the Guarantors under this Guaranty). If claim is ever made upon Agent or any other member of the Lender Group or any Bank Product Provider for repayment or recovery of any amount or amounts received in payment of or on account of any or all of the Guaranteed Obligations and any of Agent or any other member of the Lender Group or any Bank Product Provider repays all or part of said amount by reason of (i) any judgment, decree, or order of any court or administrative body having jurisdiction over such payee or any of its property, or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including any Borrower or any Guarantor), then and in each such event, each of the Guarantors agrees that any such judgment, decree, order, settlement, or compromise shall be binding upon the Guarantors, notwithstanding any revocation (or purported revocation) of this Guaranty or other instrument evidencing any liability of any Grantor, and the Guarantors shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

(b) Additionally, each of the Guarantors unconditionally and irrevocably guarantees the payment of any and all of the Guaranteed Obligations to Agent, for the benefit of the Lender Group and the Bank Product Providers, whether or not due or payable by any Loan Party upon the occurrence of any of the events specified in Section 8.4 or 8.5 of the Credit Agreement, and irrevocably and unconditionally promises to pay the Guaranteed Obligations to Agent, for the benefit of the Lender Group and the Bank Product Providers, without the requirement of demand, protest, or any other notice or other formality, in lawful money of the United States.

(c) The liability of each of the Guarantors hereunder is primary, absolute, and unconditional, and is independent of any security for or other guaranty of the Guaranteed Obligations, whether executed by any other Guarantor or by any other Person, and the liability of each of the Guarantors hereunder shall not be affected or impaired by (i) any payment on, or in reduction of, any such other guaranty or undertaking (other than payment in full of the Guaranteed Obligations), (ii) any dissolution, termination, or increase, decrease, or change in personnel by any Grantor, (iii) any payment made to Agent, any other member of the Lender Group, or any Bank Product Provider on account of the Obligations which Agent, such other member of the Lender Group, or such Bank Product Provider repays to any Grantor pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding (or any settlement or compromise of any claim made in such a proceeding relating to such payment), and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, (iv) any action or inaction by Agent, any other member of the Lender Group, or any Bank Product Provider, or (v) any invalidity, irregularity, avoidability, or unenforceability of all or any part of the Obligations or of any security therefor.

(d) This Guaranty includes all present and future Guaranteed Obligations including any under transactions continuing, compromising, extending, increasing, modifying, releasing, or renewing the Guaranteed Obligations, changing the interest rate, payment terms, or other terms and

conditions thereof, or creating new or additional Guaranteed Obligations after prior Guaranteed Obligations have been satisfied in whole or in part. To the maximum extent permitted by law, each Guarantor hereby waives any right to revoke this Guaranty as to future Guaranteed Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Guarantor acknowledges and agrees that (i) no such revocation shall be effective until written notice thereof has been received by Agent, (ii) no such revocation shall apply to any Guaranteed Obligations in existence on the date of receipt by Agent of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (iii) no such revocation shall apply to any Guaranteed Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of any member of the Lender Group or any Bank Product Provider in existence on the date of such revocation, (iv) no payment by any Guarantor, any Borrower, or from any other source, prior to the date of Agent's receipt of written notice of such revocation shall reduce the maximum obligation of such Guarantor hereunder, and (v) any payment by any Borrower or from any source other than such Guarantor subsequent to the date of such revocation shall first be applied to that portion of the Guaranteed Obligations as to which the revocation is effective and which are not, therefore, guaranteed hereunder, and to the extent so applied shall not reduce the maximum obligation of such Guarantor hereunder. This Guaranty shall be binding upon each Guarantor, its successors and assigns and inure to the benefit of and be enforceable by Agent (for the benefit of the Lender Group and the Bank Product Providers) and its successors, transferees, or assigns.

(e) The guaranty by each of the Guarantors hereunder is a guaranty of payment and not of collection. The obligations of each of the Guarantors hereunder are independent of the obligations of any other Guarantor or Grantor or any other Person and a separate action or actions may be brought and prosecuted against one or more of the Guarantors whether or not action is brought against any other Guarantor or Grantor or any other Person and whether or not any other Guarantor or Grantor or any other Person be joined in any such action or actions. Each of the Guarantors waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof. Any payment by any Grantor or other circumstance which operates to toll any statute of limitations as to any Grantor shall operate to toll the statute of limitations as to each of the Guarantors.

(f) Each of the Guarantors authorizes Agent, the other members of the Lender Group, and the Bank Product Providers without notice or demand (other than any notice expressly required to be provided hereunder or under any other Loan Document), and without affecting or impairing its liability hereunder, from time to time to:

(i) change the manner, place, or terms of payment of, or change or extend the time of payment of, renew, increase, accelerate, or alter: (A) any of the Obligations (including any increase or decrease in the principal amount thereof or the rate of interest or fees thereon), or (B) any security therefor or any liability incurred directly or indirectly in respect thereof, and this Guaranty shall apply to the Obligations as so changed, extended, renewed, or altered;

(ii) take and hold security for the payment of the Obligations and sell, exchange, release, impair, surrender, realize upon, collect, settle, or otherwise deal with in any manner and in any order any property at any time pledged or mortgaged to secure the Obligations or any of the Guaranteed Obligations (including any of the obligations of all or any of the Guarantors under this Guaranty) incurred directly or indirectly in respect thereof or hereof, or any offset on account thereof;

(iii) exercise or refrain from exercising any rights against any Grantor;

---

(iv) release or substitute any one or more endorsers, guarantors, any Grantor, or other obligors;

(v) settle or compromise any of the Obligations, any security therefor, or any liability (including any of those of any of the Guarantors under this Guaranty) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of any Grantor to its creditors;

(vi) apply any sums by whomever paid or however realized to any liability or liabilities of any Grantor to Agent, any other member of the Lender Group, or any Bank Product Provider regardless of what liability or liabilities of such Grantor remain unpaid;

(vii) consent to or waive any breach of, or any act, omission, or default under, this Agreement, any other Loan Document, any Bank Product Agreement, or any of the instruments or agreements referred to herein or therein, or otherwise amend, modify, or supplement this Agreement, any other Loan Document, any Bank Product Agreement, or any of such other instruments or agreements; or

(viii) take any other action that could, under otherwise applicable principles of law, give rise to a legal or equitable discharge of one or more of the Guarantors from all or part of its liabilities under this Guaranty (other than a defense of payment in full of the Guaranteed Obligations).

(g) It is not necessary for Agent, any other member of the Lender Group, or any Bank Product Provider to inquire into the capacity or powers of any of the Guarantors or the officers, directors, partners or agents acting or purporting to act on their behalf, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

(h) Each Guarantor jointly and severally guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any member of the Lender Group or any Bank Product Provider with respect thereto. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce such obligations, irrespective of whether any action is brought against any other Guarantor or whether any other Guarantor is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defense it may now or hereafter have in any way relating to, any or all of the following:

(i) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(ii) any change in the time, manner, or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including any increase in the Guaranteed Obligations resulting from the extension of additional credit;

(iii) any taking, exchange, release, or non-perfection of any Lien in and to any Collateral, or any taking, release, amendment, waiver, supplement, restatements, extension, novation, renewal, replacements, or continuation of, or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(iv) the existence of any claim, set-off, defense, or other right that any Guarantor may have at any time against any Person, including Agent, any other member of the Lender Group, or any Bank Product Provider;

(v) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the Guaranteed Obligations or any security therefor;

(vi) any right or defense arising by reason of any claim or defense based upon an election of remedies by any member of the Lender Group or any Bank Product Provider including any defense based upon an impairment or elimination of such Guarantor's rights of subrogation, reimbursement, contribution, or indemnity of such Guarantor against any Grantor or any other guarantors or sureties;

(vii) any change, restructuring, or termination of the corporate, limited liability company, or partnership structure or existence of any Grantor; or

(viii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor or any other guarantor or surety.

(i) Waivers.

(i) Each of the Guarantors waives any right (except as shall be required by applicable statute and cannot be waived) to require Agent, any other member of the Lender Group, or any Bank Product Provider to (i) proceed against any other Grantor or any other Person, (ii) proceed against or exhaust any security held from any other Grantor or any other Person, (iii) protect, secure, perfect, or insure any security interest or Lien on any property subject thereto or exhaust any right to take any action against any other Grantor, any other Person, or any collateral, or (iv) pursue any other remedy in any member of the Lender Group's or any Bank Product Provider's power whatsoever. Each of the Guarantors waives any defense based on or arising out of any defense of any Grantor or any other Person, other than payment of the Guaranteed Obligations to the extent of such payment, based on or arising out of the disability of any Grantor or any other Person, or the validity, legality, or unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Grantor other than payment of the Obligations to the extent of such payment. Agent may, at the election of the Required Lenders, foreclose upon any Collateral held by Agent by one or more judicial or non-judicial sales or other dispositions, whether or not every aspect of any such sale is commercially reasonable or otherwise fails to comply with applicable law or may exercise any other right or remedy Agent, any other member of the Lender Group, or any Bank Product Provider may have against any Grantor or any other Person, or any security, in each case, without affecting or impairing in any way the liability of any of the Guarantors hereunder except to the extent the Guaranteed Obligations have been paid.

(ii) Each of the Guarantors waives all presentments, demands for performance, protests and notices, including notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation, or incurring of new or additional Obligations or other financial accommodations. Each of the Guarantors waives notice of any Default or Event of Default under any of the Loan Documents. Each of the Guarantors assumes all responsibility for being and keeping itself informed of each Grantor's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope,

and extent of the risks which each of the Guarantors assumes and incurs hereunder, and agrees that neither Agent nor any of the other members of the Lender Group nor any Bank Product Provider shall have any duty to advise any of the Guarantors of information known to them regarding such circumstances or risks.

(iii) To the fullest extent permitted by applicable law, each Guarantor hereby waives: (A) any right to assert against any member of the Lender Group or any Bank Product Provider, any defense (legal or equitable) (other than the defense that all of the Guaranteed Obligations have been paid in full), set-off, counterclaim, or claim which each Guarantor may now or at any time hereafter have against any Borrower or any other party liable to any member of the Lender Group or any Bank Product Provider, (B) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the Guaranteed Obligations or any security therefor, (C) any right or defense arising by reason of any claim or defense based upon an election of remedies by any member of the Lender Group or any Bank Product Provider including any defense based upon an impairment or elimination of such Guarantor's rights of subrogation, reimbursement, contribution, or indemnity of such Guarantor against any Borrower or other guarantors or sureties, and (D) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the Guaranteed Obligations shall similarly operate to defer or delay the operation of such statute of limitations applicable to such Guarantor's liability hereunder.

(iv) No Guarantor will exercise any rights that it may now or hereafter acquire against any Grantor or any other guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Guaranty, including any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Agent, any other member of the Lender Group, or any Bank Product Provider against any Grantor or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including the right to take or receive from any Grantor or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash and all of the Commitments have been terminated. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence, such amount shall be held in trust for the benefit of Agent, for the benefit of the Lender Group and the Bank Product Providers, and shall forthwith be paid to Agent to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Credit Agreement, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. Notwithstanding anything to the contrary contained in this Guaranty, no Guarantor may exercise any rights of subrogation, contribution, indemnity, reimbursement or other similar rights against, and may not proceed or seek recourse against or with respect to any property or asset of, any other Grantor (the "Foreclosed Grantor"), including after payment in full of the Obligations, if all or any portion of the Obligations have been satisfied in connection with an exercise of remedies in respect of the Equity Interests of such Foreclosed Grantor whether pursuant to this Agreement or otherwise.

(v) Each of the Guarantors hereby acknowledges and affirms that it understands that to the extent the Guaranteed Obligations are secured by Real Property located in California, Guarantors shall be liable for the full amount of the liability hereunder notwithstanding the foreclosure on such Real Property by trustee sale or any other reason impairing such Guarantor's right to proceed against any Loan Party. In accordance with Section 2856 of the California Civil Code or any



similar laws of any other applicable jurisdiction, each of the Guarantors hereby waives until such time as the Guaranteed Obligations have been paid in full:

(1) all rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the Guarantors by reason of Sections 2787 to 2855, inclusive, 2899, and 3433 of the California Civil Code or any similar laws of any other applicable jurisdiction;

(2) all rights and defenses that the Guarantors may have because the Guaranteed Obligations are secured by Real Property located in California, meaning, among other things, that: (A) Agent, the other members of the Lender Group, and the Bank Product Providers may collect from the Guarantors without first foreclosing on any real or personal property collateral pledged by any Borrower or any other Grantor, and (B) if Agent, on behalf of the Lender Group, forecloses on any Real Property collateral pledged by any Borrower or any other Grantor, (1) the amount of the Guaranteed Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (2) the Lender Group may collect from the Guarantors even if, by foreclosing on the Real Property collateral, Agent or the other members of the Lender Group have destroyed or impaired any right the Guarantors may have to collect from any other Grantor, it being understood that this is an unconditional and irrevocable waiver of any rights and defenses the Guarantors may have because the Guaranteed Obligations are secured by Real Property (including, without limitation, any rights or defenses based upon Sections 580a, 580d, or 726 of the California Code of Civil Procedure or any similar laws of any other applicable jurisdiction); and

(3) all rights and defenses arising out of an election of remedies by Agent, the other members of the Lender Group, and the Bank Product Providers, even though that election of remedies, such as a non-judicial foreclosure with respect to security for the Guaranteed Obligations, has destroyed Guarantors' rights of subrogation and reimbursement against any Grantor by the operation of Section 580d of the California Code of Civil Procedure or any similar laws of any other applicable jurisdiction or otherwise.

(vi) Each of the Guarantors represents, warrants, and agrees that each of the waivers set forth above is made with full knowledge of its significance and consequences and that if any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective to the maximum extent permitted by law.

(vii) The provisions in this Section 2 which refer to certain sections of the California Civil Code or the California Code of Civil Procedure are included in this Guaranty solely out of an abundance of caution and shall not be construed to mean that any of the above-referenced provisions of California law are in any way applicable to this Guaranty.

3. Grant of Security. Each Grantor hereby unconditionally grants, collaterally assigns, and pledges to Agent, for the benefit of each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations (whether now existing or hereafter arising), a continuing security interest (hereinafter referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "Collateral"):

(a) all of such Grantor's Accounts;

- 
- (b) all of such Grantor's Books;
  - (c) all of such Grantor's Chattel Paper;
  - (d) all of such Grantor's Commercial Tort Claims;
  - (e) all of such Grantor's Deposit Accounts;
  - (f) all of such Grantor's Equipment;
  - (g) all of such Grantor's Farm Products;
  - (h) all of such Grantor's Fixtures;
  - (i) all of such Grantor's General Intangibles;
  - (j) all of such Grantor's Inventory;
  - (k) all of such Grantor's Investment Property;
  - (l) all of such Grantor's Intellectual Property and Intellectual Property Licenses;
  - (m) all of such Grantor's Negotiable Collateral;
  - (n) all of such Grantor's Pledged Interests (including all of such Grantor's Pledged Operating Agreements and Pledged Partnership Agreements);
  - (o) all of such Grantor's Securities Accounts;
  - (p) all of such Grantor's Supporting Obligations;
  - (q) all of such Grantor's money, Cash Equivalents, or other assets of such Grantor that now or hereafter come into the possession, custody, or control of Agent (or its agent or designee) or any other member of the Lender Group; and
  - (r) all of such Grantor's rights in, to or under, or relating to, any FCC License;
  - (s) all of the Proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Farm Products, Fixtures, General Intangibles, Inventory, Investment Property, Intellectual Property, Negotiable Collateral, Pledged Interests, Securities Accounts, Supporting Obligations, money, FCC Licenses, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing (the "Proceeds"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Property or proceeds are

sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to any Grantor or Agent from time to time with respect to any of the Investment Property.

Notwithstanding anything contained in this Agreement to the contrary, the term "Collateral" shall not include:

- (a) any rights or interest in any lease, contract, license or license agreement covering personal property or real property of any Grantor (other than FCC Licenses, which are covered by clause (b) below), so long as under the terms of such lease, contract, license or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein to Agent is prohibited (or would render such lease, contract, license or license agreement cancelled, invalid or unenforceable) and such prohibition has not been or is not waived or the consent of the other party to such lease, contract, license or license agreement has not been or is not otherwise obtained; *provided* that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under the Code or other applicable law or so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of any Grantor in or to any proceeds from or monies due or to become due to any Grantor under any such lease, contract, license or license agreement (including any receivables);
- (b) any FCC Licenses to the extent (but only to the extent) that at such time Agent may not validly possess a security interest directly in the FCC Licenses pursuant to Communications Laws as in effect at such time; *provided* that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under other applicable law or so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon the economic value of the FCC Licenses, all rights incident or appurtenant to the FCC Licenses and the right to receive all monies, consideration, receivables and proceeds derived from or in connection with the sale, assignment or transfer of the FCC Licenses;
- (c) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law; *provided*, that upon submission and acceptance by the PTO of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral;
- (d) assets owned by any Grantor on the Closing Date or thereafter acquired and any proceeds thereof that are subject to a Lien securing a purchase money obligation or Capitalized Lease Obligation permitted to be incurred pursuant to the provisions of the Credit Agreement to the extent and for so long as the contract or other agreement in which such Lien is granted (or the documentation providing for such purchase money obligation or Capitalized Lease Obligation) validly prohibits the creation of any other Lien on such assets and proceeds; *provided* that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under the Code or other applicable law;

(e) any property of a person existing at the time such person is acquired or merged with or into or consolidated with any Grantor that is subject to a Permitted Lien not created in anticipation or contemplation of such acquisition to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such property; *provided* that this exclusion shall in no way be construed to apply if any such prohibition is unenforceable under the Code or other applicable law or so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of any Grantor in or to any proceeds from or monies due or to become due to any Grantor under any such property (including any receivables arising from the use of such property, but excluding any proceeds from any disposition of such property to the extent such Permitted Lien extends thereto and to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such proceeds);

(f) any shares entitled to vote (within the meaning of Treasury Regulation Section 1.956-2) of any direct or indirect Subsidiary of any Grantor that is a "controlled foreign corporation" in excess of sixty-six (66%) percent of all of the issued and outstanding Equity Interests in such Subsidiary;

(g) any (i) individual parcel of leased real property or (ii) individual parcel of owned real property of any Grantor having a fair market value, as determined by Grantors in good faith, of less than \$2,000,000; and

(h) any Equity Interests (other than any Equity Interests of a wholly owned Subsidiary of the any Grantor) to the extent such grant of a security interest is prohibited by a joint venture, shareholder or similar agreement entered into in connection with the acquisition of such Equity Interests so long as such agreement is entered into for valid business reasons.

4. Security for Secured Obligations. The Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the Lender Group, the Bank Product Providers or any of them, but for the fact that they are unenforceable or not allowable (in whole or in part) as a claim in an Insolvency Proceeding involving any Grantor due to the existence of such Insolvency Proceeding. Further, the Security Interest created hereby encumbers each Grantor's right, title, and interest in all Collateral, whether now owned by such Grantor or hereafter acquired, obtained, developed, or created by such Grantor and wherever located.

5. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each of the Grantors shall remain liable under the contracts and agreements included in the Collateral, including the Pledged Operating Agreements and the Pledged Partnership Agreements, to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Agent or any other member of the Lender Group of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under such contracts and agreements included in the Collateral, and (c) none of the members of the Lender Group shall have any obligation or liability under

such contracts and agreements included in the Collateral by reason of this Agreement, nor shall any of the members of the Lender Group be obligated to perform any of the obligations or duties of any Grantors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Until an Event of Default shall occur and be continuing, except as otherwise provided in this Agreement, the Credit Agreement, or any other Loan Document, Grantors shall have the right to possession and enjoyment of the Collateral for the purpose of conducting the ordinary course of their respective businesses, subject to and upon the terms hereof and of the Credit Agreement and the other Loan Documents. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Pledged Interests, including all voting, consensual, dividend, and distribution rights, shall remain in the applicable Grantor until (i) the occurrence and during the continuance of an Event of Default, and (ii) subject to the Intercreditor Agreement, Agent has notified the applicable Grantor of Agent's election to exercise such rights with respect to the Pledged Interests pursuant to [Section 16](#).

6. [Representations and Warranties](#). In order to induce Agent to enter into this Agreement for the benefit of the Lender Group and the Bank Product Providers, each Grantor makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of the making of each Revolving Loan (or other extension of credit) made thereafter, as though made on and as of the date of such Revolving Loan (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

(a) The name (within the meaning of Section 9-503 of the Code) and jurisdiction of organization of each Grantor is set forth on [Schedule 7](#) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the Loan Documents).

(b) The chief executive office of each Grantor is located at the address indicated on [Schedule 7](#) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the Loan Documents).

(c) Each Grantor's tax identification numbers and organizational identification numbers, if any, are identified on [Schedule 7](#) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the Loan Documents).

(d) As of the Closing Date, no Grantor holds any commercial tort claims that exceed \$1,000,000 in amount, except as set forth on [Schedule 1](#).

(e) Set forth on [Schedule 9](#) (as such Schedule may be updated from time to time subject to [Section 7\(k\)\(iii\)](#) with respect to Controlled Accounts and provided that Grantors comply with [Section 7\(c\)](#) hereof) is a listing of all of Grantors' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (i) the name and address of such Person, and (ii) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

---

(f) Schedule 8 sets forth all Real Property owned by any of the Grantors as of the Closing Date.

(g) As of the Closing Date: (i) Schedule 2 provides a complete and correct list of all registered Copyrights owned by any Grantor, all applications for registration of Copyrights owned by any Grantor, and all other Copyrights owned by any Grantor and material to the conduct of the business of any Grantor, (ii) Schedule 3 provides a complete and correct list of all Intellectual Property Licenses entered into by any Grantor pursuant to which (A) any Grantor has provided any license or other rights in Intellectual Property owned or controlled by such Grantor and material to the conduct of the business of such Grantor to any other Person (other than non-exclusive software licenses granted in the ordinary course of business), or (B) any Person has granted to any Grantor any license or other rights in Intellectual Property owned or controlled by such Person that is material to the business of such Grantor, including any Intellectual Property that is incorporated in any Inventory, software, or other product marketed, sold, licensed, or distributed by such Grantor (other than off-the-shelf, shrink-wrapped or “click to accept” software licenses or other licenses to generally commercially available software), (iii) Schedule 4 provides a complete and correct list of all Patents owned by any Grantor and all applications for Patents owned by any Grantor, and (iv) Schedule 6 provides a complete and correct list of all registered Trademarks owned by any Grantor, and all applications for registration of Trademarks owned by any Grantor.

(h) (i)(A) each Grantor owns exclusively or holds licenses in all Intellectual Property that is necessary in or material to the conduct of its business, and (B) all employees and contractors of each Grantor who were involved in the creation or development of any Intellectual Property for such Grantor that is necessary in or material to the business of such Grantor have signed agreements containing (x) assignment of Intellectual Property rights to such Grantor, or such Grantor owns all such Intellectual Property created or developed by such employees and contractors by operation of law or otherwise, and (y) obligations of confidentiality;

(ii) to each Grantor’s knowledge, no Person has infringed or misappropriated or is currently infringing or misappropriating any Intellectual Property rights owned by such Grantor, in each case, that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect;

(iii) (A) to each Grantor’s knowledge, (1) such Grantor has never infringed or misappropriated and is not currently infringing or misappropriating any Intellectual Property rights of any Person, and (2) no product manufactured, used, distributed, licensed, or sold by or service provided by such Grantor has ever infringed or misappropriated or is currently infringing or misappropriating any Intellectual Property rights of any Person, in each case, except where such infringement either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (B) there are no infringement or misappropriation claims or proceedings pending, or to any Grantor’s knowledge, threatened in writing against any Grantor, and no Grantor has received any written notice or other communication of any actual or alleged infringement or misappropriation of any Intellectual Property rights of any Person, in each case, except where such infringement either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect;

(iv) to each Grantor’s actual knowledge, all registered Copyrights, registered Trademarks, and issued Patents that are owned by such Grantor and necessary in or material to the conduct of its business are valid, subsisting and enforceable and in compliance with all legal requirements, filings, and payments and other actions that are required to maintain such Intellectual Property in full force and effect;

(v) each Grantor has taken reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all trade secrets owned by such Grantor that are necessary in or material to the conduct of the business of such Grantor; and

(i) This Agreement creates a valid security interest in the Collateral of each Grantor, to the extent a security interest therein can be created under the Code, securing the payment of the Secured Obligations. Except (i) to the extent a security interest in the Collateral cannot be perfected by the filing of a financing statement under the Code and (ii) with respect to any Transmitting Utility Filings (as hereinafter defined) necessary under the Code that Agent, in its sole discretion, elects not to file (collectively, the “Excluded Transmitting Utility Filings”), all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken or will have been taken upon the filing of financing statements listing each applicable Grantor, as a debtor, and Agent, as secured party, in the jurisdictions listed next to such Grantor’s name on Schedule 11. Upon the making of such filings, Agent shall have a first (subject only to Liens on Notes Priority Collateral securing the Senior Secured Note Indebtedness and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases) perfected security interest in the Collateral of each Grantor to the extent such security interest can be perfected by the filing of a financing statement under the Code (except with respect to any Transmitting Utility relating to any Excluded Transmitting Utility Filing). Upon filing of any Copyright Security Agreement with the United States Copyright Office, filing of any Patent Security Agreement and any Trademark Security Agreement with the PTO, and the filing of appropriate financing statements in the jurisdictions listed on Schedule 11, all action necessary or desirable to protect and perfect the Security Interest in and on each Grantor’s United States issued and registered Patents, Trademarks, or Copyrights has been taken and such perfected Security Interest is enforceable as such as against any and all creditors of and purchasers from any Grantor, subject to the Intercreditor Agreement. Except for any Excluded Transmitting Utility Filings, all action by any Grantor necessary to protect and perfect such security interest on each item of Collateral has been duly taken.

(j) (i) Except for the Security Interest created hereby, each Grantor is and will at all times be the sole holder of record and the legal and beneficial owner, free and clear of all Liens other than Permitted Liens, of the Pledged Interests indicated on Schedule 5 as being owned by such Grantor and, when acquired by such Grantor, any Pledged Interests acquired after the Closing Date, (ii) all of the Pledged Interests are duly authorized, validly issued, fully paid and non-assessable and the Pledged Interests constitute or will constitute the percentage of the issued and outstanding Equity Interests of the Pledged Companies of such Grantor identified on Schedule 5 as supplemented or modified by any Pledged Interests Addendum or any Joinder to this Agreement, (iii) such Grantor has the right and requisite authority to pledge, the Investment Property pledged by such Grantor to Agent as provided herein, (iv) all actions necessary or desirable to perfect and establish the first priority (subject only to Liens on Notes Priority Collateral securing the Senior Secured Note Indebtedness and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases) of, or otherwise protect, Agent’s Liens in the Investment Property, and the proceeds thereof, have been or will be duly taken, upon (A) the execution and delivery of this Agreement, (B) the taking of possession by Agent (or its agent or designee (or the Senior Secured Notes Agent as Agent’s bailee for perfection pursuant to the Intercreditor Agreement)) of any certificates representing the Pledged Interests, to the extent such Pledged Interests are represented by certificates, together with undated powers (or other documents of transfer acceptable to Agent) endorsed in blank by the applicable

Grantor, (C) the filing of financing statements in the applicable jurisdiction set forth on Schedule 11 for such Grantor with respect to the Pledged Interests of such Grantor that are not represented by certificates, and (D) with respect to any Securities Accounts, the delivery of Control Agreements with respect thereto, and (v) each Grantor has delivered to and deposited with Agent (or the Senior Secured Notes Agent as Agent's bailee for perfection pursuant to the Intercreditor Agreement) all certificates representing the Pledged Interests owned by such Grantor to the extent such Pledged Interests are represented by certificates, and undated powers (or other documents of transfer acceptable to Agent) endorsed in blank with respect to such certificates. None of the Pledged Interests owned or held by such Grantor has been issued or transferred in violation of any securities registration, securities disclosure, or similar laws of any jurisdiction to which such issuance or transfer may be subject.

(k) No consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a Security Interest by such Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by such Grantor, or (ii) for the exercise by Agent of the voting or other rights provided for in this Agreement with respect to the Investment Property or the remedies in respect of the Collateral pursuant to this Agreement, except (A) as may be required in connection with such disposition of Investment Property by laws affecting the offering and sale of securities generally, (B) for consents, approvals, authorizations, or other orders or actions that have already been obtained or given (as applicable) and that are still in force, (C) the filing of financing statements and other filings necessary to perfect the Security Interests granted hereby, (D) the filing of this Agreement with the FCC after the Closing Date, and (E) any necessary prior approval of the FCC. No Intellectual Property License of any Grantor that is necessary in or material to the conduct of the Grantors' business requires any consent of any other Person that has not been obtained in order for such Grantor to grant the security interest granted hereunder in such Grantor's right, title or interest in or to such Intellectual Property License.

(l) Schedule 12 sets forth all motor vehicles owned by Grantors as of the Closing Date and having an aggregate value in excess of \$250,000, by model, model year, and vehicle identification number ("VIN").

(m) Each Grantor identified on Schedule 13 may be a "transmitting utility" (as defined in Section 9-102(a)(80) of the Code) and the jurisdictions for filing listed next to such Grantor's name on Schedule 13 are the jurisdictions for "transmitting utility" filings that would be required to be made with respect to such Grantor if such Grantor were a transmitting utility in order to perfect Agent's security interest in the fixtures of such Grantor (collectively, the "Transmitting Utility Filings").

(n) [Reserved].

(o) As to all limited liability company or partnership interests, issued under any Pledged Operating Agreement or Pledged Partnership Agreement, each Grantor hereby represents and warrants that the Pledged Interests issued pursuant to such agreement (i) are not dealt in or traded on securities exchanges or in securities markets, (ii) do not constitute investment company securities, and (iii) are not held by such Grantor in a Securities Account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, provides that such Pledged Interests are securities governed by Article 8 of the Uniform Commercial Code as in effect in any relevant jurisdiction.



7. Covenants. Each Grantor, jointly and severally, covenants and agrees with Agent that from and after the date of this Agreement and until the date of termination of this Agreement in accordance with Section 23:

(a) Possession of Collateral. In the event that any Collateral, including Proceeds, is evidenced by or consists of Negotiable Collateral, Investment Property, or Chattel Paper having an aggregate value or face amount of \$1,000,000 or more for all such Negotiable Collateral, Investment Property, or Chattel Paper, the Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) after acquisition thereof), notify Agent thereof, and if and to the extent that perfection or priority of Agent's Security Interest is dependent on or enhanced by possession, the applicable Grantor, promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion)) after written request by Agent, shall execute such other documents and instruments as shall be requested by Agent or, if applicable, endorse and deliver physical possession of such Negotiable Collateral, Investment Property, or Chattel Paper to Agent (or to the Senior Secured Notes Agent as Agent's bailee for perfection pursuant to the Intercreditor Agreement), together with such undated powers (or other relevant document of transfer acceptable to Agent or Senior Secured Notes Agent, as applicable) endorsed in blank as shall be requested by Agent or Senior Secured Notes Agent, as applicable, and shall do such other acts or things deemed necessary or desirable by Agent to protect Agent's Security Interest therein.

(b) Chattel Paper.

(i) Promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion)) after written request by Agent, each Grantor shall take all steps reasonably necessary to grant Agent control of all electronic Chattel Paper in accordance with the Code and all "transferable records" as that term is defined in Section 16 of the Uniform Electronic Transaction Act and Section 201 of the federal Electronic Signatures in Global and National Commerce Act as in effect in any relevant jurisdiction, to the extent that the aggregate value or face amount of such electronic Chattel Paper equals or exceeds \$1,000,000; and

(ii) If any Grantor retains possession of any Chattel Paper or instruments (which retention of possession shall be subject to the extent permitted hereby and by the Credit Agreement), promptly upon the written request of Agent, such Chattel Paper and instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the Security Interest of Wells Fargo Bank, National Association, as Agent for the benefit of the Lender Group and the Bank Product Providers".

(c) Control Agreements.

(i) Subject to any applicable time periods provided under Schedule 3.6 to the Credit Agreement, each Grantor shall obtain a Control Agreement (which may include a Controlled Account Agreement), from each bank maintaining a Deposit Account or Securities Account for such Grantor (other than with respect to any Excluded Accounts); and

(ii) Each Grantor shall obtain a Control Agreement, from each issuer of uncertificated securities, securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for any Grantor, or maintaining a Securities Account for such Grantor (other than with respect to any Excluded Accounts).

(d) Letter-of-Credit Rights. If the Grantors (or any of them) are or become the beneficiary of letters of credit having a face amount or value of \$1,000,000 or more in the aggregate, then the applicable Grantor or Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) after becoming a beneficiary), notify Agent thereof and, promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion)) after written request by Agent, enter into a tri-party agreement with Agent and the issuer or confirming bank with respect to letter-of-credit rights assigning such letter-of-credit rights to Agent, such assignment being subject to the Intercreditor Agreement, and directing all payments thereunder to Agent's Account, all in form and substance reasonably satisfactory to Agent.

(e) Commercial Tort Claims. If the Grantors (or any of them) obtain Commercial Tort Claims having a value, or involving an asserted claim, in the amount of \$500,000 or more in the aggregate for all Commercial Tort Claims, then the applicable Grantor or Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) of obtaining such Commercial Tort Claim), notify Agent upon incurring or otherwise obtaining such Commercial Tort Claims and, promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion)) after written request by Agent, amend Schedule 1 to describe such Commercial Tort Claims in a manner that reasonably identifies such Commercial Tort Claims and which is otherwise reasonably satisfactory to Agent, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such Commercial Tort Claims, and agrees to do such other acts or things deemed necessary or desirable by Agent to give Agent a first priority (subject only to Liens on Notes Priority Collateral securing the Senior Secured Note Indebtedness and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases), perfected security interest in any such Commercial Tort Claim.

(f) Government Contracts. Other than Accounts and Chattel Paper the aggregate value of which does not at any one time exceed \$1,000,000, if any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, Grantors shall promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) of the creation thereof) notify Agent thereof and, promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion)) after written request by Agent, execute any instruments or take any steps reasonably required by Agent in order that all moneys due or to become due under such contract or contracts shall be assigned to Agent, such assignment being subject to the Intercreditor Agreement, for the benefit of the Lender Group and the Bank Product Providers, and shall provide written notice thereof under the Assignment of Claims Act or other applicable law.

(g) Intellectual Property.

(i) Upon the written request of Agent, in order to facilitate filings with the PTO and the United States Copyright Office, each Grantor shall execute and deliver to Agent one or more Copyright Security Agreements, Trademark Security Agreements, or Patent Security Agreements to further evidence Agent's Lien on such Grantor's United States issued and registered Patents, Trademarks, or Copyrights, and the General Intangibles of such Grantor relating thereto or represented thereby;

(ii) Each Grantor shall have the duty, with respect to Intellectual Property that is necessary in or material to the conduct of such Grantor's business, to protect and diligently enforce

and defend at such Grantor's expense such Intellectual Property, including (A) to diligently enforce and defend, including promptly suing for infringement, misappropriation, or dilution and to recover any and all damages for such infringement, misappropriation, or dilution, and filing for opposition, interference, and cancellation against conflicting Intellectual Property rights of any Person, (B) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter (and that is necessary in or material to the conduct of such Grantor's business) until the termination of this Agreement, (C) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter (and that is necessary in or material to the conduct of such Grantor's business) until the termination of this Agreement, (D) to take all reasonable and necessary action to preserve and maintain all of such Grantor's Trademarks, Patents, Copyrights, Intellectual Property Licenses, and its rights therein, including paying all maintenance fees and filing of applications for renewal, affidavits of use, and affidavits of noncontestability, and (E) to require all employees, consultants, and contractors of each Grantor who are involved in the creation or development of such Intellectual Property to sign agreements containing assignment of Intellectual Property rights and obligations of confidentiality. Each Grantor further agrees not to abandon any Intellectual Property or Intellectual Property License that is necessary in or material to the conduct of such Grantor's business. Each Grantor hereby agrees to take the steps described in this Section 7(g)(ii) with respect to all new or acquired Intellectual Property to which it or any of its Subsidiaries is now or later becomes entitled that is necessary in or material to the conduct of such Grantor's business;

(iii) Grantors acknowledge and agree that the Lender Group shall have no duties with respect to any Intellectual Property or Intellectual Property Licenses of any Grantor. Without limiting the generality of this Section 7(g)(iii), Grantors acknowledge and agree that no member of the Lender Group shall be under any obligation to take any steps necessary to preserve rights in the Collateral consisting of Intellectual Property or Intellectual Property Licenses against any other Person, but Agent, for the benefit of each member of the Lender Group, may do so at its option following notice to the Borrowers from and after the occurrence and during the continuance of an Event of Default, and all out-of-pocket expenses incurred in connection therewith (including reasonable fees and expenses of outside counsel and other professionals) shall be for the sole account of Borrowers and shall be chargeable to the Loan Account;

(iv) On each date on which a Compliance Certificate is required to be delivered pursuant to Section 5.1 of the Credit Agreement in respect of a fiscal quarter (or, if an Event of Default has occurred and is continuing, more frequently if requested by Agent), each Grantor shall provide Agent with a written report of all new Patents, Trademarks or Copyrights that are registered or the subject of pending applications for registrations, and of all Intellectual Property Licenses that are material to the conduct of such Grantor's business, in each case, which were acquired, registered, or for which applications for registration were filed by any Grantor during the prior period and any statement of use or amendment to allege use with respect to intent-to-use trademark applications. In the case of such registrations or applications therefor, which were acquired by any Grantor, each such Grantor shall file the necessary documents with the appropriate Governmental Authority identifying the applicable Grantor as the owner (or as a co-owner thereof, if such is the case) of such Intellectual Property. In each of the foregoing cases, the applicable Grantor shall promptly cause to be prepared, executed, and delivered to Agent supplemental schedules to the applicable Loan Documents to identify such Patent, Trademark and Copyright registrations and applications therefor (with the exception of Trademark applications filed on an intent-to-use basis for which no statement of use or amendment to allege use has been filed) and Intellectual Property Licenses as being subject to the security interests created thereunder;

(v) Upon receipt from the United States Copyright Office of notice of registration of any Copyright, each Grantor shall promptly (but in no event later than five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) following such receipt) notify (but without duplication of any notice required by Section 7(g)(v)) Agent of such registration by delivering, or causing to be delivered, to Agent, documentation sufficient for Agent to perfect Agent's Liens on such Copyright. If any Grantor acquires from any Person any Copyright registered with the United States Copyright Office or an application to register any Copyright with the United States Copyright Office, such Grantor shall promptly (but in no event later than five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) following such acquisition) notify Agent of such acquisition and deliver, or cause to be delivered, to Agent, documentation sufficient for Agent to perfect Agent's Liens on such Copyright. In the case of such Copyright registrations or applications therefor which were acquired by any Grantor, each such Grantor shall promptly (but in no event later than five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) following such acquisition) file the necessary documents with the appropriate Governmental Authority identifying the applicable Grantor as the owner (or as a co-owner thereof, if such is the case) of such Copyrights;

(vi) Each Grantor shall take commercially reasonable steps to maintain the confidentiality of, and otherwise protect and enforce its rights in, the Intellectual Property that is necessary in or material to the conduct of such Grantor's business, including, as applicable (A) protecting the secrecy and confidentiality of its confidential information and trade secrets by having and enforcing a policy requiring all employees, consultants, licensees, vendors and contractors with access to such information to execute appropriate confidentiality agreements, (B) taking actions reasonably necessary to ensure that no trade secret falls into the public domain, and (C) protecting the secrecy and confidentiality of the source code of all software programs and applications of which it is the owner or licensee by having and enforcing a policy requiring any licensees (or sublicensees) of such source code to enter into license agreements with commercially reasonable use and non-disclosure restrictions; and

(h) Investment Property.

(i) If any Grantor shall acquire, obtain, receive or become entitled to receive any Pledged Interests after the Closing Date, it shall promptly (and in any event within five Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) of acquiring or obtaining such Collateral) deliver to Agent a duly executed Pledged Interests Addendum identifying such Pledged Interests;

(ii) Upon the occurrence and during the continuance of an Event of Default, following the written request of Agent, all sums of money and property paid or distributed in respect of the Investment Property that are received by any Grantor shall be held by the Grantors in trust for the benefit of Agent, and such Grantor shall deliver it forthwith to Agent in the exact form received, in each case, subject to the Intercreditor Agreement;

(iii) Each Grantor shall promptly deliver to Agent a copy of each material written notice or other material communication received by it in respect of any Pledged Interests;

(iv) No Grantor shall make or consent to any amendment or other modification or waiver with respect to any Pledged Interests, Pledged Operating Agreement, or Pledged

Partnership Agreement, or enter into any agreement or permit to exist any restriction with respect to any Pledged Interests if the same is prohibited pursuant to the Loan Documents, in any such case, if the same would be materially adverse to the interests of the Lender Group;

(v) Each Grantor agrees that it will reasonably cooperate with Agent in obtaining all necessary approvals and making all necessary filings under federal, state, local, or foreign law to effect the perfection of the Security Interest on the Investment Property or, if Agent is entitled under this Agreement to exercise remedies in respect of the Investment Property, to effect any sale or transfer thereof;

(vi) As to all limited liability company or partnership interests owned by such Grantor and issued under any Pledged Operating Agreement or Pledged Partnership Agreement, each Grantor hereby covenants that the Pledged Interests issued pursuant to such agreement (A) are not and shall not be dealt in or traded on securities exchanges or in securities markets, (B) do not and will not constitute investment company securities, and (C) are not and will not be held by such Grantor in a securities account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, provides or shall provide that such Pledged Interests are securities governed by Article 8 of the Uniform Commercial Code as in effect in any relevant jurisdiction; and

(vii) With regard to any Pledged Interests that are not certificated, any such Grantor of such non-certificated Pledged Interests (i) agrees promptly to note on its books the security interests granted to Agent and confirmed under this Agreement, (ii) agrees that after the occurrence and during the continuance of an Event of Default, it will comply with instructions of Agent or its nominee with respect to the applicable Pledged Interests without further consent by the applicable Grantor, (iii) to the extent permitted by law, agrees that the "issuer's jurisdiction" (as defined in Section 8-110 of the Code) is the State of New York, (iv) agrees to notify Agent upon obtaining actual knowledge of any interest in favor of any person in the applicable Pledged Interests that is materially adverse to the interest of the Agent therein, other than any Permitted Liens and (v) waives any right or requirement at any time hereafter to receive a copy of this Agreement in connection with the registration of any Pledged Interests hereunder in the name of Agent or its nominee or the exercise of voting rights by Agent or its nominee to the extent permitted hereunder.

(i) Real Property; Fixtures. Each Grantor covenants and agrees that upon the acquisition of any fee interest in Real Property having a fair market value in excess of \$2,000,000 it will promptly (and in any event within two Business Days (or such longer period as agreed to by Agent in writing in its sole discretion) of acquisition) notify Agent of the acquisition of such Real Property and will grant to Agent, for the benefit of the Lender Group and the Bank Product Providers, a first priority (subject only to Liens on Notes Priority Collateral securing Senior Secured Note Indebtedness and other Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases) Mortgage on each such fee interest in Real Property now or hereafter owned by such Grantor and shall deliver such other documentation and opinions, in form and substance reasonably satisfactory to Agent, in connection with the grant of such Mortgage as Agent shall request in writing in its Permitted Discretion, including title insurance policies, financing statements, fixture filings and Phase I environmental audits and such Grantor shall pay all recording costs, intangible taxes and other fees and costs (including reasonable outside counsel attorneys' fees and out-of-pocket expenses) incurred in connection therewith. Each Grantor acknowledges and agrees that, to the extent permitted by applicable law, all of the Collateral shall remain personal property regardless of the manner of its attachment or affixation to real property.

(j) Transfers and Other Liens. Grantors shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as expressly permitted by the Credit Agreement, or (ii) create or permit to exist any Lien upon or with respect to any of the Collateral of any Grantor, except for Permitted Liens. The inclusion of Proceeds in the Collateral shall not be deemed to constitute Agent's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Loan Documents.

(k) Controlled Accounts: Controlled Investments.

(i) Each Grantor shall (A) establish and maintain cash management services of a type and on terms reasonably satisfactory to Agent at Wells Fargo ("Controlled Account Bank"), and shall take reasonable steps to ensure that all of its Account Debtors forward payment of the amounts owed by them directly to a Collection Account at such Controlled Account Bank that is not an Excluded Account (each, a "Controlled Account") (by wire transfer to the applicable Controlled Account Bank or to a lockbox maintained by the applicable Controlled Account Bank for deposit into such Collection Account), and (B) deposit or cause to be deposited promptly, and in any event no later than the first Business Day after the date of receipt thereof, all of their Collections (including those sent directly by their Account Debtors to a Grantor) and proceeds of Collateral into a Controlled Account;

(ii) Subject to any applicable time periods provided under Schedule 3.6 to the Credit Agreement, each Grantor shall establish and maintain Controlled Account Agreements with Agent and the Controlled Account Bank, in form and substance reasonably acceptable to Agent. Each such Controlled Account Agreement shall provide, among other things, that (A) the Controlled Account Bank will comply with any instructions originated by Agent directing the disposition of the funds in each applicable Controlled Account without further consent by the applicable Grantor, (B) the Controlled Account Bank waives, subordinates, or agrees not to exercise any rights of setoff or recoupment or any other claim against each applicable Controlled Account other than for payment of its service fees and other charges directly related to the administration of such Controlled Account and for returned checks or other items of payment, and (C) upon the instruction of Agent (an "Activation Instruction"), the Controlled Account Bank will forward by daily sweep all amounts in each applicable Controlled Account to the Agent's Account. Agent agrees not to issue an Activation Instruction with respect to the Controlled Accounts unless a Cash Dominion Event has occurred at the time such Activation Instruction is issued. Agent agrees to use commercially reasonable efforts to rescind an Activation Instruction after any Cash Dominion Period has ended with respect to any Controlled Account Bank that is not Agent or a Lender or any Affiliate thereof and Agent shall promptly cause the rescission of an Activation Instruction after any Cash Dominion Period has ended with respect to any Controlled Account Bank that is the Agent, a Lender or any Affiliate of the foregoing;

(iii) So long as no Event of Default has occurred and is continuing or would result therefrom, Borrowers may amend Schedule 10 to add or replace a Controlled Account Bank or Controlled Account and shall upon such addition or replacement provide to Agent an amended Schedule 10; provided, that (A) such prospective Controlled Account Bank shall be reasonably satisfactory to Agent, and (B) prior to the time of the opening of such Controlled Account, the applicable Grantor and such prospective Controlled Account Bank shall have executed and delivered to Agent a Controlled Account Agreement. Each Grantor shall close any of its Controlled Accounts (and establish replacement Controlled Account accounts in accordance with the foregoing sentence) as promptly as practicable and in

any event within 45 days after written notice from Agent that the operating performance, funds transfer, or availability procedures or performance of the Controlled Account Bank with respect to Controlled Account Accounts or Agent's liability under any Controlled Account Agreement with such Controlled Account Bank is no longer acceptable in Agent's reasonable judgment; and

(iv) Subject to any applicable time periods provided under Schedule 3.6 to the Credit Agreement, other than (A) with respect to Excluded Accounts, and (B) an aggregate amount of not more than **\$50,000** (calculated at current exchange rates) at any one time, in the case of Subsidiaries of Grantors that are Foreign Subsidiaries, no Grantor will, and no Grantor will permit its Subsidiaries to, make, acquire, or permit to exist Permitted Investments consisting of cash, Cash Equivalents, or amounts credited to Deposit Accounts or Securities Accounts unless Grantor or its Subsidiary, as applicable, and the applicable bank or securities intermediary have entered into Control Agreements or, with respect to Foreign Subsidiaries, other arrangements or agreements under applicable foreign law, governing such Permitted Investments in order to perfect (or further establish) Agent's Liens in such Permitted Investments.

(l) Name, Etc. No Grantor will change its name, chief executive office, organizational identification number, jurisdiction of organization or organizational identity; provided, that any Grantor may change its name or chief executive office upon at least ten days prior written notice to Agent of such change.

(m) Account Verification. After the occurrence and during the continuance of an Event of Default, each Grantor will, and will cause each of its Subsidiaries to, permit Agent, in Agent's name or in the name or a nominee of Agent, to verify the validity, amount or any other matter relating to any Account, by mail, telephone, facsimile transmission or other electronic means of transmission or otherwise. Further, at the written request of Agent, each Grantor will, and will cause each of its Subsidiaries to, send requests for verification of Accounts or, after the occurrence and during the continuance of an Event of Default, send notices of assignment of Accounts to Account Debtors and other obligors.

(n) Motor Vehicles. Promptly (and in any event within thirty (30) days) after written request by Agent, with respect to all goods covered by a certificate of title owned by any Grantor with an aggregate fair market value in excess of \$1,000,000, such Grantor shall deliver to Agent or Agent's designee (or to the Senior Secured Notes Agent), the certificates of title for all such goods and promptly (and in any event within thirty (30) days Business Days) after written request by Agent, such Grantor shall take all actions necessary to cause such certificates to be filed (with the Agent's Lien noted thereon) in the appropriate state motor vehicle filing office.

(o) Reserved.

(p) Keepwell. Each Qualified ECP Grantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to guaranty and otherwise honor all Obligations in respect of Swap Obligations. The obligations of each Qualified ECP Grantor under this Section shall remain in full force and effect until payment in full of the Obligations. Each Qualified ECP Grantor intends that this Section 7(o) constitute, and this Section 7(o) shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Grantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

8. Relation to Other Security Documents. The provisions of this Agreement shall be read and construed with the other Loan Documents referred to below in the manner so indicated.

(a) Credit Agreement. In the event of any conflict between any provision in this Agreement and a provision in the Credit Agreement, such provision of the Credit Agreement shall control.

(b) Patent, Trademark, Copyright Security Agreements. The provisions of the Copyright Security Agreements, Trademark Security Agreements, and Patent Security Agreements are supplemental to the provisions of this Agreement, and nothing contained in the Copyright Security Agreements, Trademark Security Agreements, or the Patent Security Agreements shall limit any of the rights or remedies of Agent hereunder. In the event of any conflict between any provision in this Agreement and a provision in a Copyright Security Agreement, Trademark Security Agreement or Patent Security Agreement, such provision of this Agreement shall control.

9. Further Assurances.

(a) Each Grantor agrees that from time to time, at its own expense, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that Agent may reasonably request, in order to perfect and protect the Security Interest granted hereby, to create, perfect or protect the Security Interest purported to be granted hereby or to enable Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral.

(b) Each Grantor authorizes the filing by Agent of financing or continuation statements, or amendments thereto, and such Grantor will execute and deliver to Agent such other instruments or notices, as Agent may reasonably request, in order to perfect and preserve the Security Interest granted or purported to be granted hereby.

(c) Each Grantor authorizes Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments (i) describing the Collateral as "all personal property of debtor" or "all assets of debtor" or words of similar effect, (ii) describing the Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each Grantor also hereby ratifies any and all financing statements or amendments previously filed by Agent in any jurisdiction.

(d) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the Code.

10. Agent's Right to Perform Contracts, Exercise Rights, etc. Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, Agent (or its designee) (a) may proceed to perform any and all of the obligations of any Grantor contained in any contract, lease, or other agreement and exercise any and all rights of any Grantor therein contained as fully as such Grantor itself could, (b) shall have the right (subject to Section 17(b)) to use any Grantor's rights under Intellectual Property Licenses in connection with the enforcement of Agent's rights hereunder, including the right to prepare for sale and sell any and all Inventory and Equipment now or hereafter owned by any Grantor and now or hereafter covered by such licenses, and (c) shall have the right to request that any Equity Interests that are pledged hereunder be registered in the name of Agent or any of its nominees.



11. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, at such time as an Event of Default has occurred and is continuing under the Credit Agreement, subject to the Intercreditor Agreement, to take any action and to execute any instrument which Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including:

- (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Accounts or any other Collateral of such Grantor;
- (b) to receive and open all mail addressed to such Grantor and to notify postal authorities to change the address for the delivery of mail to such Grantor to that of Agent;
- (c) to receive, indorse, and collect any drafts or other instruments, documents, Negotiable Collateral or Chattel Paper;
- (d) to file any claims or take any action or institute any proceedings which Agent may deem necessary or desirable for the collection of any of the Collateral of such Grantor or otherwise to enforce the rights of Agent with respect to any of the Collateral;
- (e) to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to such Grantor in respect of any Account of such Grantor;
- (f) use any Intellectual Property or Intellectual Property Licenses of such Grantor, including but not limited to any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, or advertising matter, in preparing for sale, advertising for sale, or selling Inventory or other Collateral and to collect any amounts due under Accounts, contracts or Negotiable Collateral of such Grantor; and
- (g) subject to the Intercreditor Agreement, Agent, on behalf of the Lender Group or the Bank Product Providers, shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Intellectual Property and Intellectual Property Licenses and, if Agent shall commence any such suit, the appropriate Grantor shall, at the written request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement.

To the extent permitted by law, each Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

12. Agent May Perform. If any Grantor fails to perform any agreement contained herein, Agent may itself perform, or cause performance of, such agreement, and the reasonable out-of-pocket expenses of Agent incurred in connection therewith shall be payable, jointly and severally, by Grantors in accordance with the terms of the Credit Agreement.

13. Agent's Duties. The powers conferred on Agent hereunder are solely to protect Agent's interest in the Collateral, for the benefit of the Lender Group and the Bank Product Providers, and shall

not impose any duty upon Agent to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially equal to that which Agent accords its own property.

14. Collection of Accounts, General Intangibles and Negotiable Collateral. At any time upon the occurrence and during the continuance of an Event of Default, Agent or Agent's designee may (a) make direct verification from Account Debtors with respect to any or all Accounts that are part of the Collateral, (b) notify Account Debtors of any Grantor that the Accounts, General Intangibles, Chattel Paper or Negotiable Collateral of such Grantor have been assigned to Agent, for the benefit of the Lender Group and the Bank Product Providers, or that Agent has a security interest therein, or (c) collect the Accounts, General Intangibles and Negotiable Collateral of any Grantor directly, and any collection costs and expenses shall constitute part of such Grantor's Secured Obligations under the Loan Documents.

15. Disposition of Pledged Interests by Agent. None of the Pledged Interests existing as of the date of this Agreement are, and none of the Pledged Interests hereafter acquired on the date of acquisition thereof will be, registered or qualified under the various federal or state securities laws of the United States and disposition thereof after an Event of Default has occurred and is continuing may be restricted to one or more private (instead of public) sales in view of the lack of such registration. Each Grantor understands that in connection with such disposition, Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Pledged Interests than if the Pledged Interests were registered and qualified pursuant to federal and state securities laws and sold on the open market. Each Grantor, therefore, agrees that: (a) if Agent shall, pursuant to the terms of this Agreement, sell or cause the Pledged Interests or any portion thereof to be sold at a private sale, Agent shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer the Pledged Interest or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof, and (b) such reliance shall be conclusive evidence that Agent has handled the disposition in a commercially reasonable manner.

16. Voting and Other Rights in Respect of Pledged Interests.

(a) Upon the occurrence and during the continuance of an Event of Default, in each case, subject to the Intercreditor Agreement, (i) Agent may, at its option, and with two Business Days prior written notice to any Grantor (unless such Event of Default is an Event of Default specified in Section 8.4 or 8.5 of the Credit Agreement, in which case no such notice need be given), and in addition to all rights and remedies available to Agent under any other agreement, at law, in equity, or otherwise, exercise all voting rights, or any other ownership or consensual rights (including any dividend or distribution rights) in respect of the Pledged Interests owned by such Grantor, but under no circumstances is Agent obligated by the terms of this Agreement to exercise such rights, and (ii) if Agent duly exercises its right to vote any of such Pledged Interests, each Grantor hereby appoints Agent, such Grantor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote such Pledged Interests in any manner Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. The power-of-attorney and proxy granted hereby is coupled with an interest and shall be irrevocable.

(b) For so long as any Grantor shall have the right to vote the Pledged Interests owned by it, such Grantor covenants and agrees that it will not, without the prior written consent of Agent, vote or take any consensual action with respect to such Pledged Interests which would materially adversely affect the rights of Agent, the other members of the Lender Group, or the Bank Product Providers, or the value of the Pledged Interests.

17. Remedies. Upon the occurrence and during the continuance of an Event of Default, subject to the Intercreditor Agreement:

(a) Agent may, and, at the instruction of the Required Lenders, shall, exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the Code or any other applicable law. Without limiting the generality of the foregoing, each Grantor expressly agrees that, in any such event, Agent without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon any Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), may take immediate possession of all or any portion of the Collateral and (i) require Grantors to, and each Grantor hereby agrees that it will at its own expense and upon written request of Agent forthwith, assemble all or part of the Collateral as directed by Agent and make it available to Agent at one or more locations where such Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Agent's offices or elsewhere, for cash, on credit, and upon such other terms as Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notification of sale shall be required by law, at least ten days notification by mail to the applicable Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notification shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the Code. Agent shall not be obligated to make any sale of Collateral regardless of notification of sale having been given. Agent may adjourn any public sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that (A) the internet shall constitute a "place" for purposes of Section 9-610(b) of the Code, and (B) to the extent notification of sale shall be required by law, notification by mail of the URL where a sale will occur and the time when a sale will commence at least ten days prior to the sale shall constitute a reasonable notification for purposes of Section 9-611(b) of the Code. Each Grantor agrees that any sale of Collateral to a licensor pursuant to the terms of a license agreement between such licensor and a Grantor is sufficient to constitute a commercially reasonable sale (including as to method, terms, manner, and time) within the meaning of Section 9-610 of the Code.

(b) Agent is hereby granted a license or other right to use, without liability for royalties or any other charge, each Grantor's Intellectual Property, including but not limited to, any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, and advertising matter, whether owned by any Grantor or with respect to which any Grantor has rights under license, sublicense, or other agreements (including any Intellectual Property License), as it pertains to the Collateral, in preparing for sale, advertising for sale and selling any Collateral, and each Grantor's rights under all licenses and all franchise agreements shall inure to the benefit of Agent.

(c) Agent may, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it under applicable law and without the requirement of

notice to or upon any Grantor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), (i) with respect to any Grantor's Deposit Accounts in which Agent's Liens are perfected by control under Section 9-104 of the Code, instruct the bank maintaining such Deposit Account for the applicable Grantor to pay the balance of such Deposit Account to or for the benefit of Agent, and (ii) with respect to any Grantor's Securities Accounts in which Agent's Liens are perfected by control under Section 9-106 of the Code, instruct the securities intermediary maintaining such Securities Account for the applicable Grantor to (A) transfer any cash in such Securities Account to or for the benefit of Agent, or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of Agent.

(d) Any cash held by Agent as Collateral and all cash proceeds received by Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied against the Secured Obligations in the order set forth in the Credit Agreement. In the event the proceeds of Collateral are insufficient to satisfy all of the Secured Obligations in full, each Grantor shall remain jointly and severally liable for any such deficiency.

(e) Each Grantor hereby acknowledges that the Secured Obligations arise out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing Agent shall have the right to an immediate writ of possession without notice of a hearing. Agent shall have the right to the appointment of a receiver for the properties and assets of each Grantor, and each Grantor hereby consents to such rights and such appointment and hereby waives any objection such Grantor may have thereto or the right to have a bond or other security posted by Agent.

18. Remedies Cumulative. Each right, power, and remedy of Agent, any other member of the Lender Group, or any Bank Product Provider as provided for in this Agreement, the other Loan Documents or any Bank Product Agreement now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement, the other Loan Documents and the Bank Product Agreements or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Agent, any other member of the Lender Group, or any Bank Product Provider, of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Agent, such other member of the Lender Group or such Bank Product Provider of any or all such other rights, powers, or remedies.

19. Marshaling. Agent 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 Secured 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, each Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

20. Indemnity. Each Grantor agrees to indemnify Agent, the other members of the Lender Group, and the Bank Product Providers from and against all claims, lawsuits and liabilities (including

reasonable attorneys' fees) arising out of or resulting from this Agreement (including enforcement of this Agreement) or any other Loan Document to which such Grantor is a party in accordance with and to the extent set forth in Section 10.3 of the Credit Agreement. This provision shall survive the termination of this Agreement and the Credit Agreement and the repayment of the Secured Obligations.

21. Merger, Amendments; Etc. THIS AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Agent and each Grantor to which such amendment applies.

22. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and manner and delivered to Agent at its address specified in the Credit Agreement, and to any of the Grantors at the notice address specified for Borrowers in the Credit Agreement, or as to any party, at such other address as shall be designated by such party in a written notice to the other party.

23. Continuing Security Interest: Assignments under Credit Agreement.

(a) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the Obligations have been paid in full in accordance with the provisions of the Credit Agreement and the Commitments have expired or have been terminated, (ii) be binding upon each Grantor, and their respective successors and assigns, and (iii) inure to the benefit of, and be enforceable by, Agent, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Lender may, in accordance with the provisions of the Credit Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise. Upon payment in full of the Secured Obligations in accordance with the provisions of the Credit Agreement and the expiration or termination of the Commitments, the Guaranty made and the Security Interest granted hereby shall terminate and all rights to the Collateral shall revert to Grantors or any other Person entitled thereto. At such time, upon Borrowers' request, Agent will authorize the filing of appropriate termination statements to terminate such Security Interest. No transfer or renewal, extension, assignment, or termination of this Agreement or of the Credit Agreement, any other Loan Document, or any other instrument or document executed and delivered by any Grantor to Agent nor any additional Revolving Loans or other loans made by any Lender to any Borrower, nor the taking of further security, nor the retaking or re-delivery of the Collateral to Grantors, or any of them, by Agent, nor any other act of the Lender Group or the Bank Product Providers, or any of them, shall release any Grantor from any obligation, except a release or discharge executed in writing by Agent in accordance with the provisions of the Credit Agreement. Agent shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by Agent and then only to the extent therein set forth. A waiver by Agent of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which Agent would otherwise have had on any other occasion.

(b) If any member of the Lender Group or any Bank Product Provider repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group or such Bank Product Provider in full or partial satisfaction of any Secured Obligation or on account of any other obligation of any Loan Party under any Loan Document or any Bank Product Agreement, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group or Bank Product Provider elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group or Bank Product Provider elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable out-of-pocket costs, expenses, and outside counsel attorneys' fees of such member of the Lender Group or Bank Product Provider related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist, and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated, or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party in respect of such liability or any Collateral securing such liability.

24. Survival. All representations and warranties made by the Grantors in this Agreement and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent, Issuing Lender, or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any loan or any fee or any other amount payable under the Credit Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

25. Communications Laws.

(a) Notwithstanding any other provision of this Agreement, the Collateral shall not include at any time any FCC Licenses held by Grantors to the extent (but only to the extent) that at such time Agent may not validly possess a security interest therein pursuant to the Communications Laws, as in effect at such time, but such security interest does include, to the maximum extent permitted by law all rights incident or appurtenant to all FCC Licenses and the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of the FCC Licenses, as set forth in the last paragraph of Section 3.

(b) Notwithstanding any other provision of this Agreement, any foreclosure on, sale, transfer or other disposition of, or the exercise of any rights to vote or consent with respect to any of the Collateral as provided herein or any other action taken or to be taken by Agent hereunder shall be in compliance with the Communications Laws, and to the extent required thereby, subject to the prior

approval of the FCC. In determining whether an approval of the FCC is required in connection with any action taken under this Agreement, Agent shall be entitled to rely on the advice of FCC or regulatory counsel experienced in giving such advice selected by Agent.

(c) It is the intention of the parties hereto that the Security Interests in favor of Agent on the Collateral shall in all relevant aspects be subject to and governed by the Communications Laws and that nothing in this Agreement shall be construed to diminish the control exercised by the Grantor except in accordance with the provisions of such Communications Laws. Subject to the Intercreditor Agreement, each Grantor agrees that upon the written request from time to time by Agent it will actively pursue obtaining any governmental, regulatory or third party consents, approvals or authorizations referred to in this Section 25, including, upon any written request of Agent following the occurrence of and during the continuance of an Event of Default, the preparation, signing and filing with (or causing to be prepared, signed and filed with) the FCC of any application or other request for consent, approval or authorization necessary or appropriate under the Communications Laws (i) to assign or transfer control of any FCC License, (ii) to transfer control of any Grantor or Subsidiary of Grantor or (iii) to transfer or assign any of the Collateral or assets of any Grantor or Subsidiary of Grantor, which is required to be signed by any Grantor or subsidiary of a Grantor.

(d) Notwithstanding any other provision of this Agreement or any provision of the Credit Agreement or any other Loan Document to the contrary, following the occurrence and during the continuance of an Event of Default, the voting rights with respect to any Collateral that consists of equity securities in any Grantor that holds a FCC License, or that, directly or indirectly through one or more subsidiaries, controls an entity that holds a FCC License, shall, to the extent required by provisions of the Communications Laws, remain with the party or parties previously approved by the FCC to hold such voting rights to the Collateral. There shall be either a public or private arm's length sale of such equity securities, and, to the extent required by provisions of the Communications Laws, the successful bidder for, or purchaser of, such equity securities at such sale shall neither acquire nor exercise any rights with respect to such equity securities until such time as the FCC shall have granted its consent to such acquisition or exercise.

(e) To enforce the provisions of this Section 25, the Agent is empowered to seek from the FCC or any other Governmental Authority, to the extent required, consent to or approval of any involuntary transfer of control of any entity whose Collateral is subject to this Agreement for the purpose of seeking a bona fide purchaser to whom control will ultimately be transferred. Subject to the Intercreditor Agreement, each Grantor hereby agrees to consent to any such involuntary transfer of control upon the written request of the Agent after and during the continuance of an Event of Default, and, without limiting any rights of the Agent under this Agreement, to authorize the Agent to nominate a trustee or receiver to assume control of the Collateral, subject only to required judicial, FCC or other consent required by any Governmental Authority, in order to effectuate the transactions contemplated in this Section 25. Such trustee shall have all the rights and powers as provided to it by Law or court order, or to the Agent under this Agreement. Each Grantor shall cooperate fully in obtaining the consent of the FCC and the approval or consent of each other Governmental Authority required to effectuate the foregoing.

(f) Each Grantor hereby acknowledges and agrees that the Collateral is a unique asset and that a violation of such Grantor's covenant to cooperate with respect to any regulatory consents would result in irreparable harm to the Agent for which monetary damages are not readily ascertainable. Each Grantor further agrees that, because of the unique nature of its undertakings in this Section 25, the same may be specifically enforced, and it hereby waives, and agrees to waive, any claim or defense that the Agent would have an adequate remedy at law for the breach of such undertakings.

(g) Without limiting the obligations of any Grantor hereunder in any respect, each Grantor further agrees that if such Grantor, upon or after the occurrence of an Event of Default, subject to the Intercreditor Agreement, should fail or refuse for any reason whatsoever, without limitation, to execute any application necessary or appropriate to obtain any governmental consent necessary or appropriate for the exercise of any right of the Agent hereunder, such Grantor agrees that such application may be executed on such Grantor's behalf by the clerk of the court or other representative of any court or other forum of competent jurisdiction without notice to such Grantor, pursuant to an order of such court or forum.

(h) For the avoidance of any doubt, in the event of any conflict between any provision of this Section 25 and any other provision of this Agreement or any provision of the Credit Agreement or any other Loan Document, the provision of this Section 25 shall control.

26. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 26(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.



(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT, THE SWING LENDER, ANY OTHER LENDER, ISSUING LENDER, OR THE UNDERLYING ISSUER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

(f) IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN SECTION 26(c) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.

(ii) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY, PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) THROUGH (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.

(iii) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER; PROVIDED, THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.

(vi) THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.

(vii) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT.

27. New Subsidiaries. Pursuant to Section 5.11 of the Credit Agreement, certain Subsidiaries (whether by acquisition or creation) of any Grantor are required to enter into this Agreement by executing and delivering in favor of Agent a Joinder to this Agreement in substantially the form of Annex 1. Upon the execution and delivery of Annex 1 by any such new Subsidiary, such Subsidiary shall become a Guarantor and/or Grantor hereunder with the same force and effect as if originally named as a Guarantor and/or Grantor herein. The execution and delivery of any instrument adding an additional Guarantor or Grantor as a party to this Agreement shall not require the consent of any Guarantor or Grantor hereunder. The rights and obligations of each Guarantor and Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor or Grantor hereunder.

28. Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Agent" shall be a reference to Agent, for the benefit of each member of the Lender Group and each of the Bank Product Providers.

29. Intercreditor Agreement Controls. Notwithstanding anything herein to the contrary, the liens and security interests granted to Agent, pursuant to this Agreement and the exercise of any right or remedy by Agent hereunder, are subject to the provisions of the Intercreditor Agreement dated as of May 19, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), between Wells Fargo Bank, National Association, as the Revolving Collateral Agent, and U.S. Bank National Association, as the Notes Collateral Agent. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, as between the Revolving Claimholders and the Notes Claimholders (as each term is defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern and control.

30. Miscellaneous.

(a) This Agreement is a Loan Document. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

(c) Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

(d) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against any member of the Lender Group, any Bank Product Provider, or any Grantor, whether

---

under any rule of construction or otherwise. This Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**SALEM MEDIA GROUP, INC.  
AIR HOT, INC.  
BISON MEDIA, INC.  
CARON BROADCASTING, INC.  
COMMON GROUND BROADCASTING, INC.  
INSPIRATION MEDIA, INC.  
NEW INSPIRATION BROADCASTING COMPANY, INC.  
NI ACQUISITION CORP.  
PENNSYLVANIA MEDIA ASSOCIATES, INC.  
REACH SATELLITE NETWORK, INC.  
SALEM CONSUMER PRODUCTS, INC.  
SALEM COMMUNICATIONS HOLDING CORPORATION  
SALEM MEDIA OF COLORADO, INC.  
SALEM MEDIA OF HAWAII, INC.  
SALEM MEDIA OF KENTUCKY, INC.  
SALEM MEDIA OF OHIO, INC.  
SALEM MEDIA OF OREGON, INC.  
SALEM MEDIA OF TEXAS, INC.  
SALEM MEDIA OF VIRGINIA, INC.  
SALEM MEDIA REPRESENTATIVES, INC.  
SALEM PUBLISHING, INC.  
SALEM RADIO NETWORK INCORPORATED  
SALEM RADIO PROPERTIES, INC.  
SCA LICENSE CORPORATION  
SOUTH TEXAS BROADCASTING, INC.  
SRN NEWS NETWORK, INC.  
SRN STORE, INC.**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT]

**GRANTORS:**

**INSPIRATION MEDIA OF TEXAS, LLC.**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SALEM MEDIA OF ILLINOIS, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SALEM MEDIA OF MASSACHUSETTS, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SALEM MEDIA OF NEW YORK, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SALEM RADIO OPERATIONS, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SALEM SATELLITE MEDIA, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SALEM WEB NETWORK, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

**SCA-PALO ALTO, LLC**

**BY: SCA LICENSE CORPORATION,  
its Managing Member**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

**EAGLE PRODUCTS, LLC**

**BY: CARON BROADCASTING, INC.,  
Its Managing Member**

By: /s/ Evan D. Masyr

Name: Evan D. Masyr

Title: Chief Financial Officer

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT]

**AGENT:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking  
association

By: /s/ Nicholas Ply

Name: Nicholas Ply  
Its Authorized Signatory

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT]

---

**SCHEDULE 1**

COMMERCIAL TORT CLAIMS

None.



**SCHEDULE 2**

**COPYRIGHTS**

**UNITED STATES COPYRIGHTS**

Registrations:

<u>OWNER</u>	<u>TITLE</u>	<u>REGISTRATION NUMBER</u>
Salem Communications Holding Corporation	The Bill Bennett Show, Episodes 1-29, 31,32, 39-42; 2/1/07 - 3/30/07	SRu000879938
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 108-172, 7/1/07 - 9/30/07	SRu000876228
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 173-238, 10/1/07 - 12/31/07	SRu000876231
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 239-303, 1/1/08 - 3/31/08	SRu000876229
Salem Communications Holding Corporation	Bill Bennett's "Morning in America", Episodes 304-368, 4/1/08 - 6/30/08	SRu000876232
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 087-152, 6/1/07 - 8/31/07	SRu000876226
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 153-217, 9/1/07 - 11/30/07	SRu000876225
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 218-282, 12/1/07 - 2/29/08	SRu000876223
Salem Communications Holding Corporation	The Dennis Prager Show, Episodes 283-347, 3/1/08 - 5/31/08	SRu000876214
Salem Communications Holding Corporation	The Dennis Prager Show : no. 1-20	SRu000664152
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 173-238, 10/1/07 - 12/31/07	SRu000876202
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 108-172, 7/1/07 - 9/30/07	SRu000876227
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 239-303, 1/1/08 - 3/31/08	SRu000876203
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 304-368, 4/1/08 - 6/30/08	SRu000876233
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 043-107, 4/2/07 - 6/29/07	SRu000889343
Salem Communications Holding Corporation	The Hugh Hewitt Show, Episodes 1-33, 38-42, 2/1/07 -3/30/07	SRu000882947
Salem Communications Holding Corporation	Janet Parshall's America : 130-195	SRu000876205
Salem Communications Holding Corporation	Janet Parshall's America : 196-261	SRu000876206
Salem Communications Holding Corporation	Janet Parshall's America : 262-325	SRu000876207

Salem Communications Holding Corporation	Janet Parshall's America, Episodes 1-27, 31-63; 2/1/07 - 4/30/07	SRu000879936
Salem Communications Holding Corporation	The Michael Medved Show : 021-086	SRu001037379
Salem Communications Holding Corporation	The Michael Medved Show : 087-152	SRu000876235
Salem Communications Holding Corporation	The Michael Medved Show : 153-217	SRu000876238
Salem Communications Holding Corporation	The Michael Medved Show : 218-282	SRu000876234
Salem Communications Holding Corporation	The Michael Medved Show : 283-347	SRu000876237
Salem Communications Holding Corporation	The Michael Medved Show : no. 1-20	SRu000664151
Salem Communications Holding Corporation	The Mike Gallagher Show : 130-195	SRu000876215
Salem Communications Holding Corporation	The Mike Gallagher Show : 196-261	SRu000876218
Salem Communications Holding Corporation	The Mike Gallagher Show : 262-325	SRu000876221
Salem Communications Holding Corporation	The Mike Gallagher Show, Episodes 1-63, 2/1/07 - 4/30/07	SRu000882952
Salem Radio Network, Inc.	The Dennis Prager show : 9/19/2005 through 9/23/2005 episodes / Dennis Prager	SR0000378812
Salem Publishing, Inc.	Audio Adrenaline : the unbiased, unabridged & unbelievable story of Audio Adrenaline / by Shari MacDonald.	TX0005296474
Salem Publishing, Inc.	Avalon / by Merrill Farnsworth.	TX0005133008
Salem Publishing, Inc.	CCM lifelines : newsboys / by Lucas W. Hendrickson.	TX0005249670
Salem Publishing, Inc.	CCM lifelines : the 100 greatest albums in Christian music / Thom Granger, editor.	TX0005292804
Salem Publishing, Inc.	Jaci Velasquez / by Linda Warren.	TX0005296475
Salem Publishing, Inc.	Steven Curtis Chapman / By Melissa Riddle.	TX0005136607

Applications: None.

#### **OTHER COPYRIGHTS**

Registrations: None.

Applications: None.

---

**SCHEDULE 3**

INTELLECTUAL PROPERTY LICENSES

None.

---

**SCHEDULE 4**

PATENTS

**UNITED STATES PATENTS:**

Registrations: None.

Applications: None.

**OTHER PATENTS:**

Registrations: None.

Applications: None.

**SCHEDULE 5**

## PLEGGED COMPANIES

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
Salem Media Group, Inc.	Air Hot, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Bison Media, Inc.	1,000	common	100%	100%	3
Salem Communications Holding Corporation	Caron Broadcasting, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Common Ground Broadcasting, Inc.	1,000	common	100%	100%	003
Salem Communications Holding Corporation	Inspiration Media, Inc.	100	common	100%	100%	2
Salem Radio Operations, LLC and SCA License Corporation	Inspiration Media of Texas, LLC	—	—	100%	100%	N/A
Caron Broadcasting, Inc.	Eagle Products, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	New Inspiration Broadcasting Company, Inc.	30,600	common	100%	100%	4
Salem Communications Holding Corporation	NI Acquisition Corp.	1,000	common	100%	100%	3

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
Salem Communications Holding Corporation	Pennsylvania Media Associates, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Reach Satellite Network, Inc.	100	common	100%	100%	22
Salem Communications Corporation	Salem Communications Holding Corporation	1,000	common	100%	100%	1
Salem Communications Holding Corporation	Salem Consumer Products, Inc.	1,000	common	100%	100%	2
SCA License Corporation	Salem Media of Massachusetts, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	Salem Media of Colorado, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	Salem Media of Hawaii, Inc.	1,000	common	100%	100%	2
Salem Radio Operations, LLC and SCA License Corporation	Salem Media of Illinois, LLC	Membership Interests	common	100%	100%	N/A
Salem Communications Holding Corporation	Salem Media of Kentucky, Inc.	1,000	common	100%	100%	2

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
Salem Radio Operations, LLC and SCA License Corporation	Salem Media of New York, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	Salem Media of Ohio, Inc.	100	common	100%	100%	7
Salem Communications Holding Corporation	Salem Media of Oregon, Inc.	100	common	100%	100%	4
Salem Communications Holding Corporation	Salem Media of Texas, Inc.	1,000	common	100%	100%	2
New Inspiration Broadcasting Company, Inc.		850				6
Salem Communications Holding Corporation	Salem Media of Virginia, Inc.	150	common	100%	100%	4
Salem Communications Holding Corporation	Salem Media Representatives, Inc.	1,000	common	100%	100%	2
Salem Communications Corporation	Salem Publishing, Inc.	1,000	common	100%	100%	8
Salem Communications Holding Corporation	Salem Radio Network Incorporated	200	common	100%	100%	6

<b>Name of Grantor</b>	<b>Name of Pledged Company</b>	<b>Number of Shares/Units</b>	<b>Class of Interests</b>	<b>Percentage of Class Owned</b>	<b>Percentage of Class Pledged</b>	<b>Certificate Nos.</b>
SCA License Corporation	Salem Radio Operations, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	Salem Radio Properties, Inc.	1,000	common	100%	100%	2
SCA License Corporation	Salem Satellite Media, LLC	—	—	100%	100%	N/A
SCA License Corporation	Salem Web Network, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	SCA License Corporation	1,000	common	100%	100%	3
SCA License Corporation	SCA-Palo Alto, LLC	—	—	100%	100%	N/A
Salem Communications Holding Corporation	South Texas Broadcasting, Inc.	1,000	common	100%	100%	2
Salem Communications Holding Corporation	SRN News Network, Inc.	1,000	common	100%	100%	2
Salem Radio Network Incorporated	SRN Store, Inc.	1,000	common	100%	100%	2



**SCHEDULE 6**

**TRADEMARKS**

**UNITED STATES TRADEMARKS:**

Registrations:

<u>OWNER</u>	<u>REGISTRATION NUMBER</u>	<u>TRADEMARK</u>
Air Hot, Inc.	3205952	HOT AIR
Caron Broadcasting, Inc.	2736979	CROSSWALK.COM
Caron Broadcasting, Inc.	2805120	CROSSWALK
New Inspiration Broadcasting Company, Inc.	2569476	THE FISH
New Inspiration Broadcasting Company, Inc.	2616697	THE FISH 95.9 FM (Design)
Salem Communications Holding Corporation	4793162	REGNERY
Salem Communications Holding Corporation	4793163	LITTLE PATRIOT PRESS
Salem Communications Holding Corporation	4675160	RADIO LUZ
Salem Communications Holding Corporation	4667592	THE ANSWER
Salem Communications Holding Corporation	4599766	TODAY'S CHRISTIAN MUSIC
Salem Communications Holding Corporation	4477818	SOLID GOSPEL
Salem Communications Holding Corporation	4470854	THE WORD IN PRAISE
Salem Communications Holding Corporation	4192191	BULL MARKET ALERT
Salem Communications Holding Corporation	4252619	THE ALPHA INVESTOR LETTER
Salem Communications Holding Corporation	4121884	TEACON
Salem Communications Holding Corporation	4643211	FAMILY TALK
Salem Communications Holding Corporation	4188879	REDSTATE
Salem Communications Holding Corporation	4017393	FAMILY EVENTS
Salem Communications Holding Corporation	4011756	THE GLOBAL GURU
Salem Communications Holding Corporation	4095506	ETF TRADER

---

Salem Communications Holding Corporation	4098079	MAKING MONEY ALERT
Salem Communications Holding Corporation	4098082	HIGH MONTHLY INCOME
Salem Communications Holding Corporation	4098083	HEDGE FUND TRADER
Salem Communications Holding Corporation	4098084	HIGH-INCOME ALERT
Salem Communications Holding Corporation	4104215	TURNAROUND TRADER
Salem Communications Holding Corporation	3933015	DAILY EVENTS
Salem Communications Holding Corporation	3316971	WNTP
Salem Communications Holding Corporation	3316951	KLFE
Salem Communications Holding Corporation	3316950	KCRO
Salem Communications Holding Corporation	3316953	WORL
Salem Communications Holding Corporation	3316913	KLUP
Salem Communications Holding Corporation	3316905	WYLL
Salem Communications Holding Corporation	3316906	KSLR
Salem Communications Holding Corporation	3316882	WFHM
Salem Communications Holding Corporation	3316869	KKNT
Salem Communications Holding Corporation	3316870	KYCR
Salem Communications Holding Corporation	3316862	WWTC
Salem Communications Holding Corporation	3316389	KBIQ
Salem Communications Holding Corporation	3293430	KGFT
Salem Communications Holding Corporation	3293372	WGKA
Salem Communications Holding Corporation	3293352	KSKY
Salem Communications Holding Corporation	3293330	WEZE
Salem Communications Holding Corporation	3292877	WAVA
Salem Communications Holding Corporation	3292876	WFIL
Salem Communications Holding Corporation	3292824	KPRZ
Salem Communications Holding Corporation	3397026	KRLA

Salem Communications Holding Corporation	3397015	KCBQ
Salem Communications Holding Corporation	3397001	KKLA
Salem Communications Holding Corporation	3396999	KGU
Salem Communications Holding Corporation	3396987	KKFS
Salem Communications Holding Corporation	3396982	KFAX
Salem Communications Holding Corporation	3396984	KFIS
Salem Communications Holding Corporation	3396955	KFSH
Salem Communications Holding Corporation	3291058	STARFISH
Salem Communications Holding Corporation	3188777	SERMONSEARCH
Salem Communications Holding Corporation	3164206	POLITICALLY INCORRECT GUIDE
Salem Communications Holding Corporation	2856493	DOUG FABIAN'S SUCCESSFUL INVESTING
Salem Communications Holding Corporation	3382286	CELEBRATE FREEDOM
Salem Communications Holding Corporation	2583356	S
Salem Communications Holding Corporation	2726199	FORECASTS & STRATEGIES
Salem Communications Holding Corporation	2351187	CONSERVATIVE LEADERSHIP SERIES
Salem Communications Holding Corporation	2527818	LIFELINE PRESS
Salem Communications Holding Corporation	2252408	CONSERVATIVE BOOK CLUB
Salem Communications Holding Corporation	1956285	AND RIGHTLY SO
Salem Communications Holding Corporation	1908426	THE NATIONAL CONSERVATIVE WEEKLY
Salem Communications Holding Corporation	1902669	HUMAN EVENTS
Salem Communications Holding Corporation	1996372	SALEM COMMUNICATIONS CORPORATION
Salem Communications Holding Corporation	1198671	FORECASTS & STRATEGIES
Salem Web Network, LLC	4022953	GOD TUBE
Salem Publishing, Inc.	1604548	THE SINGING NEWS MAGAZINE THE PRINTED VOICE OF GOSPEL MUSIC
Salem Radio Network Incorporated	1968784	SALEM RADIO NETWORK
Salem Radio Network Incorporated	1935920	SRN

---

Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC  
Salem Web Network, LLC

4604746  
4706370  
4356547  
4762271  
4022953  
3134729

REPRAY  
TWITCHY  
GODTUBE  
TOWNHALL.COM  
GODTUBE (Design)  
TOWNHALL.COM (Design)

Applications: None.

**OTHER TRADEMARKS:**

Registrations: None.

Applications: None.

**SCHEDULE 7**

## NAME; CHIEF EXECUTIVE OFFICE; TAX IDENTIFICATION NUMBERS AND ORGANIZATIONAL NUMBERS

<u>Legal Name</u>	<u>Address of Chief Executive Office</u>	<u>Organizational Number</u>	<u>Federal Taxpayer</u>	<u>Address of Chief Executive Office</u>
Salem Media Group, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	2351582	77-0121400	DE
Air Hot, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	4632228	80-0316086	DE
Bison Media, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	19961049899	77-0434654	CO
Caron Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	968648	77-0439370	OH
COMMON GROUND BROADCASTING, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	209090-81	93-1079989	OR
Eagle Products, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	5456971	32-0427053	DE
Inspiration Media, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	2-378992-8	77-0132974	WA
Inspiration Media of Texas, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	07085781-22	75-2615876	TX
New Inspiration Broadcasting Company, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	C0854634	95-3356921	CA
NI Acquisition Corp.	4880 Santa Rosa Road, Camarillo, CA 93012	C2032267	77-0472233	CA
Pennsylvania Media Associates, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	1546025	94-3134636	PA
Reach Satellite Network, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0248743	62-1499223	TN

---

Salem Consumer Products, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	4384090	26-0592055	DE
Salem Communications Holding Corporation	4880 Santa Rosa Road, Camarillo, CA 93012	3231850	52-2253737	DE
Salem Media of Massachusetts, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	4468736	26-1524392	DE
Salem Media of Colorado, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	19931082450	84-1239646	CO
SALEM MEDIA OF HAWAII, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	3039118	91-1973005	DE
Salem Media of Illinois, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3333936	52-2295222	DE
SALEM MEDIA OF KENTUCKY, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	0473858	61-1346985	KY
Salem Media of New York, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3333898	52-2293254	DE
Salem Media of Ohio, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	579033	95-3690954	OH
Salem Media of Oregon, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	033167-83	77-0114986	OR
Salem Media of Texas, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	01319897-00	77-0379125	TX
Salem Media of Virginia, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0488450-8	54-1927897	VA
Salem Media Representatives, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	01195013-00	77-0281576	TX

---

Salem Publishing, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0222737	95-3394730	TN
Salem Radio Network Incorporated	4880 Santa Rosa Road, Camarillo, CA 93012	2290095	77-0305542	DE
Salem Radio Operations, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3356549	77-0581097	DE
SALEM RADIO PROPERTIES, INC.	4880 Santa Rosa Road, Camarillo, CA 93012	3058511	52-2194731	DE
SALEM SATELLITE MEDIA, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3399935	52-2324849	DE
Salem Web Network, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	2988989	52-2141739	DE
SCA License Corporation	4880 Santa Rosa Road, Camarillo, CA 93012	3258707	52-2255733	DE
SCA-Palo Alto, LLC	4880 Santa Rosa Road, Camarillo, CA 93012	3543669	36-4502016	DE
South Texas Broadcasting, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0132756600	77-0388924	TX
SRN News Network, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	0139401300	77-0426090	TX
SRN Store, Inc.	4880 Santa Rosa Road, Camarillo, CA 93012	801830764	46-3434092	TX

**SCHEDULE 8**

OWNED REAL PROPERTY

<b><u>Entity of Record</u></b>	<b><u>Common Name and Address</u></b>
Salem Radio Properties, Inc.	4880 Santa Rosa Road, Camarillo, CA Ventura County, CA
Salem Radio Properties, Inc.	70 Salem Turnpike, Saugus, MA Essex County, MA
Salem Radio Properties, Inc.	3700 Hazel Ave. (aka 3700 Dix), Lincoln Park, MI Wayne County, MI
Salem Radio Properties, Inc.	3201 Mt Troy Rd/Lot & Block 117-P-30, Reserve Township, Pittsburgh, PA Allegheny County, PA
Salem Radio Properties, Inc.	3366 Pleasant Valley Road, Seven Hills, OH Cuyahoga County, OH
Salem Radio Properties, Inc.	9446 Broadview Road, Broadview Heights (Cleveland), OH Cuyahoga County, OH
Salem Radio Properties, Inc.	1377 Salt Springs Road, Warren, OH Trumbull County, OH
Salem Radio Properties, Inc.	4623 Corydon Pike, New Albany, IN Floyd County, IN
Salem Radio Properties, Inc.	3505 & 3509 Hamburg Pike, Jeffersonville, IN Clark County, IN
Salem Radio Properties, Inc.	3000 Colfax Rd (aka 6500 29 <sup>h</sup> Griffith, & 6600 W 29 <sup>h</sup> ) Griffith & Gary, IN Lake County, IN
Salem Radio Properties, Inc.	2355 Ballard Road (aka 711 Forest Edge Lane) Des Plaines, IN Cook County, IL
Salem Radio Properties, Inc.	South of 167 <sup>th</sup> Street, Lockport, IL Will County, IL
Salem Radio Properties, Inc.	8214 Old Pond Creek Road, Pegram, TN Davidson County, TN
Salem Radio Properties, Inc.	322 Radio Tower Ln (aka Porterfield Rd), Readyville, TN Cannon County, TN
Salem Radio Properties, Inc.	14775 Downing Street, Dover, FL Hillsborough County, FL
Salem Radio Properties, Inc.	5211 W. Laurel Street, Tampa, FL Hillsborough County, FL
Salem Radio Properties, Inc.	.9 miles N of Fre 54 and Meadow Brook Dr., Odessa, FL Pasco County, FL
Salem Radio Properties, Inc.	1000 Harbor Lake Dr., Industrial Park, Safety Harbor, FL Pinellas Park, FL
Salem Radio Properties, Inc.	1000 Harbor Lake Dr., Industrial Park, Safety Harbor, FL Pinellas Park, FL



<b>Entity of Record</b>	<b>Common Name and Address</b>
Salem Radio Properties, Inc.	9549 Fruitville Rd. (aka 2200 Dog Kennel Rd), Sarasota, FL Sarasota County, FL
Salem Radio Properties, Inc.	2000 Cheshire Bridge Road, Atlanta, Edgewood, GA Fulton County, GA
Salem Radio Properties, Inc.	1188 Lake View, Altamonte Springs, FL Seminole County, FL
Salem Radio Properties, Inc.	1770 Sheeler Ave., Apopka, FL Orange County, FL
Salem Radio Properties, Inc.	1550 E. 58 <sup>th</sup> Avenue (at N. Franklin Street), Commerce City, CO Adams County, CO
Salem Radio Properties, Inc.	4580 Airport Road, Colorado Springs, CO El Paso County, CO
Salem Radio Properties, Inc.	1600 Longstreet Drive, Riverview Industrial Park (Lot 8,9,10), Lewisville, TX Denton County, TX
Salem Radio Properties, Inc.	Industrial Center Road near 111410 and Perrin-Beitel Road, San Antonio, TX Bexar County, TX
Salem Radio Properties, Inc.	755 Show Case (aka S. Orange Show Rd), San Bernardino, CA San Bernardino County, CA
Salem Radio Properties, Inc.	1154-1160 N. King Street, Honolulu (Oahu) HI Honolulu County, HI
Salem Radio Properties, Inc.	5700 South 36 <sup>th</sup> St. (W of Gifford Rd, S of Rt 92/275), Council Bluffs, IA Pottawattamie County, IA
Salem Radio Properties, Inc.	4650 El Reposo Dr. (aka 4970 Wawona St) Los Angeles, CA Los Angeles County, CA
Salem Radio Properties, Inc.	642 Parrish Lane, McEwen, TN Humphreys County, TN
Salem Radio Properties, Inc.	3116 St. Augustine Road, Dallas, TX Dallas County, TX
Salem Radio Properties, Inc.	1621 Piney Grove Road (aka 4180 Timber Trace Rd), Loganville, GA Walton County, GA
Salem Radio Properties, Inc.	Piney Grove Rd & Bullock Trail, Loganville, GA Walton County, GA
Salem Radio Properties, Inc.	Minnis Rd & Farm to Market 902, Collinsville, TX Grayson County, TX
Salem Radio Properties, Inc.	5701 Bruton Road, Dallas, TX Dallas County, TX
Salem Radio Properties, Inc.	10426 Cemetery Road (aka 10426 196 <sup>th</sup> Street SW), Vashon Island, WA King County, WA
Salem Radio Properties, Inc.	Muth Valley Rd, Lakeside, CA San Diego County, CA

**Entity of Record****Common Name and Address**

---

Salem Radio Properties, Inc.	Buffalo Lane & County Rd #58 (18200 S 180 <sup>th</sup> Springfield), Springfield, NE Sarpy County, NE
Salem Radio Properties, Inc.	6424Hartman Ave. @ 64 <sup>th</sup> St. , Omaha, NE Douglas County, NE
Salem Radio Properties, Inc.	6611 Country Road, McKinney, TX Collin County, TX
Salem Radio Properties, Inc.	Vacant Land (Longden Ave East of Myrtle Ave), Covina, CA Los Angeles County, CA
Salem Radio Properties, Inc.	9490 Braun Road, San Antonio, TX Bexar County, TX
Salem Radio Properties, Inc.	6400 N. Beltline Road, Irving, TX Dallas County, TX
Salem Radio Properties, Inc.	6839 W. Farmer Road, Phoenix, AZ Maricopa County, AZ
Salem Radio Properties, Inc.	11430 Gandy Blvd., St. Petersburg, FL Pinellas County, FL
Salem Radio Properties, Inc.	350 NE 71 <sup>st</sup> Street, Miami, FL Miami-Dade, FL
Salem Radio Properties, Inc.	4297 Sanders Road, Powder Springs, GA Cobb County, GA
Salem Radio Properties, Inc.	546 Schlueter Germaine Road, Belleville, IL St. Clair County, IL
Salem Radio Properties, Inc.	917 Lilac Drive, North, Golden Valley, MN Hennepion, MN
Salem Radio Properties, Inc.	889 Agnew Road, Baldwin, PA Allegheny County, PA

**SCHEDULE 9**

DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

<b>Owner</b>	<b>Type of Account</b>	<b>Bank</b>	<b>Account Numbers</b>
Salem Media Group Inc.	Concentration Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Depository	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	AP Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Payroll Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Payroll Account	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Depository	Wells Fargo Bank	[ ]
Salem Media Group Inc.	Bank Account	Wells Fargo Bank	[ ]
Salem Communications Holding Corp	AP Account	Wells Fargo Bank	[ ]
Salem Consumer Products	Depository	Wells Fargo Bank	[ ]
South Texas Broadcasting Inc. dba Xulon Press	Depository	Bank of America	[ ]
Salem Media of Oregon, Inc.	Depository	US Bank	[ ]
Caron Broadcasting Inc.	Depository	Wells Fargo Bank	[ ]
Eagle Products LLC	Depository	Wells Fargo Bank	[ ]
Salem Web Network LLC	Depository	Wells Fargo Bank	[ ]
Salem Publishing, Inc.	Depository	Wells Fargo Bank	[ ]
Salem Web Network LLC	Depository	Wells Fargo Bank	[ ]

---

**SCHEDULE 10**

CONTROLLED ACCOUNT BANKS

Wells Fargo Bank, National Association.

---

**SCHEDULE 11**

## LIST OF UNIFORM COMMERCIAL CODE FILING JURISDICTIONS

<u>Legal Name</u>	<u>Jurisdiction for Filing</u>
Salem Media Group, Inc.	DE
Air Hot, Inc.	DE
Bison Media, Inc.	CO
Caron Broadcasting, Inc.	OH
Common Ground Broadcasting, Inc.	OR
Eagle Products, LLC	DE
Inspiration Media, Inc.	WA
Inspiration Media of Texas, LLC	TX
New Inspiration Broadcasting Company, Inc.	CA
NI Acquisition Corp.	CA
Pennsylvania Media Associates, Inc.	PA
Reach Satellite Network, Inc.	TN
Salem Consumer Products, Inc.	DE
Salem Communications Holding Corporation	DE
Salem Media of Massachusetts, LLC	DE
Salem Media of Colorado, Inc.	CO
Salem Media of Hawaii, Inc.	DE
Salem Media of Illinois, LLC	DE
Salem Media of Kentucky, Inc.	KY
Salem Media of New York, LLC	DE
Salem Media of Ohio, Inc.	OH
Salem Media of Oregon, Inc.	OR
Salem Media of Texas, Inc.	TX

---

Salem Media of Virginia, Inc.	VA
Salem Media Representatives, Inc.	TX
Salem Publishing, Inc.	TN
Salem Radio Network Incorporated	DE
Salem Radio Operations, LLC	DE
Salem Radio Properties, Inc.	DE
Salem Satellite Media, LLC	DE
Salem Web Network, LLC	DE
SCA License Corporation	DE
SCA-Palo Alto, LLC	DE
South Texas Broadcasting, Inc.	TX
SRN News Network, Inc.	TX
SRN Store, Inc.	TX

---

**SCHEDULE 12**

MOTOR VEHICLES

None.

---

**SCHEDULE 13**

TRANSMITTING UTILITIES

<u>Name of Grantor</u>	<u>Jurisdiction For Filing</u>
Salem Radio Properties, Inc.	CA, CO, FL, GA, HI, IA, IL, IN, MA, MI, NE, OH, PA, TN, TX, WA
Caron Broadcasting, Inc.	CA, FL, OH, OR, TN
Salem Media of Massachusetts, LLC	KY, OH
Salem Media of New York, LLC	NJ
Pennsylvania Media Associates, Inc.	FL, MA, MI, NE, PA
Salem Media of Colorado, Inc.	CO
Salem Media of Kentucky, Inc.	MN
Salem Media of Ohio, Inc.	OH
South Texas Broadcasting, Inc.	AR, GA, TX
Common Ground Broadcasting, Inc.	AZ, IL, MN
Inspiration Media, Inc.	WA
New Inspiration Broadcasting Co.	CA
Salem Media of Texas, Inc.	TX
Inspiration Media of Texas, LLC	TX



---

Salem Media of Virginia, Inc.	MD, VA
Salem Media of Hawaii, Inc.	HI
SCA-Palo Alto, LLC	CA
Salem Radio Network, Inc.	TN
Salem Media of Illinois, LLC	TX
Salem Media of Oregon, Inc.	OR
Bison Media, Inc.	CO, TX

ANNEX 1 TO GUARANTY AND SECURITY AGREEMENT  
FORM OF JOINDER

Joinder No. (this "Joinder"), dated as of \_\_\_\_\_ 20\_\_\_\_, to the Guaranty and Security Agreement, dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Guaranty and Security Agreement"), by and among each of the parties listed on the signature pages thereto and those additional entities that thereafter become parties thereto (collectively, jointly and severally, "Grantors" and each, individually, a "Grantor") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, in its capacity as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

W I T N E S S E T H:

**WHEREAS**, pursuant to that certain Credit Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., as Parent, each of the Parent's subsidiaries that are signatories thereto, and those additional entities that hereafter become parties to the Credit Agreement as Borrowers in accordance with the terms thereof (together with Parent, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent as lead arranger, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof;

**WHEREAS**, initially capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Joinder shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*;

**WHEREAS**, Grantors have entered into the Guaranty and Security Agreement in order to induce the Lender Group and the Bank Product Providers to make certain financial accommodations to Borrowers as provided for in the Credit Agreement, the other Loan Documents, and the Bank Product Agreements;

**WHEREAS**, pursuant to Section 5.11 of the Credit Agreement and Section 27 of the Guaranty and Security Agreement, certain Subsidiaries of the Loan Parties, must execute and deliver certain Loan Documents, including the Guaranty and Security Agreement, and the joinder to the Guaranty and Security Agreement by the undersigned new Grantor or Grantors (collectively, the "New Grantors") may be accomplished by the execution of this Joinder in favor of Agent, for the benefit of the Lender Group and the Bank Product Providers; and

**WHEREAS**, each New Grantor (a) is [an Affiliate] [a Subsidiary] of Borrowers and, as such, will benefit by virtue of the financial accommodations extended to Borrowers by the Lender Group or the Bank Product Providers, and (b) by becoming a Grantor will benefit from certain rights granted to the Grantors pursuant to the terms of the Loan Documents and the Bank Product Agreements.

**NOW, THEREFORE**, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each New Grantor hereby agrees as follows:

1. In accordance with Section 27 of the Guaranty and Security Agreement, each New Grantor, by its signature below, becomes a "Grantor" [and "Guarantor"] under the Guaranty and Security Agreement with the same force and effect as if originally named therein as a "Grantor" [and "Guarantor"] and each New Grantor hereby (a) agrees to all of the terms and provisions of the Guaranty and Security Agreement applicable to it as a "Grantor" [or "Guarantor"] thereunder, and (b) represents and warrants that the representations and warranties made by it as a "Grantor" [or "Guarantor"] thereunder are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality in the text thereof) on and as of the date hereof. In furtherance of the foregoing, each New Grantor hereby [(i) jointly and severally unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the Guaranteed Obligations, and (ii)] unconditionally grants, assigns, and pledges to Agent, for the benefit of the Lender Group and the Bank Product Providers, to secure the Secured Obligations, a continuing security interest in and to all of such New Grantor's right, title and interest in and to the Collateral (as defined in Section 3 of the Guaranty and Security Agreement). Each reference to a "Grantor" [or "Guarantor"] in the Guaranty and Security Agreement shall be deemed to include each New Grantor. The Guaranty and Security Agreement is incorporated herein by reference.

2. Schedule 1, "Commercial Tort Claims", Schedule 2, "Copyrights", Schedule 3, "Intellectual Property Licenses", Schedule 4, "Patents", Schedule 5, "Pledged Companies", Schedule 6, "Trademarks", Schedule 7, Name; Chief Executive Office; Tax Identification Numbers and Organizational Numbers, Schedule 8, "Owned Real Property", Schedule 9, "Deposit Accounts and Securities Accounts", Schedule 10, "Controlled Account Banks", Schedule 11, "List of Uniform Commercial Code Filing Jurisdictions", Schedule 12, "Motor Vehicles" and Schedule 13, "Transmitting Utilities" attached hereto supplement Schedule 1, Schedule 2, Schedule 3, Schedule 4, Schedule 5, Schedule 6, Schedule 7, Schedule 8, Schedule 9, Schedule 10, Schedule 11, Schedule 12 and Schedule 13 respectively, to the Guaranty and Security Agreement and shall be deemed a part thereof for all purposes of the Guaranty and Security Agreement.

3. Each New Grantor authorizes Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments thereto (a) describing the Collateral as "all personal property of debtor" or "all assets of debtor" or words of similar effect, (b) describing the Collateral as being of equal or lesser scope or with greater detail, or (c) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each New Grantor also hereby ratifies any and all financing statements or amendments previously filed by Agent in any jurisdiction in connection with the Loan Documents.

4. Each New Grantor represents and warrants to Agent, the Lender Group and the Bank Product Providers that this Joinder has been duly executed and delivered by such New Grantor and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium, or other similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

5. This Joinder is a Loan Document. This Joinder may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Joinder. Delivery of an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Joinder. Any party delivering an executed counterpart of this Joinder by

<sup>1</sup> If new Grantor is a Borrower, provision may not be included.

---

telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Joinder but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Joinder.

6. The Guaranty and Security Agreement, as supplemented hereby, shall remain in full force and effect.

7. THIS JOINDER SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 26 OF THE GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the parties hereto have caused this Joinder to the Guaranty and Security Agreement to be executed and delivered as of the day and year first above written.

**NEW GRANTORS:**

**[NAME OF NEW GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF NEW GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**AGENT:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO JOINDER NO. TO GUARANTY AND SECURITY AGREEMENT]

**EXHIBIT A**

**COPYRIGHT SECURITY AGREEMENT**

This COPYRIGHT SECURITY AGREEMENT (this "Copyright Security Agreement") is made this     day of     , 20     , by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), in its capacity as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Credit Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., as Parent, each of the Parent's subsidiaries that are signatories thereto and those additional entities that hereafter become parties to the Credit Agreement as Borrowers in accordance with the terms thereof, together with Parent, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers", the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent as lead arranger, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof;

**WHEREAS**, the members of the Lender Group and the Bank Product Providers are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, the other Loan Documents, and the Bank Product Agreements, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group and the Bank Product Providers, that certain Guaranty and Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Guaranty and Security Agreement"); and

**WHEREAS**, pursuant to the Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group and the Bank Product Providers, this Copyright Security Agreement.

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

1. **DEFINED TERMS**. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Copyright Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. **GRANT OF SECURITY INTEREST IN COPYRIGHT COLLATERAL**. Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Copyright Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Copyright Collateral"):

- (a) all of such Grantor's Copyrights and Copyright Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

---

(b) all renewals or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement of any Copyright or any Copyright exclusively licensed under any Intellectual Property License, including the right to receive damages, or the right to receive license fees, royalties, and other compensation under any Copyright Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS. This Copyright Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Copyright Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the other members of the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group and the Bank Product Providers, pursuant to the Guaranty and Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Copyright Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Copyright Security Agreement and the Guaranty and Security Agreement, the Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Grantors shall give Agent prior written notice of no less than five Business Days before filing any additional application for registration of any copyright and prompt notice in writing of any additional copyright registrations granted therefor after the date hereof. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Copyright Security Agreement by amending Schedule I to include any future United States registered copyrights or applications therefor of each Grantor. Notwithstanding the foregoing, no failure to so modify this Copyright Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Copyright Security Agreement is a Loan Document. This Copyright Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Copyright Security Agreement. Delivery of an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Copyright Security Agreement. Any party delivering an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Copyright Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Copyright Security Agreement.

---

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION THIS COPYRIGHT SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 26 OF THE GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Copyright Security Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**[NAME OF GRANTOR]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[NAME OF GRANTOR]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**AGENT:**

**ACCEPTED AND ACKNOWLEDGED BY:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its Authorized Signatory

[SIGNATURE PAGE TO COPYRIGHT SECURITY AGREEMENT]

---

SCHEDULE I  
TO  
COPYRIGHT SECURITY AGREEMENT

COPYRIGHT REGISTRATIONS

Grantor	Country	Copyright	Registration No.	Registration Date

Copyright Licenses

**EXHIBIT B**

**PATENT SECURITY AGREEMENT**

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this      day of      , 2017, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), in its capacity as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

WITNESSETH:

**WHEREAS**, pursuant to that certain Credit Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., as Parent, each of the Parent's subsidiaries that are signatories thereto and those additional entities that hereafter become parties to the Credit Agreement as Borrowers (in accordance with the terms thereof, together with Parent, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent as lead arranger, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof;

**WHEREAS**, the members of the Lender Group and the Bank Product Providers are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, the other Loan Documents, and the Bank Product Agreements, but only upon the condition, among others, that the Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group and the Bank Product Providers, that certain Guaranty and Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Guaranty and Security Agreement"); and

**WHEREAS**, pursuant to the Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group and the Bank Product Providers, this Patent Security Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Patent Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Patent Collateral"):

- (a) all of its Patents and Patent Intellectual Property Licenses to which it is a party including those referred to or Schedule I;

(b) all divisionals, continuations, continuations-in-part, reissues, reexaminations, or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement of any Patent or any Patent exclusively licensed under any Intellectual Property License, including the right to receive damages, or right to receive license fees, royalties, and other compensation under any Patent Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS. This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the other members of the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group and the Bank Product Providers, pursuant to the Guaranty and Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Patent Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Patent Security Agreement and the Guaranty and Security Agreement, the Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patent application or issued patent or become entitled to the benefit of any patent application or patent for any divisional, continuation, continuation-in-part, reissue, or reexamination of any existing patent or patent application, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to Agent with respect to any such new patent rights. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such new patent rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement is a Loan Document. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Security Agreement.

---

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION THIS PATENT SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 26 OF THE GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**AGENT:**

**ACCEPTED AND ACKNOWLEDGED BY:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

---

**SCHEDULE I**  
to  
**PATENT SECURITY AGREEMENT**

**Patents**

Grantor	Country	Patent	Application/ Patent No.	Filing Date

**Patent Licenses**

**EXHIBIT C**

**PLEGDED INTERESTS ADDENDUM**

This Pledged Interests Addendum, dated as of \_\_\_\_\_, 20\_\_\_\_ (this "Pledged Interests Addendum"), is delivered pursuant to Section 7 of the Guaranty and Security Agreement referred to below. The undersigned hereby agrees that this Pledged Interests Addendum may be attached to that certain Guaranty and Security Agreement, dated as of May 19, 2017, (as amended, restated, supplemented, or otherwise modified from time to time, the "Guaranty and Security Agreement"), made by the undersigned, together with the other Grantors named therein, to **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as Agent. Initially capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Pledged Interests Addendum shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*. The undersigned hereby agrees that the additional interests listed on Schedule 1 shall be and become part of the Pledged Interests pledged by the undersigned to Agent in the Guaranty and Security Agreement and any pledged company set forth on Schedule I shall be and become a "Pledged Company" under the Guaranty and Security Agreement, each with the same force and effect as if originally named therein.

This Pledged Interests Addendum is a Loan Document. Delivery of an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Pledged Interests Addendum. If the undersigned delivers an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission, the undersigned shall also deliver an original executed counterpart of this Pledged Interests Addendum but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Pledged Interests Addendum.

The undersigned hereby certifies that the representations and warranties set forth in Section 6 of the Guaranty and Security Agreement of the undersigned are true and correct as to the Pledged Interests listed herein on and as of the date hereof.

THIS PLEDGED INTERESTS ADDENDUM SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 26 OF THE GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[SIGNATURE PAGE FOLLOWS]



---

IN WITNESS WHEREOF, the undersigned has caused this Pledged Interests Addendum to be executed and delivered as of the day and year first above written.

[\_\_\_\_\_]

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE I**  
**TO**  
**PLEDGED INTERESTS ADDENDUM**

Pledged Interests

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Class of Interests	Percentage of Class Owned	Certificate Nos.

**EXHIBIT D**

**TRADEMARK SECURITY AGREEMENT**

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement") is made this     day of     , 20     , by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Wells Fargo"), in its capacity as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

W I T N E S S E T H:

**WHEREAS**, pursuant to that certain Credit Agreement dated as of May 19, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among Salem Media Group, Inc., as Parent, each of the Parent's subsidiaries that are signatories thereto and those additional entities that hereafter become parties to the Credit Agreement as Borrowers in accordance with the terms thereof, together with Parent, each, a "Borrower" and individually and collectively, jointly and severally, the "Borrowers"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent as lead arranger, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof;

**WHEREAS**, the members of the Lender Group and the Bank Product Providers are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, the other Loan Documents, and the Bank Product Agreements, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of Lender Group and the Bank Product Providers, that certain Guaranty and Security Agreement, dated as of May 19, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Guaranty and Security Agreement"); and

**WHEREAS**, pursuant to the Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group and the Bank Product Providers, this Trademark Security Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **DEFINED TERMS**. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Trademark Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. **GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL**. Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Trademark Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Trademark Collateral"):

- (a) all of its Trademarks and Trademark Intellectual Property Licenses to which it is a party including those referred to or Schedule I;

---

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark Intellectual Property License; and

(c) all products and proceeds (as that term is defined in the Code) of the foregoing, including any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademarks exclusively licensed under any Intellectual Property License, including right to receive any damages, (ii) injury to the goodwill associated with any Trademark, or (iii) right to receive license fees, royalties, and other compensation under any Trademark Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Trademark Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the other members of the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group and the Bank Product Providers, pursuant to the Guaranty and Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Trademark Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Trademark Security Agreement and the Guaranty and Security Agreement, the Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new trademarks, the provisions of this Trademark Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to Agent with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Trademark Security Agreement by amending Schedule I to include any such new trademark rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement is a Loan Document. This Trademark Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Trademark Security Agreement. Delivery of an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Trademark Security Agreement. Any party delivering an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Trademark Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Trademark Security Agreement.

---

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION THIS TRADEMARK SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 26 OF THE GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be executed and delivered as of the day and year first above written.

**GRANTORS:**

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME OF GRANTOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**AGENT:**

**ACCEPTED AND ACKNOWLEDGED BY:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

---

**SCHEDULE I**  
**to**  
**TRADEMARK SECURITY AGREEMENT**

**Trademark Registrations/Applications**

<b>Grantor</b>	<b>Country</b>	<b>Mark</b>	<b>Application/ Registration No.</b>	<b>App/Reg Date</b>

**Trade Names**

**Common Law Trademarks**

**Trademarks Not Currently In Use**

**Trademark Licenses**



## Salem Media Group Announces Closing of Offering of \$255 Million of Senior Secured Notes Due 2024

Friday, May 19, 2017 1:05 pm PDT

### Public Company Information:

NASDAQ:SALM

CAMARILLO, CA (BUSINESS WIRE) – May 19, 2017 – Salem Media Group, Inc. (Nasdaq: SALM) today announced that it has closed its previously announced private offering of \$255 million aggregate principal amount of senior secured notes due 2024 (the “Notes”).

Together with borrowings under a new senior secured asset-based revolving credit facility that Salem entered into at the time of the closing of the Notes offering (the “ABL Facility”), Salem used the net proceeds of the offering of the Notes to repay outstanding borrowings, including accrued and unpaid interest, under its previously existing senior credit facilities and to pay fees and expenses incurred in connection with the Notes offering and the ABL Facility.

The Notes and the related guarantees were offered and sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and outside the United States to persons other than “U.S. persons” in reliance on Regulation S under the Securities Act. The Notes and the related guarantees have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any state securities laws.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### FORWARD LOOKING STATEMENTS:

Statements used in this press release that relate to future plans, events, financial results, prospects or performance are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. While they are based on the current expectations and beliefs of management, they are subject to a number of uncertainties and assumptions that could cause actual results to differ from the expectations expressed in this release. Reference is made to a more complete discussion of forward-looking statements and applicable risks contained under the captions “Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual and Quarterly Reports on Forms 10-K and 10-Q, as applicable, and our other filings and submissions with the Securities and Exchange Commission, all of which are available free of charge on the SEC’s website at [www.sec.gov](http://www.sec.gov). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, changed circumstances or unanticipated events.

### ABOUT SALEM MEDIA GROUP:

Salem Media Group is America’s leading multimedia company specializing in Christian and conservative content, with media properties comprising radio, digital media and book, magazine and newsletter publishing. Each day Salem serves a loyal and dedicated audience of listeners and readers numbering in the millions nationally. With its unique programming focus, Salem provides compelling content, fresh commentary and relevant information from some of the most respected figures across the Christian and conservative media landscape.



---

The company is the largest commercial U.S. radio broadcasting company providing Christian and conservative programming. Salem owns and/or operates 118 radio stations, with 73 stations in the top 25 media markets. Salem Radio Network (“SRN”) is a full-service national radio network, with nationally syndicated programs comprising Christian teaching and talk, conservative talk, news, and music. SRN is home to many industry-leading hosts including: Hugh Hewitt, Mike Gallagher, Dennis Prager, Michael Medved, Larry Elder, Joe Walsh and Eric Metaxas.

Salem’s digital media is a leading source of Christian and conservative themed news, analysis, and commentary. Salem’s Christian sites include: Christianity.com®, BibleStudyTools.com, GodTube.com, GodVine.com, Crosswalk.com, ibelieve.com, churchstaffing.com, WorshipHouseMedia.com and OnePlace.com. Salem’s conservative sites include Townhall.com®, RedState.com, HotAir.com, Twitchy.com and BearingArms.com.

Salem’s Regnery Publishing unit, with a history dating back to 1948, is the nation’s leading independent publisher of conservative books. Having published many of the seminal works of the early conservative movement, Regnery today continues as a major publisher in the conservative space, with leading authors including: Ann Coulter, Dinesh D’Souza, Newt Gingrich, David Limbaugh, Ed Klein and Mark Steyn. Salem’s book publishing business also includes Xulon Press™, a leading provider of self-publishing services for Christian authors and Mill City Press, a general market self-publisher.

Salem’s Eagle Financial Publications provides general market analysis and non-individualized investment strategies from financial commentators Mark Skousen, Nicholas Vardy, Doug Fabian, Bryan Perry, Bob Carlson and Mike Turner, as well as a stock screening website for dividend investors (DividendInvestor.com). The business unit’s other financial websites include StockInvestor.com and DividendYieldHunter.com.

Eagle Wellness, through its website newportnaturalhealth.com, provides insightful health advice and is a trusted source of high quality nutritional supplements from leading health expert, Leigh Erin Connealy MD. Dr. Connealy is the medical director of one of the largest medical practices in the country where she practices integrative medicine.

Company Contact:

Evan D. Masyr  
Executive Vice President & Chief Financial Officer  
805-384-4512  
[Evan@SalemMedia.com](mailto:Evan@SalemMedia.com)