

**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): March 20, 2023

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value per share	SALM	The NASDAQ Global Market

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.

Additional 7.125% Senior Secured Notes due 2028

On March 20, 2023, Salem Media Group, Inc. (the “Company”) issued and sold an aggregate principal amount of \$44,685,000 in additional 7.125% Senior Secured Notes due 2028 (the “Additional 2028 Notes”) pursuant to an indenture, dated as of September 10, 2021 (the “Base Indenture”), as amended and supplemented by a supplemental indenture, dated as of March 20, 2023 (the “First Supplemental Indenture” and together with the Base Indenture, the “2028 Notes Indenture”), among the Company, the guarantors named therein (the “Subsidiary Guarantors”) and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the “Trustee”) and collateral agent (the “Collateral Agent”). The Additional 2028 Notes are guaranteed on a senior secured basis by each of the Subsidiary Guarantors. The Additional 2028 Notes will accrue interest from March 20, 2023 with an initial interest payment date of June 1, 2023 and will otherwise have the same terms as, and be treated as a single class for all purposes of the Indenture with, the Company’s outstanding 7.125% Senior Secured Notes due 2028 originally issued on September 10, 2021 (the “Existing 2028 Notes”) and together with the Additional 2028 Notes, the “Notes”), except that the Additional 2028 Notes have been issued under a separate CUSIP number from the Existing 2028 Notes.

The Additional 2028 Notes were sold to certain purchasers who the Company believes to be qualified institutional buyers pursuant to a purchase agreement, dated as of September 10, 2021 (as amended, supplemented or otherwise modified to the date hereof, the “Purchase Agreement”), among the Company, the subsidiaries of the Company party thereto and the purchasers named therein (the “Purchasers”).

The Company will use a portion of the net proceeds of the sale of the Additional 2028 Notes to redeem in full its outstanding 6.750% Senior Secured Notes due 2024 (the “2024 Notes”) in an aggregate principal amount of \$36,535,000, which are governed by that certain indenture, dated as of May 19, 2017 (as amended, supplemented or otherwise modified to the date hereof, the “2024 Notes Indenture”), among the Company, the guarantors named therein and U.S. Bank National Association, as predecessor trustee and collateral agent to UMB Bank, N.A., as successor trustee (the “2024 Notes Trustee”) and collateral agent, pursuant to an irrevocable redemption notice issued by the Company on February 20, 2023 in accordance with the 2024 Notes Indenture (the “2024 Notes Redemption”). The 2024 Notes will be redeemed on March 27, 2023 (the “Redemption Date”) at a redemption price equal to 100% of the principal amount of the 2024 Notes being redeemed, plus accrued and unpaid interest thereon to, but excluding, the Redemption Date.

In connection with the 2024 Notes Redemption, on March 20, 2024, the Company satisfied and discharged its obligations under the 2024 Notes Indenture by delivering to the 2024 Notes Trustee all amounts due to be paid to effect the 2024 Notes Redemption on the Redemption Date.

The Additional 2028 Notes and the related guarantees 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.

First Supplemental Indenture

In addition to providing for the issuance of the Additional 2028 Notes, the First Supplemental Indenture added certain additional subsidiaries of the Company as Subsidiary Guarantors of the Notes and amended the 2028 Notes Indenture to decrease the Consolidated Total Debt Ratio (as defined in the 2028 Notes Indenture) which must be met in order for the Company to pay certain quarterly cash dividends.

A copy of each of the Base Indenture, the First Supplemental Indenture and the Purchase Agreement is attached as Exhibit 4.1, Exhibit 4.2 and Exhibit 4.3, respectively, to this current report on Form 8-K. The foregoing descriptions of the Base Indenture, the First Supplemental Indenture and the Purchase Agreement are qualified in their entirety by reference to such exhibits, which are incorporated herein by reference.

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

The information included in Item 1.01 of this current report on Form 8-K under the heading "Additional 7.125% Senior Secured Notes due 2028" is hereby incorporated by reference into this Item 2.03.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

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

Exhibit No.	<u>Description</u>
4.1	<u>Indenture, dated as of September 10, 2021, among Salem Media Group, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee and collateral agent (incorporated by reference to Exhibit 4.4 of the Current Report on Form 8-K filed on September 16, 2021)</u>
4.2	<u>First Supplemental Indenture, dated as of March 20, 2023, among Salem Media Group, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee and collateral agent</u>
4.3	<u>Purchase Agreement, dated as of September 10, 2021, by and among Salem Media Group, Inc., the subsidiary guarantors party thereto and the purchasers named therein (incorporated by reference to Exhibit 4.2 of the Current Report on Form 8-K filed on September 16, 2021)</u>
4.4	<u>Form of 7.125% Senior Secured Note due 2028</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: March 20, 2023

SALEM MEDIA GROUP, INC.

/s/ Christopher J. Henderson

Christopher J. Henderson

Executive Vice President, General Counsel and Secretary

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this “First Supplemental Indenture”), dated as of March 20, 2023, by and among Salem Media Group, Inc., a Delaware corporation (the “Issuer”), the “Guarantors” (as defined in the Indenture referred to below) and U.S. Bank Trust Company, National Association (as successor in interest to 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”) under the Indenture referred to below.

WITNESSETH

WHEREAS, the Issuer and the Guarantors have heretofore executed and delivered to the Trustee an indenture (the “Indenture”), dated as of September 10, 2021, providing for the issuance of 7.125% Senior Secured Notes due 2028 (the “Notes”), and the Issuer previously issued \$114,700,000 in aggregate principal amount of Notes (the “Initial Notes”);

WHEREAS, Section 2.17 of the Indenture provides for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

WHEREAS, the Issuer wishes to issue an additional \$44,685,000 of its 7.125% Senior Secured Notes due 2028 as Additional Notes under the Indenture;

WHEREAS, (a) pursuant to Section 4.18 of the Indenture, after the Issue Date, the Issuer is required to cause each of its Restricted Subsidiaries (subject to certain exceptions identified in Section 4.18) to guarantee the Notes and the Issuer’s other obligations under the Indenture pursuant to a supplemental indenture in accordance with Article IX of the Indenture, and to cause each such Guarantor to enter into a joinder agreement to the applicable Security Documents, and (b) pursuant to Section 6 of the Security Agreement, each Grantor, including the Issuer, is required to promptly notify the Collateral Agent of the acquisition of more than \$1,000,000 of Investment Property (including Pledged Interests) and to deliver to the Collateral Agent a duly executed Pledged Interests Addendum identifying any Pledged Interests acquired after the Issue Date and to take certain other actions with respect thereto (the “Guarantee and Collateral Requirements”);

WHEREAS, after the Issue Date, the Issuer has formed each of the Subsidiaries of the Issuer identified on Schedule A hereto (each, a “New Guarantor” and, collectively, the “New Guarantors”) and desires to have each of such New Guarantors guarantee the Notes and the Issuer’s other obligations under the Indenture and to enter into a joinder agreement to the applicable Security Documents and take such other actions in accordance with the terms of the Indenture and the applicable Security Documents as are required with respect thereto;

WHEREAS, the Issuer has requested, and the undersigned Purchasers have agreed to waive, any Default under the Indenture or any breach of the terms of the Security Documents arising from the Issuer’s failure to provide any notice with respect to, or to have caused the New Guarantors to have complied with, the Guarantee and Collateral Requirements, prior to the date hereof (the “Guarantor Defaults”), subject to compliance by such New Guarantors with the Guarantee and Collateral Requirements within 30 days of the date of effectiveness of this First Supplemental Indenture;

WHEREAS, in connection with the issuance of the Additional Notes and the request for a waiver of any Guarantor Defaults, the Issuer has duly authorized the execution and delivery of this First Supplemental Indenture;

WHEREAS, pursuant to Section 9.1 of the Indenture, the parties hereto are authorized to execute and deliver this First Supplemental Indenture to provide for the issuance of Additional Notes and to add the New Guarantors in accordance with the Indenture, in each case without the consent of any Holder;

WHEREAS, Section 9.2 of the Indenture provides that (a) the Indenture and the Security Documents may be amended or supplemented as it pertains to the Notes with the consent of the majority in aggregate principal amount of the outstanding Notes, voting as a single class (the “Majority of the Holders”), provided that any amendment to, or waiver of, the provisions of the Indenture or any Security Document that has the effect of modifying the Intercreditor Agreements 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 $\frac{2}{3}$ % in aggregate principal amount of the Notes then outstanding voting as a single class and (b) the Majority of the Holders may, on behalf of the Holders of all of the Notes waive the Guarantor Defaults and their consequences;

WHEREAS, the amendments to the Indenture set forth in Section 3 of this First Supplemental Indenture require the consent of at least ~~60~~63% in aggregate principal amount of the Notes then outstanding voting as a single class (“Supermajority Holders”);

WHEREAS, the Issuer has obtained the written consent to this First Supplemental Indenture, including the waiver of the Guarantor Defaults contained herein, from the Supermajority Holders (the “Requisite Consents”), which have not been validly revoked prior to the date hereof;

WHEREAS, upon execution of this First Supplemental Indenture by the parties hereto, the Holders who have delivered the Requisite Consents shall not be permitted to revoke such consents;

WHEREAS, all conditions necessary to authorize the execution and delivery of this First Supplemental Indenture and to make this First Supplemental Indenture valid and binding have been complied with or done and performed;

WHEREAS, the Trustee is indemnified pursuant to Section 7.7 of the Indenture in connection with the Trustee’s execution of this First Supplemental Indenture;

WHEREAS, pursuant to Sections 9.1, 9.2 and 9.5 of the Indenture, the Trustee is authorized to execute and deliver this First Supplemental Indenture; and

WHEREAS, the Issuer has heretofore delivered or is delivering contemporaneously herewith to the Trustee (i) a copy of the resolutions of the Board of Directors of the Issuer authorizing the execution of this First Supplemental Indenture and (ii) the Officers’ Certificate and the Opinion of Counsel described in Sections 2.17, 7.2, 9.5 and 13.4 of the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. ADDITIONAL NOTES.

2.1 Additional Notes. The Additional Notes are hereby created under, and shall be governed by, the Indenture, which Additional Notes constitute “Additional Notes” as defined in and under the Indenture and, except as set forth below, have the same terms as the Initial Notes. The Additional Notes issued pursuant to this First Supplemental Indenture will be issued on March 20, 2023 (the “Issue Date”). The Additional Notes issued pursuant to this First Supplemental Indenture and the Initial Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and other offers to purchase. Notwithstanding the foregoing, the Additional Notes issued pursuant to this First Supplemental Indenture will be issued under separate CUSIP numbers from the Initial Notes, and the Issuer will not treat the Additional Notes as issued pursuant to a “qualified reopening” of the Initial Notes for U.S. federal income tax purposes.

2.2 Aggregate Principal Amount. The aggregate principal amount of the Additional Notes issued pursuant to this First Supplemental Indenture shall be \$44,685,000.

2.3 Interest Accrual. Interest on the Additional Notes will accrue from the Issue Date. The first interest payment date for the Additional Notes will be June 1, 2023.

2.4 Restricted Notes. The Additional Notes issued pursuant to this First Supplemental Indenture shall be issued as Transfer Restricted Notes and shall bear the Restricted Notes Legend regarding transfer restrictions set forth in Section 2.6(e) of the Indenture.

3. AMENDMENTS TO INDENTURE.

3.1 Definitions. Section 1.1 of the Indenture (“Definitions”) is hereby amended by adding the following definitions, which shall be inserted in proper alpha-numeric order:

“*First Supplemental Indenture*” means that certain First Supplemental Indenture to this Indenture, by and among the Issuer, the Guarantors, the Trustee and the Collateral Agent, dated as of March 20, 2023.

“*Specified Condition*” means that the stated maturity set forth in the ABL Credit Agreement or any replacement or refinancing thereof shall have been extended to a date no earlier than March 1, 2026; provided, that (i) such extension shall apply to the full aggregate principal amount of obligations and commitments thereunder and (ii) there shall be no event (other than an Event of Default under the ABL Documents) that shall cause such stated maturity to “spring” to a date prior to such extended maturity date.”

“*Specified Intercreditor Agreement Amendment*” means adding the real property located at 1154-1160 N. King Street, Honolulu (Oahu), Honolulu County, HI to the definition of “Revolving Priority Real Estate Assets” set forth in the ABL Intercreditor Agreement.

3.2 Clause (x) of the second paragraph of Section 4.7 of the Indenture is hereby amended and restated in its entirety as follows:

“(x) payment of quarterly cash dividends in an amount not to exceed \$1.5 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 2.25 to 1.00; provided, that, in the event the Consolidated Total Debt Ratio is not less than or equal to 2.25 to 1.00, \$500,000 may be paid 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 3.50 to 1.00;”

3.3 Section 10.2 of the Indenture is hereby amended and restated in its entirety to read as follows:

“The Trustee and the Collateral Agent shall, and each of the Holders by holding the Notes hereby authorizes and instructs the Trustee and Collateral Agent to, (a) enter into an amendment to the Intercreditor Agreement in order to make the Specified Intercreditor Agreement Amendment (the “Intercreditor Amendment”) and (b) enter into such amendments to the Mortgage relating to the property identified in the definition of “Specified Intercreditor Agreement Amendment” as shall be reasonably requested by, and in the forms provided from, the Issuer to give effect to the Specified Intercreditor Agreement Amendment, in each case of clause (a) and (b), following satisfaction of the Specified Condition (receipt from the Issuer of an Officers’ Certificate certifying that the Specified Condition has been satisfied being sufficient evidence thereof).”

4. ADDITIONAL GUARANTORS. Each New Guarantor hereby agrees, jointly and severally with all other Guarantors, to unconditionally guarantee the Notes and the Issuer’s other obligations under the Indenture on the terms and subject to the conditions set forth in Article XII of the Indenture and to be bound by all other applicable provisions of the Indenture.

5. GUARANTOR DEFAULT WAIVER. Subject to the terms and conditions set forth in this First Supplemental Indenture, as of the date hereof, each of undersigned Purchasers, collectively constituting the Majority of the Holders, hereby waives the Guarantor Defaults (the “Waiver”). The Issuer acknowledges and agrees that the Waiver (a) is a one-time waiver, (b) is subject to compliance by the New Guarantors with the Guarantee and Collateral Requirements within 30 days of the date of effectiveness of this First Supplemental Indenture and (c) is limited to the extent specifically set forth herein. Except as otherwise expressly set forth in this First Supplemental Indenture, no other terms, covenants or provisions of the Indenture or the Security Documents are intended pursuant to this Section 5 to (or shall) be affected hereby, all of which remain in full force and effect unaffected hereby.

6. REPRESENTATIONS AND WARRANTIES. The Issuer represents and warrants that this First Supplemental Indenture shall be effective with the consent of the Supermajority Holders. The Issuer further represents and warrants that, except with respect to the Guarantor Defaults, which are subject to the Waiver set forth herein, no Default or Event of Default shall have occurred and be continuing immediately prior to the effectiveness of this First Supplemental Indenture, nor shall a Default or Event of Default occur as a result of the transactions contemplated by this First Supplemental Indenture.

7. GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS FIRST SUPPLEMENTAL INDENTURE. The parties to this First Supplemental Indenture each hereby irrevocably submit 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 this First Supplemental 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 in-convenient 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 FIRST SUPPLEMENTAL INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

8. RATIFICATION, CONFIRMATION AND PRESERVATION. Except as expressly amended hereby and subject to the Waiver set forth herein, each of the Indenture and the Security Agreement continues in full force and effect and is in all respects confirmed, ratified and preserved and the provisions thereof shall be applicable to the Notes and this First Supplemental Indenture. Upon the execution and delivery of this First Supplemental Indenture by the Issuer and the Trustee, this First Supplemental Indenture shall form a part of the Indenture for all purposes, and the Issuer and the Trustee and every Holder of the Notes heretofore or hereafter authenticated and delivered shall be bound hereby. Any and all references to the "Indenture," whether within the Indenture or in any notice, certificate or other instrument or document, shall be deemed to include a reference to this First Supplemental Indenture (whether or not made), unless the context shall otherwise require.

9. INDENTURE AND FIRST SUPPLEMENTAL INDENTURE CONSTRUED TOGETHER. This First Supplemental Indenture is an indenture supplemental to the Indenture, and the Indenture and this First Supplemental Indenture shall henceforth be read and construed together for all purposes.

10. BENEFITS OF FIRST SUPPLEMENTAL INDENTURE. Nothing in this First Supplemental Indenture, express or implied, shall give any Person other than the parties hereto and their successors and the Holders any benefit of any legal or equitable right, remedy or claim under this First Supplemental Indenture.

11. SUCCESSORS. All agreements of the parties hereto shall bind their respective successors.

12. COUNTERPARTS. The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

13. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

14. THE TRUSTEE AND THE COLLATERAL AGENT. Neither the Trustee nor the Collateral Agent shall be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer. The Trustee and the Collateral Agent are entering into this First Supplemental Indenture and, to the extent provided in accordance with the terms of the Indenture, as amended by this First Supplemental Indenture, the Intercreditor Amendment, solely in their capacity as such upon the direction of the Supermajority Holders and the Majority of the Holders (as applicable) and in reliance on the Officers' Certificate and Opinion of Counsel delivered to the Trustee and the Collateral Agent in connection herewith. The Trustee and the Collateral Agent shall be entitled to all of the rights, privileges and immunities set forth in the Indenture and the Security Documents as though fully incorporated herein. By its acceptance of the benefits of this First Supplemental Indenture, each of the Supermajority Holders and the Majority of the Holders authorizes and directs the Trustee and the Collateral Agent (as applicable) to execute and

deliver this First Supplemental Indenture, the Specified Intercreditor Agreement Amendment, the amendments to the Mortgage described in Section 3.3 hereof, such joinder documents as shall be reasonably requested in order to satisfy the Guarantee and Collateral Requirements and such other documents as shall be reasonably requested by the Issuer to accomplish the purpose of this First Supplemental Indenture.

[Signature pages follow]

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

SALEM MEDIA GROUP, INC.

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Executive Vice President, General Counsel and Secretary

**EAGLE PRODUCTS, LLC
NEWS AGGREGATOR LLC**

as Guarantors

By: **SALEM COMMUNICATIONS HOLDING CORPORATION fka CARON BROADCASTING, INC.,**
as Managing Member

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Executive Vice President, General Counsel and Secretary

**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,**

as Guarantors

By: **SCA LICENSE CORPORATION,**
as Managing Member

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Executive Vice President, General Counsel and Secretary

[Signature Page to First Supplemental Indenture]

AIR HOT, INC.
BISON MEDIA, INC.
INSPIRATION MEDIA, INC.
NEW INSPIRATION BROADCASTING COMPANY,
INC.
NI ACQUISITION CORP.
REACH SATELLITE NETWORK, INC.
SALEM COMMUNICATIONS HOLDING
CORPORATION
SALEM CONSUMER PRODUCTS, INC.
SALEM MEDIA OF COLORADO, INC.
SALEM MEDIA OF HAWAII, INC.
SALEM MEDIA OF OHIO, INC.
SALEM MEDIA OF OREGON, INC.
SALEM MEDIA OF TEXAS, INC.
SALEM MEDIA REPRESENTATIVES, INC.
SALEM RADIO NETWORK INCORPORATED
SALEM RADIO PROPERTIES, INC.
SCA LICENSE CORPORATION
SRN NEWS NETWORK, INC.
SRN STORE, INC.,
as Guarantors

By: /s/ Christopher J. Henderson

Name: Christopher J. Henderson

Title: Executive Vice President, General Counsel and
Secretary

[Signature Page to First Supplemental Indenture]

NEW GUARANTORS

**SALEM NEWS, INC.,
SALEM MANAGEMENT SERVICES, INC.,**
as Guarantors

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Executive Vice President, General Counsel and
Secretary

HISPANOS COMMUNICATIONS, LLC,
as a Guarantor

By: **SALEM MEDIA GROUP, INC.**
as Managing Member

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Executive Vice President, General Counsel and
Secretary

[Signature Page to First Supplemental Indenture]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**

as Trustee and Collateral Agent

By: /s/ Lauren Costales

Name: Lauren Costales

Title: Vice President

[Signature Page to First Supplemental Indenture]

Schedule A

New Guarantors

Salem News, Inc., a Texas corporation
Hispanos Communications, LLC, a Delaware limited liability company
Salem Management Services, Inc., a Delaware corporation

7.125% Senior Secured Notes due 2028

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.

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.

THIS SECURITY HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. UPON WRITTEN REQUEST, THE ISSUER WILL PROMPTLY MAKE AVAILABLE TO ANY HOLDER OF THIS SECURITY THE FOLLOWING INFORMATION: (1) THE ISSUE PRICE AND ISSUE DATE OF THE SECURITY, (2) THE AMOUNT OF OID ON THE SECURITY AND (3) THE YIELD TO MATURITY OF THE SECURITY. HOLDERS SHOULD CONTACT THE ISSUER AT SALEM MEDIA GROUP, INC., 4880 SANTA ROSA ROAD, CAMARILLO, CA 93012, ATTN: CHIEF FINANCIAL OFFICER.

SALEM MEDIA GROUP, INC.
7.125% SENIOR SECURED NOTE DUE 2028

No. [•]

CUSIP: [•]
ISIN: [•]

Salem Media Group, Inc. promises to pay to Cede & Co. or registered assigns, the principal sum of [•] DOLLARS (\$[•]) on June 1, 2028.

Issue Date: March 20, 2023

Interest Payment Dates: June 1 and December 1, beginning June 1, 2023

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.

SALEM MEDIA GROUP, INC.

By: _____

Name: Evan D. Masyr

Title: Executive Vice President and Chief Financial
Officer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 7.125% Senior Secured

Notes referred to in the within-mentioned Indenture:

Dated: March 20, 2023

U.S. Bank Trust Company, National Association

(as successor in interest to U.S. Bank National Association),

not in its individual capacity,

but solely as Trustee

By: _____
Authorized Signatory

(Reverse of 7.125% Senior Secured Note)
7.125% Senior Secured Notes due 2028
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 7.125% *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 June 1, 2023, 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 March 20, 2023. During the continuance of an Event of Default, Salem will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the then-applicable interest rate on the Notes and, to the extent lawful, shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue interest at the rate equal to then applicable interest rate on the Notes. 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, Applicable Premium or any other 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 September 10, 2021 (the "*Base Indenture*"), as amended and supplemented by the First Supplemental Indenture, dated as of March 20, 2023 (the Base Indenture, as so amended and supplemented, the "*Indenture*"), among Salem, the Guarantors, the Trustee and U.S. Bank Trust Company, National Association, as 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 constitute Additional Notes under the Indenture, and together with the \$114,731,000 in aggregate principal amount of Initial Notes issued on the date of the Base Indenture, are senior Obligations of Salem limited to \$159,416,000 in aggregate principal amount, plus amounts, if any, sufficient to pay premium and interest on outstanding Notes as set forth in Paragraph 2 hereof and in the Indenture. 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. The Notes may be redeemed in accordance with Article III of the Indenture.

(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. The Notes, the Indenture, the Intercreditor Agreements and the other Security Documents may be amended in accordance with Article IX of the Indenture.

(12) Defaults and Remedies. The Notes are subject to the Events of Default described in Article XI of the Indenture.

(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 Trust Company, National Association

Global Corporate Trust Services
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Facsimile: (213) 615-6199
Attention: L. Costales (Salem Media)

Re: Salem Media Group, Inc.
7.125% Senior Secured Note due 2028
CUSIP # [•]

Reference is hereby made to that certain Indenture dated September 10, 2021, as amended and supplemented by the First Supplemental Indenture, dated as of March 20, 2023 (the "*Indenture*") among Salem Media Group, Inc. ("*Salem*"), the Guarantors party thereto and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the "*Trustee*") and collateral agent. 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]

Name

Dated: _____

NOTICE: To be executed by an executive officer

SCHEDULE OF EXCHANGES OF 7.125% SENIOR SECURED NOTES

The following exchanges of a part of this Global Note for other 7.125% Senior Secured Notes have been made:

Date of Exchange	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease (or Increase)	Signature of Authorized Officer of Trustee or 7.125% Senior Secured Note Custodian
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