

## SECURED PROMISSORY NOTE

Amount: \$55,000.00

Date: \_\_\_\_\_  
Tulsa, Oklahoma

**FOR VALUE RECEIVED, Screen Door Broadcasting, LLC**, an Oklahoma Limited Liability Company (“Maker”), promises to pay to **Daniel Wells**, an individual (“Payee”), the principal Indebtedness of Fifty Five Thousand Dollars (\$55,000.00), in lawful money of the United States, as provided below.

This Note shall bear interest and shall be repaid as detailed on Schedule 1 attached hereto and incorporated herein by reference. Payments due hereunder shall be made in the following manner:

Commencing on the first day of the first month following the assignment of K235BK (Tulsa) from Daniel Wells to Screen Door Broadcasting, LLC and monthly thereafter, Maker shall pay to Payee the sum of One Thousand Thirty-Seven Dollars and Ninety-two Cents (\$1,037.92) for Sixty (60) consecutive months.

In consideration of the covenants contained herein and for other good, valuable and binding consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto intending to be legally bound hereby agree as follows:

1. Maker may prepay the Indebtedness in whole or in part without premium or penalty. Any partial prepayments of the Indebtedness shall first be applied to any deferred and accrued interest at the time the payment is made and the balance shall be applied to payment of principal.
2. Payments shall be made in lawful money of the United States at 12345 East Skelly Drive, Tulsa, OK 74128, or at such other place as may herein after be designated by written notice from Payee to Maker.
3. This Note shall be secured by a Security Agreement attached hereto as Exhibit 1, the terms of which are incorporated herein by reference.
4. Maker hereby waives presentment and protest and also notice of protest, notice of dishonor and notice of maturity with respect to this Note. Maker and all persons who become liable on this Note agree that this instrument and performance hereunder shall be governed by and construed in accordance with the laws of the State of Oklahoma and that in the event of any legal or equitable action arising under this Note, jurisdiction and venue of such action shall lie exclusively within the state courts of Oklahoma.
5. Any notice or other communications to be given hereunder shall be in writing and shall be deemed to have been duly given if sent by registered or certified mail, postage prepaid and return receipt requested or by electronic transmission as follows:

- (a) If to Payee:

Screen Door Broadcasting, LLC  
7107 South Yale #444  
Tulsa, OK 74136  
Attn: Jason Bennett, Managing Member

- (b) If to Maker:

Daniel Wells  
12345 East Skelly Drive  
Tulsa, OK 74128

6. Maker agrees to pay all costs of collection, including reasonable attorneys' fees and other legal costs and expenses in the event any payment of principal and/or interest required herein is not paid when due by Maker, whether suit be brought or not and whether incurred through courts of original jurisdiction, courts of appellate jurisdiction or through a bankruptcy court or other legal proceedings.

7. Any delay by Payee in exercising any power or right hereunder shall not operate as a waiver thereof, nor shall the exercise of any single or partial right hereunder create any other or further exercise hereof or exercise of any other power or right, nor shall Payee hereof be liable for exercising or failing to exercise any such power or right. The rights, remedies and benefits herein specified are cumulative and not exclusive of any rights, remedies, or benefits which Payee otherwise may have.

8. Any of the following events shall constitute an event of default under this Note:

- (a) Failure of Maker to make any payment due;

(b) Filing by Maker of a voluntary petition in bankruptcy or voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts, or any other relief under the Federal Bankruptcy Code or under insolvency act or law now or hereafter existing, the making by Maker of a general assignment for the benefit of creditors, or the admission in writing by Maker of his inability to pay his debts as they mature;

(c) Filing of an involuntary petition against Maker seeking reorganization, arrangement, readjustment of his debts, or any other relief under the Federal Bankruptcy Code or under any insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee of Maker, and the continuance of any such events for a period of sixty (60) days not dismissed, bonded, or stayed;

(d) In the event of any default by Maker in the payment of the amount due and payable under this Note, simple interest shall thereupon commence to accrue

upon the unpaid balance of this Note at the rate of ten percent (10%) per annum or the maximum allowable under law, whichever is lower.

9. Payee shall have the unconditional right to assign or pledge this Note and shall notify Maker of any such action in writing within thirty (30) days of such assignment or pledge.

10. This Note shall not be assigned by Maker without prior written approval from Payee.

11. This Note may not be amended, modified or changed, nor shall any waiver of any provision hereof be affected, except by an instrument in writing which is signed by the party against whom enforcement of any amendment, modification, or change is sought.

IN WITNESS WHEREOF, the Parties hereto have executed this Secured Promissory Note at Tulsa, Oklahoma on the date first written above.

MAKER  
SCREEN DOOR BROADCASTING, LLC

BY: \_\_\_\_\_  
Jason Bennett, Managing Member

**Exhibit 1**  
**Security Agreement**

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is made and given as of the \_\_\_\_ day of \_\_\_\_\_, 2012, by Screen Door Broadcasting, LLC, an Oklahoma Limited Liability Company ("Debtor"), in favor of Daniel Wells, an individual ("Secured Party"). The parties hereto shall be known individually and collectively as the "Parties".

### WITNESSETH

Pursuant to the terms of that certain Purchase and Sale Agreement by and between the Parties dated as of August 28, 2012 (the "Purchase Agreement"), Debtor has executed and delivered, or will execute and deliver, to Secured Party a Secured Promissory Note (the "Note") in the total amount of Fifty Five Thousand Dollars (\$55,000.00).

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows.

1. Creation of Security Interest.

Debtor hereby conveys, assigns, and grants to Secured Party a first priority security interest in and to all tangible and intangible property including without limitation, all furniture, furnishings, fixtures, accessions, receivables, inventory, and equipment now or hereafter owned by it, including all substitutions, additions, renewals, betterments, and modifications thereof and spare parts therefor, located in or on or pertaining to radio broadcast station K235BK, licensed to Tulsa, Oklahoma (the "Station"). The security interest in the tangible and intangible property of Debtor, conveyed, assigned and granted to Secured Party includes without limitation, those items described in Schedule 1, attached hereto and by this reference incorporated herein and all property of similar type or kind now owned or hereafter acquired by Debtor (such personal property hereinafter collectively called the "Collateral") for the purpose of securing the following (the "Secured Obligations").

(a) Payment by Debtor to Secured Party of the indebtedness evidenced by the Note executed by Debtor, and delivered to and payable to the order of Secured Party, and any and all modifications, extensions, and renewals thereof.

(b) Performance of all other obligations of Debtor contained in the Note.

2. Warranties, Representations, and Covenants of Debtor.

Debtor hereby warrants, represents, and covenants as follows:

(a) Except as provided in Schedules 1 attached hereto, Debtor is, and as to Collateral to be acquired after the date hereof will be, the sole owner of the Collateral,

free from any adverse lien, security interest, or adverse claim of any kind whatsoever, except mechanic's liens and liens of broadcast equipment manufacturers in connection with equipment leases incurred in good faith and in the ordinary course of business. Debtor will notify Secured Party of and will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(b) Schedule 2 hereto sets forth with respect to Debtor, the principal places of business and locations of the Collateral pledged hereunder by Debtor. Debtor will immediately notify Secured Party in writing of any change in its place of business or the locations of the Collateral, or the adoption or change of any trade name or fictitious business name and will, upon request of Secured Party, execute any additional financing statements or other documents or instruments necessary to protect the security interest granted hereby.

(c) Debtor shall not, without the prior written consent of Secured Party, sell, offer to sell, or otherwise transfer, exchange, or dispose of all or any part of the Collateral or any interest therein, except for the disposal of items which are obsolete or are consumed or worn out in ordinary usage (which Debtor shall promptly replace). If the Collateral or any part thereof is sold, transferred, exchanged, or otherwise disposed of (either with or without the written consent of Secured Party), the security interest of Secured Party shall extend to the proceeds of such sale, transfer, exchange, or other disposition. In addition, if such Collateral is replaced by assets of equal or greater value, the replacements shall be subject to this Security Agreement. Notwithstanding the provisions of this paragraph, the refinancing in whole or in part of the Collateral or the sale of the Collateral to an entity organized and controlled by Debtor, will not constitute an acceleration of the Note.

(d) Debtor shall cause the Collateral at all times to be kept insured, at no expense to Secured Party, to its full insurable value under one or more policies with such companies, for such periods and amount, against such risk and liabilities, with loss payable to Secured Party as its interests may appear.

(e) Debtor shall keep the Collateral free from any adverse lien, security interest or encumbrance and in good condition as repair, and will not misuse, abuse, allow to deteriorate, waste or destroy the Collateral or any part thereof, except for ordinary wear and tear of its normal and expected use. Debtor will not permit the aggregate value of the Collateral to become materially diminished or reduced (except for normal wear and tear and depreciation) and will keep the same up to its present standard quantity, quality, and value.

(f) Debtor will promptly pay, when due, all taxes, charges, rents, royalties, and assessments, including penalties and interest, which are or may become a lien on the Collateral or any part thereof, except to the extent that they may be contested in good faith and by appropriate proceedings.

### 3. Preservation of Collateral by Secured Party.

Should Debtor fail or refuse to make any payment, perform or observe any other covenant, condition, or obligation, or take any other action which Debtor is obligated hereunder to make, perform, observe, take or do at the time or in the manner herein provided, then Secured Party may, at Secured Party's sole discretion, without notice to or demand upon Debtor and without releasing Debtor from any obligations, covenant, or condition hereof, make, perform, or take any action Secured Party may deem necessary to protect the security interest in or the value of the Collateral.

4. Use of Collateral by Debtor.

So long as there is no Event of Default (as hereinafter defined) which has not been cured, Debtor may retain possession of the Collateral and use it in any lawful manner not inconsistent with this Security Agreement and any policy of insurance thereon.

5. Default.

The occurrence of any of the following events, following the giving of any required notice and/or the expiration of any applicable period of grace, shall constitute an event of default ("Event of Default") hereunder.

(a) Debtor shall breach or default in the performance of any of its obligations under this Security Agreement.

(b) The occurrence of a default under the Note, in connection with the transaction contemplated in the Purchase Agreement.

(c) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor, in this Security Agreement or the indebtedness secured hereby, shall prove to have been false in any material respect when made or furnished.

(d) Any material loss, theft, damage, or destruction of any of the Collateral without prompt replacement thereof by Debtor; provided, that if insurance proceeds covering such loss, theft, damage, or destruction are applied by Secured Party to the reduction of Security Agreement indebtedness secured hereby, then such failure to replace shall not constitute an Event of Default hereunder.

(e) Debtor shall fail to comply with a final order or decree, no longer subject to administrative or judicial review, or any federal, state, municipal, or other governmental authority relating to the Collateral requiring compliance with any applicable statute, requirement, rule, or regulation.

(f) The Collateral shall be levied upon by virtue of an execution issued upon any judgment or any other legal process, and Debtor is not in good faith diligently defending in proper proceedings against any such judgment, writ, or other proceeding seeking to seize the Collateral; or it Debtor becomes insolvent, if a petition or

arrangement in bankruptcy is filed by or against Debtor, provided that it shall not be an Event of Default in the case of a petition filed against Debtor unless such petition is not dismissed within thirty (30) days of filing, or if a general assignment for the benefit of creditors be made by Debtor.

6. Appointment of Attorney-in-Fact.

Upon a finding of an Event of Default by a Court of competent jurisdiction, Debtor irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact, with full power of substitution, in Secured Party's name or Debtor's name or otherwise for Secured Party's sole use and benefit, but at Debtor's cost and expense and pursuant to Sections 7 and 8 herein below, to exercise the power to sell, transfer, assign or otherwise deal in or with the same or the proceeds thereof and to apply for and obtain any required consents of any governmental authority for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof.

7. Remedies Upon Default.

Upon the occurrence of an Event of Default hereunder, and after written notice and thirty (30) days' opportunity to cure, Secured Party may, at its option and subject to the provision of Section 8 hereof, do any one or more of the following:

(a) Declare all obligations secured hereby to be immediately due and payable, whereupon all unpaid principal of said indebtedness and other amounts declared due and payable shall be and become immediately due and payable.

(b) By means of a court-appointed Receiver, who shall thereafter take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions, and improvements to and exercise all rights and powers of Debtor with respect to the Collateral or any part thereof to include without limitation the following:

(i) Without notice to or demand upon Debtor, make such payments and do such acts necessary to protect Debtor's security interest in the Collateral, including without limitation, paying, purchasing, contesting, or compromising any encumbrance, charge, or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith;

(ii) Foreclose this Security Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party by any document executed by Debtor in connection therewith, either simultaneously or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral described in this Security Agreement,



without affecting in any way the rights or remedies to which Secured Party may be entitled under any other instruments.

(iii) Sell, lease or otherwise dispose of the Collateral at public or private sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine (and Secured Party may be a purchaser at any sale).

(iv) Exercise any remedies of a Secured Party under applicable law. Debtor shall be given not less than ten (10) business days' prior written notice of the time and place of any public or private sale of the collateral or other intended disposition thereof to be made. Such notice may be mailed to Debtor at the address set forth in Section 9 hereof. Debtor specifically agrees that any public or private sale held in accordance with the terms of the Security Agreement shall, for all other purposes, be deemed to have been conducted in a commercially reasonable manner and in good faith, and the proceeds of any sale shall be applied as follows:

(a) To the discharge of all assessments, encumbrances, charges or lien, if any, on the Collateral prior to the liens hereof (except any taxes, assessments, encumbrances, charges, or liens subject to which such sale shall have been made).

(b) To the payment of the whole amount then due and unpaid of the indebtedness of Debtor to Secured Party (including principal and interest) referred to in Paragraph 1(a) above;

(c) To the payment of other amounts (including principal) then secured hereby, and

(d) The surplus, if any, shall be paid to Debtor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Secured Party shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to stop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral, pursuant to the terms hereof, shall not operate to release Debtor until full payment of any deficiency has been made in cash.

#### 8. FCC Approval.

Notwithstanding anything to the contrary contained herein, Secured Party or court-appointed Receiver shall not take any action pursuant to this Security Agreement which would constitute or result in any assignment of a license authorized by the FCC for the operation of the Station or any change of control of the licensee of the Station if such assignment of license or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval

of the FCC, without first obtaining such prior approval of the FCC. Debtor agrees to take or cause to be taken, by Debtor, any actions which Secured Party may lawfully request in order to obtain and enjoy the full rights and benefits granted to Secured Party by this Security Agreement and each other agreement, instrument, and document delivered to Secured Party in connection herewith, including specifically, at Debtor's own cost and expense, the use of Debtor's commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Security Agreement which is then required by law.

9. Notices, Demands, and Requests.

Any and all notices, elections, demands, or requests permitted or required to be made under this Security Agreement shall be in writing, signed by the Party giving such notice, election, demand or request, and shall be (1) delivered personally, (2) sent by registered, certified, or Express United States mail, postage prepaid, (3) by Federal Express or similar overnight delivery service requiring a receipt to the other Party, or (4) by facsimile transmission with sender's confirmation, at the address set forth below:

If to Debtor:

Screen Door Broadcasting, LLC  
7107 South Yale #444  
Tulsa, OK 74136  
Attn: Jason Bennett, Managing Member

If to Secured Party:

Daniel Wells  
12345 East Skelly Drive  
Tulsa, OK 74128

10. No Waiver by Secured Party.

By exercising or failing to exercise any of its rights, options, or elections hereunder, Secured Party shall not be deemed to have waived any breach or Event of Default on the part of Debtor or to have released Debtor from any of the obligations secured hereby, unless such waiver or release is in writing and is signed by Secured Party.

11. Further Security Agreements.

From time to time, Debtor will execute such further instruments as Secured Party may reasonably require, protecting, preserving, and maintaining the security interest granted hereby. Secured Party shall execute and deliver to Debtor, at Debtor's expense, termination statements at such time that all indebtedness and all obligations to Secured Party have been satisfied in full.

12. Attorneys' Fees.

All charges, expenses, and costs, including but not limited to reasonable attorneys' fees and appellate counsel fees, which may be reasonably incurred in the enforcement of this Security Agreement, shall be paid to the prevailing Party by the other Party hereto.

13. Assignment.

This Agreement may not be assigned by either Party without the prior written consent of the other Party, provided, however, that the Parties expressly approve an assignment by either Party to an entity organized and controlled by such Party. No such permitted assignment shall, however, release the assigning Party from any of its obligations under this Agreement or related documents, except with the express written consent of the other Party.

14. Binding upon Successors.

All agreements, covenants, conditions, and provisions of this Security Agreement shall inure to the benefit of Secured Party and its successors and assigns and shall apply to and bind the successors and permitted assigns of Debtor hereto, and also the successors in interest to Debtor in substantially all of the Collateral.

15. Captions.

The captions or headings at the beginning of each paragraph hereof are for the convenience of the Parties only and are not a part of this Security Agreement.

16. Governing Law.

This Security Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma.

17. Counterparts.

This Security Agreement may be executed in multiple counterparts each of which shall be deemed an original and all of which taken together shall be but a single instrument.

18. Amendment.

This Security Agreement can be amended, modified, or rescinded only by a writing expressly referring to this Security Agreement, signed by all of the Parties hereto.

19. Invalidity of Provisions.

Every provision of this Security Agreement is intended to be severable. In the event that any term or provision hereof is declared by a court to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable, then to the extent possible all of the other provisions shall nonetheless remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have duly executed or caused this Security Agreement to be executed as of the day and year first above written by the duly authorized officers. This Security Agreement may be executed in counterparts.

DEBTOR  
SCREEN DOOR BROADCASTING, LLC

BY: \_\_\_\_\_  
Jason Bennett, Managing Member

SECURED PARTY  
DANIEL WELLS

BY: \_\_\_\_\_  
Daniel Wells

## **Schedule 1 Collateral**

Bext 250-watt Exciter

FanfareFM Reciever

Telecom LDR Antenna

Telecom LOGR Antenna

Broadcast Tools WVRC-8

## **Schedule 2 Principal Place of Business**

The principal place of business for K235BK is at the tower located at 174th and East Pine in Tulsa, Oklahoma. The tower possesses a tower identification number #1011324.