

SECURED PROMISSORY NOTE

\$100,000

_____, 2019

FOR VALUE RECEIVED, Aurora Media, LLC, a Michigan limited liability company ("Borrower") hereby promises to pay to the order of KMB Broadcasting, Inc., a Michigan Corporation ("Holder") the principal sum of One Hundred Thousand Dollars (\$100,000) in accordance with the terms hereof.

1. Principal. Borrower hereby unconditionally promises to pay Holder in immediately available funds the principal amount of One Hundred Thousand Dollars (\$100,000) ("Payment") on November 30, 2020 ("Payment Date"). There shall be no interest imposed on, or associated in any way with, the Payment, and, except pursuant to Section 4, if applicable, Borrower shall not be obligated to make any payments to Holder prior to the Payment Date.

2. Payments.

(a) All payments of principal, interest or other costs and expenses due under this Note are absolute and unconditional and may not be offset or reduced.

(b) Borrower shall make all payments hereunder in lawful money of the United States by wire transfer of immediately available funds or by cashier's check in accordance with Holder's written instructions. If the payment is due on a Saturday, Sunday or government holiday, then it shall be made on the next succeeding business day.

(c) Borrower may, at any time, prepay the balance of this Note in whole or in part without premium or penalty.

(d) If Borrower fails to pay any amount of principal and/or interest on this Note for fifteen (15) days after such payment becomes due, whether by acceleration or otherwise, Holder may, at its option, whether immediately or at the time of final payment of the amounts evidenced by this Note, impose a late payment charge (the "Late Payment Charge") computed by multiplying the amount of each past due payment by five percent (5%). The Late Payment Charge is not a penalty and is deemed to be liquidated damages for the purpose of compensating Holder for the difficulty in computing the actual amount of damages incurred by Holder as a result of the late payment by Borrower. Borrower further agrees to pay Fifty Dollars (\$50.00) to compensate Holder for additional administrative expenses for each check returned to Holder unpaid.

(e) This Note is secured by a second-priority UCC financing statement for all of Borrower's current and after acquired property. Borrower hereby authorizes Holder to file UCC financing statements evidencing the lien and security interest created by this Note. The parties expressly acknowledge that, currently, federal law, including the Communications Act of 1934, as amended, and the rules and published policies of the

Federal Communications Commission (“FCC”) promulgated thereunder (collectively “Communications Laws”), prohibits liens on or collateralization of any licenses or other authorizations issued by the FCC to Borrower (collectively, “FCC Licenses”), but allows liens on or collateralization of the Proceeds (as such term is defined by the UCC) from transactions involving the FCC Licenses.

3. Events of Default. The following shall be Events of Default under this Note:

- (a) Borrower fails to pay when due any amount payable under this Note;
- (b) Borrower is in breach or default under any material provision of this Note and such material breach has not been cured pursuant to the terms hereof;
- (c) any representation or warranty of Borrower made in or pursuant to this Note is or becomes false, incorrect or misleading;

(d) Borrower is unable to pay its debts generally, or makes a general assignment for the benefit of creditors, or becomes subject to any proceeding that is instituted by or against Borrower to adjudicate it as bankrupt or insolvent, or that seeks liquidation, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or that seeks the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, and, in the case of any such proceeding instituted against Borrower (but not one instituted by it), either such proceeding remains undismissed or unstayed for a period of one hundred twenty (120) days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or similar official for, it or for any substantial part of its property) shall occur), or Borrower authorizes or takes any action to authorize any of the actions set forth above in this subsection.

(e) any material inaccuracy shall exist in any other information furnished by or to be furnished by Borrower to Holder to induce Holder to enter into this Note.

(f) the dissolution of Borrower.

4. Remedies. Upon the occurrence of an Event of Default, Holder may simultaneously exercise one or more of the following remedies:

(a) Declare all outstanding amounts under this Note (including all costs and expenses, accrued interest, principal and any other amounts owed under this Note) to be immediately due and payable; provided, however, that in the event of an actual entry of an order for relief with respect to Borrower under the United States Bankruptcy Code, all accrued and unpaid interest thereon and all other amounts owing under this Note shall automatically become and be due and payable, without presentment, demand, protest, notice of acceleration, notice of intent to accelerate, or any notice of any kind, all of which are hereby expressly waived by Borrower;

(b) Exercise any and all the rights and remedies afforded Holder by the Uniform Commercial Code as from time to time in effect and all rights afforded by any other applicable law; provided, however, Holder shall not take any action pursuant to the terms herein which would constitute or result in any assignment of any FCC License or any change of control of any FCC License if such assignment of license or change of control would require under existing law, including the Communications Laws, the prior approval of the FCC, without first obtaining such prior approval of the FCC. Borrower agrees to take or cause to be taken, by Borrower, any actions which Holder may lawfully request in order to obtain and enjoy the full rights and benefits granted to Holder by the terms contained herein;

(c) Charge an interest rate (a “Default Rate”) that is an increase of ten percent (10%) per year above the interest rate otherwise due; or

(d) In addition to principal, interest and any Late Payment Charge, receive all reasonable costs of collection, including, but not limited to, reasonable attorneys’ fees and disbursements, incurred in connection with any of Holder’s collection efforts, whether or not suit on this Note or other proceeding is filed. Borrower agrees that in the event Holder retains the services of an attorney to enforce the terms hereof, Borrower agrees to pay Holder’s reasonable attorneys’ fees and disbursements, up to no more than fifteen percent (15%) of the Payment amount.

5. Application of Payments Received: Except as otherwise provided in this Note, all payments received by Holder on this Note shall be applied by Holder as follows:

(a) First, to the payment of the costs, expenses and fees of enforcing Holder’s rights and remedies hereunder, including but not limited to receiver’s fees, court costs, attorneys’, accountants’, appraisers’, managers’ and other professional fees and disbursements, title charges and transfer taxes;

(b) Second, to any unpaid Late Payment Charges;

(c) Third, to the sums due under this Note.

6. Miscellaneous.

(a) Amounts due under this Note shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Holder in respect of this Note is rescinded or must otherwise be restored or returned by Holder, including without limitation upon the insolvency or bankruptcy of Borrower.

(b) Borrower hereby waives presentment for payment, demand, notice of dishonor, protest, notice of protest and all other demands and notices in connection with the delivery, performance and enforcement of this Note.

(c) No delay or failure by Holder to exercise any right or remedy under this Note operates as a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default. No failure to declare an Event of

Default, or acceptance of a past due installment, or indulgence granted from time to time shall be construed to be a waiver of the right to insist upon prompt payment thereafter, or shall be deemed to be a novation of this Note or as a reinstatement of any amount owing to Holder evidenced hereby or as a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which Holder may have, whether by the laws of the state governing this Note, by agreement or otherwise; and Borrower hereby expressly waives the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Note is effective unless in writing signed by the party against whom enforcement of such amendment, waiver or consent is sought.

(d) Any notice pursuant to this Note shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller: KMB Broadcasting, Inc.
2821 N Beechwood Circle
Arlington, VA 22207
Attn: Jim and Betsy Cooke

with a copy (which shall not constitute notice) to: Edinger Associates PLLC
1725 I Street, NW, Suite 300
Washington, DC 20006
Attn: Brook A. Edinger

if to Buyer: Aurora Media, LLC
P.O. Box 1011
Manistee, MI 49660
Attn: Todd Mohr

with a copy (which shall not constitute notice) to: Mark B. Denbo, Esq.
c/o Smithwick & Belendiuk, P.C.
5028 Wisconsin Avenue, N.W., Suite 301
Washington, D.C. 20016

(e) This Note is binding upon each of Borrower and its respective successors, and inures to the benefit of Holder and its successors and assigns. Borrower may not assign this Note or delegate any duties hereunder.

(f) This Note is made and delivered in, is intended to be performed in, shall be construed and enforceable in accordance with, and be governed by the internal laws of, the State of Michigan without regard to principles of conflict of laws which would result in the application of the law of any other jurisdiction. Borrower agrees that any court in which Holder initiates proceedings has exclusive jurisdiction over all matters arising out of this Note, and that service of process in any such proceeding shall be effective if mailed

to Borrower at its address described above. Borrower irrevocably submits, in any such proceeding, to the non-exclusive jurisdiction of each such court and irrevocably waives the defense of an inconvenient forum with respect to any such proceeding.

(g) If any provision in this Note is invalid under applicable law in any respect, then such provision will be modified to the minimum extent necessary to render it valid, and all other provisions of this Note will remain in full force and effect.

(h) It is the intention of Holder and Borrower to conform with any applicable usury laws now in force. No provision of this Note is intended to provide for interest in excess of the maximum amount permitted by any applicable law. Accordingly, if at any time interest under this Note exceeds any maximum lawful rate, the interest rate shall be reduced to the maximum rate allowable under applicable law.

(i) BORROWER HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY HOLDER UNDER THIS NOTE, ANY AND EVERY RIGHT BORROWER MAY HAVE TO (A) INJUNCTIVE RELIEF, (B) A TRIAL BY JURY, (C) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH PROCEEDING, WOULD BE WAIVED) AND (D) HAVE THE SAME CONSOLIDATED OR JOINED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING.

(j) BORROWER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS NOTE AND THE BUSINESS RELATIONSHIP THAT IS BEING ESTABLISHED AS DESCRIBED IN THIS NOTE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY BORROWER, AND BORROWER ACKNOWLEDGES THAT NEITHER HOLDER NOR ANY PERSON ACTING ON BEHALF OF HOLDER HAS MADE ANY REPRESENTATIONS OF FACT TO INCLUDE THIS WAIVER OF TRIAL BY JURY OR HAS TAKEN ANY ACTIONS WHICH IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. BORROWER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO HOLDER TO ENTER INTO THE SUBJECT BUSINESS RELATIONSHIP WITH BORROWER, THAT HOLDER HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT HOLDER WILL CONTINUE TO RELY ON THIS WAIVER IN ALL RELATED FUTURE DEALINGS WITH BORROWER. BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL OF ITS OWN CHOOSING.

(k) Upon the occurrence of an Event of Default, Holder is authorized at any time and from time to time, without notice to Borrower, to set off, appropriate and apply any and all items herein above referred to against this Note.

(l) The individual or entity executing this Note is duly authorized to execute this Note by all requisite action of Borrower.

(m) This Note constitutes the entire understanding between Borrower and Holder and to the extent that any writings not signed by Holder or oral statements or conversations at any time made or had shall be inconsistent with the provisions of this Note, the same shall be null and void.

(n) Borrower also is subject to certain rights and obligations pursuant to certain loan documents it has executed with M Bank. Payment of this Note is subordinate to all obligations of Borrower to M Bank, as evidenced by a certain Subordination Agreement dated as of _____ between Borrower, Holder and M Bank.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO SECURED PROMISSORY NOTE

IN WITNESS WHEREOF, Borrower has duly executed and delivered this Note as of the date first set forth above.

BORROWER: AURORA MEDIA, LLC

By: _____
Name:
Title: