

**\$550,000.00**  
**Jacksonville, Florida**  
**\_\_\_\_\_, 2021**

## **NEGOTIABLE PROMISSORY NOTE**

Pursuant to the terms of an Asset Purchase Agreement dated \_\_\_\_\_, 2021, **Norsan Media LLC**, ("Payor"), promises to pay to **Budd Broadcasting Co, Inc.**, (hereinafter "Payee"), the principal amount of **Five Hundred Fifty Thousand Dollars Four Hundred Thousand Dollars (\$550,000.00)**, plus interest which and payable as follows:

The Promissory Note ("Note") will carry an interest rate of five percent (5%) and will be amortized over a period of fifteen (15) years with equal monthly payments of principal and interest of \$4,349.36 and a balloon payment of \$410,064.35 due at the end of the fifth (5<sup>th</sup>) year. At Payor's option and with ten days written notice to Payee, the Note may be extended for an additional three (3) years at the same rate and payment amount. The balloon payment at the end of year eight (8) would be \$307,726.13.

1. The payment due date for Note payments is the 1<sup>st</sup> day of each month. Payor may, at its option, at any time, or from time to time, prepay prior to term, the entire principal amount of this Note or such part of the principal amount of this Note, as it may determine, without any penalty, surcharge or fee being imposed on account of such prepayment.

2. This Note is secured by the assets of the Payor, as evidenced by a Security Agreement and a UCC Financing Statement, all of even date herewith.

3. In the event that:

(a) Payor shall default in the payment of this Note and such installment shall continue to remain unpaid for a period of ten (10) days from the due date; or

(b) A decree or order by a court having jurisdiction in the premises shall have been entered adjudging Payor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for Payor under the Federal Bankruptcy laws, or any other similar applicable state or federal law, and such decree or order shall have continued undischarged or unstayed for a period of ninety (90) days; or a decree or order by a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of Payor or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have continued undischarged or unstayed for a period of ninety (90) days; or any of the property of Payor securing this obligation shall be sequestered or attached by legal order or decree, and shall not be returned to the possession of Payor or released from such attachment within ninety (90) days thereafter; or

(c) Payor shall institute proceedings to be adjudged a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under the Federal Bankruptcy laws or any other similar federal or state law, or shall consent to the filing of such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or a substantial part of the property securing this obligation, or shall make an assignment for the benefit of creditors:

Then, in any such event, all of the unpaid principal balance on this Note, together with any accrued but unpaid interest thereon, shall, at the option of Payee, immediately become due and payable.

4. If this Promissory Note is placed in the hands of an attorney for collection after maturity (whether by acceleration, declaration, extension or otherwise), the Payor shall pay on demand all costs and expenses of collection including all attorney's fees incurred by Payee.

5. No modification, change, waiver or amendment of this Note shall be deemed to be made by the Payee unless in writing signed by the Payee, and each such waiver, if any, shall apply only with respect to the specific instance involved.

6. This Note may be assigned at any time by Payee. Notification of any such assignment shall be provided to Payor within ten (10) days of said assignment.

7. *Notices:* Unless otherwise directed in writing:

(a) All notices and payments due under this Note to Payee or Holder shall be delivered or sent to Payee at the following address:

Harvey M. Budd, President  
Budd Broadcasting Co., Inc.  
4150 N.W. 93rd Avenue  
Gainesville, FL 32653

(b) All notices to be sent to Payor shall be delivered or sent to:

Norberto Sanchez, CEO  
Norsan Consulting and Management, Inc.  
4801 East Independence Boulevard  
Suite 815  
Charlotte, NC 28212

8. This Note shall be deemed made in, and shall be governed by the laws of the State of Florida.

9. **It is specifically understood that this Note does not create lien on any FCC Licenses associated with this instant transaction. In the event of a foreclosure**

**on this Note, it is understood that any assignment of FCC issued license will require prior FCC approval.**

IN WITNESS WHEREOF, Payor has duly executed this Promissory Note as of the year and date first above written.

**PAYOR:** **Norsan Media LLC**

By: \_\_\_\_\_  
Name: Norberto Sanchez  
Title: CEO



## **SECURITY AGREEMENT**

**THIS AGREEMENT** is made on this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between **Norsan Media LLC**, ("Debtor"), and **Budd Broadcasting Co, Inc.**, ("Secured Party").

**WHEREAS**, Secured Party has extended credit to Debtor in the aggregate principal amount of **Five Hundred and Fifty Thousand Dollars (\$550,000.00)** as evidenced by a Negotiable Promissory Note (the "Note") of even date herewith;

**WHEREAS**, in order to secure payment of the Note and any other amounts due and owing to Secured Party thereunder (the "Obligations"), Debtor has agreed to grant a security interest to Secured Party in the "Collateral" as defined below;

**NOW, THEREFORE**, for valuable consideration, and to secure the payment and performance when due of the Obligations of Debtor to Secured Party, Debtor and Secured Party hereby agree as follows:

### **1. GRANT OF SECURITY INTEREST**

Debtor hereby grants and conveys to Secured Party a continuing security interest in and lien on the Collateral together with all rights, remedies and privileges pertaining thereto, and all substitutions, replacements and proceeds thereof. The "Collateral" means:

(a) all, furniture, fixtures, equipment, inventory, books and records, programming, music libraries, computer hardware and software, auxiliary facilities, transmitters, antennas, antenna line and other electronic equipment and parts, supplies, machinery, and other tangible and intangible personal property of Debtor used in the business and operation of WUJX-LD, Jacksonville, Florida (FAC# 168480) (the "Station"); and

(b) to the extent permitted by law, any and all permits, licenses, and authorizations with respect to the Station, issued and outstanding or subsequently granted to Debtor by the Federal Communications Commission ("FCC") or any other governmental entity or otherwise in connection with the operation of the Station and any auxiliary broadcast or other facility associated with the Station. The parties recognize that as of the date of this Agreement a security interest may not extend to such FCC construction permits, licenses, and authorizations ("FCC Authorizations"), but that security interests are permitted to cover the proceeds of the sale, transfer, or other disposition of such FCC Authorizations. Accordingly, the parties agree that the security interest granted under this Agreement currently shall extend to the proceeds of any sale, transfer, or other disposition of such FCC Authorizations; provided, however, if the law in this regard is subsequently changed, in whole or in part, then all of the right, title, and interest of Debtor in and to any FCC Authorizations, whether now held or hereafter acquired, shall automatically and immediately become subject to the Secured Party's security interest to the maximum extent permitted by law as then in force and effect.

(c) all cash and noncash proceeds and products, including insurance proceeds of, and any indemnity or warranty payable by reason of damage to or loss of, any of the foregoing

(the "Proceeds");

(d) all contract rights (including accounts receivable of the Station), instruments, certificates, leases, rents, chattel paper, deposits, choses-in-action, patents, trademarks, copyrights, service marks, trade secrets, trade names, literary rights, rights to performance, call letters, and general intangibles, all re-issues, divisions, renewals, extensions, continuations, and continuations-in-part thereof, and goodwill associated with any of the foregoing, now in force or hereafter acquired ("General Intangibles").

## **2. WARRANTIES AND COVENANTS**

Debtor warrants and covenants as follows:

(a) Debtor will pay and perform all of the Obligations secured by this Agreement in accordance with their respective terms;

(b) Debtor will defend title to the Collateral against all persons and all claims and demands whatsoever, and agrees not to transfer legal or equitable title to the Collateral to any other party without Secured Party's prior written consent;

(c) On demand of Secured Party, Debtor will do the following: (i) furnish further assurance of title; (ii) execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Agreement; (iii) execute any instrument or statement, including financing statements as permitted under the Uniform Commercial Code as adopted in Massachusetts, required by law or otherwise in order to perfect the security interests granted to Secured Party herein; and (iv) continue the security interest of Secured Party in the Collateral;

(d) Debtor will retain possession of the Collateral during the existence of this Agreement and not sell, exchange, assign, deliver, mortgage or otherwise dispose of same except in the normal course of business, or without replacing items of Collateral with items of equal or greater value, without the prior written consent of Secured Party, which consent Secured Party may not unreasonably withhold; provided, however, Debtor may change the location of any of the Station's studio or transmission equipment upon giving written notice to Secured Party;

(e) Debtor will keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments except liens attached under purchase money security arrangements made in connection with the purchase of equipment for use by the Station;

(f) Debtor will pay, when due, all taxes, assessments and license fees and premiums relating to the Collateral;

(g) Debtor will maintain property casualty insurance in amounts equal to the replacement value of the Collateral that is tangible property, and will maintain commercial general liability insurance for at least \$500,000.00 per occurrence, in each case with Secured Party listed as an additional insured;

(h) Debtor will comply with all federal, state and local laws and regulations applicable to its business, whether now in effect or hereinafter enacted;

(i) Debtor will maintain each material FCC Authorization in full force and effect, and there shall be no proceeding pending to rescind or revoke any material FCC Authorization, or to cause any materially adverse modification thereof (unless dismissed within sixty (60) days of the filing of the commencement of such action);

(j) Unless waived by Secured Party, all proceeds from any disposition of the Collateral, except dispositions under Section 2(d), shall be held in trust for Secured Party; provided however, this requirement shall not constitute consent by Secured Party to any sale or other disposition; and

(k) Debtor will perform and comply in all material respects with all obligations under all contracts and agreements to which Debtor is a party or by which either of them is bound relating to the Collateral, where failure to so comply would result in a material adverse effect on the Collateral, unless the validity thereof is being contested in good faith by appropriate proceedings and such proceedings do not involve the material danger of the sale, forfeiture, or loss of the Collateral which is the subject of such proceedings or the priority of the lien in favor of Secured Party thereon.

### **3. GENERAL PROVISIONS**

(a) Debtor hereby authorizes Secured Party to file, without a signature of Debtor, a financing statement with any governmental authority, to perfect or continue the security interest granted by Debtor to Secured Party under this Agreement, or to file a photographic or other reproduction of this Agreement for use as a financing statement.

(b) Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by Debtor of any warranties or agreements in this Agreement, shall not constitute a waiver of any subsequent or other default or failure.

(c) Notices to either party hereto shall be in writing and shall be delivered personally or by mail, postage prepaid, addressed to the party at the address set forth below or otherwise designated in writing:

*if to Secured Party:*

Harvey M. Budd, President  
Budd Broadcasting Co., Inc.  
4150 N.W. 93rd Avenue  
Gainesville, FL 32653

*if to Debtor:*

Norberto Sanchez, CEO  
Norsan Consulting and Management, Inc.  
4801 East Independence Boulevard  
Suite 815  
Charlotte, NC 28212

(d) This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Florida. Any provisions herein declared invalid under any law shall not invalidate any other provision of this Agreement.

#### **4. DEFAULT PROVISIONS**

(a) The following shall constitute an Event of Default under this Agreement:

- (i) Non-Payment. The creation or existence of an event of default by Debtor as defined in the Note not timely cured as permitted therein, or failure of Debtor to make any payment when due and payable under the Obligations;
- (ii) Violation. Failure of Debtor, within ten (10) days after receipt from Secured Party of notice of non-compliance, to comply with or perform any provision of this Agreement or any other documents evidencing the Obligations;
- (iii) Breach of Warranty or Covenants. False or misleading representations or warranties made or given by Debtor or a breach of covenants given by Debtor in this Agreement;
- (iv) Levy. Subjection of the Collateral to levy of execution or other judicial process;
- (v) Sale of Station. The filing with the FCC of an application for assignment or transfer of control of any of the FCC Authorizations except an application on FCC Form 316; or
- (vi) Insolvency. Commencement of any insolvency proceeding by or against either of the Debtor.
- (vi) Cure Period. Notwithstanding the foregoing, an Event of Default (except under the Note, which are to be cured as set forth therein) will not be deemed to have occurred until ten (10) days after the Secured Party has provided to Debtor written notice specifying the Event of Default and such Event of Default remains uncured.



(b) Upon the happening of any Event of Default, but at the sole option of Secured Party, Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded to a secured party by the applicable sections of the Uniform Commercial Code in effect in Florida, and under applicable federal and state law, both as of the date of this Agreement and as further modified from time to time. Such rights, remedies and privileges shall include, but not be limited to the right to have a receiver appointed to take possession of and administer the Collateral. Debtor consents to and will cooperate in any proceedings necessary to secure such appointment.

(c) Secured Party's reasonable attorneys' fees, costs of collection and the legal and other expenses for pursuing, searching for, receiving, taking, and selling the Collateral shall become a part of the Obligations secured hereby and shall be immediately chargeable to Debtor.

(d) Debtor shall remain liable for any deficiency resulting from a sale of the Collateral for less than the value of the Obligations and shall pay any such deficiency forthwith to Secured Party upon demand.

(e) Upon the happening of any Event of Default, Secured Party or a court-appointed receiver, in its sole discretion, may (i) enter upon Debtor's premises peaceably, by the Secured Party's own means or with legal process, and take possession of the Collateral, or dispose of the Collateral on Debtor's premises, as the case may be, and Debtor agrees not to resist or interfere; (ii) require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party reasonably convenient to both parties; or (iii) unless the Collateral is likely to decline speedily in value or is of a type customarily sold on a recognized market, give Debtor reasonable notice of the time and place of a public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of Debtor shown herein, at least ten (10) days before the time of sale or disposition.

(f) Secured Party or a court-appointed receiver shall be entitled, in its own name or in the name of Debtor, or otherwise, but at the expense and cost of Debtor, to collect, demand, receive, sue for and/or compromise any and all of the Debtor's receivables, and to give good and sufficient releases therefor, to endorse any checks, drafts or other orders for the payment of monies payable in payment thereof and, in its discretion, to file any claims or take any action or proceeding, either in its own name or in the name of Debtor, or otherwise, which the Secured Party may deem necessary or advisable. It is expressly understood and agreed, however, that the Secured Party or a court-appointed receiver shall not be required or obligated in any manner to make any inquiries as to the nature or sufficiency of any payment received by it or to present or file any claims or take any other action to collect or enforce a payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

(g) Debtor shall take any action that Secured Party or a court-appointed receiver may reasonably request in order to enable the Secured Party to obtain and enjoy the full

rights and benefits granted to the Secured Party hereunder, including without limitation, all rights necessary to obtain, use, sell, assign or otherwise transfer control of the FCC Licenses. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, at the written request of the Secured Party or a court-appointed receiver, and Debtor's sole cost and expense, Debtor shall (i) assist in obtaining any required FCC approval for any action or transaction contemplated hereby, including preparing, signing and filing with the FCC and/or any other governmental body with jurisdiction, the assignor's or transferor's portion of any application or applications for consent to the assignment of FCC Authorizations necessary or appropriate under the Communications Act of 1934, as amended, or the rules and regulations of the FCC or any other governmental body for approval of any sale, assignment or transfer to Secured Party, a court-appointed receiver or any other person or entity of any or all Collateral (including without limitation any FCC Authorizations), and (ii) execute all applications and other documents and take all other actions requested by the Secured Party or a court-appointed receiver to enable Secured Party, the receiver, a trustee, or similar official or any purchaser of all or any part of the Collateral to obtain from the FCC or any other governmental body any required authority necessary to operate the broadcasting business of the Station. If Debtor shall refuse to sign any application or other document necessary to be filed with the FCC or any other governmental body to enable Secured Party or the receiver to exercise its rights hereunder, Secured Party or the receiver may secure an order from a court of competent jurisdiction authorizing the clerk of the court or some other designee to sign such application or other document on behalf of Debtor.

## **5. MISCELLANEOUS**

(a) Debtor shall indemnify and hold harmless Secured Party, and its directors, officers, and employees, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, and disbursements of any kind or nature whatsoever including, without limitation, reasonable attorneys' fees and settlements costs, which may be imposed on, incurred by, or asserted against Secured Party, or its directors, officers, employees, or affiliates, in connection with any investigative, administrative, or judicial proceeding (whether Secured Party is or is not designated as a party thereto) directly or indirectly relating to or arising out of this Agreement or the Obligations, or any actual or proposed use of proceeds thereunder, except that neither Secured Party, nor any of its directors, officers, or employees shall have the right to be indemnified hereunder for its own negligence or willful misconduct as determined by a court of competent jurisdiction.

(b) Secured Party may assign this Agreement to any person to whom the Note or the Obligations are validly assigned, and if so, assigned the assignee shall be entitled, upon notifying Debtor, to all of the rights and remedies of Secured Party hereunder.

(c) The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision thereof.

(d) The terms, warranties and agreements herein contained shall inure to the benefit of the parties hereto and their respective successors and assigns.

(e) The gender and number used in this Agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

(f) Any waiver by any party hereto of any breach of or failure to comply with any provision of this Agreement by any other party hereto shall be in writing and shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

(g) Notwithstanding any other provisions of this Agreement, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken hereunder which would affect the operational, voting or other control of any entity holding a license issued by the FCC shall be made in accordance with the Communications Act of 1934, as amended, the terms of such license, and any applicable rules and regulations of the FCC, including, to the extent applicable under the rules and regulations of the FCC in effect at the time of an Event of Default, any requirement that there be a public or private sale. Notwithstanding anything to the contrary contained in this Agreement, the Secured Party shall not, without first obtaining the consent or approval of the FCC, take any action pursuant to this Agreement which would constitute or result in any change of control of the holder of a license issued by the FCC if any such change in control would require, under then existing law, the prior consent or approval of the FCC.

THE DEBTOR WAIVES ALL RIGHTS TO TRIAL BY JURY OF ALL CLAIMS, DEFENSES, COUNTERCLAIMS AND SUITS OF ANY KIND DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS INSTRUMENT, THE NOTE, OR THE DEALINGS OF THE PARTIES IN RESPECT HERETO. THE DEBTOR ACKNOWLEDGES THAT THIS IS A WAIVER OF A LEGAL RIGHT AND THAT DEBTOR MAKES THIS WAIVER VOLUNTARILY AND KNOWINGLY AFTER CONSULTATION WITH, OR THE OPPORTUNITY TO CONSULT WITH, COUNSEL OF ITS CHOICE. DEBTOR AGREES THAT ALL SUCH CLAIMS, DEFENSES, COUNTERCLAIMS AND SUITS SHALL BE TRIED BEFORE A JUDGE, WITHOUT A JURY.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO SECURITY AGREEMENT

**IN WITNESS WHEREOF**, the parties hereto have respectively signed and sealed these presents, all on the day and year first above written.

**BUYER:** **NORSAN MEDIA LLC**

By: \_\_\_\_\_  
Name: Norberto Sanchez  
Title: CEO

**SELLER:** **BUDD BROADCASTING CO., INC.**

By: \_\_\_\_\_  
Name: Harvey M. Budd  
Title: President