

\$325,000.00
Batavia, New York

PROMISSORY NOTE

Pursuant to the terms of a First Amended Asset Purchase Agreement dated January ____, 2023, **MAJIC TONES COMMUNICATIONS, LLC, a New York limited liability company** (hereinafter "Payor"), 113 Main Street, Batavia, NY 14020, and **James Ernst**, a person residing at _____ ("Guarantor"), promises to pay to **HPL Communications, Inc., a New York corporation** (hereinafter "Payee"), the principal amount of **Three Hundred Twenty Five Thousand Dollars (\$325,000.00)**, plus interest payable as follows:

The Promissory Note ("Note") will have a term ("Term") of ten (10) years and two (2) months. The payment for the first 2 months of the Term shall be interest only in the sum of \$2,166.66 calculated at an interest rate of 8.00%. The payments for months 3-122 of the Term shall be fully amortized principal and interest using an 8.00% interest rate in the sum of \$3,943.15 per month. Any monthly payment received after a 10 day grace period of each respective month during the repayment term shall include an additional amount of ten percent (10%) of the rate as a late payment fee.

1. The payment due date for Note payments is the 15th day of each month, commencing on _____ 15th, 2023, with a Maturity Date of _____ 15th, 2033. Payor may, at its option, with ninety (90) days' notice to Payee, prepay the entire amount of this Note without any prepayment penalty. No partial prepayment shall be permitted without Payee's advance written consent. All Note payments shall be made by Payor to Payee by ACH, direct deposit or wire transfer, via instructions to be provided to Payee by Payor from time to time.

2. This Note is secured by and subject to a security interest in certain personal property and rights to the proceeds from the future sale of any government licenses associated with the operation of Radio Station WBTA (AM), Batavia, NY, as evidenced by a Security Interest and Membership Pledge Agreement and UCC Financing Statement securing the Personal Property, together with a Continuing Guaranty of Guarantor, all of even date herewith.

3. Guarantor hereby unconditionally guarantees the prompt and full payment and performance of Payor's present and future, joint and/or several, direct and indirect, absolute and contingent, express and implied, indebtedness, liabilities, obligations and covenants (cumulatively "Obligations") to Payee, plus attorney's fees, costs and any other expenses incurred by Payee in connection with the Obligations.

4. Guarantor's obligations under this Guaranty are absolute and continuing and shall not be affected or impaired if Payee amends, renews, extends, compromises, exchanges, fails to exercise,

impairs or releases any of the obligations belonging to Buyer. In addition, Guarantor's Obligations under this Guaranty shall not be affected or impaired by the death, incompetency, termination, dissolution, insolvency, business cessation, or other financial deterioration of Buyer, Guarantor, or third party.

5. Guarantor's Obligations under this Guaranty are direct and unconditional and may be enforced without requiring Payee to exercise, enforce, or exhaust any right or remedy against Payor.

6. 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.

7. 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.

8. After maturity, or failure to make any payment, any unpaid principal shall accrue

interest at the rate of eighteen percent (18%) per annum OR the maximum rate allowed by law, whichever is less, during such period of Maker's default under this Note.

9. 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.

10. 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.

11. *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:

Mr. Daniel Fischer
HPL Communications, Inc.

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

Mr. James Ernst
Majic Tones Communications, LLC
113 Main Street
Batavia, NY 14020

(c) All notices to be sent to Guarantors shall be delivered or sent to:

Mr. James Ernst

12. This Note shall be deemed made in, and shall be governed by the laws of the State of New York.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

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

PAYOR:

MAJIC TONES COMMUNICATIONS, LLC

To Be Executed at Closing

By: James Ernst, Manager

GUARANTOR:

JAMES ERNST, INDIVIDUALLY

To Be Executed at Closing

By: James Ernst

SAMPLE - TO BE SIGNED AT CLOSING