

**\$425,000.00**  
**Havre de Grace, Maryland**

## **PROMISSORY NOTE**

Pursuant to the terms of an Asset Purchase Agreement dated \_\_\_\_\_, 2021, **Maryland Media One LLC, a Delaware limited liability company** ( hereinafter “Payor”) and **Steve Clendenin, a person residing at \_\_\_\_\_** (hereinafter “Guarantor”), promises to pay to **Colonial Radio Group, Inc. a North Carolina corporation** (hereinafter “Payee”), the principal amount of **Four Hundred Twenty Five Thousand Dollars (\$425,000.00)**, plus interest which and payable as follows:

The Promissory Note (“Note”) will have a term (“Term”) of seven (7) years. At the end of the Term, Payee shall enjoy the right to refinance the remaining principal amount based on Payee’s review and approval of Payor’s then-current financial statements. The principal amount shall be amortized over fifteen (15) years, with an initial interest rate of Wall Street Journal Prime Rate plus three percent (3%). The rate shall adjust annually based on the average WSJ Prime Rate for the preceding twelve months and shall have a floor of not less than 6% and a ceiling of not more than 12%. The initial monthly payment for the first 12 months shall be \$\_\_\_\_\_ at an interest rate of \_\_\_\_\_. 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. The late payment fee for the first 12 months is \$\_\_\_\_\_.

1. The payment due date for Note payments is the \_\_\_\_\_ day of each month, commencing on the \_\_\_\_\_ day of the month after the closing of the WMIR transaction. 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.

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 WMIR, as evidenced by a Security and Membership Pledge Agreement and UCC Financing Statement securing the Personal Property, together with a Continuing Guaranty of Payor’s principal, 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:

Jeffrey M Andrulonis  
Colonial Radio Group, Inc.  
4337 Big Barn Drive  
Little River, SC 29566

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

Mr. Steve Clendenin  
Maryland Media One LLC  
331 N Union Avenue  
Havre de Grace, MD 21078

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

Mr. Steve Clendenin  

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Havre de Grace, MD 21078

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

[ 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:**

**MARYLAND MEDIA ONE LLC**

\_\_\_\_\_  
By: Steve Clendenin, Manager

**GUARANTOR:**

**STEVE CLENDENIN, INDIVIDUALLY**

\_\_\_\_\_  
By: Steve Clendenin