

\$900,000.00	Tucson, Arizona	[closing date] , 2022
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## NEGOTIABLE PROMISSORY NOTE

**BUSTOS MEDIA Holdings, LLC.**, a California Limited Liability corporation (hereinafter “Payor”), promises to pay to **KZLZ, LLC**, an Arizona limited liability company (hereinafter “Payee” which, if applicable, will include any subsequent holder of this Note) the principal amount of **NINE HUNDRED THOUSAND DOLLARS (\$900,000.00)**, bearing interest at the rate equal to Three and a half percent (3.5%), amortized over a 10-year term, pre-payable in whole or in part without penalty. This Promissory Note is being executed in conjunction with the closing of the transactions set forth in that certain Asset Purchase Agreement, dated March \_\_, 2022, for the sale and purchase of the assets and authorizations of FM Radio Station KZLZ (FM), Casa Adobes, Arizona (FCC Facility ID No. 36022) (the “Station”), by and between Payor and Payee (the “CONTRACT”).

1. This Note is payable as follows: a. commencing on [next first of the month after closing date] , 2022, Payor shall pay \$8,899.73 per month, on or before the first day of each month; amount to be paid by wire or electronic funds transfer or bank ACH; and b., on [three years after closing] , 2025, a final “balloon” payment of all principal and interest then due and owing. Notwithstanding anything in this Note to the contrary, the entire principal balance and all accrued interest will be immediately due and payable without notice upon the sale, conveyance, or transfer of all or a substantial part of the collateral described in the Security Agreement by and between Payor and Payee of even date herewith. Payor may prepay this Note in whole or in part at any time without premium or penalty. Any prepayment shall be applied first to accrued and unpaid interest and second to unpaid principal.

2. 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 five (5) days following notice from Payee to Payor of such default; or

b. A decree or order by a court having jurisdiction in the premises shall have been entered adjudging Payor as 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 thirty (30) 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 or 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 thirty (30) 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 thirty (30) days thereafter; or

c. Payor shall institute proceedings to be adjudged as 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; or

d. Payor shall file any application with the Federal Communications Commission seeking consent to assignment or transfer of control of any of the FCC Licenses (as defined in the CONTRACT); or

e. Payor shall default under the terms of (i) the Security Agreement by and between Payor and Payee of even date herewith, which agreement provides for the posting of collateral and for the disposition thereof in the event Payor defaults under the terms of this Note, or (ii) any other agreement between Payor and Payee with respect to the subject matter hereof; or

f. the entry of any judgment or other order for payment of money in the amount of \$25,000.00 or more against Payor, which judgment is not covered by insurance or is unsatisfied or unstayed for a period of thirty (30) days; or

g. the issuance or levy of any writ, warrant, attachment, garnishment, execution or other process against any property of Payor, that is not removed or stayed within thirty (30) days of the issuance thereof, then:

Upon the commencement of any proceeding described in Section 2(c) above by Payor (or against Payor as provided in Section 2(b) above) or in the event Payor liquidates its assets or ceases actively doing business, the unpaid principal balance of this Note plus accrued interest thereon will automatically become immediately due and payable in full, without any declaration, presentment, demand, protest or other notice of any kind. Upon the occurrence of any other event described above, and at any time thereafter, Payee, at its option, may by written notice to Payor declare all of the unpaid principal balance of this Note plus accrued interest thereon immediately due and payable and exercise all remedies provided for in any other agreement between Payor and Payee or as otherwise provided by law or in equity. All rights and remedies of Payee will be cumulative and may be exercised singly, concurrently or successively. The failure of Payee to exercise the

option to accelerate, or any other rights to which Payee is entitled, will not constitute a waiver of the right to exercise such option or other rights in the event of any subsequent event described above.

3. 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.

4. 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.

5. Unless otherwise directed in writing all notices and payments due under this Note to Payee or Payor shall be delivered or sent to the parties at the following standard mail or e-mail addresses:

If to Buyer: Bustos Media Holdings, LLC  
5110 SE Stark Street  
Portland, OR 97215  
Attention: Amador Bustos  
Email: abustos@bustosmedia.com

With a copy to: Dennis J. Kelly, Esq.  
Law Office of Dennis J. Kelly  
P.O. Box 41177  
Washington, DC 20018-0577  
Email: dkellyfcclaw1@comcast.net

If to Seller: KZLZ, LLC  
2307 Princess Ann Street  
Greensboro, NC 27408  
Attention: Todd P. Robinson  
Email: todd@cottonbay.us

With a copy to: Coe Ramsey  
1700 Wells Fargo Capitol Center  
150 Fayetteville Street  
Raleigh, NC 27601  
Phone:919.839.0300

6. Payor agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Payee's rights, Payor will pay Payee its reasonable attorneys' fees, together with all court costs and other expenses paid by Payee.

7. Payor waives presentment, protest and demand, notice of protest, notice of dishonor, and notice of nonpayment of this Note. Payor also waives any lack of diligence or delays in collection or enforcement of this Note.

8. PAYOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT PAYOR MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS NOTE.

9. This Note is given in the course of a commercial transaction. No consumer credit is extended hereby.

10. This Note shall be deemed made in and all rights and obligations arising out of this Note shall be governed by the laws of the State of Arizona. The parties agree and understand that this Note is governed by Article III of the Uniform Commercial Code as enacted in the State of Arizona, including its "holder in due course" rule.

11. The forum for any disputes arising hereunder shall be the courts of Tucson, Arizona.

[signature page follows]

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

**PAYOR:**

**BUSTOS MEDIA HOLDINGS, LLC**

By: \_\_\_\_\_  
Amador Bustos  
Manager