

PROMISSORY NOTE

\$ 26,000.00

City/State: Porterville, CA
Date: _____

This PROMISSORY NOTE (the "Note") is executed pursuant to the terms of an ASSET PURCHASE AGREEMENT ("Purchase Agreement") dated as of July 29, 2016, by and between ONE MINISTRIES, INC., a California non-profit corporation ("Payee") and MAYBERRY BROADCASTING COMPANY, INC., a California corporation ("Maker"), this 29th day of July 29, 2016, in connection with the sale and purchase of FM translator station K264CL, Selma, California, Facility ID #: 82178 (the "Station"). The parties hereto are collectively referred to herein as the "Parties".

1. Payments. For good and valuable consideration, Maker promises to pay to the order of Payee the aggregate principal amount of Twenty-Six Thousand Dollars (\$26,000.00), plus interest, as provided:

(a) This Note shall be amortized over a period of five (5) years from the date hereof;

(b) This Note shall bear interest of four and one-half percent (4.5%) per annum on the unpaid balance;

(c) Maker shall pay to Payee, monthly payments of Four Hundred Eight Four Dollars and Seventy-Two Cents (\$484.72). The first payment hereunder shall be made thirty (30) days from the date hereof with subsequent payments due on the same day of each succeeding month.

2. Form of Payment. All payments shall be made in lawful money of the United States of America, by check or confirmed wire transfer or cashier's check, payable to Seller at Seller's principal place of business, or at such other place as the Payee may designate in writing, and shall be applied as follows: First, to the payment of any delinquency or "late" charges, if any; second, to accrued and unpaid interest; and third, to the reduction of principal. Time is of the essence for all payments due hereunder.

3. Prepayment. Maker may prepay this Note in whole or in part at any time without penalty. Any such prepayment shall be applied first to the payment of all accrued and unpaid interest. Partial payment of this Note will not release, discharge, or affect the remaining obligations of Maker or any guarantor, Pledgor, or other maker or obligor under this Note, the Purchase Agreement, or any other document executed in connection therewith.

4. Security. Maker's obligations pursuant to this Note shall be secured by the terms and conditions herein and the guaranty of Larry Stoneburner, Secretary of Maker as evidenced by a Guaranty Agreement, substantially in the form of Exhibit 1 attached hereto which shall be executed at Closing.

5. Events of Default. Any one or more of the following events shall constitute a default under this Note, whereupon subject only to limitations arising under the rules, regulations and policies of the Federal Communications Commission or any other law, Holder may elect to exercise any or all rights, powers and remedies afforded hereunder and by law, including, without limitation, the right to accelerate the maturity of this Note and declare all amounts owing in respect to this Note to be due and payable in full:

(a) If Maker shall fail to make any payment within fifteen (15) days after the date due and payable hereunder;

(b) If Maker shall fail to perform any of its material obligations hereunder, or if the Maker shall fail to perform any of its material obligations under the Purchase Agreement or any of the Security Documents;

(c) If Maker shall become insolvent, make an assignment for the benefit of creditors, or any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt, dissolution or liquidation shall be commenced with respect to the Maker; provided, however, in any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt, dissolution, or liquidation commenced against Maker, Maker shall not be in default if said case or proceeding is discharged within thirty (30) days;

(e) If Maker shall assign or seek authorization to assign the Station's license, except through a pro forma application on FCC Form 316; or

(f) Maker's habitual failure to make payments when due as follows:

(i) For three (3) months consecutively; or

(ii) For six (6) months within any twelve (12)-month period; or

(iii) For eight (8) months, cumulatively, during the Term of this Note.

(g) Payee shall not take any action pursuant to the terms herein which would constitute or result in any assignment of a license authorized by the FCC for the operation of the Station or any change of control of the licensee of the Station if such assignment of license or change of control would require under existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such prior approval of the FCC. Maker agrees to take or cause to be taken, by Maker, any actions which Payee may lawfully request in order to obtain and enjoy the full rights and benefits granted to Payee by the terms contained herein.

6. Default Interest. In the event of any default by Maker in the payment of any amount due and payable under this Note which is not cured within ten (10) calendar days after its due date, simple interest shall thereupon commence to accrue upon the unpaid balance of this Note at the rate of interest specified herein plus two percent (2%) per annum.

7. Late Charges. Maker hereby acknowledges that in the event Maker should fail to pay any amount of principal when due under this Note, Payee will incur administrative and other costs associated with such late payment. Accordingly, in the event Maker fails to pay any amount of principal and/or interest on this Note for ten (10) calendar days after such payment becomes due, whether by acceleration or otherwise, Payee may, at its option, whether immediately or at the time of final payment of the indebtedness evidenced by this Note, impose a delinquency or “late” charge equal to ten percent (10%) of payments due, in respect of each and every past-due payment; provided, however, that if any such delinquency or “late” charge is in excess of the amount permitted to be charged to Maker under applicable law, Payee shall be entitled to collect a delinquency or “late” charge at the highest rate permitted by such law. Maker agrees that any such delinquency or “late” charge shall not be deemed to be additional interest or a penalty, but shall be deemed to be a fair estimate of the expenses which will be suffered by Payee by reason of such late payment since computing the actual amount of Payee’s expenses in advance is presently impracticable or extremely difficult.

8. No Waiver of Future Default. No failure on the part of Payee to exercise any right or remedy hereunder, whether before or after the happening of an Event of Default, shall constitute a waiver of any future Event of Default or of any other Event of Default. No failure to accelerate the indebtedness evidenced hereby by reason of an Event of Default hereunder, 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 to impose “late” charges retroactively or for any “late” payment occurring thereafter or shall be deemed to be a novation of this Note or as a reinstatement of the debt 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 Payee may have, whether by applicable law, by agreement or otherwise; and Maker and each endorser hereby expressly waive the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing. This Note may not be changed orally, but only by an agreement in writing signed by the Party against whom such agreement is sought to be enforced.

9. Notice and Acceleration.

(a) Upon the occurrence of any Event of Default which is not cured within the time period established by this Note, or pursuant to the terms set forth in Paragraph 5 (f) (i), (ii), and (iii) herein, Payee may declare, by written notice of default given to Maker, this Note to be forthwith due and payable, and thereupon the principal amount of this Note, together with any accrued and unpaid interest, shall become immediately due and payable without presentment, demand, protest, or other notice of any kind.

(b) In the event Maker is unwilling or unable to perform pursuant to this acceleration clause, Maker agrees to cooperate with Payee in exercising its rights pursuant to the Guaranty Agreement.

10. Notices. Any notices to be given by the Parties to each other shall be in writing and sent by first class U .S. mail or delivered electronically to the following:

(a) If to Payee:

Mr. Keith Leitch
One Ministries, Inc.
P.O. Box 1118
Santa Rosa, CA 95402
Phone: 707.479.9428
Email: keith@leitch.tv

(b) If to Maker:

Mr. Larry Stoneburner
Mayberry Broadcasting Company, Inc.
1660 N. Newcomb St.
Porterville, CA 93257
Phone: 559.359.2965
Email: LStoneburner1450@gmail.com

or to such person or address as directed in writing one Party to the other.

11. Expense of Collection. If any sum to be paid under this Note is not promptly paid when due, or paid within the period specified herein, Maker shall be liable to the Payee for all reasonable expenses, including attorneys' fees, incurred in its collection.

12. Usury Laws. It is the intention of the Parties to conform strictly to the usury laws, whether state or federal, applicable to this Note. None of the terms and provisions contained in this Note or any other document or instrument securing the indebtedness evidence hereby or related hereto shall ever be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest in excess of the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision hereof or any documents, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity; and if under any circumstances Payee shall ever receive an amount deemed interest by applicable law which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest; or if such excessive interest exceeds the unpaid balance of principal, the excess shall be deemed to have been a payment by mistake and shall be refunded to Maker or to any other person making such payment on Maker's behalf. All sums paid or agreed to be paid to Payee for the use, forbearance or detention of the indebtedness of Maker evidenced hereby, outstanding from time to time, shall to the extent permitted by law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, pro-rated, allocated and spread from the date of this Note so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof. The terms and provisions of this Paragraph shall control and supersede every other provision of all agreements between Maker and Payee.

13. Subsequent Sale of Station.

(a) In the event of a sale of the Station by Maker, this Note shall be due and payable on the date of the license assignment or transfer is completed. The due-on-sale clause is also applicable in the event that Maker conveys to any other entity any of its interest in the Station sufficient to cause that entity or entities to become an owner or owners of at least fifty percent (50%) of the Station.

(b) In the event that the Station is sold by Maker on an “installment” or “contract” basis, this due-on-sale clause shall remain in effect. In the event Payee agrees to any assignment of this Note, Maker shall continue to be obligated to Payee pursuant to the terms and conditions contained herein until such time as the principal indebtedness and any accrued and unpaid interest has been paid.

14. Assignability.

(a) This Note shall not be assigned by Maker without prior, written approval from Payee.

(b) Payee shall have the unconditional right to assign or pledge this Note and shall notify Maker of any such action in writing within thirty (30) days of such assignment or pledge.

15. Choice of Law. Maker and all persons who may become liable under this Note agree that this instrument and its performance shall be governed by and construed in accordance with the laws of the State of California and that in the event of any legal or equitable action arising under this Note, jurisdiction and venue of such action shall lie exclusively within the state courts of California.

IN WITNESS WHEREOF, the Maker has executed this Promissory Note at Porterville, California, on the day and year first above written.

MAKER
MAYBERRY BROADCASTING COMPANY, INC.

BY: _____
Larry Stoneburner, Secretary

Exhibit 1
Guaranty Agreement

This GUARANTY AGREEMENT is made as of this _____ day of _____, 2016, by MAYBERRY BROADCASTING COMPANY, INC., a California corporation ("Maker") and LARRY STONEBURNER, an individual residing in Springville, CA, ("Guarantor"), in favor of ONE MINISTRIES, INC., a California non-profit corporation ("Payee"). The parties hereto shall be known herein as the "Parties".

W I T N E S S E T H :

WHEREAS, Maker, has contemporaneously with the execution and delivery of this Guaranty Agreement executed and delivered to Payee a Promissory Note ("Note") whereby Maker agrees to pay Secured Party the sum of Twenty-Six Thousand Dollars (\$26,000.00) plus interest; and

WHEREAS, as an inducement to Payee to enter into the Note, Guarantor hereby agrees to guarantee Maker's performance by execution of this Guaranty Agreement;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantor agrees as follows:

1. Guaranteed Obligations. Guarantor does hereby irrevocably and unconditionally guarantee the payment of the following obligations of the Maker to the Secured Party ("Guaranteed Obligations"):

(a) The principal of the Promissory Note and all sums due to Maker when due and payable, whether on any installment payment date or at the stated or accelerated maturity, all according to the terms of the Note;

(b) All other sums and charges which may at any time be due and payable in accordance with, or secured by the Note; and

(c) The due and punctual performance of all of the other terms, covenants, and considerations contained in the Note.

2. Guarantee Of Payment. It is understood that this Guaranty is a guarantee of payment, however, Guarantor shall not be obligated to make any payment hereunder unless and until the occurrence of an event of default as defined by the terms of the Note.

3. Costs and Fees. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Guaranty or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions hereof, or if this Guaranty is delivered to an attorney for collection, the prevailing Party shall be entitled to recover reasonable attorney's fees and other costs incurred in such action, proceeding, or collection in addition to any other relief to which the prevailing Party may be entitled.

4. Amendments and Waivers. This Guaranty Agreement may be amended and the terms hereof may be waived only by written, mutual consent of the Parties.

5. Notice. All notices, demands, and other communications hereunder shall be in writing and deemed to have been sufficiently given for all purposes hereof if delivered by hand or mailed by registered or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile, as follows:

(a) If to Maker and/or Guarantor:

Mr. Larry Stoneburner.
1660 N. Newcomb St.
Porterville, CA 93257
Phone: 559.359.2965
Email: LStoneburner1450@gmail.com

(b) If to Payee:

Mr. Keith Leitch
One Ministries, Inc.
P.O. Box 1118
Santa Rosa, CA 95402
Phone: 707.479.9428
Email: keith@leitch.tv

or at such other address as the Party to who such notice or demand is directed may have designated by like notice in writing to the other Party hereto.

6. Survival of Guaranty. This Guaranty Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, including any subsequent holder or holders of any Guaranteed Obligations. In the event a court of competent jurisdiction shall hold any provision of this Guaranty Agreement to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7. Governing Law/Jurisdiction. This Guaranty Agreement, including the validity hereof and the rights and obligations of the Parties hereunder, shall be construed in accordance with and governed by the laws of the State of California.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties hereto have caused this Guaranty Agreement to be duly executed as of the day and year first above written.

MAKER
MAYBERRY BROADCASTING, INC.

BY: _____
Larry Stoneburner, Secretary

GUARANTOR
LARRY STONEBURNER

BY: _____
Larry Stoneburner

PAYEE
ONE MINISTRIES, INC.

BY: _____
Keith Leitch, President