

NEGOTIABLE PROMISSORY NOTE

_____, 2016

\$75,000.00

For Value Received, La Favorita Radio Network, Inc. (“Maker”) promises to pay to the order of Mary V. Guthrie (“Holder”) the principal amount of Seventy-Five Thousand Dollars (\$75,000.00), together with interest thereon.

This Note shall bear interest on the unpaid balance in an amount per annum on the unpaid balance equal to four percent (4%) per annum. The Note shall be repaid over a period of five (5) years in equal payments of principal and interest in the amount of \$1,381.00 per month. Payments shall be made no later than the tenth (10th) day of each month, commencing the first month following execution of this Note. The Note shall be collateralized by a deed of trust for property owned by Nelson Gomez, the principal of Maker, located in the City of Stockton, California.

1. **Events of Default.** Upon the occurrence of one or more defaults as defined below, the Holder shall have the option of declaring immediately due and payable the entire unpaid principal of this Note plus accrued interest thereon. The following shall be events of default:

(a) If the Maker shall default in any payment of principal or interest and such default shall continue for a period of ten (10) business days after written notice of such default shall have been given to the Maker.;

(b) If a receiver, conservator, custodian, liquidator or trustee of Maker, or of all or any substantial part of Maker's assets, is appointed by court order and such order remains in effect for more than 60 days; or an order for relief is entered under the federal bankruptcy laws with respect to Maker; or any of the material amount of Maker's assets is sequestered by court order and such order remains in effect for more than 60 days; or a petition is filed against Maker under the bankruptcy reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing;

(c) If Maker files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment or debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against Maker under any such law;

(d) If Maker makes an assignment for the benefit of its creditors, or admits in writing its inability to pay, or in fact does not pay, its debts generally as they become due, or consents to the appointment of a receiver, conservator, custodian, liquidator or trustee of Maker, or of all or any substantial part of its assets; and

(e) Failure or neglect to materially comply with any of the terms, provisions, warranties or covenants of this Note.

2. Notices. All notices and other communications to be delivered hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, at the following respective addresses, or at such other respective addresses as may be furnished by the respective parties:

If to the Maker of the Note:

La Favorita Radio Network, Inc.
4043 Geer Rd.
Hughson, CA 95326

If to the Holder of this Note:

Mary V. Guthrie
2310 Ponderosa Dt. #28
Camarillo, CA 93010

3. Default Remedies. If an event of default as provided in Paragraph 1 shall occur, the Holder may exercise any right, power or remedy permitted to such holder by law, and shall have, in particular, without limiting the generality of the foregoing, the right to declare the entire principal and all interest accrued on this Note to be, and the Note shall forthwith become, due and payable, without any presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived and the holder of the Note may proceed (subject to the rules and regulations of the FCC) to protect and enforce its rights either by suit or in equity and/or by action at law or proceed to obtain judgment or any other relief whatsoever appropriate to the action or proceeding, or proceed to enforce any other legal or equitable right of any holder of the Note. The holder of this Note shall be entitled to recover the costs and expenses, including, but not limited to, reasonable attorneys' fees actually incurred by such holder in collecting any sums due under the Note or in otherwise enforcing any of its rights and the costs and expenses incurred by such holder. In addition to the foregoing remedies, all overdue payments shall bear interest at the lesser of twelve percent (12%) per annum or the maximum rate allowable under law, which amounts shall be added to the outstanding balance hereof.

4. Prepayment and Application of Payments Made. Prepayment of this Note may be made at any time without prior written consent of the Holder. All payments received in any given month will be applied first to interest accrued that is imposed on account of delinquent payments. All payments received in any given month in excess of the payment due will be applied to a reduction of the outstanding balance.

5. Miscellaneous. Maker hereby waives all notices, presentment for payment, demand, protest, notice of protest and notice of dishonor and agrees to remain bound until the principal and any interest are paid in full, notwithstanding any extension of time for payment that may be granted even though the period or periods of extension be indefinite and notwithstanding any inaction by, or failure to assert any legal rights available to, the Holder of this Note.

6. Governing Law. This Note shall be governed by and construed in accordance with California law.

ATTEST:

LA FAVORITA RADIO NETWORK, INC.

By: _____
Nelson Gomez, President

