

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of the date set forth below by and between **KGID Inc.**, (the "Seller"), and **Township Media LLC and Fortview Ventures LLC** (with respect to Real Property *only*) (jointly known as the "Buyer").

Recitals

A. Seller owns and operates the following radio broadcast station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC");

KGID (FM), Giddings, Texas (Fac. # 190454)

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: PURCHASE OF ASSETS

1.1 Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Sections 1.2, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to certain assets and properties of Seller, real and personal, tangible and intangible, that are used in the operation of the Station (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Station (the "FCC Licenses"), a list of which is described on *Schedule 1.1(a)*;

(b) all of Seller's equipment, transmitters, antennas, cables, tower, fixtures, spare parts and other tangible personal property of every kind and description that are used in the operation of the Station, including without limitation those listed on *Schedule 1.1(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business (the "Tangible Personal Property");

(c) the Seller's FM tower site real property (including Tower and Transmitter Building) which is used in the operation of the Station. Said property is listed on *Schedule 1.1(c)* ("Real Property"); It is understood that the Current transmitter building will not convey in the real estate transaction as it is inside sellers 3800 square foot barn. Real property will consist of 10 x 10 tower base and 3 anchors of 10 x 10 each with easements to each anchor and a permanent ingress/egress easement road which leads through and out of the seller's property retained in the transaction. At seller's expense, seller will be responsible for creating a

subdivision of property to carve out the new parcel. At Sellers expense, a New transmitter shelter will be constructed and located in guy wire easement area and will be included in the Real Property carve out. The carve out will be documented by Seller (at its cost) and will consist of a survey, easement and plat and whatever else might be deemed necessary by county, local municipality or lender/s in order to transfer tower site real property to Buyer at closing.

(d) all other contracts, agreements and leases entered into in the ordinary course of the Station's business, including without limitation those listed on *Schedule 1.1(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the "Station Contracts");

(e) all of Seller's rights in and to the Station's call letters that are listed on *Schedule 1.1(e)* (the "Intangible Property"); and

(f) Seller's rights in and to the Station's local public files, but excluding records relating to Excluded Assets (defined below).

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for Assumed Obligations (defined in Section 1.3), liens for taxes not yet due and payable, liens that will be released at or prior to Closing, and, with respect to the Real Property, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station (collectively, "Permitted Liens").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;

(c) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;

(d) Seller's corporate and trade names unrelated to the operation of the Station, charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;

(e) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;

- (f) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;
- (g) the Station's accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Effective Time (defined below) or otherwise arising during or attributable to any period prior to the Effective Time (the "A/R");
- (h) any non-transferable shrinkwrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Station;
- (i) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;
- (j) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent Seller receives a credit therefor under Section 1.6; and
- (k) the assets listed on *Schedule 1.2* (if any).

1.3 Assumption of Obligations. On the Closing Dates (defined below), Buyer shall assume certain the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations").

1.4 Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the total transaction sum of **Seven Hundred Fifty Thousand Dollars (\$750,000.00)**, subject to adjustment pursuant to Section 1.6 (the "Purchase Price"). The Parties agree that the price for the Real Property is **Two Hundred and Fifty Thousand Dollars (\$250,000.00)** and for all other Station Assets **Five Hundred Thousand Dollars (\$500,000.00)**. The parties agree that there will two separate Closings, one for the Station and other Real Property.

1.5 Method of Payment. The Purchase Price shall be paid as follows:

(a) Deposit. Buyer has made a cash deposit in the amount of **Fifty Thousand Dollars (\$50,000.00)** (the "Deposit") with John C. Trent, Esquire (the "Escrow Agent") to be held in his *non-interest-bearing* attorney trust account. At Station Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Seller pursuant to Article 10, the Deposit shall be disbursed to Seller. If this Agreement is terminated for any other reason, the Deposit shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. This obligation to instruct the Escrow Agent shall survive the Station Closing. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Article 10 does not apply entitling Seller to immediately terminate this Agreement.

(b) Cash at Closing for Station. In addition to the release of the \$50,000.00 Deposit, the additional sum of Four Hundred Fifty Thousand Dollars (\$450,000.00) shall be paid to Seller at Station Closing. Said cash sum shall be delivered to Seller *via* wire transfers (unless otherwise requested by Seller). Wire instructions will be provided to Buyer by Seller at or before that closing.

(c) Cash at Closing for Real Property. The sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) shall be paid to Seller at the Real Estate Closing. Said cash sum shall be delivered to Seller *via* wire transfers (unless otherwise requested by Seller). Wire instructions will be provided to Buyer by Seller at or before that closing.

1.6 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles ("GAAP") as of 12:01 a.m. on the day of Closing (the "Effective Time"). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Seller shall receive a credit for all of the Station's deposits and prepaid expenses. Prorations and adjustments shall be made no later than ninety (90) calendar days after Closing.

1.7 Intentionally Left Blank.

1.8 Station and Real Property Closings. The Station closing contemplated by this Agreement (the "Station Closing") shall occur on a date fixed by Buyer (the "Station Closing Date"), which such date shall be no later than ten (10) business days following the date on which the FCC Consent shall have been granted and has become a Final Order. For purposes of this Agreement, "Final Order" means an FCC Consent (a) that is no longer subject to review, set aside, or rehearing by the FCC or any court, and (b) that has received no timely requests for stay, petition for rehearing or appeal. The Real Property closing contemplated by this Agreement (the "Real Property Closing") shall occur on a date fixed by Buyer (the "Real Property Closing Date"), which such date shall be no later than ten (10) business days following the date on which the Real Property carve out is approved by local zoning authorities.

1.9 FCC Consent and Bank Approval.

(a) Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the "FCC Consent". Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

(c) **Financing Contingency.** The parties agree that Buyer's obligation to consummate the Real property portion of the transaction contemplated herein is specifically contingent upon Buyer obtaining commercial financing from a commercial lender based on the appraised value of the real property once the land, tower and easements are separated and platted by the Seller. In the event Buyer has not obtained commercial Financing by April 30, 2021, directly due to the appraised value of the Real property, the real estate portion of the Agreement shall terminate, and neither party shall have any further liability to the other on the Real property portion of this agreement.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1 **Organization.** Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2 **Authorization.** The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 **No Conflicts.** Except as set forth on *Schedule 2.3* and except for the FCC Consent and consents to assign certain of the Station Contracts, the execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby does not conflict with any organizational documents of Seller, any contract or agreement to which Seller is a party or by which it is bound, or any law, judgment, order, or decree to which Seller is subject, or require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4 **FCC Licenses.** Except as set forth on *Schedule 1.1(a)*:

Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Station. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to

show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Station or against Seller with respect to the Station that could result in any such action. The Station is operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC.

2.5 Taxes. Seller has, in respect of the Station's business operations, filed all federal, state, county and local income, excise, property, sales, use, franchise and other tax returns which are required to have been filed by it under applicable law.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of material items of Tangible Personal Property included in the Station Assets. Except as set forth on *Schedule 1.1(b)*, Seller has good and marketable title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on *Schedule 1.1(b)*, all material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted.

2.7 Real Property. *Schedule 1.1(c)* contains a description of the Real Property and a copy of the Real Property Purchase Agreement. The parties understand that the Real Property is currently encumbered and agree and understand that said property will be sold free and clear to Buyer.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts that are used in the operation of the Station

2.9 Environmental. Except as set forth on *Schedule 1.1(e)*, to Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property included in the Station Assets.

2.10 Intangible Property. *Schedule 1.1(e)* contains a description of the Intangible Property included in the Station Assets.

2.11 Intentionally Left Blank.

2.12 Compliance with Law. Except as set forth on *Schedule 2.12*, (i) Seller has complied in all material respects with all laws, rules and regulations, including without limitation all FCC and Federal Aviation Administration rules and regulations applicable to the operation of the Station

2.13 Litigation. Except as set forth on *Schedule 2.13*, there is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement.

2.14 No Undisclosed Liabilities. There are no liabilities or obligations of Seller with respect to the Station that will be binding upon Buyer after the Effective Time other than the Assumed Obligations and other than pursuant to the prorrations under Section 1.7.

2.15 Station Assets. The Station Assets include all assets that are owned by Seller and used in the operation of the Station in all material respects as currently operated, except for the Excluded Assets.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization is duly organized. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by the Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except for the FCC Consent, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or is by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4 Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5 Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC.

ARTICLE 4: SELLER COVENANTS

4.1 Seller's Covenants. Between the date hereof and Closings, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) operate the Station in the ordinary course of business and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses;

(c) no other than in the ordinary course of business, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Tangible Personal Property in the ordinary course of business;

(e) upon reasonable notice, give Buyer and its representatives reasonable access during normal business hours to the Station Assets, and furnish Buyer with information relating to the Station Assets that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Station; and

(f) not enter into new Station Contracts that will be binding upon Buyer after Closing or amend any existing Station Contracts, except for (A) other Station Contracts made with Buyer's prior consent, and (B) other Station Contracts that do not require post-Closing payments by Buyer of more than \$3,500.00 (in the aggregate for all such new contracts).

ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transactions contemplated by this Agreement.

5.2 Announcements. Prior to Closings, no party shall, without the prior written consent of the other (such consent not to be unreasonably withheld or delayed), issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except that the parties shall cooperate to make a mutually agreeable announcement, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

5.3 Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Station Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Station

prior to Station Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4 Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) If prior to the Effective Time any item of Tangible Personal Property is damaged or destroyed or otherwise not in the condition described in Section 2.6 in any material respect, then:

(i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business; and

(ii) if such repair or replacement is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall promptly repair or replace such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation), except that if such damage or destruction materially disrupts Station operations, then Buyer may postpone Closing until the date five (5) business days after operations are restored in all material respects, subject to Section 10.1.

(c) If prior to Closing the Station is off the air or operating at a power level that results in a material reduction in coverage (a "Broadcast Interruption"), then Seller shall use commercially reasonable efforts to return the Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer may postpone Closing until the date five (5) business days after the Station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1.

5.5 Environmental. Except as set forth on *Schedule 1.1(c)* to Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property included in the Station Assets.

5.6 Consents.

(a) The parties shall use commercially reasonable efforts to obtain any third-party consents necessary for the assignment of any Station Contract.

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and

after Closings, and to the extent of the benefits received, Buyer shall pay and perform Seller's obligations arising under the Station Contract from and after Closings in accordance with its terms.

5.7 Actions. After the Closings, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that Seller may reasonably request.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closings hereunder is subject to satisfaction, at or prior to each Closings, of each of the following conditions (unless waived in writing by Seller):

6.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement, shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Authorization. The FCC Consent shall have been obtained and shall have become a Final Order.

6.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 8.2.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closings hereunder is subject to satisfaction, at or prior to each Closing, of each of the following conditions (unless waived in writing by Buyer):

7.1 Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Authorization. The FCC Consent shall have been obtained.

7.4 Deliveries. Seller shall have complied with its obligations set forth in Section 8.1.

7.5 Consents. The Required Consents (if any) shall have been obtained.

ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

- (i) the certificate described in Section 7.1(c);
- (ii) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;
- (iii) an assignment and assumption of contracts assigning the Station Contracts from Seller to Buyer;
- (iv) warranty deed[s] conveying the owned Real Property from Seller to Buyer (For Real Property Closing);
- (v) an assignment of intangibles listed on *Schedule 1.1(e)* from Seller to Buyer;
- (vi) a bill of sale conveying the other Station Assets from Seller to Buyer; and
- (vii) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

8.2 Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

- (i) the Purchase Price in accordance with Section 1.5 hereof;
- (ii) the certificate described in Section 6.1(c);
- (iii) an assignment and assumption of contracts assuming the Station Contracts from Seller to Buyer;
- (iv) an assignment of intangibles listed on *Schedule 1.1(e)* from Seller to Buyer;
- (v) an insurance policy whereby Buyer will cover any damages specific to items falling from the Tower (i.e., ice, tools etc.) which might damage Seller's barn. The parties agree that total damages will be limited to \$2,500.00 per annual policy period. Proof of Insurance shall be provided to Seller so long as the Buyer owns the tower; and
- (v) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the last Closing Date (either Station or Real Property).

9.2 Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

- (i) any breach by Seller of its representations and warranties made under this Agreement; or
- (ii) any default by Seller of any covenant or agreement made under this Agreement; or
- (iii) the Retained Obligations; or
- (iv) the business or operation of the Station before the Effective Time, except for the Assumed Obligations.

(b) From and after Closings, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

- (i) any breach by Buyer of its representations and warranties made under this Agreement; or
- (ii) any default by Buyer of any covenant or agreement made under this Agreement; or

- (iii) the Assumed Obligations; or
- (iv) the business or operation of the Station after the Effective Time.

9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim;

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim; and

(iv) neither party shall have any liability to the other under any circumstances for special, indirect, consequential, punitive or exemplary damages or lost profits or similar damages of any kind, whether or not foreseeable.

ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. Subject to Section 10.3, this Agreement may be terminated prior to Closings as follows:

- (a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligations to make the Deposit on the date hereof and to pay the Purchase Price at Closing for both the Station and Real Property);

(d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the date one (1) year after the date of this Agreement; or

(e) terminated pursuant to Section 1.9(c).

10.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period of twenty (20) days commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder.

10.3 Specific Performance. In the event of failure or threatened failure by Seller to comply with the terms of this Agreement, the Buyer shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

10.4 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.1(c), then the Deposit shall be paid to Seller, and such payment shall constitute liquidated damages, in addition to all available rights and remedies, including specific performance, under this Agreement. Buyer acknowledges and agrees that Seller's recovery of the Deposit shall constitute payment of liquidated damages and is not a penalty and that Seller's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

ARTICLE 11: MISCELLANEOUS

11.1 Expenses. All FCC filing fees shall be shared equally. Any other transfer fees, and taxes due under this Agreement shall be borne by the party whom would normally pay in accordance with standard business practices for the State of Texas. Each party shall be solely responsible for all costs and expenses (including legal and engineering) incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

11.9 Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

11.10 Finders. There are no brokers, finders or other Person is entitled to a commission, brokerage fee, or other similar payment in connection with this Agreement.

Dated as of: December 30, 2020.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

BUYER:

Township Media LLC

By: 

Name: Daryl O'Neal
Title: CEO

Fortview Ventures LLC

By: 

Name: Daryl O'Neal
Title: CEO

SELLER:

KGID Inc.

By: 

Name: Greg Shapiro
Title: Treasurer

Schedule 1.1(a)

FCC Licenses

KGID (FM), Giddings, Texas (Fac. # 190454)

Schedule 1.1(b)

Tangible Personal Property

- 340' 4200SRWD Sabre Tower
- ERI LP-4E-HW Antenna
- 320' 1 5/8" HCA158-50J Coax
- TWR E-1DB Tower light system Serial #25400
- Harris Z3.5 CD Transmitter Serial # PRD01576040001 with Digit Exciter
- Sage Endec EAS system Model 3644 Serial # B417349
- Phase Technologies PT330 Phase Converter Serial #222644
- Dell Optiplex 3040 Computer w/Stereo Tool Audio Processor Software
- Concoa Nitrogen Regulator
- Generic Equipment Rack
- Ubiquity Airfiber 5X microwave dish
- Plus, a new 10 x 12 building, to be delivered on site, set up, with all the equipment installed by the seller to make operational