

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of September 25, 2020 between Amaturio Sonoma Media Group, LLC, a California limited liability company (“Seller”) and Rural California Broadcasting Corporation, a California nonprofit corporation (“Buyer”).

Recitals

A. Seller owns and operates the following radio broadcast stations (each a “Station” and collectively the “Stations”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”):

KDHT(FM), Rohnert Park, CA (FCC ID 55967)
KDHT-FM2, Glen Ellen, CA (FCC ID 162021)

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 Section 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 the following assets and properties of Seller that are used or held for use in the operation of the Stations (the “Station Assets”):

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the “FCC Licenses”), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing, and any other federal, state or local governmental authorities issued to Seller in connection with the conduct of the business and the operation of the Stations (collectively, the “Other Licenses”);

(b) subject to Section 1.2(g), Seller’s equipment, transmitters, antennas, cables, towers, fixtures, spare parts and other tangible personal property that are used or held for use in the operation of the Stations, together with any replacements thereof or additions and improvements thereto, including those items listed on *Schedule 1.1(b)*, except for any permitted retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with past practices of Seller (the “Tangible Personal Property”);

(c) all of Seller's leasehold interest in real property used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), as listed on *Schedule 1.1(c)* (the "Real Property Leases");

(d) the tower leases for the Stations, which are listed on *Schedule 1.1(c)* (the "Tower Leases").

The Station Assets shall be transferred to Buyer free and clear of debts, liens, claims and encumbrances, security interests, mortgages, trusts, pledges, conditional sales agreements, equipment leases, and other liabilities and encumbrances of every kind and nature ("Liens") except for Assumed Obligations (defined in Section 1.3) and any liens for taxes not yet due and payable (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 employment contracts, programming contracts, audience measurement contracts, and other contracts associated with the Stations, except the Tower Leases and the Real Property Leases;

(c) Seller's corporate and trade names, charter documents, and books and records relating to the organization, existence or ownership of Seller, and all records not relating to the operation of the Stations;

(d) 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;

(e) 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;

(f) the Stations' 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"); and

(g) the Stations' studio and all equipment located at the studio, unless such equipment is listed on *Schedule 1.1(b)*.

1.3 Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Tower Leases or the Real Property Leases (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 sum of One Million Five Hundred Thousand Dollars (\$1,500,000), subject to adjustment pursuant to Section 1.6 (the “Purchase Price”).

1.5 Deposit. On the date of this Agreement, Buyer shall make a cash deposit in immediately available funds in an amount equal to One Hundred Fifty Thousand Dollars (\$150,000) (the “Deposit”) with Green Escrow Services (the “Escrow Agent”) pursuant to the Escrow Agreement (the “Escrow Agreement”) of even date herewith among Buyer, Seller and the Escrow Agent. At 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 Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is terminated for any other reason (except as provided for in Section 4.2 or Section 10.1(f)), the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply entitling Seller to immediately terminate this Agreement.

1.6 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations 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 utility expenses, rent and other amounts under Tower Leases and similar prepaid and deferred items. Seller shall receive a credit for all of the Stations’ deposits and prepaid expenses. Prorations and adjustments not made at Closing shall be made no later than ninety (90) days after Closing.

1.7 Closing. The consummation of the sale and purchase of the Station Assets pursuant to this Agreement (the “Closing”) shall take place on the date five (5) business days after the date that the FCC Consent (defined below) either (at Buyer’s option) is initially granted or becomes Final (defined below), in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing). The date on which the Closing is to occur is referred to herein as the “Closing Date.” For purposes of this Agreement, the term “Final” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

1.8 FCC Consent. Within five (5) days of the earlier of (i) the date Seller obtains the New Tower Lease (as defined below), and (ii) November 25, 2020, 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.

1.9 Non-Commercial Status. Within ten (10) days of the filing of the FCC Application, Buyer shall file a license application with the FCC requesting modification of the FCC Licenses of the Stations to reflect noncommercial status (the “NCE Application”). Seller shall assist Buyer to the extent necessary to ensure that the NCE Application can be filed in Buyer’s name in the FCC’s filing system.

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, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to own and operate the Stations, to carry on the Stations’ business as now conducted by it, and 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 for the FCC Consent and consents to assign the Tower Leases and the Real Property Leases, 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. 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 Stations. 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 adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding (or, to Seller's knowledge, threatened), by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, complaint, or order of forfeiture against the Stations or against Seller with respect to the Stations. The Stations are 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. Except as set forth on *Schedule 1.1(a)*, Seller is operating facilities associated with each of the FCC Licenses and the equipment associated with those facilities is listed on *Schedule 1.1(b)*.

2.5 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.

2.6 Leases. Except as set forth on *Schedule 1.1(c)*, each of the Tower Leases and Real Property Leases is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Except as set forth on *Schedule 1.1(c)*, Seller has performed its obligations under each of the Tower Leases and Real Property Leases in all material respects, and is not in material default thereunder (and no condition exists and no event has occurred that, with the giving of notice, the lapse of time, or the happening of any further event would become a default or permit early termination thereunder), and to Seller's knowledge, no other party to any of the Tower Leases is in default thereunder in any material respect. Seller has delivered to Buyer true and complete copies of the Tower Leases and Real Property Leases.

2.7 Insurance. Seller maintains insurance policies or other arrangements with respect to the Stations and the Station Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time.

2.8 Compliance with Law; Litigation. Seller has complied in all material respects and is in compliance in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Stations or the Station Assets. Except as disclosed on *Schedule 2.8*, there is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Stations or the Station Assets of any court or governmental authority.

2.9 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions

contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

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, and is qualified to do business in each jurisdiction in which the Station Assets are located. 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 all necessary action of 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 Stations under the Communications Act and the rules, regulations and policies of the FCC. There are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations. No waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained. There are no

matters which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

3.6 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

ARTICLE 4: SELLER COVENANTS

4.1 Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, Seller shall:

- (a) operate the Stations 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 adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses;
- (c) not 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 its present condition (ordinary wear and tear excepted) and otherwise preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Stations and the Station Assets;
- (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 Stations; and
- (f) not amend or terminate any of the Real Property Leases or the Tower Leases, except as provided by this Agreement.

4.2 KDHT(FM) Tower Lease. Prior to January 15, 2021 (the "New Tower Lease Outside Date"), Seller shall use commercially reasonable efforts to enter into a new lease for KDHT(FM)'s primary antenna (the "New Tower Lease") and, to the extent required by the New Tower Lease, Seller shall have secured the consent of the landlord to the assignment of the New Tower Lease to Buyer. Until such time as the New Tower Lease is executed, Seller shall provide updates to Buyer regarding the progress of negotiations and shall share drafts the New Tower Lease that are exchanged by Seller and the landlord. In the event that either (i) Seller has not entered into the New Tower Lease by the New Tower Lease Outside Date and Buyer nevertheless wants to proceed to Closing or (ii) Buyer does not want to assume the New Tower

Lease but does want to proceed to Closing, Buyer shall prepare (and Seller shall take any steps necessary to assist with the filing of) an FCC application proposing the modification of the facilities of KDHT(FM) to specify a new tower site (the “Move Application”). In connection with the preparation of the Move Application, if Seller has not filed the KDHT-FM2 License Application (defined below), Buyer may, at its option, instruct Seller to abandon construction of the facilities described in the KDHT-FM2 construction permit, and Seller shall comply with such instruction. If Closing occurs after preparation and grant of the Move Application pursuant to the previous sentence, notwithstanding anything to the contrary in this Agreement, Buyer shall have no obligation to assume any obligations with respect to the KDHT(FM)’s lease at Mount Barham. If the Move Application is pending and Buyer terminates this Agreement pursuant to Section 10.1(d), one-half of the Deposit shall be disbursed to Seller and one-half of the Deposit and any interest accrued thereon shall be disbursed to Buyer.

4.3 KDHT-FM2 Construction. Prior to Closing, Seller shall complete construction of the facilities authorized by the most recent KDHT-FM2 construction permit (LMS File No. 112180) at Seller’s sole cost and expense, which shall include an STL link and receiver at the KDHT-FM2 site. Once such construction is complete, Seller shall file a license to cover application (the “KDHT-FM2 License Application”).

4.4 Estoppel Certificates. Seller shall obtain execution of reasonable estoppel certificates by lessors under the Tower Leases and the Real Property leases requiring consent to assignment (if any) (the “Estoppel Certificates”).

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 (including without limitation all financial information provided by Seller to Buyer) 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 transaction contemplated by this Agreement.

5.2 Announcements. Prior to the filing of the FCC Application, no party shall, without the prior written consent of the other, 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. After the filing of the FCC Application and prior to Closing, prior to issuing any press release or making any other public announcement concerning the transactions contemplated by this Agreement, the party seeking to make such announcement or issue such release shall make commercially reasonable efforts to give advance notice to the other and to consult with the other regarding any such statements. The parties shall cooperate to make a mutually agreeable announcement upon the filing of the FCC Application.

5.3 Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4 Risk of Loss. 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. If prior to the Closing any material item of Tangible Personal Property is damaged or destroyed or otherwise not in the condition it is in as of the date hereof in any material respect, then Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business, but if such repair or replacement is not completed prior to Closing, then, at the Buyer's option, the parties shall proceed to Closing, and as Buyer's sole remedy, the proceeds of any insurance covering such damage or destruction shall be assigned to Buyer at Closing, and, to the extent such proceeds are not sufficient to cover the cost of such repair or replacement, the Purchase Price shall be reduced by an amount equal to the deficiency, and if Buyer elects to so proceed to Closing, Seller's representations and warranties, and Buyer's pre-Closing termination rights and post-Closing indemnification rights, with respect to the affected Station Assets will thereby be deemed qualified solely to the extent necessary to take into account such damage or destruction and its remedy. To the extent Seller complies with this Section 5.4 and Buyer opts to proceed to Closing, Seller shall not be in breach of this Agreement with respect to such damaged or destroyed item of Tangible Personal Property. Notwithstanding any provision to the contrary in this Section 5.4, and in addition to Buyer's rights under Section 5.5, in the event that Seller becomes potentially liable under any applicable environmental, health or safety law such that the projected costs of remediation exceed One Hundred Thousand Dollars (\$100,000), Buyer shall have the option in its sole discretion to terminate this Agreement.

5.5 Transmission Default. Should KDHT(FM) (i) not operate for any period in excess of five (5) consecutive days, or (ii) not operate at more than 90% of its maximum authorized power for a period of five (5) consecutive days before the Closing (unless by agreement with Seller), or (iii) shall not be operating at more than 90% of maximum authorized power (unless by agreement with Seller) as of the scheduled Closing Date (each a "Transmission Default"), Buyer at Buyer's option may: (a) terminate this Agreement without any further obligations hereunder on the part of Buyer; (b) postpone the Closing for a period of up to (30) days while Seller attempts to cure the Transmission Default condition, and if such cure occurs within such (30) day period, then the parties shall consummate the transaction at the earliest practicable date thereafter, subject to satisfaction or waiver of the conditions set forth in ARTICLE 6 and 7; or (c) close and reduce the Purchase Price by an amount the parties mutually agree will be required to restore operations to normal, net of any insurance proceeds turned over to Buyer.

5.6 Update of STL Licenses. As described on *Schedule 5.5*, Buyer and Seller shall cooperate and take reasonable efforts to modify the broadcast auxiliary licenses of the Stations to ensure that Buyer will be able to deliver its signal to the Stations on and after the Closing Date.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, 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 pursuant to the FCC's initial order shall have been obtained.

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 Closing hereunder is subject to satisfaction, at or prior to 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 and shall have become a Final Order.

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

7.5 Estoppel Certificates. The Estoppel Certificates shall have been obtained.

7.6 KDHT-FM2 License Application. The KDHT-FM2 License Application shall have been filed, unless modification of the facility has been abandoned pursuant to Section 10.1(f) hereof.

7.7 New Tower Lease. The New Tower Lease shall have been executed.

7.8 Noncommercial Status. The NCE Application shall have been granted.

7.9 Move Application. The Move Application, if filed, shall have been granted.

ARTICLE 8: CLOSING DELIVERIES

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

(i) good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation;

(ii) a certificate executed by Seller's secretary or assistant secretary evidencing authorization by the Seller's board of directors for the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iii) the certificate described in Section 7.1(c), executed by Seller;

(iv) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer, executed by Seller;

(v) an assignment and assumption of contracts assigning the Tower Leases (including the New Tower Lease and Real Property Leases) from Seller to Buyer, executed by Seller;

(vi) a bill of sale conveying the other Station Assets from Seller to Buyer, executed by Seller;

(vii) joint instructions to the escrow agent directing that the Escrow Deposit be released to Seller, executed by Seller;

(viii) the Estoppel Certificates; and

(ix) 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 1.4 hereof;
- (ii) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation;
- (iii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (iv) the certificate described in Section 6.1(c), executed by Buyer;
- (v) an assignment and assumption of contracts assuming the Tower Leases and Real Property Leases, executed by Buyer;
- (vi) joint instructions to the escrow agent directing that the Escrow Deposit be released to Seller, executed by Buyer; and
- (vii) 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 twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except that if within such twelve (12) month period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

9.2 Indemnification.

(a) 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 Stations before the Effective Time, except for the Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under clause (i) of Section 9.2(a) until Buyer's aggregate Damages exceed Five Thousand Dollars (\$5,000) after which such threshold amount shall be excluded from any calculation of Damages, and (ii) the maximum aggregate liability of Seller under Section 9.2(a) for all Damages, other than all Damages related to the disclosure on Schedule 2.8, shall be Seven Hundred Fifty Thousand Dollars (\$750,000).

(c) From and after Closing, 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 Stations after the Effective Time.

(d) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Buyer shall have no liability to Seller under clause (i) of Section 9.2(c) until Seller's aggregate Damages exceed Five Thousand Dollars (\$5,000) after which such threshold amount shall be excluded from any calculation of Damages, and (ii) the maximum aggregate liability of Buyer under Section 9.2(c) shall be Seven Hundred Fifty Thousand Dollars (\$750,000).

9.3 Procedures.

(a) Subject to Section 9.2(b), 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) Subject to Section 9.2(d), 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 Closing 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;

(d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by August 2, 2021;

(e) by written notice of Buyer to Seller if Seller does not obtain the New Tower Lease by the New Tower Lease Outside Date; or

(f) by written notice of Buyer to Seller if Buyer does not want to assume the New Tower Lease. If the Agreement is terminated by Buyer pursuant to this Section 10.1(f), one-half of the Deposit shall be disbursed to Seller and one-half of the Deposit and any interest accrued thereon shall be disbursed to Buyer.

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 commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 1.7; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.7, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under Section 1.7.

10.3 Survival. Except as provided by Section 10.5, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.5 (Deposit) (and Section 10.5 with respect to the Deposit), 5.1 (Confidentiality) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.4 Specific Performance. In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party 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. Notwithstanding the foregoing, if prior to Closing the condition described in Section 10.1(c) exists, then Seller’s sole remedy shall be termination of this Agreement and receipt of the liquidated damages amount pursuant to Section 10.5.

10.5 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.1(c), then the Deposit (and any interest accrued thereon) shall be disbursed to Seller as liquidated damages and the sole and exclusive remedy of Seller. Buyer acknowledges and agrees that Seller’s recovery of such amount shall constitute payment of liquidated damages and 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. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to the FCC

Application shall be shared equally by the parties. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

11.2 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller: Amaturio Sonoma Media Group, LLC
1410 Neotomas Avenue, Suite 200
Santa Rosa, CA 95405
Attention: Lawrence Amaturio

with a copy (which shall not constitute notice) to: Edinger Associates PLLC
1725 I Street, NW, Suite 300
Washington, DC 20006
Attention: Scott Woodworth

if to Buyer: Rural California Broadcast Corporation
5850 Labath Avenue
Rohnert Park, CA 94928
Attention: Darren LaShelle

with a copy (which shall not constitute notice) to: Gray Miller Persh LLP
2233 Wisconsin Avenue, NW, Suite 226
Washington, DC 20007
Attention: Margaret Miller

11.5 Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties with respect to the Stations, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

11.7 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

11.9 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof.

11.10 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.

[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: RURAL CALIFORNIA BROADCAST CORPORATION

By: 
Name: Darren LaShelle
Title: President & CEO

9-22-2020

SELLER: AMATURO SONOMA MEDIA GROUP, LLC

By: _____
Name:
Title:

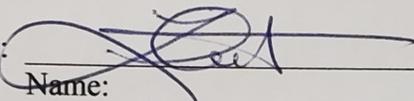
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: RURAL CALIFORNIA BROADCAST CORPORATION

By: _____
Name:
Title:

SELLER: AMATURO SONOMA MEDIA GROUP, LLC

By:  _____ 9/24/2020.
Name:
Title: *Managing Member*
Lawrence V. Amaturro