

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of June 2ND 2022, between Redwood Empire Stereocasters, a California corporation ("Seller") and Amaturio Sonoma Media Group, LLC, a California limited liability company ("Buyer").

Recitals

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

KZST(FM), Santa Rosa, CA (FCC ID 55430)  
KWVF(FM), Guerneville, CA (FCC ID 190436)  
K256DA, Santa Rosa, CA (FCC ID 147418)  
K273CU, Petaluma, CA (FCC ID 156231)

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: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), 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 all assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations, except the Excluded Assets (defined below) (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 Stations (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing (defined below);

(b) all of Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations (the "Tangible Personal Property"), including without limitation those items listed on *Schedule 1.1(b)*;

(c) all of Seller's real property used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1(c)* (the "Real Property");

(d) all agreements entered into in the ordinary course of business for the sale of advertising time on the Stations for cash that are cancelable without penalty that exist at Closing, and all other operating contracts, agreements and leases that are used in the operation of the Stations and listed on *Schedule 1.1(d)* attached hereto (the "Station Contracts");

(e) all of Seller's rights in and to the Stations' call letters and Seller's rights in and to the trademarks, trade names, service marks, copyrights, computer software, programs and programming material, jingles, slogans, logos, and other intangible property that is used or held for use in the operation of the Stations, including without limitation those listed on *Schedule 1.1(e)* attached hereto (the "Intangible Property");

(f) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations' local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs; and

(g) all claims (including warranty claims) deposits, prepaid expenses, and Seller's goodwill in, and the going concern value of, the Stations.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for the obligations of Seller arising after Closing under the Station Contracts and all other Station Assets (collectively, the "Assumed Obligations"); UCC lien # 15486161504 held by Exchange Bank, which shall be released as to the Station Assets on or before Closing; and for statutory liens for taxes not yet due and payable; easements and other restrictions that do not materially adversely affect the full use and enjoyment of the Station Assets for the purposes for which it is currently used or materially detract from its value; imperfections of title and encumbrances that do not materially impair the operations of the owner thereof; and liens for carriers, warehousemen, materialmen, landlords and the like that do not materially adversely affect the full use and enjoyment or detract from the marketability or value of the properties subject thereto (collectively, "Permitted Encumbrances").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include Seller's cash, cash equivalents, accounts receivable existing as of the commencement of the LMA (defined below), insurance policies, employee benefit plans, any contract designated on *Schedule 1.1(d)* as not included in the Station Contracts, the office building on Mendocino Avenue (the "Mendocino Office"), or the real property and towers at the Taylor Mountain tower site (the "Taylor Mountain Site") (collectively, the "Excluded Assets").

1.3 Retained Liabilities. Except for the Assumed Obligations, Buyer does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any

liabilities, obligations or commitments of Seller of any kind, whether or not disclosed to Buyer, including, without limitation, any liability or obligation of Seller under any contracts not included in the Station Contracts (the “Retained Liabilities”).

1.4 Purchase Price. The purchase price to be paid for the Station Assets shall be the sum of Six Million Dollars (\$6,000,000), subject to adjustment pursuant to Section 1.6 (the “Purchase Price”). The Purchase Price shall be paid at Closing in cash in immediately available funds pursuant to the written instructions of Seller to be delivered by Seller to Buyer at least three (3) business days prior to Closing.

1.5 Deposit. Concurrent with the execution of this Agreement, Buyer is depositing the sum of Six Hundred Thousand Dollars (\$600,000) (the “Deposit”) with Green Escrow Services, Inc. (the “Escrow Agent”) pursuant to an 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), then the Deposit shall be disbursed to Seller as liquidated damages and the sole and exclusive remedy of Seller for such termination (and any interest accrued thereon shall be disbursed to Seller). Seller hereby waives all other legal and equitable remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated for any other reason, 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 accrued thereon to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.6 Prorations.

(a) Except as provided in the LMA, the operation of the Stations and the income and operating expenses attributable thereto until 11:59 p.m. on the date preceding the day of Closing (the “Adjustment Time”) shall be for the account of Seller and thereafter for the account of Buyer, and income and expenses shall be prorated between Seller and Buyer as of the Adjustment Time in accordance with generally accepted accounting principles, and the Purchase Price shall be adjusted accordingly.

(b) Such prorations shall include all 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. Sales commissions related to the sale of advertisements broadcast on the Stations prior to commencement of the LMA shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after commencement of the LMA shall be the responsibility of Buyer. Prorations and adjustments shall be made at Closing to the extent practicable. As to those prorations and adjustments not capable of being ascertained at Closing, an adjustment and proration shall be made within ninety (90) calendar days after Closing. For the avoidance of doubt, there shall be no prorations or adjustments with respect to any barter balance (*i.e.*, the Purchase Price shall not be adjusted, regardless of whether the amount by which the value of air time to be provided by the Stations in respect of trade or barter agreements after Closing exceeds or is less than the fair market value of corresponding goods and services to be received by the Stations after Closing).

1.7 Allocation. The Purchase Price shall be allocated among the Station Assets as set forth on *Schedule 1.7* attached hereto. Buyer and Seller shall each file its federal income tax returns and its other tax returns reflecting such allocation. Prior to Closing, Buyer and Seller each agree to complete Form 8594, *Asset Acquisition Statement Under Section 1060* that reflects the allocations agreed to under this Section 1.7, which shall be attached hereto as Exhibit A, and which shall be included with the respective information and tax returns filed by Buyer and Seller for the year in which the sale is consummated.

1.8 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 business days after the date that the FCC Consent is initially granted through the publishing by the FCC of its Public Notice of FCC Consent in its Daily Digest or on such other date as may be mutually agreed by the parties, 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." In the event the Closing occurs and, prior to FCC Consent becoming Final, the FCC rescinds FCC Consent and orders an unwinding of the Closing, Buyer shall return the Station Assets to Seller and Seller shall return the Purchase Price to Buyer, and each of Seller and Buyer shall take all other steps reasonably required to return the parties to the *status quo ante* existing immediately prior to the Closing. 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.

1.9 FCC Consent. No later than ten calendar days after the date of this Agreement, Buyer and Seller shall file an application (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the "FCC Consent"). Seller and Buyer shall diligently prosecute the FCC Application. Buyer shall reimburse Seller for one-half (1/2) of the FCC filing fees paid in connection with the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC. 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.

1.10 Mendocino Office Lease. At Closing, the parties will enter into an office lease whereby Buyer will lease from Seller the entire Mendocino Office pursuant to the form of office lease attached hereto as Exhibit B (the "Mendocino Office Lease").

1.11 Taylor Mountain Site Lease. At Closing, Buyer and Gordon Zlot ("Zlot") will enter into a tower lease whereby Buyer will lease from Zlot space on the tower at the Taylor

Mountain Site pursuant to the form of tower lease attached hereto as Exhibit C (the “Taylor Mountain Site Lease”).

1.12 Consulting Services. At Closing, Seller and Zlot and Buyer will enter into a consulting agreement whereby Seller and Zlot will provide to Buyer engineering and other technical services pursuant to the form of consulting agreement attached hereto as Exhibit D (the “Consulting Agreement”).

1.13 Services Agreement. At Closing, the parties will enter into a services agreement whereby Buyer will provide to Seller operational, back-room, technical, traffic, production, programming and sales services for stations KJZY(FM) and KBBL(FM) as requested by Seller and consistent with the FCC’s local ownership and attribution rules pursuant to the form of services agreement attached hereto as Exhibit E (the “Services Agreement”).

1.14 Joint Sales Agreement. At Closing, the parties will enter into a joint sales agreement whereby Buyer will sell commercial time on stations KJZY(FM) and KBBL(FM) as requested by Seller and consistent with the FCC’s local ownership and attribution rules pursuant to the form of sales agreement attached hereto as Exhibit F (the “Joint Sales Agreement”).

1.15 LMA. Simultaneous with the execution of this Agreement, Buyer and Seller are entering into a Local Programming and Marketing Agreement (the “LMA”) pursuant to which, among other things, and subject to the terms and conditions of the LMA, Buyer will provide programming for, and be entitled to receive the revenues from the sale of advertising time on, the Stations.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

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 Station’s business as now conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Seller (the “Seller Authorization”) and do not require any further authorization or consent of Seller. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Seller enforceable in accordance with their respective 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. The execution, delivery and performance by Seller of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Station Contracts designated on *Schedule 1.1(d)*.

2.4 FCC Licenses. Seller holds the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the rules, regulations and policies of the FCC 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 modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or threatened against Seller or the Stations by or before the FCC. Seller and the Stations are in compliance with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC. Seller and the Station Assets are in compliance with all rules and regulations of the Federal Aviation Administration applicable to the Stations. All material reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations (including without limitation all required equal employment opportunity reports) have been timely filed and paid. All such reports and filings are accurate and complete in all material respects. Seller maintains online public files for the Stations as required by FCC rules and such online public files are in compliance with FCC rules.

2.5 Taxes. Seller has filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law in connection with the Stations’ business, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Each item of Tangible Personal Property is in good operating condition and repair, is free from material defect or damage, is functioning in the manner and purposes for which it was intended, and has been maintained in accordance with industry standards.

2.7 Real Property. *Schedule 1.1(c)* contains a description of all real property used or held for use in the business or operation of the Stations. *Schedule 1.1(c)* includes a description of any lease or similar agreement under which Seller is lessee or licensee of, or holds, uses or operates, any real property in the business or operation of the Stations (the “Real Property Leases”). The Real Property Leases provide sufficient access to the Stations’ facilities without need to obtain any other access rights. No part of any Real Property is subject to any pending or threatened suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and repair, and free

from material defect or damage, and comply with applicable zoning, health and safety laws and codes.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts used in the operation of the Stations. Each of the Station Contracts (including without limitation each Real Property Lease) 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). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. Complete and correct copies of each Station Contract (including each Real Property Lease), together with all amendments thereto, have been delivered to Buyer by Seller.

2.9 Environmental. No hazardous or toxic substance or waste (including without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law (each a "Contaminant") has been generated, stored, transported or released (each a "Release") on, in, from or to the assets or properties of the Stations except de minimis amounts used in the ordinary course of business in compliance with applicable law. Neither the Stations nor any of the assets or properties of the Stations are subject to any order from or agreement with any governmental authority or private party regarding any Contaminant or Release. Neither the Stations nor any of the assets or properties of the Stations includes any underground storage tanks or surface impoundments, any asbestos containing material, or any polychlorinated biphenyls. Seller has not received in respect of the Stations or any assets or properties of the Stations any notice or claim to the effect that it is or may be liable as a result of the Release of a Contaminant. To Seller's knowledge, neither the Stations nor any of its assets or properties is the subject of any investigation by any governmental authority with respect to a Release of a Contaminant.

2.10 Intangible Property. Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights and all other intangible property necessary to the conduct of the Stations as presently operated. *Schedule 1.1(e)* contains a description of all material Intangible Property. Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). The Stations have the exclusive right to use the Intangible Property. No programming or other material used or broadcast by the Stations infringes upon any copyright, patent or trademark of any other party.

2.11 Employees. Seller has provided to Buyer a list of all the Stations' employees and their position and rate of compensation, and a description of all of Seller's employee benefit plans. There is no unfair labor practice charge or complaint against Seller in respect of the Stations business pending or, to Seller's knowledge, threatened before any court or governmental authority, and there is no strike, dispute, request for representation, slowdown or stoppage pending or, to Seller's knowledge, threatened in respect of the Stations business.

2.12 Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use in the business or operation of the Stations. Seller has good and marketable title to the Station Assets, free and clear of Liens, except for Permitted

Encumbrances. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. Seller maintains sufficient insurance policies with respect to the Stations and the Station Assets and will maintain such policies in full force and effect until Closing.

2.13 Compliance with Law. To Seller's knowledge, Seller has materially complied 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. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations or the Station Assets. To Seller's knowledge, there are no claims or investigations pending or threatened against Seller in respect of the Stations or the Station Assets.

2.14 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. Payment of any broker engaged by Seller shall be Seller's sole cost and expense.

2.15 Disclosure. To Seller's knowledge, this Agreement does not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein not misleading in light of the circumstances in which they are made.

### ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

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 the documents to be made pursuant hereto.

3.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the "Buyer Authorization") and do not require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective 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. The execution, delivery and performance by Buyer of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent.



3.4 Qualification. At Closing, Buyer will be qualified to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement.

3.5 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. Payment of any broker engaged by Buyer shall be Buyer's sole cost and expense.

3.6 Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the Station and the Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records and other documents and data of Seller for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Article 2 of this Agreement (including related portions of the Schedules); and (b) neither Seller nor any other person or entity has made any representation or warranty as to Seller, the Stations, the Station Assets or this Agreement, except as expressly set forth in Article 2 of this Agreement (including the related portions of the Schedules).

#### ARTICLE 4: SELLER COVENANTS

4.1 Covenants. From the date hereof until Closing, Seller shall:

(a) operate the Stations in the ordinary course of business and keep its books and accounts, records and files in the ordinary course, preserve the business and goodwill of the Stations and the Station Assets, and collect the Stations' accounts receivable only in the ordinary course of business consistent with past practice;

(b) operate the Stations in accordance with the terms of the FCC Licenses and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect;

(c) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies, spare parts and other materials as have been customarily maintained in the past, and otherwise preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Stations and the Station Assets;

(d) at the request of Buyer, from time to time give Buyer access during normal business hours to all Station facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files, equipment, machinery, fixtures, furniture and vehicles, and all other Station Assets, and provide Buyer all other information concerning the Stations as Buyer may reasonably request. Any investigation or examination by Buyer shall not in any way diminish any representations or warranties of Seller made in this Agreement; and

(e) not, without the prior written consent of Buyer:

(i) sell, lease, or otherwise dispose of any Station Assets except for non-material dispositions in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) amend or terminate any of the Station Contracts or enter into any contract, lease or agreement with respect to the Stations except for ordinary broadcast airtime sales agreements and any other agreements entered into in the ordinary course of business that will be paid and performed in full before Closing;

(iii) permit any representation or warranty set forth in Article 2 to become untrue or inaccurate in any material respect; or

(iv) discount or otherwise reduce the amount of any of the Stations' accounts receivable.

#### ARTICLE 5: JOINT COVENANTS

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 on a confidential basis to the parties' attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. Prior to Closing, 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 the parties shall cooperate to make a mutually agreeable announcement.

5.3 Control. Consistent with FCC rules, 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. The risk of loss of or damage to any of the Station Assets, and the risk of any interruption in the Stations' normal broadcast transmission, shall remain with Seller at all times until 12:01 a.m. local time on the day of Closing, and prior to Closing Seller shall repair and replace any lost or damaged Station Assets and restore any interrupted transmission.

5.4 Consents. Prior to Closing Seller shall obtain the Required Consents (defined below) and shall use commercially reasonable efforts to obtain the other consents noted on *Schedule 1.1(d)* hereto. 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 at Closing pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller's rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller's behalf; provided, however, that *Schedule 1.1(d)* identifies those consents

the receipt of which is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

#### ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing is subject to satisfaction of the following conditions at or prior to Closing:

6.1 Bringdown. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing, Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of Closing from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Buyer Bringdown Certificate").

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 Consent. The FCC Consent shall have been initially granted or shall have become Final.

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

#### ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing is subject to satisfaction of the following conditions at or prior to the Closing:

7.1 Bringdown. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of Closing, Seller shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Buyer shall have received a certificate dated as of Closing from Seller (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Seller Bringdown Certificate").

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 Consent. The FCC Consent shall have been initially granted or shall have become Final.

7.4 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

#### ARTICLE 8: CLOSING DELIVERIES

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

- (a) a certified copy of the Seller Authorization;
- (b) the Seller Bringdown Certificate;
- (c) an Assignment of FCC Licenses assigning the FCC Licenses to Buyer;
- (d) an Assignment and Assumption of Contracts assigning the Station Contracts to Buyer;
- (e) an Assignment and Assumption of Leases assigning the Real Property Leases to Buyer;
- (f) the Mendocino Office Lease, the Taylor Mountain Site Lease, the Consulting Agreement, the Services Agreement, and the Sales Agreement;
- (g) a bill of sale conveying all Station Assets to Buyer; and
- (h) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Encumbrances.

8.2 Buyer Deliveries. At the Closing, Buyer shall deliver to Seller:

- (a) the Purchase Price in accordance with the terms of this Agreement;
- (b) a certified copy of the Buyer Authorization;
- (c) the Buyer Bringdown Certificate;
- (d) an Assignment and Assumption of Contracts assuming the obligations arising after Closing under the Station Contracts;
- (e) an Assignment and Assumption of Leases assuming the obligations arising after Closing under the Real Property Leases;
- (f) the Mendocino Office Lease, the Taylor Mountain Site Lease, the Consulting Agreement, the Services Agreement, and the Sales Agreement; and
- (g) any other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations.

## ARTICLE 9: SURVIVAL AND INDEMNIFICATION

9.1 Survival. All representations and warranties contained in this Agreement shall survive after the Closing for twelve (12) months from the Closing Date (and not be affected in any respect by) the Closing. None of the covenants or other agreements contained in this Agreement shall survive the Closing Date other than those which by their terms contemplate

performance after the Closing Date or those covenants or other agreements which have not been completed by the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms.

## 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 as a result of a third party claim, action, suit or proceeding arising out of or resulting from:

(i) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, or any breach or non-fulfillment of any material covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;

(ii) the Retained Liabilities; or

(iii) without limiting the foregoing, the business or operation of the Stations prior to Closing (including any third party claim arising from such operations).

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller as a result of a third party claim, action, suit or proceeding arising out of or resulting from:

(i) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement, or any breach or non-fulfillment of any material covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement;

(ii) the Assumed Obligations; or

(iii) without limiting the foregoing, the business or operation of the Stations after Closing (including any third party claim arising from such operations) or the ownership of the Station Assets after Closing.

## 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 a third party 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.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. 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.

(c) Notwithstanding anything herein to the contrary:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying party and its counsel concerning any Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to any Claim; and

(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 a release of the indemnified party from all liability in respect of such Claim.

#### 9.4 Limitations on Liability.

(a) Notwithstanding anything to the contrary contained in this Agreement, in no event shall Seller's liability pursuant to this Article 9 exceed thirty percent (30%) of the Purchase Price, both for each individual claim and in the aggregate.

(b) In no event will any indemnifying party hereunder have any liability to any indemnified party hereunder, for any indirect, incidental, consequential, punitive, special, exemplary or other similar types of damages, including without limitation, lost profits and diminution in value.

(c) The amount payable by an indemnifying party hereunder to an indemnified party hereunder with respect to a Claim shall be reduced by the amount of any insurance proceeds received by the indemnified party with respect to such Claim, and each of the parties hereby agrees to use commercially reasonable efforts to collect any and all insurance proceeds to which it may be entitled in respect of any Claim.

#### ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. 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:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(d) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC denies the FCC Application;

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

(f) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC Application is designated for a trial-type hearing, or, if judicial appeal is taken from the initial grant of the FCC Consent.

The term “Cure Period” as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) fifteen (15) calendar days thereafter or (ii) the Closing Date. 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), 5.1 (Confidentiality), 5.2 (Announcements), and 11.1 (Expenses) shall survive any termination of this Agreement.

10.2 Specific Performance. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer’s election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

#### 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, except that all governmental taxes, fees and charges applicable to any requests for FCC Consent or applicable to the transfer of the Station Assets under this Agreement shall be shared equally by Buyer and Seller.

11.2 Further Assurances. After Closing, each party hereto shall execute all such instruments and take all such actions as any other party may reasonably request, without payment of further consideration, to effectuate the transactions contemplated by this Agreement, including without limitation the execution and delivery of confirmatory and other transfer documents in addition to those to be delivered at Closing.

11.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Seller may not assign any of its rights or delegate any of its obligations hereunder, and any such attempted assignment or delegation without such consent shall be void. Buyer may not assign its right to acquire the Station Assets (in whole or in part) without Seller's consent, which shall not be unreasonably withheld, but any such assignment shall not relieve Buyer of any obligations 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 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, then to:

Redwood Empire Stereocasters  
3392 Mendocino Avenue, PO Box 100  
Santa Rosa, CA 95402  
Attention: Gordon Zlot

with a copy (which shall not constitute notice) to:

Womble Bond Dickinson  
2001 K Street, NW, Suite 400 South  
Washington, DC 20006  
Attention: Robert A. Silverman

if to Buyer, then to:

Amaturo Sonoma Media Group, LLC  
1410 Neotomas Avenue, Suite 200  
Santa Rosa, CA 95405  
Attention: Lawrence Amaturo

with a copy (which shall not constitute notice) to:

Edinger Associates PLLC  
1725 I Street, NW, Suite 300  
Washington, D.C. 20006  
Attention: Scott Woodworth

11.5 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.

11.6 Miscellaneous. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless in a writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. 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



respective successors and permitted assigns. 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. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

AMATURO SONOMA MEDIA GROUP, LLC

By: 

Name: Lawrence Amatore

Title: Managing Member

SELLER:

REDWOOD EMPIRE STEREOCASTERS

By: 

Name: Gordon Zlot

Title: President

EXECUTION COPY

**Exhibit A**

**Form 8594**

EXECUTION COPY

**Exhibit B**

**Mendocino Office Lease**

EXECUTION COPY

**Exhibit C**

**Taylor Mountain Site Lease**

EXECUTION COPY

**Exhibit D**

**Consulting Agreement**

EXECUTION COPY

**Exhibit E**

**Services Agreement**

EXECUTION COPY

**Exhibit F**

**Joint Sales Agreement**