

LOCAL MARKETING AGREEMENT
(Stations WTKI(AM), W287DH, and W234AD)

This Local Marketing Agreement (the “Agreement”) is made as of this 17th day of December, 2020, by and between **RADIO 256, LLC** (“Programmer”) and **FRC OF ALABAMA, L.L.C.** (“Licensee”).

WHEREAS, Licensee owns and operates certain assets used in connection with the business and operations of radio stations WTKI(AM), Huntsville, Alabama (Facility ID No. 30965); FM Translator Station W287DH, Huntsville, Alabama (Facility ID No. 200684); and FM Translator Station W234AD, Decatur, Alabama (also known as W243EP, Madison, Alabama) (Facility ID No. 72701) (collectively, the “Stations”), and holds certain Federal Communications Commission (“FCC”) licenses, permits, and other authorizations used in the operation of the Stations (“FCC Licenses”); and

WHEREAS, Programmer desires to broker time on the Stations pursuant to the provisions hereof and pursuant to and in accordance with the Communications Act of 1934, as amended (the “Communications Act”) and applicable regulations of the FCC; and

WHEREAS, Licensee desires to accept Programmer’s brokerage services and transmit programming supplied by Programmer on the Stations while maintaining control over Licensee’s finances, personnel matters and programming; and

WHEREAS, Licensee desires to grant Programmer an option to purchase certain assets used in the operation of the Stations, and to assign Programmer all of the Stations’ FCC Licenses, in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto do hereby agree as follows:

ARTICLE 1
PROGRAMMING AGREEMENT

1.1 **Programmer Programming.** During the term of this Agreement, Programmer hereby agrees to provide and Licensee agrees to transmit on the Stations news, sports, informational or entertainment programming and associated advertising, promotional, public service programming and announcement matter sufficient to program all of the Stations’ broadcast day in accordance with FCC requirements (the “Programmer Programming”).

1.2 **Advertising Sales.** Programmer shall have the sole right to sell advertising to be placed in all Programmer Programming broadcast on the Stations and shall collect and retain all advertising revenues associated with the Programmer Programming.

ARTICLE 2 **PROGRAMMING STANDARDS**

2.1 Rights and Obligations of Licensee. Licensee shall remain responsible for the control of the day-to-day operation of the Stations and serving the needs of the Stations' community of license and service areas in conformance with its FCC licenses, permits, and authorizations. Without limiting the generality of the foregoing, Licensee shall retain the following rights and obligations with respect to programming and technical operation of the Stations:

2.1.1 Licensee's Absolute Right to Reject Programmer Programming. Licensee shall retain the absolute right to accept or reject any Programmer Programming (including advertisements) that Licensee in its reasonable discretion deems contrary to the public interest. If Licensee rejects any Programmer Programming, the monthly fee due to Licensee by Programmer under Section 4.1 below shall be adjusted downward by an amount equal to the pro rata amounts attributable to such time.

2.1.2 Licensee's Right to Preempt Programmer Programming for Special Events. Licensee shall have the right to preempt the Programmer Programming in order to broadcast programming deemed by Licensee to be of national, regional or local interest, and to use part or all of the hours of operation of the Stations for the broadcast of events of special importance. In all such cases, Licensee will give Programmer reasonable advance notice of its intention to preempt any regularly scheduled programming. Licensee expressly agrees that its right of preemption shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee.

2.1.3 Licensee's Obligation to Supervise the Stations. Licensee shall employ a manager to direct the performance of Licensee's obligations hereunder. Licensee shall also employ such other person(s) to assist the manager in performing Licensee's obligations hereunder. Such manager and other employee(s) shall be under the control of and report directly to Licensee, and shall have no material relationship with Programmer.

2.1.4 Licensee's Compliance with FCC Requirements. Licensee shall comply with the FCC rules and regulations with respect to the ascertainment of community problems, needs, and interests and broadcast programming responsive thereto, timely prepare and place in the Stations' public inspection files appropriate documentation thereof, and comply with all other FCC rules and regulations which may be applicable to the operation of the Stations.

2.2 Rights and Obligations of Programmer. Programmer shall not take any action, or omit to take any action, inconsistent with Licensee's obligations under law to retain ultimate responsibility for the programming, finances and technical operations of the Stations. Without limiting the generality of the foregoing, Programmer agrees as follows:

2.2.1 Compliance with Laws and Station Policies. All Programmer Programming shall conform in all material respects to the Communications Act and all

applicable rules, regulations and policies of the FCC, and all other laws or regulations applicable to the broadcast of programming by the Stations.

2.2.2 Cooperation with Licensee. Programmer, on behalf of Licensee, shall include within the Programmer Programming all station identification announcements required by the FCC's rules. Programmer shall provide to Licensee information with respect to any of the Programmer Programming which is responsive to the public needs and interests of the area served by the Stations so as to assist Licensee in the preparation of any required issues/programs reports, and will provide upon request other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer shall maintain and deliver to Licensee all records and information required by the FCC to be placed in the files of the Stations pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Section 73.1943 of the FCC's rules, and agrees that broadcasts of sponsored programming will comply with the provisions of Section 73.1212 of the FCC's rules.

2.2.3 Payola and Plugola. Programmer shall provide to Licensee in advance any information known to Programmer regarding any money or other consideration, compensation, gift, or gratuity which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensee by Programmer for broadcast on the Stations, unless the party making or accepting such payment is identified in the program as having paid or furnished such consideration for the programming, in accordance with FCC requirements. Commercial matter with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy. Programmer shall at all times endeavor to proceed in good faith to comply with the requirements of Sections 317 and 507 of the Communications Act and the related rules and regulations of the FCC.

2.2.4 Compliance with Copyright Act. Programmer shall not broadcast any material on the Stations in violation of the Copyright Act or the rights of any person. All music supplied by Programmer shall be (i) licensed by the program provider or by a music licensing agent such as ASCAP, BMI or SESAC pursuant to licenses held by Programmer, (ii) in the public domain, or (iii) cleared at the source by Programmer. Programmer will reimburse Licensee all music licensing fees paid by Licensee during the term of this Agreement for the broadcast of music over the Stations.

ARTICLE 3 **OPERATIONS**

3.1 Programmer Feed. Programmer agrees to provide a broadcast-quality feed to the WTKI transmitter site. Programmer's technical personnel shall be responsible for connection of this feed to the Stations' broadcast transmission system and for switching the signal to air at the appropriate time, under the direction and supervision of Licensee's personnel, as described in Section 2.1.3. To enable Programmer to fulfill its obligations hereunder, Licensee shall make the

equipment at Licensee's existing facilities, relays and repeaters (if any), and transmitter site (the "Facilities"), available to Programmer.

3.2 Responsibility for Transmission Facilities. Licensee shall maintain the Stations' transmission equipment and facilities, including the antennas, towers, transmitters and transmission lines in good operating condition according to customary industry practices. Licensee shall provide for the delivery of electrical power to the Stations' transmitting facilities at all times in order to ensure operation of the Stations. Licensee shall undertake such repairs as are necessary to maintain full-time operation of the Stations with maximum authorized transmission facilities. Such repairs will be made as expeditiously as possible and with minimal disruption to broadcast operations. Programmer shall reimburse Licensee for the expenses Licensee incurs in connection with the obligations described above, as provided in Schedule A, attached hereto.

3.3 Expenses. Licensee shall pay when due all fees and expenses relating to (i) the Stations' transmission facilities, including rent, utilities, maintenance, repair, and replacement expenses (regardless of whether such expense is treated as an ordinary, extraordinary or capital item for accounting purposes), (ii) mortgage payments, taxes, and insurance relating to all real property owned by Licensee, and rent and taxes under all real and personal property leases relating to the Stations, including rent for the Facilities, (iii) casualty and liability insurance for all Station facilities, and (iv) FCC regulatory fees. The collection of accounts receivable for advertising and program time aired on the Stations prior to the Effective Date will be the sole responsibility of Licensee. Programmer shall reimburse Licensee for the fees and expenses Licensee incurs in connection with the obligations described above, as provided in Schedule A, attached hereto.

ARTICLE 4 **CONSIDERATION**

As consideration of the brokerage of air time on the Stations for the broadcast of the Programmer Programming pursuant to the terms and conditions of this Agreement, Programmer shall pay to Licensee the consideration provided for in Schedule A to this Agreement.

ARTICLE 5 **OPTION TO PURCHASE**

5.1 Option to Purchase Station Assets. During the Term of this Agreement, Programmer shall have the sole and exclusive option (the "Option") to purchase from Licensee certain assets of the Stations under the following terms and conditions:

5.1.1 Exercise of Option. The Option is exercisable by Programmer if and only if: (i) Programmer gives written notice to Licensee of exercise of the Option on or before the earlier of termination of this Agreement; and (ii) at the time of exercise, Programmer is not in default of its obligations under this Agreement.

5.1.2 Sale and Purchase Terms. Upon Programmer's timely notice to Licensee of its valid exercise of the Option in accordance with the preceding subsection and as provided in Section 5.1.3(a) and (b), Programmer and Licensee shall diligently prepare and execute a mutually acceptable Asset Purchase Agreement (the "Purchase Agreement"), in substantially the form attached hereto as Exhibit 1, within thirty (30) days of Programmer's exercise of the Option.

5.1.3 Purchase Price. The purchase price under the Purchase Agreement shall be Four Hundred Thousand and 00/100 Dollars (\$400,000.00) (the "Purchase Price"), less the sum of (a) the Initial Deposit described in Schedule A, and (b) that portion of the Basic Monthly Fee described in Schedule A that would be deemed the principal if the payments were made on a promissory note of Three Hundred Ninety Thousand and 00/100 Dollars (\$390,000.00) bearing interest of 4.25% per annum (collectively, the "Applicable Credits").

(a) In the event the Purchase Price is to be paid in full in immediately available funds at Closing, the Option may be exercised at any time.

(b) In the event the Purchase Price is not be paid in full in immediately available funds at Closing, the Option to purchase may be exercised at any time after the 34th month of the TBA, in which case at closing, Licensee will accept a promissory note of Programmer for the balance of the Purchase Price (the "Note"). The Note will specify payments of \$6,150.00 per month and an interest rate of 4.5% per annum, until paid in full. The Note will be secured by a first position security interest in the assets conveyed at Closing (not including the FCC licenses) and the proceeds of the FCC licenses conveyed. The Note will be personally guaranteed by Programmer's principal, Michael Brandt. Further, Licensee will remain the licensee of the FM translator FID 72701 until the Note is paid in full, at which time, Licensee will convey the translator license to Programmer for the sum of \$1.00. During the period Licensee remains the licensee of FID 72701 and this Agreement remains in effect, the translator will rebroadcast programming specified by Programmer.

5.1.4 FCC Consent and Closing. Within ten (10) days of the parties' execution of the Purchase Agreement, Licensee and Programmer shall file with the FCC an application requesting consent to the assignment of all licenses and authorizations pertaining to the Stations from Licensee to Programmer ("Assignment Application").

5.1.5 Operation of the Stations. During the time after the exercise by Programmer of the Option but before the closing under the Purchase Agreement, the Term of this Agreement shall be extended and all of the provisions herein shall remain effective including, without limitation, the obligation of Programmer to pay to Licensee the amounts set forth in Appendix A hereto.

ARTICLE 6 MODIFICATION OF FACILITIES

6.1 Modification of Facilities. Licensee and Programmer acknowledge that Licensee

holds an FCC construction permit to modify the facilities of WTKI (AM), which was granted on November 24, 2020 (File No. BP-20200811AAA) (the "Permit"). Licensee will expeditiously (*i.e.*, within nine (9) months) construct the facilities specified in the Permit and, upon completion, will file an FCC application for a license to Permit, all at Licensee's sole cost and expense.

ARTICLE 7 **TERM AND REGULATORY REQUIREMENTS**

7.1 **Term.** Subject to the provisions for early termination contained herein, the term of this Agreement shall commence effective on January 1, 2021 (the "Effective Date"). This Agreement shall terminate on the earlier of (i) seventy-two (72) months from the Effective Date, or (ii) in the event the Programmer exercises the Option as described in Article 5 herein, the closing date of the transaction contemplated by the Purchase Agreement (the "Term").

7.2 **Assignability.** This Agreement shall inure to the benefit of and be binding upon Licensee, its successors and assigns and shall not terminate upon the sale or any other transfer of control of the Stations or Licensee to any successor licensee, except as provided in Section 7.3 below. Neither party shall assign or transfer its rights, benefits, duties, or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed.

7.3 **Early Termination for Breach and Nonperformance.** Should either party be in breach of this Agreement for the nonperformance of a material obligation, the nonbreaching party may, in addition to pursuing any other remedies available at law or in equity, terminate this Agreement if such breach shall continue for a period of fifteen (15) days following the receipt of written notice from the nonbreaching party, which notice shall indicate the nature of such breach, except if the breaching party has commenced a cure of such breach within said fifteen (15) day period, the breach is capable of cure and the breaching party acts in good faith to cure the breach within a reasonable time the breaching party shall not be deemed to be in breach.

7.4 **FCC Action.** Should a change in FCC policy or rules make it necessary to obtain FCC consent for the continuation or further effectuation of any element of this Agreement, both parties hereto shall use their best efforts to diligently prepare, file, and prosecute before the FCC all petitions, waivers, construction applications, amendments, rulemaking comments, and other related documents necessary to secure and/or retain FCC approval of all aspects of this Agreement. Programmer shall bear the cost of preparation of such documents and prosecution of such actions. Notwithstanding anything in this Agreement to the contrary, it is understood that no filing shall be made with the FCC with respect to this Agreement unless both parties hereto have reviewed said filing and consented to its submission. If the FCC determines that this Agreement is inconsistent with Licensee's license obligations or is otherwise contrary to FCC policies, rules, and regulations, or if regulatory or legislative action subsequent to the Effective Date alters the permissibility of this Agreement under the FCC's rules or the Communications Act, the parties shall renegotiate this Agreement in good faith and recast this Agreement in terms that are likely to cure the defects perceived by the FCC and return a balance of benefits to both

parties comparable to the balance of benefits provided by the Agreement in its current terms. If, after such good faith negotiations, either party reasonably determines that recasting this Agreement to meet the defects perceived by the FCC is impossible, either party may terminate this Agreement without further liability upon thirty (30) days prior written notice. If termination shall occur pursuant to this section, such termination shall extinguish and cancel this Agreement.

ARTICLE 8

REPRESENTATIONS AND WARRANTIES; COVENANTS

8.1 Licensee's Representations and Warranties. Licensee represents and warrants to Programmer as follows:

8.1.1 Organization. Licensee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Alabama and has full power and authority to carry out all of the transactions contemplated by this Agreement.

8.1.2 Compliance with Law. Licensee has substantially complied with and is now in substantial compliance with all laws, rules and regulations governing the business, ownership and operations of the Stations that are material in any way to this Agreement including, but not limited to, those of the FCC. Except as otherwise stated herein, no consent, approval, or authorization by or filing by Licensee with any governmental authorities is required in connection with the transactions contemplated herein. The carrying out of this Agreement will not result in any violation of or be in conflict with Licensee's organizational documents, or any existing judgment, decree, order, statute, law, rule or regulation of any governmental authority.

8.1.3 Authority. All requisite resolutions and other member authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement by Licensee have been duly adopted and complied with.

8.2 Programmer's Representations and Warranties. Programmer represents and warrants to Licensee as follows:

8.2.1 Organization. Programmer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Alabama. Programmer has full power and authority to carry out all of the transactions contemplated by this Agreement.

8.2.2 Compliance with Law. Programmer has substantially complied with and is now in substantial compliance with all laws, rules and regulations that are material in any way to this Agreement. Except as otherwise stated herein, no consent, approval or authorization by or filing by Programmer with any governmental authorities is required in connection with the transactions contemplated herein. The carrying out of this Agreement will not result in any violation of or be in conflict with Programmer's formation documents, or any existing judgment, decree, order, statute, law, rule or regulation of any governmental authority.

8.2.3 Authority. All requisite resolutions and other member authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement by Programmer have been duly adopted and complied with.

8.3 Affirmative Covenants.

8.3.1 Licensee covenants and agrees that it will fully comply with all applicable federal, state and local laws, rules, and regulations (including, without limitation, all FCC rules, policies, and regulations) relating to the Stations or this Agreement.

8.3.2 Programmer covenants and agrees that it will fully comply with all applicable federal, state and local laws, rules, and regulations (including, without limitation, all FCC rules, policies and regulations) in the provision of the Programmer Programming to Licensee or in connection with its performance of obligations hereunder relating to the Stations or this Agreement.

8.4 Negative Covenants. Licensee covenants that during the term of this Agreement, Licensee shall not, without the prior written consent of Programmer (which Programmer may grant or refuse in its sole discretion) change the call letters or seek FCC consent to modification of facilities which would specify a frequency change or have a material adverse effect upon the presently authorized coverage contour of the Stations.

ARTICLE 9
MISCELLANEOUS

9.1 Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, neither party shall be liable to the other for failure to perform any obligation under this Agreement if prevented from doing so by reason of fires, strikes, labor unrest, embargoes, civil commotion, rationing or other orders or requirements, acts of civil or military authorities, acts of God or other contingencies, including equipment failures, beyond the reasonable control of the parties (each an event of "Force Majeure"), and all requirements as to notice and other performance required hereunder within a specified period shall be automatically extended to accommodate the period of pendency of such Force Majeure event which interferes with such performance.

9.2 Indemnification. From and after the date of this Agreement, Programmer and Licensee shall indemnify, defend, and hold harmless the other, its affiliates and their respective officers, directors, managers, members, employees and representatives, and the successors and assigns of any of them, from and against and reimburse them for, all claims, damages, costs, and expenses, including, without limitation, interest, penalties, court costs and reasonable attorneys' fees and expenses, resulting from (i) any programming provided by such party for broadcast on the Stations, and (ii) any material breach by such party of any representation, warranty, covenant, or other agreement contained in this Agreement. Each party's indemnification obligations

contained in this Section 9.2 shall survive for twelve (12) months from the date of the termination of this Agreement.

9.3 Confidentiality and Press Releases.

9.3.1 Each party shall hold in strict confidence all documents and information concerning the other and its business and properties and, if the transactions contemplated hereby should be terminated, such confidences shall be maintained, and all documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing such documents and information.

9.3.2 No press release or public disclosure, either written or oral, of the existence or terms of this Agreement or the transactions contemplated hereby shall be made by either party to this Agreement without the consent of the other, and each party shall furnish to the other advance copies of any release which it proposes to make public concerning this Agreement or the transactions contemplated hereby and the date upon which such party proposes to make public such press release.

9.3.3 This section shall not, however, be construed to prohibit any party from (i) making any disclosures to any governmental authority or other entity that it is required to make by law, (ii) disclosing this Agreement or its terms to its attorneys, accountants, agents or advisors, (iii) filing this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party, or (iv) disclosing to its investors and broker/dealers such terms of this transaction as are customarily disclosed to them in connection with similar transactions.

9.4 Trademarks. Licensee hereby grants Programmer an unlimited, royalty-free license to use, in connection with providing the Programmer Programming on the Stations, any and all trademarks, service marks, trade names, jingles, slogans, logotypes, and other intangible rights owned and used or held for use by Licensee in conjunction with the Stations. Licensee agree to execute such additional documentation as may be necessary or desirable to effectuate the license granted under this section.

9.5 Ratings Information. Programmer shall be responsible for any and all fees charged by any ratings service it shall request for the use of ratings for the Stations.

9.6 Notices. All notices, requests, demands and other communications required or that may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by electronic transmission or on the fifth (5th) day after mailing if mailed by certified mail, postage prepaid, return receipt requested, as follows:

If to Programmer: Radio 256, LLC
414 W. Wilson Dam Rd.
Muscle Shores, AL 35630
ATTN: Mr. Michael Brandt

with a required copy to: The Law Office of Dan J. Alpert
2120 21st Rd. N
Arlington, VA 22201
ATTN: Dan J. Alpert, Esq.

If to Licensee: FRC of Alabama, L.L.C.
1103 Woodmont Ave.
Huntsville, AL 35616
ATTN: Fred Holland

with a required copy to: Fletcher, Heald & Hildreth, PLC
1300 N. 17th Street, Suite 1100
Arlington, VA 22209
ATTN: Matthew H. McCormick

9.7 Duty to Consult. Each party agrees that it will use its best efforts not to take any action that will unreasonably interfere, threaten, or frustrate the other party's purposes or business activities, and that it will keep the other party informed of, and coordinate with the other party regarding, any of its activities that may have a material effect on such party.

9.8 Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remainder of this Agreement shall not be affected thereby, and the parties agree to use their best efforts to negotiate a replacement article that is neither invalid, illegal nor unenforceable.

9.9 Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter, and constitutes (along with the recitals hereto and the schedules and documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

9.10 Payment of Expenses. Except as otherwise provided, Licensee and Programmer shall pay their own expenses incident to the preparation and carrying out of this Agreement, including all fees and expenses of their respective counsel.

9.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective on the Effective Date (as defined in Section 7.1 above).

9.12 Headings. The headings in this Agreement are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

9.13 Dealings with Third Parties. Neither party is nor shall hold itself out to be vested with any power or right to bind contractually or act on behalf of the other as its contracting broker (other than as a time broker of Station time), agent or otherwise for committing, selling, conveying, or transferring any of the other party's assets or property, contracting for or in the name of the other party, or making any representations contractually binding such party.

9.14 Attorneys' Fees. The prevailing party in any proceeding relating to the enforcement or interpretation of this Agreement may recover from the unsuccessful party all out-of-pocket costs, expenses, and actual attorneys' fees (including expert witness and other consultants fees and costs) relating to or arising out of (1) the proceeding (whether or not the proceeding results in a judgment) and (ii) any post-judgment or post-award proceeding including, without limitation, one to enforce or collect any judgment or award resulting from the proceeding. All such judgments and awards shall contain a specific provision for the recovery of all such subsequently incurred costs, expenses, and actual attorneys' fees.

9.15 Governing Law. This Agreement will be governed by the regulations of the FCC and laws of the State of Alabama without regard to conflict of laws principles.

9.16 Jurisdiction; Service of Process. Any proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement must be brought against any of the parties in the United States District Court for the Northern District of Alabama, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such proceeding and waives any objection to venue laid therein. In the event that the dispute fails to meet the jurisdictional requirements of the federal courts, venue shall lie in the appropriate state courts sitting in Madison County, Alabama.

9.17 Required Certifications.

9.17.1 By Licensee. Licensee hereby certifies that it has, and shall maintain ultimate control over the Stations' facilities, including specifically control over the finances, personnel, and program content of the Stations. Licensee represents and warrants that this certification may be relied upon by the FCC, as well as by Programmer.

9.17.2 By Programmer. Programmer certifies that the arrangement with Licensee as set forth in this Agreement and as contemplated in all aspects of operation is and shall remain in compliance with 47 C.F.R. § 73.3555 and 47 C.F.R. § 73.3556, concerning time brokerage agreements and duplicated programming, and that it will provide to the FCC any documents, exhibits, or other material necessary to demonstrate such compliance. Programmer represents and warrants that this certification may be relied upon by the FCC, as well as by Licensee.

9.18 Nondiscrimination. In accordance with Paragraphs 49 and 50 of United States Federal Communications Commission Report and Order No. FCC 07-217, Programmer shall not discriminate in any contract for advertising on the Stations on the basis of race or ethnicity, and all such contracts shall be evaluated, negotiated and completed without regard to race or

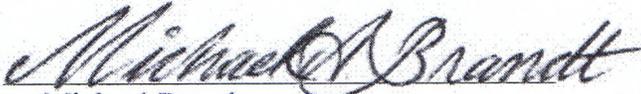
ethnicity. Programmer shall include a clause to such effect in all contracts for advertising on the Stations, and if requested shall provide written confirmation of compliance with such requirement.

[CONTINUED TO NEXT PAGE FOR SIGNATURES]

IN WITNESS WHEREOF, the parties hereto have executed this Local Marketing Agreement as of the date first above written.

Programmer

RADIO 256, LLC

By: 
Name: Michael Brandt
Title: Managing Member

Licensee

FRC OF ALABAMA, L.L.C.

By: 
Name: Fred Holland
Title: Managing Member

[SIGNATURE PAGE TO LOCAL MARKETING AGREEMENT]

SCHEDULE A
CONSIDERATION

1. Initial Deposit. No later than January 1, 2021, Programmer shall pay to Licensee the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) (the "Deposit").

2. Basic Monthly Fee. Programmer shall pay to Licensee the sum of Six Thousand One Hundred Fifty and 00/100 Dollars (\$6,150.00) per month (the "Basic Monthly Fee"), during the term of this Agreement, which fee shall be pro-rated in any partial month. The first Basic Monthly Fee payment and each subsequent payment shall be due on the tenth (10th) day of each month.

3. Reimbursement. In addition to the Basic Monthly Fee, Programmer shall reimburse Licensee for Licensee's expenses in operation of the Stations. The reimbursable expenses shall be as follows:

1. *Pro rata* portion of the Transmitter site and tower rent and utilities in connection therewith;
2. In the event Licensee's studio is used, Licensee's Studio rent and utilities;
3. *Pro rata* portion of the real estate taxes and personal property taxes for the Stations' properties;
5. Any music license fees paid by Licensee for the broadcast of music over the Stations or the streaming of the Programmer's programming of the Stations over the Internet;
6. *Pro rata* portion of the casualty and liability insurance with respect to the assets and operations of the Stations;
7. Equipment maintenance, repair, and replacement expenses during the Term of this Agreement; and
8. *Pro rata* portion of the FCC regulatory fees for the Term of the Agreement.

The additional amounts due as reimbursements to Licensee hereunder shall be paid by Programmer to Licensee within ten (10) business days after receipt of an itemized statement from Licensee evidencing payment of the reimbursable expenses.

It is not intended that Programmer shall reimburse Licensee for the following expenses incurred by Licensee:

1. Licensee's income tax; and
2. Licensee's professional services, including its attorneys' and accountants' fees.

EXHIBIT 1

FORM OF PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into effective as of the _____ day of _____, 20____, by and between the **FRC OF ALABAMA, L.L.C.**, a limited liability company organized under the laws of the State of Alabama (“Seller”) and **RADIO 256, LLC**, a limited liability company organized under the laws of the State of Alabama (“Buyer”).

Recitals

WHEREAS, Seller is the licensee of radio station WTKI(AM), Huntsville, Alabama (Facility ID No. 30965); FM Translator Station W287DH, Huntsville, Alabama (Facility ID No. 200684); and FM Translator Station W234AD, Decatur, Alabama (also known as W243EP, Madison, Alabama) (Facility ID No. 72701) (hereinafter referred to as “FID 72701” and collectively with WTKI and W287DG as the “Stations”), which are authorized to operate pursuant to authorizations (the “Stations’ Licenses”) issued by the Federal Communications Commission (“FCC”); and

WHEREAS, Seller and Buyer entered into that certain Local Marketing Agreement dated December __, 2020, effective as of January 1, 2021 (the “LMA”), whereby Seller agreed to sell airtime on the Stations to Buyer; and

WHEREAS, Seller granted Buyer an Option in the LMA to purchase certain assets used in the operation of the Stations and to secure an assignment of the Stations’ Licenses and Seller has exercised that Option; and

WHEREAS, Buyer wishes to purchase, and Seller wish to sell and assign, all assets and licenses relating to the Stations as set forth below, subject to the prior approval of the FCC and the other terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits and covenants set forth below, the parties hereby agree as follows:

Section 1 Purchase of Assets

1.1 **Assets to be Assigned to Buyer.** On the Closing Date (as defined in Section 2 below), Seller shall sell and assign to Buyer, and Buyer shall purchase and assume from Seller, all of the following assets and licenses used or held for use in the operations of the Stations (the “Stations’ Assets”):

(a) All of Seller’s rights and interests in and to the Stations’ Licenses, including those listed on Schedule 1.1(a) (provided, however, that in the event the Purchase price is not paid in full at Closing, Seller shall retain the license of FID 72701 until the Purchase Price has been paid in full at which point Seller will convey the license of FID 72701 to Buyer for \$1.00);

(b) The land lease for the operation of Station WTKI(AM) (the “Real Property Lease”);

(c) The tower leases used in conjunction with the operation of Stations W287DH and FID 72701 (the “FM Translator Tower Leases”);

(d) All tangible personal property (the “Tangible Personal Property”) used or held for use in the operations of the Stations and listed on Schedule 1.1(d), which assets shall include the existing AM tower and transmitters and antennas used in conjunction with the operation of the Stations;

(e) All of Seller’s right, title, and interest in and to intangible personal property (the “Intangible Personal Property”), including all copyrights, licenses (in addition to the Stations’ licenses), patents, trademarks, service marks, logos, trade names, copyrights, intellectual property, computer programs, data and data processing systems, websites and website content and accounts, domain names, twitter names, and accounts, and the Stations’ call signs, used in connection with the operations of the Stations and all goodwill associated therewith, including all registrations and applications for registration of any of the foregoing, and all other similar intangible rights and interests, including all set forth in Schedule 1.1(e); and

(f) Copies of all filings with the FCC and authorizations issued by the FCC relating to the Stations, and all books, files (including, without limitation, public files), records, and logs required by the FCC to be maintained in connection with the operations of the Stations.

1.2 **Excluded Assets.** The Stations’ Assets shall not include the following:

(a) Seller’s cash, cash equivalents, and accounts receivable;

(b) any claims that Seller may have under any insurance policies or contracts and any other claims that Seller may have against third parties;

(c) Seller’s internal books and records which do not relate to the ownership or operations of the Stations;

(d) Seller’s interest, assets, property, and equipment related to podcasting and program distribution; and

(e) Those assets listed on Schedule 1.2.

1.3 **Liabilities.** Except for obligations arising subsequent to the Effective Time (as defined in Section 1.5 below) under Contracts and Leases to be assumed (the “Assumed Liabilities”), Buyer expressly does not, and shall not, assume or be deemed to have assumed, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations, or commitments of Seller of any nature whatsoever.

1.4 **Purchase Price.** The total consideration for the Stations’ Assets shall be the sum of **FOUR HUNDRED THOUSAND DOLLARS** (\$400,000.00) (the “Purchase Price”) less the sum of (a) the Initial Deposit described in Schedule A of the LMA, and (b) that portion of the Basic Monthly Fee described in Schedule A of the LMA that would be deemed the principal if the payments were made on a promissory note of Three Hundred Ninety Thousand and 00/100 Dollars (\$390,000.00) bearing interest of 4.25% per annum (collectively, the “Applicable Credits”). In the event, pursuant to

Section 5.1.3(b) of the LMA, the Purchase Price is not be paid in full in immediately available funds at Closing, Seller will accept a promissory note of Buyer for the balance of the Purchase Price (the "Note"). The Note will specify payments of \$6,150.00 per month and an interest rate of 4.5% per annum, until paid in full. The Note will be secured by a first position security interest in the assets conveyed at Closing (not including the FCC licenses) and the proceeds of the FCC licenses conveyed at Closing. The Note will be personally guaranteed by Buyer's principal, Michael Brandt. Further, Seller will remain the licensee of FID 72701 until the Note is paid in full, at which time, Seller will convey the translator license to Buyer for the sum of \$1.00. During the period Seller remains the licensee of FID 72701, the translator will rebroadcast programming specified by Buyer. In the event, pursuant to Section 5.1.3.(a) of the LMA, the balance of the Purchase Price is paid if full on the on the Closing Date, Buyer shall pay such amount to Seller by wire transfer of immediately available funds.

1.5 **Adjustments.** The operation of the Stations and the income and normal operating expenses attributable thereto through 12:01 a.m. (Central Time) at the beginning of the Closing Date (the "Effective Time") shall be for the account of Seller and thereafter for the account of Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to Buyer, annual regulatory fees, prepaid cash, time sales agreements, commissions, wages, vacation or sick days pursuant to Section 14.2 of this Agreement, payroll taxes, rents, and similar prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts and Leases) shall be prorated between Seller and Buyer as of the Effective Time. At Closing, the parties shall make all known prorations and estimate any remaining prorations. All special assessments and similar charges or liens imposed against any of the Assets in respect of any period of time through the Effective Time, whether payable in installments or otherwise, shall be the responsibility of Seller and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Effective Time shall be the responsibility of Buyer and such charges shall be adjusted as required hereunder.

1.6 **Allocation of Purchase Price.** The Purchase Price shall be allocated to the Stations' Assets in accordance with Schedule 1.6, which shall be prepared prior to Closing. Seller and Buyer shall use such allocation for tax, accounting, and all other purposes including the filing of their respective tax returns reflecting the allocation in accordance with requirements of Section 1060 of the Internal Revenue Code of 1986, as amended.

Section 2 **Date, Time, and Place of Closing**

The date of the Closing (the "Closing Date") shall be five (5) business days after the FCC's grant of the Assignment Application (defined in Section 6 of this Agreement) becomes a Final Order (defined hereinafter), *provided, however*, that Buyer in its sole discretion may waive the requirement of a Final Order, and set the Closing Date for an earlier date following grant of the Assignment Application. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application that is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing, or appeal is pending, and as to which the time for filing any such request, petition, or appeal or reconsideration by the FCC on its own motion has expired.

Section 3

Seller's Representations and Warranties

Seller hereby represents and warrant to Buyer as follows:

3.1 **Organization, Authorization, and Binding Obligation.** Seller is a limited liability company organized under the laws of the State of Alabama. Seller has full power and authority to own and operate the Stations and to carry on the business of the Stations as now being conducted, and as proposed to be conducted by it between the date hereof and the Closing Date. Seller has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by Seller have been duly and validly authorized by all necessary action on the part of Seller. This Agreement constitutes Seller's valid, legal, and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.2 **Absence of Conflicting Agreements or Required Consents.** Seller's execution, delivery, and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision of Seller's governing documents; (c) to the best of Seller's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, or ruling of any governmental authority; (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument, or permit to which Seller is subject and that is individually or in the aggregate material to the transactions contemplated hereby; (e) will not result in the creation of any lien, charge, or encumbrance on any of the Stations' Assets; and (f) will not in any way affect or violate the terms or conditions of, or result in the cancellation, modification, revocation, or suspension of, any of the Stations' Licenses.

3.3 **Litigation.** There is no litigation or proceeding (or, to Seller's knowledge, investigation) pending or, to the best of their knowledge, threatened, against either Seller in any federal, state, or local court, or before any administrative agency (including, without limitation, any proceeding which seeks the revocation or forfeiture of or opposes or challenges the renewal of any of the Stations' Licenses), which might have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

3.4 **Liabilities.** There are no liens or encumbrances against the Stations' Assets. Neither Seller has any knowledge of any circumstances, conditions, events, or arrangements relating specifically to either Seller and not to the radio industry as a whole which may hereafter give rise to any liabilities on the part of any successor to the business either Seller in connection with the Stations.

3.5 **Stations' Licenses.** The Stations' Licenses are all of the authorizations required for the lawful conduct of the business and operation of the Station. Seller is the authorized legal holder of all of the Stations' Licenses. None of the Stations' Licenses are subject to any restriction or condition which could limit the operation of the Station with the facilities set forth in the Stations' Licenses

except for restrictions and conditions applicable to the industry as a whole. Except as set forth on Schedule 1.1(a) hereto, and the Stations' Licenses are in good standing and are in full force and effect. Except as set forth on Schedule 1.1(a), no proceedings are now pending before any governmental authority with respect to the Station. Seller does not know of any facts relating to the Stations that could cause the FCC to deny its consent to the assignment of the Stations' Licenses to Buyer hereunder. Subject to the Communications Act of 1934 (the "Communications Act"), and the rules and regulations promulgated thereunder (the "FCC Rules and Regulations"), the Stations' Licenses are assignable from Seller to Buyer. Schedule 1.1(a) lists all FCC broadcast station licenses, outstanding construction permits, special temporary authorizations, auxiliary authorizations, and antenna structure registrations ("ASRs") associated with the Stations.

3.6 **Stations' Assets.** Seller has good, valid, and marketable title to or the unrestricted right to use all of the Stations' Assets owned, leased or licensed by it, in each case, free and clear of all security interests of every kind or character (other than Permitted Encumbrances). Seller is the owner, lessee, or licensee of all of the Tangible Personal Property listed on the Schedules to this Agreement. The Tangible Personal Property shall be sold WHERE IS, AS IS, without warranty of any kind except as to title.

3.7 **AM Real Property Lease.** Attached to Schedule 1.1(b) is a true and complete copy of the Real Property Lease, including all amendments and modifications thereto. Except as listed on Schedule 1.1(c), the Real Property Lease and all of the fixtures, towers and improvements thereon owned by Seller (collectively, the "Owned Improvements") are in good operating condition and repair, reasonable wear and tear excepted, and have been maintained in accordance with industry standards. Seller has not received any notice alleging that the Real Property Lease or the Owned Improvements fail to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable government jurisdictions. The WTKI tower and ground system is located entirely within the confines of the property specified in the Real Property Lease. With respect to the Real Property Lease, Seller has good title to its leasehold interest in such real property and the improvements thereon, in each case, free and clear of all liens, claims and encumbrances, except for the liens, claims and encumbrances identified in such leases or as specifically stated on Schedule 1.1(b). The Real Property Lease is in full force and effect, all accrued and currently payable rents and other payments required by such leases to be paid by Seller have been paid. Seller has not given nor received any notice of default or termination, 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 under any such lease. Except as set forth on Schedule 1.1(b), no third-party consent or approval is required for the assignment of the Real Property Leases to Buyer or for the consummation of the transactions contemplated herein.

3.8 **FM Translator Tower Leases.** Attached as Schedule 1.1(c) are true and correct copies of the Tower Leases being used in conjunction with the operation of the two FM translator station being assigned as a part of this transaction. The Tower Leases are in full force and effect, all accrued and currently payable rents and other payments required by such leases to be paid by Seller have been paid. Seller has not given nor received any notice of default or termination, 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 under any such lease. Except as set forth on Schedule 1.1(c), no third-party consent or approval is required for the assignment of the Tower Leases to Buyer or for the consummation of the transactions contemplated herein.

3.9 **Compliance With Laws.** Seller has not received any notice asserting any non-compliance in any material respect by it with any applicable statute, rule, or regulation, federal, state, or local, or any agency thereof, having jurisdiction over it, Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other governmental authority, and to the best of Seller's knowledge, Seller is in compliance in all material respects with all laws, regulations, and governmental orders applicable to the conduct of the business and operations of the Stations, and its use of the Stations' Assets does not violate in any material respect any of such laws, regulations, or orders or the terms and conditions of the Stations' Licenses.

3.10 **Intangible Property.** Seller has all right, title, and interest in and to all Intangible Property necessary or desirable in the conduct of the Stations as presently operated and as presently proposed to be operated. Seller has not received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 1.1(e), and there is no basis for any such claim of conflict. Each item of Intangible Property owned or used by Seller immediately before the Closing will be owned or available for use by Buyer on identical terms and conditions immediately after the Closing. Seller has taken all necessary and desirable action to maintain and protect each item of Intangible Property that it owns or uses. No service provided by Seller or any programming or other material used, broadcast or disseminated by Seller or the Stations, infringes on any copyright, patent, or trademark of any other party. Seller has not received any notice of any claim of infringement of any third-party's copyright, patent, trademark, service mark, logotype, license, or other proprietary right, including the use of any call sign, slogan or logo by an broadcast station or cable systems in the marketing area of the Stations which may become confusing similar to the call sign, slogans and logos currently used by the Stations. Seller owns or possesses adequate licenses or other rights to use all copyrights, patents, trademarks, service marks, trade names, logotypes, and other intangible rights used to operate the Stations.

3.11 **Bulk Sales.** Neither the sale and transfer of the Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after the Closing because of such sale and transfer, will be subject to any law pertaining to bulk sales or transfers or to the effectiveness of bulk sales or transfers as against creditors of Seller, or the imposition of any liability on Buyer for appraisal rights or other liability owing to Seller.

3.12 **Tax Matters.** There are no deficiencies or notices of claims or assessments of federal, state, county or local income, excise, import or export taxes, interest or penalties by any federal, state, county, local, or other taxing authority against Seller. Seller is not a party to any action for the collection of taxes, nor is Seller aware of any threatened or contemplated action for the collection of taxes from Seller which might impede the parties' ability to consummate the transactions contemplated in this Agreement.

3.13 **Brokers.** Other than Richard C. Parrish & Associates LLC, whose fee is to be paid by Seller, there is no broker or finder or other person who would have any valid claim through Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

Section 4 **Buyer's Representations and Warranties**

Buyer represents and warrants to Seller as follows:

4.1 **Organization, Authorization, and Binding Obligation.** Buyer is a limited liability company organized under the laws of the State of Alabama. Buyer has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by Buyer have been duly and validly authorized by all necessary action on its part. This Agreement constitutes Buyer's valid, legal, and binding obligation, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.2 **Absence of Conflicting Agreements or Required Consents.** Buyer's execution, delivery, and performance of this Agreement (a) do not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision of Buyer's governing documents; (c) to the best of Buyer's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, or ruling of any governmental authority; and (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument or permit to which Buyer is subject and that is individually or in the aggregate material to the transactions contemplated hereby.

4.3 **Litigation.** There is no litigation, proceeding, or investigation pending or, to the best of its knowledge, threatened against Buyer in any federal, state, or local court, or before any administrative agency, which might have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

4.4 **FCC Qualifications.** Buyer has no knowledge of any facts which would, under present law (including the Communications Act of 1934, as amended) and present rules, regulations, and practices of the FCC, disqualify Buyer as an assignee of the Stations' Licenses or as an owner and/or operator of the Stations' Assets or which might delay the grant of the Assignment Application, and Buyer will not take, or unreasonably fail to take, any action which Buyer knows or has reason to know would cause such disqualification.

4.5 **Brokers.** Other than Richard C. Parrish & Associates LLC, whose fee is to be paid by Seller, there is no broker or finder or other person who would have any valid claim through Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Buyer.

Section 5 **Pre-Closing Covenants**

5.1 **Pre-Closing Covenants of Seller.** Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer:

(a) **Affirmative Covenants.** Seller shall, except as provided in the LMA:

(i) Maintain and preserve the Stations' Licenses without material change;

(ii) Continue the Stations' broadcasts and conduct the business and operations of the Stations in the ordinary course and in accordance in all material respects with the Communications Act, the FCC Rules and Regulations, and any other applicable federal, state, or local rules and regulations. Upon receipt of notice of violation of any such laws, rules, and regulations, promptly notify Buyer of such notice and use its commercially reasonable best efforts to contest in good faith or to cure such violation prior to the Closing Date;

(iii) Preserve intact the Assets and maintain in effect the casualty and liability insurance on the Assets heretofore in force;

(iv) Notify Buyer of any litigation or administrative proceeding pending or, to its knowledge, threatened which is likely to delay or otherwise interfere with Closing or otherwise adversely affect any of the Stations' Licenses; any material damage or destruction of any of the Stations' Assets; and any adverse change in the condition of the Stations which is likely to delay or otherwise interfere with Closing, or otherwise adversely affect any of the Stations' Licenses;

(v) Promptly give or cause to be given to the employees and representatives of Buyer, at the request of Buyer, full access to the Stations' studio and technical facilities, insurance policies, agreements, contracts, commitments which are to be assumed by Buyer or may impose any obligation on Buyer after the Closing, and such other information concerning Seller, the Stations and the Assets as Buyer may reasonably request;

(vi) Fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and use its best efforts to cause the transactions contemplated by this Agreement to be fully carried out; and

(vii) Obtain any necessary consents for the leases to be assigned from Seller to Buyer pursuant to this Agreement, with the understanding that nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any lease that is non-assignable without the consent of the other party or parties thereto, unless such consent shall be given and if such consent is not obtained, Seller shall cooperate with Buyer in any arrangements necessary or desirable, on commercially reasonable terms, to provide for Buyer to have the benefits and to have Buyer assume the burdens arising after the Closing Date thereunder including, without limitation, enforcement for the benefit of Buyer, and assumption by Buyer of the costs of enforcing, any and all rights of Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

(b) Negative Covenants. Seller shall not:

(i) Create, assume, or permit to exist any mortgage, pledge, lien or other charge or encumbrance or rights affecting any of the Stations' Assets, other than Permitted Liens;

(ii) Sell, assign, lease, or otherwise transfer or dispose of any of the Stations' Assets outside the ordinary course of business;

(iii) Make any change in the Stations' buildings, leasehold improvements, or fixtures;

- (v) Enter into, extend, or renew any trade or barter contracts;
- (iv) Waive any material right relating to the Stations or the Stations' Assets;
- (v) Agree to or participate in any minor modification or other filing with the FCC with respect to the Stations;
- (vi) Except with the written consent of Buyer, enter into, extend or renew, any contracts or leases that extend beyond, or cannot be cancelled effective as of the Closing Date;
- (vii) Either itself or through any of its officers, directors, shareholders, employees, agents, or any other person or entity acting on Seller's behalf, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity other than Buyer or its assignee(s) concerning the direct or indirect acquisition of the Stations or the sale of all or a substantial portion of its air-time pursuant to a time brokerage agreement, or enter into any such transaction;
- (viii) Cause or permit, by any act or failure to act, any of the Stations' Licenses to expire or be surrendered or adversely modified, or take any action which could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or adverse modification of any of the Stations' Licenses; or
- (ix) Take any other action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

Section 6 **FCC Consent**

The assignment of the Stations' Licenses from Seller to Buyer as contemplated by this Agreement is subject to the prior consent and approval of the FCC (the "FCC Consent") pursuant to an application by Seller and Buyer (the "Assignment Application"). The Assignment Application shall be filed by Seller and Buyer within five (5) business days of the date of this Agreement and thereafter Buyer and Seller shall each fully prosecute the Assignment Application with all diligence and shall otherwise use their best efforts to obtain the grant of such application as expeditiously as practicable. The FCC filing fee for the Assignment Application shall be paid initially by Buyer and at Closing and Seller shall reimburse Buyer one-half of the FCC filing fee.

Section 7 **Conditions Precedent to Buyer's Obligations**

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at Closing, of each of the following conditions, any of which (except for the requirement that the FCC Consent to the Assignment Application has been granted) Buyer may waive in writing:

7.1 **Representations, Warranties, and Covenants.** All representations and warranties of Seller made in this Agreement, or in any exhibit, schedule, certificate, or other document delivered

pursuant hereto, shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of that date, except for changes contemplated by this Agreement or changes that are not materially adverse (as determined by Buyer in its sole discretion) which arise after the date hereof in the ordinary course of the business of the Stations. All of the terms, covenants, and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

7.2 **FCC Consent.** The FCC Consent shall have been granted and the FCC Consent shall have become a Final Order.

7.3 **Governmental Authorizations.** Seller shall be the holder of the Stations' Licenses, and there shall not have been any modification of any of the Stations' Licenses which could have a material adverse effect on the Stations. No proceeding shall be pending, the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any of the Stations' Licenses or the transfer thereof to Buyer. Additionally, all statutory and other requirements for the valid consummation by Buyer of the transactions contemplated by this Agreement shall have been fulfilled, and all authorizations, consents, and approvals of all federal, state, local, and foreign governmental agencies and authorities required to be obtained in order to permit the consummation by Buyer of the transactions contemplated by this Agreement shall have been obtained.

7.4 **Seller Certificate.** Seller shall have furnished Buyer with a certificate, dated the Closing Date and duly executed by an officer or manager, as applicable, of Seller, to the effect that the conditions set forth in Section 7.1 have been satisfied;

7.5 **Adverse Proceedings.** No suit, action, or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against, the parties or either of them which would render it unlawful, as of the Closing Date, to effectuate the transactions contemplated by this Agreement in accordance with its terms.

7.6 **Instruments of Conveyance and Transfer.** Seller shall have delivered to Buyer instruments in form and substance reasonably satisfactory to counsel to Buyer effecting the sale, transfer, assignment, and conveyance of Seller's right, title, and interest in and to the Stations' Assets to Buyer pursuant to the terms of this Agreement including, without limitation, the following:

(a) An assignment of all right, title, and interest in and to the Stations' Licenses to be assigned pursuant to Section 1.1(a) of this Agreement;

(b) An assignment of all right, title, and interest in and to the FM Translator Tower Leases pursuant to Section 1.1(c) of this Agreement;

(c) An assignment of the Real Property Lease for the WTKI(AM) tower and transmitter facilities pursuant to Section 1.1(b) of this Agreement;

(d) A Bill of Sale for all of the Stations' Assets, including the Tangible Personal Property, to be conveyed pursuant hereto, pursuant to Section 1.1(d) of this Agreement;

(e) An assignment of all right, title, and interest in and to the Intangible Personal Property, including necessary registrations and applications for registration, pursuant to Section 1.1(e) of this Agreement;

(f) Further instruments and documents as Buyer may reasonably request to effect the transactions contemplated under this Agreement.

7.7 **FCC FRN Association.** At Closing, Seller shall notify the FCC of the closing of the transaction as to the Stations, and inform the FCC that the FCC FRN to be associated with the Stations' Licenses shall be that as specified by Buyer.

7.8 **Discharge of Liens.** At Closing, Seller shall deliver to Buyer duly-executed termination statements and releases as are appropriate to convey the Stations' Assets by Seller to Buyer free and clear of all liens, security interests, litigation, and other encumbrances, except as specifically permitted by this Agreement or otherwise consented to by Buyer in writing.

Section 8 **Conditions Precedent to Seller's Obligations**

The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at Closing, of each of the following conditions, any of which (except for the requirement that the FCC Consent to the Assignment Application has been granted) Seller may waive in writing:

8.1 **Representations, Warranties, and Covenants.** All representations and warranties of Buyer made in this Agreement, or in any exhibit, schedule, certificate, or other document delivered pursuant hereto, shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of that date, except for changes contemplated by this Agreement or changes that are not materially adverse (as determined by Seller in its sole discretion) which arise after the date hereof in the ordinary course of the business of the Stations. All of the terms, covenants, and conditions to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

8.2 **FCC Consent.** The FCC Consent shall have been granted.

8.3 **Payment of Purchase Price.** On the Closing Date, Buyer shall pay the remainder of the Purchase Price in accordance with Section 1.4 of this Agreement.

8.4 **Buyer Certificate.** Buyer shall have furnished Seller with a certificate, dated the Closing Date and duly executed by an officer of Seller, to the effect that the conditions set forth in Section 8.1 have been satisfied.

8.5 **Instruments of Assumption.** Buyer shall have delivered to Seller instruments in form and substance reasonably satisfactory to counsel to Seller effecting the assumption of Buyer's obligations arising subsequent to the Closing Date in and to the Stations' Assets pursuant to the terms of this Agreement.

8.6 **Adverse Proceedings.** No suit, action, or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against, the parties or either of them which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

Section 9 **Transfer Taxes, Fees and Expenses**

9.1 **Transfer Taxes.** Buyer shall pay any sales, use, or transfer tax due as a result of this transaction.

9.2 **Parties' Expenses.** Buyer and Seller shall each pay their own attorneys' fees, incurred in conjunction with the preparation and filing of this Agreement and the filing with the FCC.

Section 10 **Risk of Loss**

The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace, or restore the lost or damaged property to its former condition as soon as possible. In the event that any loss, damage, or destruction to the Assets has not been repaired, restored, and/or replaced prior to the Closing Date, the Closing shall nevertheless take place and Seller shall assign their rights to receive any insurance proceeds with respect to the damaged, lost, or destroyed assets to Buyer and, to the extent that the insurance proceeds so assigned are insufficient to cover all of the costs of repairing and/or replacing the assets that were damaged, lost, or destroyed, the Purchase Price shall be adjusted to cover such shortfall.

Section 11 **Termination Rights**

Without limiting the right of either party to terminate this Agreement as otherwise provided herein, this Agreement may be terminated, upon written notice, upon the occurrence of any of the following:

(a) By either Buyer or Seller for a material default in the observance or performance of any term or covenant hereunder or a material breach of any material term, representation, warranty, or covenant hereunder, by Buyer on the one hand or Seller on the other hand, which is not cured by the earlier of the Closing Date or within twenty (20) business days after written notice of the breach, provided that the terminating party is not then in material default or material breach.

(b) By either Buyer or Seller if the FCC denies the FCC Consent (and such denial is not the fault, directly or indirectly, of the terminating party) and such order becomes a Final Order.

(c) By Buyer if Closing has not occurred within one year of execution of this Agreement, provided that Buyer is not then in material default or material breach.

Section 12 **Pre-Closing Remedies**

12.1 **Seller's Breach.** In the event of a material breach by Seller of any of its representations and obligations hereunder, which is not cured by the earlier of the Closing Date or within twenty (20) calendar days after written notice from Buyer, Buyer may bring an action to enforce the terms of this Agreement by decree of specific performance, it being agreed that the Stations' Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Seller agrees to waive the defense in any such action for decree of specific performance that Buyer has an adequate remedy at law, to cooperate fully in the filing of FCC applications and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. In the event of breach by Seller which is not timely cured, and the FCC does not grant consent to the Assignment Application, Buyer may seek damages from Seller for breach of contract.

12.2 **Buyer's Breach.** In the event of a material breach or default by Buyer of any of its warranties, representations or covenants hereunder, which breach or default is not cured by the earlier of the Closing Date or within twenty (20) business days after written notice from Seller, Seller may seek damages from Buyer for breach of contract and, in addition, may terminate this Agreement.

Section 13 **Post-Closing Remedies**

13.1 **Seller's Indemnities.** For a period of one year after the Closing Date, Seller shall indemnify, defend, and hold Buyer harmless from and against any and all losses, costs, liabilities, claims, actions, damages, and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature, or description, arising out of or in connection with (a) the breach of any representation, warranty, covenant, or agreement of Seller set forth in this Agreement (including the schedules hereto) or in any other document delivered to Buyer pursuant hereto; (b) any liability of Seller not assumed by Buyer herein; (c) a claim relating to the conduct of the business and operations of the Stations and the Stations' Assets prior to the Closing Date including, without limitation, any taxes, assessments, or similar charges relating to the operation of the Stations accrued or attributable to periods prior to the Closing Date; or (d) any claims by any of Seller's employees arising out of their employment with Seller.

13.2 **Buyer's Indemnities.** For a period of one year after the Closing Date, Buyer shall indemnify, defend, and hold Seller harmless from and against any and all losses, costs, liabilities, claims, actions, damages, and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature, or description arising out of, or in connection with (a) the breach of any representation, warranty, covenant or agreement of Buyer set forth in this Agreement or in any other document delivered to Seller pursuant hereto; (b) any Assumed Liability; or (c) a claim relating to the conduct of the business and the operation of the Stations by Buyer on or after the Closing Date including, without limitation, any taxes, assessments or similar charges relating to the operation of the Stations accrued or attributable to periods on or after the Closing Date.

13.3 **Notice of Claim.** If any action, suit, or proceeding shall be commenced by a third party against Buyer or Seller, as the case may be, in respect of which Buyer or Seller proposes to seek indemnification from the other under this Section 13 (a "Third-Party Claim"), then such party shall

promptly notify the party from whom indemnification is sought (hereinafter the “Indemnifying Party”) to that effect. The Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the defense of such Third-Party Claim, and the other party shall cooperate with all reasonable requests of the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of a Third-Party Claim, then the other party shall have the right to participate in the defense of such claim at its own expense. If a Third-Party Claim requires immediate action, then the parties will make every effort to reach a decision with respect thereto as expeditiously as possible. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third-Party Claim, then it shall be bound by the results obtained by the other party with respect to such Third-Party Claim, but no settlement of a Third-Party Claim may be made by the Indemnifying Party without the written consent of the party being indemnified.

Section 14 **Miscellaneous**

14.1 **Survival of Representations and Warranties.** Other than as specifically provided in this Agreement, the representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date.

14.2 **Employees.** Seller shall terminate all of Seller’s employees effective as of the date of Closing, and pay all termination and severance costs in connection with such termination.

14.3 **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party hereto, provided that Buyer may assign its right to acquire the Stations to an affiliate of Buyer if such assignment does not delay the FCC Consent or otherwise delay Closing, the representations made by Buyer under this agreement are true with respect to the assignee, and Buyer gives Seller prior written notice thereof. No such assignment shall relieve Buyer of any obligation or liability under this Agreement. The rights and obligations of the parties hereunder shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and permitted assigns.

14.4 **Waiver of Jury Trial; Attorneys’ Fees.** If, notwithstanding the provisions of Section 14, any law suit is filed to resolve an issue as to the interpretation or enforcement of this agreement and is not dismissed on the basis of Section 14, each party irrevocably waives trial by jury and the right thereto in any and all litigation in any court with respect to, in connection with, or arising out of this Agreement.

14.5 **Construction and Venue for Legal Actions.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama without regard to choice of laws principles. Each party submits to the jurisdiction of any court sitting in Madison County in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party waives any defense of inconvenient forum or lack of personal jurisdiction to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of the other party with respect thereto.

14.6 **Attorneys' Fees and Costs.** Should any party default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit or any action, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court.

14.7 **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sent by for next business day delivery by Federal Express or a similar nationally-recognized overnight courier service, with all charges prepaid, and shall be deemed to have been duly delivered and received on the next business day. All such notices, demands, and requests shall be addressed as follows:

If to Seller:

Mr. Fred Holland
FRC of Alabama, L.L.C.
1103 Woodmont Ave.
Huntsville, AL 35616

Copy to:

Matthew H. McCormick
Fletcher, Heald & Hildreth, PLC
1300 N. 17th Street, Suite 1100
Arlington, VA 22209

If to Buyer:

Mr. Michael Brandt
Radio 256, LLC
414 W. Wilson Dam Rd.
Muscle Shores, AL 35630

Copy to:

Dan J. Alpert, Esq.
The Law Office of Dan J. Alpert
2120 21st Rd. N
Arlington, VA 22201

or at such other address as either party shall specify by notice to the other.

14.8 **Multiple Counterparts.** This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. All of such counterpart signature pages shall be read as though all of the signers had signed a single signature page. This Agreement may be signed and exchanged by facsimile transmission or by a scanned PDF sent by email, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

14.9 **Entire Agreement.** This Agreement represents the entire understanding of the parties with respect to the subject matter hereof, supersedes all other and prior memoranda and agreements between the parties with respect to such subject matter and may not be modified or amended except by a written instrument signed by all of the parties hereto.

14.10 **Investigations.** No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties, and covenants set forth in this Agreement, or be deemed to constitute a waiver of any of those representations, warranties, and covenants.

14.11 **Captions.** The section captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.12 **No Waiver.** Unless otherwise specifically agreed to in writing to the contrary: (a) the failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (c) no extension of time granted by any party for the performance of any obligation or act by another party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

14.13 **Further Assurances.** From time to time at another party's request and without further consideration, a party shall execute and deliver such further instruments of conveyance, assignment, and transfer, and take such other actions as the requesting party may reasonably request, in order to more effectively convey and transfer any of the Stations' Assets.

14.14 **Counsel.** Each party has had the right to obtain independent review of the documents and, consequently, each party hereby waives the application of any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

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

SELLER:

FRC OF ALABAMA, L.L.C.

By: _____

Fred Holland
Managing Member

BUYER:

RADIO 256, LLC

By: _____

Michael Brandt
Managing Member

SCHEDULE 1.1(a)
Station Licenses

WTKI (AM), Huntsville, Alabama, Facility No. 30965
BL-19881020AB
Renewal of License 0000105258

W287DH, Facility No. 200684, Huntsville, Alabama
BLFT-20191222AAI
Renewal of License 0000105258

W243AD, Facility No. 72701, Decatur, Alabama
File No. 0000112114
CP File No. 0000118080
Renewal of License 0000105258

SCHEDULE 1.1(b)
Land Lease

“Ground Lease” dated March 28, 2019 by and between The City of Huntsville and FRC of Alabama, LLC d/b/a Focus Radio Communications.

SCHEDULE 1.1(c)
FM Translator Tower Leases

“Communications Tower Lease Agreement” dated July 24, 2018 by and between James Ernest Blair, d/b/a Monte Sano Communications and FRC Radio Communications.

“License Agreement” dated May 13, 2020 by and between City of Madison, Alabama and FRC of Alabama, LLC d/b/a Focus Radio Communications. (On its face, this License Agreement is not transferable and Buyer will need to enter into a new agreement with the City of Madison.)

SCHEDULE 1.1(d)
Tangible Personal Property

Nautel J1000 AM Transmitter (SN B385)	WTKI
Armstrong X1000B AM Transmitter (SN 5972)	WTKI
Middle Atlantic MRK-4426 Equipment Racks (SN 285602)	WTKI
Middle Atlantic MRK-4426 Equipment Racks (SN 285566)	WTKI
Kintronic Labs RFC40-20-2 AM RF Switch	WTKI
Wheatstone Vorsis RP3 AM Audio Processor	WTKI
150 foot Pi-Rod Self-Supporting AM Broadcast Tower	WTKI
AM Antenna Tuning Unit	WTKI
Sage ENDEC EAS Unit Model 3644 (SN B409344)	WTKI
Sage ENDEC EAS receiver (No SN-attached to above)	WTKI
Gentner GSC3000 site remote control system (SN P061106)	WTKI
Gentner VRC 1000 Relay Interface Unit (SN 073000402)	WTKI
Crown FM 600 E Transmitter	W287DH (105.3)
Wheatstone VP8 FM Audio Processor	W287DH
Telecom TFC2K-D FM Broadcast Antenna	W287DH
Circuitwerkes SiteSentry 4 remote control	W287DH
DEVA DB91TX & DEVA DB91RX IP Audio Codec	W287DH
Continental 802B 50 Watt FM Exciter (SN 000375)	W243EP (96.5)
SVP 700 Watt FM Broadcast Amplifier	W243EP
Bogan FM Broadcast Receiver	W243EP
Audemat-Aztec Digiplxer 2/4 FM Processor	W243EP
BK-77 FM Broadcast Antenna	W243EP

SCHEDULE 1.1(e)
Intangible Personal Property

Call Letters WTKI

SCHEDULE 1.2
Excluded Assets

SCHEDULE 1.6
Allocation

[to be prepared prior to Closing]

Equipment:

Towers:

License and Good Will: