

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this 10th day of November, 2022, between Jackson County Broadcasting, Inc. ("Purchaser") and WATH, Inc. ("Seller").

RECITALS

WHEREAS, Seller is the owner and licensee of broadcast stations WATH (970 AM, W246CE, 97.1 FM) and WXTQ (105.5 FM), Athens, Ohio (Facility ID Nos. 71096, 140090 and 71097) (the "Station"), and holds substantially all of the assets used or useful in the operation of the Station;

WHEREAS, Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller all assets used and useful in the operation of the Station on the terms and conditions contained herein; and

WHEREAS, the parties recognize that the assets may not be conveyed to Purchaser without the prior consent of the Federal Communications Commission (the "FCC" or "Commission").

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and conditions herein contained, the parties agree as follows:

1. **Assets.** Seller agrees to sell, transfer, and assign to Purchaser, and Purchaser agrees to buy and receive from Seller, all Assets used and useful in the operation of the Station:

(a) all licenses, permits, and other authorizations which are issued to the Seller by the FCC with respect to the Station (the "FCC Licenses"), including those described on Schedule 2(a), including any renewals, extensions, or modifications thereof and additions thereto made between the date hereof and the Closing Date;

(b) all equipment currently installed and in use, electrical devices, antennas, cables, motor vehicles, and other tangible personal property of every kind and description owned by the Seller which are used or held for use in the operation of the Station – including any and all equipment redundancies and spare parts located in the Station's studio or office spaces – except any retirements or dispositions thereof made between the date hereof and the Closing Date in the ordinary course of business and consistent with past practices of the Seller or with the written consent of Purchaser (the "Tangible Personal Property");

(c) the contracts, agreements, and leases that are used or useful in the operation of the Station and/or the operations of the Seller that are listed on Schedule 2(c) (collectively, the "Assumed Contracts");

(d) all of the Seller's rights, to the extent they exist, in and to all the files and documents relating to the operation of the Station, including (if such exist) the Station's local

public files, blueprints, technical information, engineering data, programming information and studies, marketing and demographic data and sales correspondence but excluding accounts payable, payroll, payroll taxes, and general ledger;

(e) The real estate upon which the FM tower is located;

As used herein, (i) the term "Liens" means all liens, pledges, claims, orders, security interests, writs, judgments, restrictions, mortgages (real or personal), tenancies, and other possessory interests, conditional sale or other title retention agreements, assessments, easements, rights of way, covenants, restrictions, rights of first refusal, defects in title, encroachments and other burdens, options or encumbrances of any kind, and (ii) the term "Permitted Liens" means (a) liens for taxes not yet due and payable and (c) such liens, easements, rights of way, building and use restrictions, exceptions, reservations and limitations that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station.

2. **Payment of Purchase Price.** The total price to be paid by Purchaser to Seller shall be ONE MILLION SIXTY THOUSAND DOLLARS (\$1,060,000.00) (the "Purchase Price"), exclusive of any interest as provided for in this Agreement. Upon execution of this Agreement Purchaser shall deposit \$20,000.00 with Seller, which shall be credited toward the Purchase Price at Closing. The balance of the purchase price shall be paid as follows on the Closing date:

- A. Purchaser shall pay and deliver to the order of Seller the sum of Three Hundred Eighty Thousand Dollars (\$380,000) by wire transfer at Closing;
- B. Purchaser will deliver an executed ten-year Promissory Note in the form attached hereto as Exhibit A, in the face amount of Six Hundred Sixty Thousand Dollars (\$660,000.00), bearing no interest, amortized over a Ten year life. Security for Buyer's Promissory Note shall be a Guaranty of Alan Stockmeister, in the form attached hereto as Exhibit A, and Security Agreement, in the form attached hereto as Exhibit B. In the event that the Station is sold by Buyer at any time during the term of the Promissory Note or should a majority of Buyer's ownership shares be transferred to unaffiliated parties not currently under common control of Purchaser, the entire balance of the unpaid Promissory Note shall be paid by Purchaser to Seller, following FCC approval of the assignment or transfer, on the closing date of the assignment or transfer of control.

3. **Collection Of Accounts Receivable.** At Closing, Seller shall assign to Buyer all of the Accounts Receivable for purposes of collection only. Buyer shall use such efforts as are reasonable and in the ordinary course of business to collect the Accounts Receivable for a period of four (4) months following the Closing Date (the "Collection Period"). This obligation, however, shall not extend to the institution of litigation, employment of counsel, or any other extraordinary means of collection. So long as the Accounts Receivable are in Buyer's possession, neither Seller nor Seller's agents shall make any solicitation of them for collection purposes or institute litigation for the collection of any amounts due thereunder. Seller and Buyer agree to the following arrangement for the collection and payment of Seller's Accounts Receivables. Within ten (10)

business days following the expiration of each month during the Collection Period, Buyer shall furnish Seller with a list of the Accounts Receivable collected during such month accompanied by a payment equal to the amount of such collections, less any salesperson's, agency and representative commissions that are due and applicable thereto that are deducted and paid by Buyer from the proceeds of such collections. Buyer shall be entitled to retain and deduct from the proceeds a collection fee of five percent (5%) on all accounts.

All payments received by Buyer during the Collection Period from any person obligated with respect to any the Accounts Receivable shall be applied first to Seller's account and only after full satisfaction thereof to Buyer's account; provided, however, that if during this period any account debtor contests the validity of its obligation with respect to any Account Receivable, then, within ten (10) days, Buyer shall notify Seller in writing and shall immediately return that Account Receivable to Seller after which Seller shall be solely responsible for the collection thereof. Buyer shall not have the right to compromise, settle, or adjust the amounts of any of the Accounts Receivable without Seller's prior written consent. Buyer shall not incur or cause to be incurred any collateral or outside fees, costs or charges in connection with its efforts at collection of the Accounts Receivable without first having obtained the authorization in writing of Seller. Any of the Accounts Receivable that are not collected during the Collection Period shall be immediately reassigned to Seller at the conclusion of the Collection Period, after which Buyer shall have no further obligation to Seller with respect to the Accounts Receivable; provided, however, that all funds subsequently received by Buyer (without time limitation) that can be specifically identified, whether by accompanying invoice or otherwise, as a payment on any Account Receivable shall be promptly paid over or forwarded to Seller along with all records in possession of Buyer in connection therewith.

4. **Conditions of Closing.** At the Closing, Seller shall execute bills of sale, assignments and any other good and sufficient instruments of transfer necessary to transfer all assets to Purchaser. FCC Consent (as defined in Section 7) shall have been obtained without any conditions that are materially adverse to either Purchaser or Seller, and no court or governmental order prohibiting Closing shall be in effect.

5. **Closing.** The consummation of the transactions contemplated in this Agreement (the "Closing") shall occur (a) within ten (10) business days after the FCC Consent (as defined in Section 7) to the assignment of the Station Licenses or (b) at such other date as may be mutually agreed to by the parties (the "Closing Date").

Notwithstanding the foregoing, should a petition to deny or other protest be filed against the FCC Application (as defined in Section 7) on or before the Closing Date, Purchaser may elect to postpone the Closing until ten (10) business days after the FCC Consent has become a Final Order. For purposes of this Agreement, a "Final Order" shall mean action by the FCC granting the FCC Application (as defined in Section 7) which 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 reconsideration, application for review or appeal is pending, and as to which the time for filing any such request, petition, application, or appeal, or for reconsideration by the FCC on its own motion, has expired. In the event that the parties close prior to the date on which the FCC Consent has become a Final Order and the FCC Consent subsequently is reversed or otherwise set

aside, the parties shall take those steps necessary to unwind the transaction and place the parties, to the extent possible, in the position in which they were situated prior to the Closing.

6. ***Closing Documents.***

(a) **Documents to be Delivered by Seller.** At the Closing, Seller will deliver to Purchaser the following, in proper form for recording when appropriate:

i. ***Transfer Documents.*** Such bills of sale, assignments and other good and sufficient instruments of transfer as Purchaser may reasonably request in order to convey and transfer to Purchaser title to the Assets;

ii. ***Loan Agreement***

iii. ***Loan Guaranty***

iv. ***Security Agreement***

v. ***Other Documents.*** Such additional information and materials as Purchaser shall reasonably request.

(b) **Documents to be Delivered by Purchaser.** At the Closing, Purchaser will deliver to Seller:

i. ***Purchase Price.*** Evidence of a wire transfer in immediately available funds of the amount specified in **Section 2**, subject to any adjustments; and

ii. ***Other Documents.*** Such additional information and materials as Seller shall reasonably request.

7. 8. ***Federal Communication Commission.*** The occurrence of the Closing is subject to and conditioned upon prior FCC consent (the "FCC Consent") to the assignment of the FCC Licenses to Purchaser.

(a) **FCC Application.** Seller and Purchaser shall file an application with the FCC (the "FCC Application") requesting the FCC Consent within ten (10) business days following the date of execution of this Agreement. Purchaser and Seller shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible. All costs associated with application shall be borne by the Purchaser.

(b) **General.** Seller and Purchaser 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. Seller and Purchaser shall furnish each other with information and assistance as the other may reasonably request in connection with its preparation of any governmental filing hereunder.

8. Representations *and Warranties by Seller*. Seller represents and warrants to Purchaser as follows:

(a) Seller has good, absolute, and marketable title to the Assets, free and clear of all liens, claims, encumbrances, and restrictions of every kind. Seller has the complete and unrestricted right, power, and authority to sell, transfer, and assign the Assets pursuant to this Agreement.

(b) The Company is a duly organized and validly existing Ohio corporation in good standing, with all requisite corporate power to carry on its business as presently conducted.

(c) There are no outstanding options, contracts, commitments, warranties, agreements, or other rights of any character affecting or relating in any manner to the sale of Assets.

(d) Except as permitted or contemplated in this Agreement, the business and operations of the Station is being conducted in material compliance with the FCC Licenses and with each law, ordinance, regulation, judgment, decree, injunction, rule or order (collectively, "Laws") of the FCC or any other Governmental Entity having jurisdiction over the Seller or the Station. No investigation or review by any Governmental Entity with respect to the Seller or the Station is pending or, to Seller's knowledge, threatened. Without limiting the generality of the foregoing and with respect to the Station, the Station and the operations of the Station comply in all material respects with the Communications Act of 1934, as amended (the "Communications Act"), and all rules, regulations, and written policies of the FCC thereunder. In addition, the Seller has duly and timely filed, or caused to be filed, with the appropriate Governmental Entities all applications, reports, statements, fees, documents, registrations, filings, or submissions with respect to the business or operations of the Station and the ownership thereof, including, without limitation, applications for renewal of authority required to be filed by applicable law. All such filings complied in all material respects with applicable laws when made. There is no action, suit, or proceeding pending or threatened against Seller which could materially adversely affect Seller's ability to perform its obligations hereunder.

Schedule 2(a) lists (i) all licenses, permits, and other authorizations (including all broadcast auxiliary licenses) issued by the FCC relating to the Station as of the date of this Agreement. Each FCC License is in full force and effect. The Station is operating in all material respects in accordance with the terms of the FCC Licenses. Except for proceedings affecting the radio broadcast industry generally, there are no proceedings pending or, to Seller's knowledge, threatened with respect to the Seller's ownership or operation of the Station which could result in the revocation, material adverse modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending applications for FCC Licenses, the issuance against the Seller of any cease and desist order, or the imposition of any administrative actions by the FCC or any other Governmental Entity with respect to the FCC Licenses, or which could adversely affect the Station's ability to operate with their currently-authorized transmission facilities.

9. **Representations and Warranties by Purchaser.** Purchaser represents and warrants to Seller as follows:

(a) Purchaser has the legal right to enter into and perform this Agreement.

(b) Purchaser has been furnished with sufficient financial information and copies of contracts as it deems necessary in order to develop an informed opinion as to the business and financial books and records, contract, tax returns, and other paper and documents of the Company.

(c) Purchaser is legally, financially and otherwise qualified to be the licensee of, acquire, own, and operate the Station under the Communications Act and the rules, regulations, and policies of the FCC. There are no facts that would disqualify Purchaser as an assignee of the FCC Licenses or as the owner and operator of the Station. There is no action, suit, or proceeding pending or threatened against Purchaser which could materially adversely affect Purchaser's ability to perform its obligations hereunder.

10. **Operation** The Purchaser and Seller have executed a Time Brokerage Agreement (TBA) which allows Jackson County Broadcasting, Inc. to begin programming and marketing the radio stations. Upon implementation of the TBA no further equipment purchase or other expenses outside the ordinary course of business shall be incurred by Seller, except normal operating expenses of the stations until the receipt of the approval of the Federal Communication Commission.

11. **WATH Employees.**

(d) Seller shall pay all compensation owed to the Station's employees up to and including the TBA Commencement Date. Buyer may, after the TBA Commencement Date, employ those of Seller's employees as Buyer may elect on terms and conditions determined by Buyer in Buyer's sole discretion. Buyer shall, no later than five (5) business days before the Commencement Date of the Time Brokerage Agreement, deliver to Seller a list of those employees who will enter into Buyer's employ. Buyer shall credit each of those employees with his or her accrued vacation time and sick leave through the TBA Commencement Date, and shall receive a proration credit equal to the value of the accrued vacation time and sick leave so assumed by Buyer based upon those employees' pay rates as of the Closing Date of the Purchase Agreement.

(e) Buyer shall offer employment to David Palmer to commence as of the TBA Commencement Date the duties of which shall be to continue his current on-air shift for so long as David Palmer wishes to continue his employment. Compensation to David Palmer shall be fixed at One Thousand Dollars (\$1,000.00) per month subject to necessary employee payroll deductions fixed by law.

12. **Expenses.** Except as otherwise specifically provided in this Agreement, each party shall bear its own expenses in connection with the transactions contemplated by this Agreement and in connection with all obligations required to be performed by it under this Agreement.

13. ***Indemnification.***

(a) For a period of twenty-four (24) months following Closing, Seller shall defend, indemnify, and hold Purchaser harmless from and against any and all losses, costs, damages, liabilities, and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Purchaser arising out of or resulting from: (i) any breach of any representation or warranty of the Seller hereunder; (ii) any breach or default by Seller of any covenant or agreement under this Agreement; or (iii) the Retained Obligations or the business or operation of the Seller before Closing.

(b) For a period of twenty-four (24) months following Closing,, Purchaser shall defend, indemnify, and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from: (i) any breach of any representation or warranty of Purchaser hereunder; (ii) any breach or default by Purchaser of any covenant or agreement under this Agreement; or (iii) the Assumed Obligations or the business or operation of the radio stations after Closing.

(c) **Procedures.** The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim, or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend, or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following terms and conditions:

i. The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim;

ii. In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise, or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise, or final determination thereof);

iii. Anything herein to the contrary notwithstanding: (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise, or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the indemnified party of a release from all liability in respect of such Claim; and

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

iv. All claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be: (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties. No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

14. Termination. This Agreement may be terminated at any time prior to Closing as follows:

(a) by mutual written consent of Seller and Purchaser;

(b) by written notice of Seller to Purchaser, if Purchaser: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it 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 herein contained and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Purchaser to Seller if Seller: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it 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 herein contained and such breach or default is not cured within the Cure Period (defined below);

(d) by written notice of either party to the other if the FCC denies the FCC Application;

(e) by written notice of Purchaser to Seller if the FCC Consent includes a condition that is materially adverse to Purchaser; and

(g) by written notice of either party to the other if the Closing shall not have been consummated on or before the date twelve (12) months after the date of this Agreement and the party seeking to terminate this Agreement is not then in breach of this Agreement.

The term "Cure Period" as used herein means a period commencing the date Purchaser or Seller receives from the other written notice of breach or default hereunder and continuing for a period of thirty (30) days thereafter; provided, however, that if the breach or default cannot reasonably be cured within such period, but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date.

15. Notices. Any notice, demand, or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, on the fifth day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery, and shall be addressed as follows (or to such other address as any party may request by written notice):

If to Purchaser:

Jackson County Broadcasting, Inc.
P.O. Box 667
Jackson, OH 45640
Attn: Alan A. Stockmeister, President

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

Cole, Kirby & Associates, LLC
227 E. Main Street
Jackson, OH 45640
Attn: William S. Cole, Esq.

If to Seller:

WATH, Inc.
David Palmer, President
32 Grand Park Blvd.
Athens, OH 45640

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

Telecommunications Law Professionals PLLC
1025 Connecticut Ave, NW
Suite 1011
Washington, DC 20036
Attn: Gregg P. Skall, Esq.

16. **Entire *Agreement*.** This Agreement represents the entire agreement and understanding between the parties and it supersedes any and all agreements and representations made or dated prior thereto. This Agreement can only be amended or modified by a written instrument signed by both parties.

17. **Governing *Law*.** This Agreement shall be construed under the laws of Ohio and all matters pertaining to this Agreement which cannot be resolved by referenced to its provisions shall be governed by the laws of Ohio.

18. **Severability.** In the event that any term or provision of this Agreement is invalidated at any time by court decision, statutory provision, governmental regulation, or otherwise, the remaining terms and provisions of this Agreement shall remain in full force and effect and be fully binding upon both parties.

19. ***Successors and Assigns*.** This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, but no assignment shall relieve any party of its obligations hereunder. Purchaser shall have the right to assign this Agreement to any related entity.

[SIGNATURE PAGE NEXT PAGE]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

Jackson County Broadcasting, Inc.



Alan A. Stockmeister, President

WATH, Inc.



David Palmer, President

List of Schedules

Schedule 2(a) FCC Authorizations

Schedule 2(c) Assumed Contracts

Schedule 2(a)

FCC Authorizations

(FM), Athens, Ohio (Facility ID No. _____)Expires: _____

License File Number:

WATH : BL-13441
 WXTQ : BLH-19971212KE
 W246CE: BLFT-20111128CQB

Renewal File Number:

WATH : 0000115233
 WXTQ : 0000115235
 W246CE : 0000115234

Broadcast Auxiliary Authorizations:

File Number	Call sign	Status	Filing State	Subsystem Code	Name	FRN	City	State	Zip	Grant	Expiration
<u>SESREG201810170</u> <u>6591</u>	E2012 12	ATP N	1	SES	WATH, Incorporated	00030167 89	Athens	OH	4570 1	06/08/20 20	10/16/20 33

Call sign	File Number	Status (Purpose)	Radio Service	FRN	Name	City	State	Zip	Grant	Expiration
<u>KT7285</u>		Active	RP		WATH, Inc.	Athens	OH	45701	08/18/2000	10/01/2028
<u>KY7786</u>		Active	RP	3016789	WATH, Inc.	Athens	OH	45701	10/01/1979	10/01/2028

Antenna Structure Registration Number: N/A