

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, dated as of the 18th day of July, 2023, by and between **Edward C. Distell dba Distell Radio Group**, (the "Seller"); and **Bustos Media Holdings, LLC**, a California company qualified to do business in the state of Oregon("Buyer"):

WHEREAS, Seller is the licensee of AM Broadcast Station and Translator KWBY, 940 kHz, Woodburn, Oregon, Federal Communications Commission ("FCC") Facility ID #165 (the "Station"). Seller is also the licensee of K227DU-FM 93.3 MHz Salem, Oregon, FCC Facility ID #156679 (the "Translator"). Seller is the owner of all government authorizations and certain items of tangible and intangible personal property used, useful and associated with the Station and Translator Collectively the "Station and Translator Assets"); and

WHEREAS, the Seller desires to sell and the Buyer desires to purchase the Station and Translator Assets in order to serve the public interest, convenience and necessity; and

WHEREAS, the grant by the FCC of an application on FCC Form 314 for consent for assignment of license of the Station and Translator, is an express condition precedent to the obligation of the Buyer to consummate this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. Assets to Be Sold. In consideration for the payments and other good and valuable consideration stated in the paragraphs below, and upon the terms and conditions set forth herein, on the Closing Date, Seller shall sell, assign,

transfer, convey and deliver to Buyer free and clear of all liens, claims, encumbrances, security interests, charges and restrictions all of the assets described as follows:

a. All of Seller's right, title and interest to the license granted by the FCC for the operation of the Station and Translator, subject to its expiration on February 1, 2030 (the "FCC Licenses"), including those described on *Schedule 1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

b. All of Seller's right, title and interest in and to those items of tangible personal property owned by it and devoted exclusively to the Station and Translator (the "Tangible Personal Property"). A list of the Tangible Personal Property is set forth on *Schedule 1(b)*;

c. All of Seller's rights in intangible property (if any) set forth on *Schedule 1(c)* (the "Intangible Property");

d. An assignment of Seller's rights to the Station and Translator's transmitter site agreement, as listed on *Schedule 1(d)* (the "Real Property");

e. All agreements entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of the Station and Translator's business, including without limitation those listed on *Schedule 1(d)*;

f. Any and all logs pertaining to the Station and Translator's operations, the "public file" required by 47 C.F.R. §73.3526 to be maintained for the Station and Translator; and

g. All goodwill associated with the Station and Translator acquired on or before the Closing Date.

2. Consideration. The total consideration Buyer shall pay to Seller is the amount of ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$100,000.00) payable in the following manner:

a. As of the date hereof, Buyer has delivered a business check to Seller representing a non-refundable cash down payment to Seller in the amount of TEN THOUSAND DOLLARS (\$10,000.00), the receipt of which by Seller is hereby acknowledged.

b. On the Closing Date, as defined below, Buyer will make a second payment in the amount of NINETY THOUSAND DOLLARS (\$90,000).

3. No Liabilities Assumed Other Than Those Expressly Disclosed. The parties hereto agree and understand that, other than the Transmitter Site Use Agreement to be assigned by Seller and assumed by Buyer, this Agreement is for a sale and purchase of free and clear Sale Assets. Therefore, except as stated herein, Buyer does not assume, pay or discharge any debts or obligations of Seller with respect to the Station and Translator. Any and all liabilities pertaining to the Station and Translator which are incurred by or on behalf of the Station and Translator subsequent to the Closing Date may only be incurred by the Buyer and shall be discharged by the Buyer.

4. Commission Consent. It is understood and agreed by all parties that the prior written consent of the Commission to an application on FCC Form 314 for consent to the voluntary assignment of the licenses of the Station and Translator (the "Application") is required before consummation of this Agreement can occur. The Application shall be filed within five (5) business days of the date

hereof. The Buyer agrees to pay all of the required FCC application fee stated in 47 C.F.R. §1.1104.

5. Closing Date. For purposes of this Agreement, the Closing Date shall be weekday not later than the fifth (5th) business day subsequent to the date upon which the action of the FCC staff has granted consent to the assignment of license of the Station and Translator from Seller to Buyer.

6. Time of the Essence. Time is of the essence in the completion of this Agreement and the consummation thereof.

7. Seller's Representations and Warranties. Seller hereby represents and warrants each of the following, the truth and accuracy of which has induced Buyer to enter into this Agreement:

a. To the best of Seller's knowledge, there is no pending or threatened condemnation or assessment affecting the Station and/or Translator.

b. Seller is the licensee of the Station and Translator and the owner of their Assets, subject to any leases, restrictions, covenants, conditions, liens, reservations, easements and governmental regulations relating thereto as of the Closing.

c. To the best of Seller's knowledge, there is no action, suit, proceeding or claim affecting the Station and Translator relating to or arising out of the ownership, operation or use of the Station and Translator, pending or being prosecuted in any court or administrative agency nor, to the knowledge of Seller, has any such action, suit, proceeding or claim been threatened or asserted.

d. To Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has

been generated, stored, transported or released on, in, from or to the Real Property leases included in the Station and Translator Assets. To Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Station and Translator.

e. The execution and delivery of this Agreement by the signatories hereto on behalf of Seller and the performance of this Agreement by Seller have been duly authorized. Therefore, this Agreement is valid and legally binding and enforceable in accordance with its terms.

f. Seller shall promptly notify Buyer if any representation or warranty contained in this Agreement shall become false or misleading prior to the Closing.

g. Neither Seller nor any person acting on Seller's behalf has incurred any liability for any finders' or brokers' fees with any person or entity in connection with this transaction.

As a condition precedent to Buyer's obligations hereunder, these representations and warranties contained herein shall be true and correct as of the Closing date.

8. Special Provision Concerning Station and Translator Assets. SINCE BUYER WILL BE OPERATING THE STATION AND TRANSLATOR UNDER A CONCURRENTLY SIGNED TIME BROKERAGE AGREEMENT (TBA), THE STATION AND TRANSLATOR ASSETS ARE BEING SOLD ON AN "AS IS, WHERE IS" BASIS. SELLER IS NOT MAKING, AND HAS NOT AT ANY TIME MADE, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE STATION AND TRANSLATOR'S ASSETS

9. Buyer's Representations and Warranties.

Buyer represents and warrants to Seller, the truth and accuracy of each of the following being expressly material to Seller's execution of this Agreement, as follows:

a. Buyer has full power, authority and legal right to execute and deliver this Agreement; to perform its provisions.

b. Buyer will be, on the Closing Date, financially able to consummate this transaction in the manner herein contemplated.

c. The execution and delivery of this Agreement by the signatories hereto on behalf of Buyer and the performance of this Agreement by Buyer have been duly authorized, and this Agreement is valid and legally binding and enforceable against Buyer in accordance with its terms.

d. There is no action, suit, proceeding or claim affecting the Station and Translator relating to or arising out of the Buyer's current provision of programming to the Station and Translator pursuant to its "time brokerage agreement" with SELLER, pending or being prosecuted in any court or administrative agency nor, to the knowledge of Buyer, has any such action, suit, proceeding or claim been threatened or asserted.

e. The execution and delivery of this Agreement by the signatories hereto on behalf of Buyer and the performance of this Agreement have been duly authorized by Buyer and this Agreement is valid and legally binding on Buyer and enforceable against Buyer in accordance with its terms.

f. Buyer shall promptly notify Seller if any representation or warranty contained in this

Agreement shall become false or misleading prior to the Closing.

g. Neither Buyer nor any person acting on Buyer's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

As a condition precedent to Seller's obligations hereunder, these representations and warranties contained herein shall be true and correct as of the Closing date.

10. Conditions Precedent to Buyer's Obligation to Close.

The obligations of Buyer under this Agreement are, at its election, subject to the fulfillment on or prior to the Closing Date of each of the following conditions precedent. The parties agree and understand that Buyer's decision to enter into and perform under the terms of this Agreement has been materially premised upon the fulfillment of each of the following conditions, and Seller agrees that all of them are material:

a. The FCC Form 314 application be granted, and that Seller shall have complied with any conditions imposed on it by the FCC Consent to the extent required under the terms of this Agreement.

b. Seller shall be the holder of the FCC License for the Station and Translator and there shall not have been any modification of any FCC License that would have a materially adverse effect on the Station and Translator or the conduct of its business and operations. No proceeding shall be pending or threatened the effect of which would be to revoke, cancel, fail to renew, suspend, or modify adversely any FCC License.

c. That all representations and warranties of the Seller contained in this Agreement shall be true and complete in all material respects as of the Closing.

d. That Seller shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

e. Seller shall have made or stand willing to make all the deliveries to Buyer at Closing, which shall include various instruments and documents, all of which shall be in a form reasonably satisfactory to Buyer and its counsel, to wit:

i. One or more bills of sale for all the tangible personal property to be sold under this Agreement;

ii. An assignment of Seller's rights in the Commission licenses for the Station and Translator, the call letters and any other existing authorizations relative to the Station and Translator;

iii. An instrument assigning Seller's rights in and to the Transmitter Site Use Agreement, together with the written consent or estoppel statement of the landlord of the transmitter site, if required;

iv. A "Closing Certificate" of Seller certifying the truth and accuracy of the representations and warranties made by Seller in this Agreement; and

v. Any other closing document or instrument reasonably requested by Buyer or its

counsel which may be needed to effectuate all of the transactions called for by this Agreement.

f. No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any Party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby.

11. Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are, at its election, subject to the satisfaction on or prior to the Closing Date of each of the following conditions precedent:

a. That the FCC Form 314 application be granted;

b. All of the representations and warranties made by Buyer herein shall be in all material respects true and correct as of the Closing Date;

c. Buyer shall pay the consideration in the manner prescribed in paragraph 2 above;

d. Buyer shall counter-sign the instrument described in Section 10.e.iii. above indicating its assumption of all rights, duties and obligations of the Transmitter Site Use Agreement;

e. Buyer shall provide to Seller a "Closing Certificate" certifying the truth and accuracy of Buyer's representations and warranties made in this Agreement; and

f. There shall have been no material breach by Buyer in the performance of any of its covenants or agreements contained herein.

12. Mutual Cooperation. The parties agree and pledge to each other total mutual cooperation to achieve approval by the Commission of the Application, including but not limited to prosecuting the Application in good faith and in due diligence so as to achieve grant and finality thereof as expeditiously as practicable, and to take no action to delay or defeat approval.

13. Termination.

a. In the event that Commission approval of the assignment of the license of the Station and Translator from Seller to Buyer shall not have been granted by December 31, 2023, either party shall have the right to unilaterally terminate this agreement by giving written notice to the other party of its intention to do so, provided, however, that the party seeking to so terminate is not itself in material breach hereof. Upon such notice, this Agreement shall have no further force and effect.

b. If the Commission designates the application contemplated by this Agreement for hearing, either party shall have the option of terminating this Agreement by notice to the other party prior to the commencement of the hearing if the terminating party shall not be in default under the provisions of this Agreement; provided that the terminating party shall not be entitled to terminate this Agreement if the hearing results from or was caused by (i) any failure on the party of such party to furnish or make available to the Commission information required to be supplied by such party, or (ii) the willful furnishing by such party of incorrect, inaccurate or incomplete

information to the Commission, or (iii) a protest resulting from the solicitation of such protest by the party seeking to terminate this Agreement.

14. Default. If Buyer, at any time, defaults on the terms and conditions of this Agreement, Seller shall have, among other remedies at law, the right to terminate this Agreement immediately and shall have the right to offer the Station and Translator and the Station and Translator Assets to a new purchaser.

15. Attorneys' Fees. The prevailing party in any legal proceeding against any other party to this Agreement brought under or in connection with this Agreement shall be additionally entitled to recover all expenses of litigation, including, expert witness fees, court costs and reasonable attorney's fees from the non-prevailing party.

16. Indemnification. Seller shall indemnify and hold Buyer harmless from any and all loss, claim, liability, suits and cost whatsoever, resulting solely and exclusively from the operations of the Station and Translator under Seller's direction (not including the programming and sales services provided by Buyer to the Station and Translator pursuant to the TBA) occurring prior to the Closing. Buyer shall indemnify and hold Seller harmless from any and all loss, claim, liability, suits and cost whatsoever, resulting from the operations of the Station and Translator by Buyer occurring on or after the Closing.

17. Confidentiality. Other than the FCC Form 314 application which will become publicly available upon its filing with the FCC and the public notices required to be given by 47 C.F.R. §73.3580, neither party hereto shall disclose to the media or any other parties any information

relating to this Agreement, except to any governmental authority when required

18. Allocations. On or before the Closing Date, the parties hereto will agree to an allocation of eighty percent (80%) to the license and twenty percent (20%) to the equipment and personal property as to the purchase price consistent with the federal Internal Revenue Code and the rules and regulations of the Internal Revenue Service.

19. Public Notices. Seller shall prepare and give at its expense all public notices as are required pursuant to 47 C.F.R. §73.3580.

20. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. An assignment shall not relieve the parties of their obligations to guarantee the prompt performance of any and all of their respective obligations thereunder. Buyer shall have the right to assign all of its rights, duties and obligations hereunder to a corporation, partnership or limited liability company owned by or under common control with Buyer, so long as such assignment does not materially delay FCC approval of this transaction.

21. Governing Law. As to the Station and Translator Assets, this Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. The forum for any disputes arising hereunder shall be the courts of Multnomah County, Oregon.

22. Headings. The headings of the paragraphs of this Agreement are for the convenience of the parties only, and do not in any way modify or interpret the meaning of the provisions hereof.

23. Gender-Number. Where context and circumstances require, the gender of all words used herein shall include the masculine, feminine and neuter, and the singular of all words shall include the plural and the plural the singular.

24. Invalidity. If any provision herein shall be held to be invalid, illegal, or unenforceable in any respect, this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

25. Notices. All notices provided or permitted to be given under this Agreement must be in writing and must be served by direct delivery; by depositing the same with a recognized overnight carrier (i.e. UPS, Federal Express, USPS, etc.); by electronic facsimile (fax) transmission; by electronic internet (email) transmission; or, by deposit in the United States mail, postage prepaid, or, by certified mail, return receipt requested. Any notice shall be effective when evidence of receipt is obtained by the sender. Such notice shall be addressed to the party to be notified, and to each respective attorney shown below.

If to Seller:

Mr. Edward C. Distell
929 9th Street SE
Mason City, IA 50401
Tel: (801)746-9991
Email: ecdistel@gmail.com

with copies to (does not constitute notice):

Dennis J. Kelly, Esquire
Law Office of Dennis J. Kelly
Post Office Box 41177
Washington, DC 20018
Tel: (202) 293-2300

Email: dkellyfcclaw1@comcast.net

If to Buyer:

Amador S. Bustos, President
BUSTOS MEDIA HOLDINGS, LLC
5110 SE Stark Street
Portland, OR 97215
Tel: (503)233-5280
Email: abustos@bustosmedia.com

26. Survival of Representations, Warranties and Covenants. The parties agree that the representations, warranties and covenants made by them herein shall survive the Closing Date for a period of two (2) years subsequent to the Closing.

27. Entire Agreement. The foregoing constitutes the entire agreement of the parties, and supersedes any prior understandings or written or oral agreements between the parties concerning the subject matter herein. This Agreement may not be modified, amended or changed in any way unless in writing signed by all parties hereto

28. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be considered an original counterpart, and shall become a binding Agreement when the parties shall have each executed one counterpart.

29. Facsimile Signature. This Agreement may be transmitted by electronic internet transmission (email) and any signature thereon shall be legally considered to be an original signature.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE
EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR
FIRST WRITTEN ABOVE.

SELLER:

EDWARD C. DISTELL

By


Edward C. Distell

BUYER:

BUSTOS MEDIA HOLDINGS, LLC

By


Amador S. Bustos

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE
EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR
FIRST WRITTEN ABOVE.

SELLER:

EDWARD C. DISTELL

By _____
Edward C. Distell

BUYER:

BUSTOS MEDIA HOLDINGS, LLC

By  _____
Amador S. Bustos