

## **STOCK PURCHASE AGREEMENT**

(Pacific Empire Radio Corporation)

Hillcrest Aircraft Company

This Stock Purchase Agreement is made by and among Pacific Empire Radio Corporation ("PERC" or "Corporation") as the Purchaser and Hillcrest Aircraft Company, an Idaho Corporation, as the Seller.

WHEREAS, the Corporation presently has outstanding a single class of common stock ("Shares"), of which 3,909,041 are issued and outstanding, 709,804 of which have been issued to Seller, which constitutes 18.1580% of the outstanding shares;

WHEREAS, the Seller invested in the Corporation over 10 years ago and desires to exit its investment in the Corporation;

WHEREAS, the Corporation retained a firm to value the broadcast assets of the company in 2018 and 2022. The Company and Seller have agreed on a fair and reasonable purchase price based on those valuations;

WHEREAS, the Corporation desires to purchase the interests of all shareholders who are not active in the management of the Corporation; and

WHEREAS, Purchaser desires to purchase from Seller and Seller desires to sell to Purchaser all of the Shares owned by Seller on the terms and subject to the conditions set forth herein.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

### **Section 1. Purchase of Shares.**

1.1 Purchase of Shares. Subject to the terms and conditions set forth herein, Seller sells all of the Shares owned by Seller to Purchaser and Purchaser purchases all of the Shares owned by Seller from Seller, and that of other shareholders who collectively own Shares constituting 49.726% of all of the issued and outstanding capital stock of the Corporation as of the Closing.

1.2 Purchase Price. Purchaser will pay to Seller the total sum of \$37,500 for the Seller's Shares (referred herein to as the "Purchase Price"). Such purchase price represents an amount equal to thirty percent (30%) of the amount paid by the Seller at time of the

purchaser's initial investment in the Corporation as reflected in the stock ledger of the Corporation.

1.3 Payment of Purchase Price. The Purchase Price will be paid in full to Seller upon execution of this Agreement by the parties and on/before the 30<sup>th</sup> day after the final approval of the transaction by the Federal Communications Commission.

1.4 Effective Date of Stock Purchase. Although this Agreement is executed on the date entered by the parties below, the effective date of this Agreement and of the transfer of Seller's share of stock in the Company to Purchasers is the 30<sup>th</sup> day after the final approval of the transaction by the Federal Communications Commission.

## **Section 2. Representations and Warranties of the Corporation Purchaser:**

As a material inducement to Purchaser to enter into this Agreement and purchase the Shares, the Corporation, jointly and severally, represent and warrant that:

2.1 Organization and Corporate Power. The Corporation is a corporation duly incorporated and validly existing under the laws of the state of Idaho and the Corporation is qualified to do business in every jurisdiction in which its ownership of property or conduct of business requires it to qualify. The Corporation has all requisite corporate power and authority and all material licenses, permits, and authorizations necessary to own and operate its properties and to carry on its business as now conducted. The Corporation makes no additional representations and Corporation purchases said stock "as is."

2.2 Governmental Authorities. Corporation is required to submit a notice and file for approval of this transaction with the Federal Communications Commission (FCC) in connection with the execution and delivery by Corporation of this Agreement and the consummation of the purchase depends on the consent of the FCC.

## **Section 3. Representations and Warranties of Purchaser.**

As a material inducement to Seller to enter into this Agreement and sell the Sellers' shares, Corporation hereby represents and warrants to Sellers as follows:

3.1 During the course of the negotiation of this Agreement, Seller has reviewed all information provided to it by the Corporation and has had the opportunity to ask questions of and receive answers from representatives of the Corporation concerning the Corporation, the securities offered and sold hereby, and this purchase

3.2 Purchaser understands that the Shares to be purchased have not been registered

under the Securities Act of 1933 ("1933 Act") or under any state securities law.

3.3 Purchaser understands that the Shares cannot be resold in a transaction to which the 1933 Act and state securities laws apply unless (i) subsequently registered under the 1933 Act and applicable state securities laws or (ii) exemptions from such registrations are available. Purchaser is aware of the provisions of Rule 144 promulgated under the 1933 Act which permit limited resale of shares purchased in a private transaction subject to the satisfaction of certain conditions.

3.4 Purchaser understands that no public market now exists for the Shares and that the Corporation will cancel the Shares upon consummation of this Agreement.

#### **Section 4. Covenants of the Seller.**

Seller covenants and agrees as follows:

4.1 During the course of the negotiation of this Agreement, Purchaser has reviewed all information provided to it by the Corporation and has had the opportunity to ask questions of and receive answers from representatives of the Corporation concerning the Corporation, the securities offered and sold hereby, and this purchase, and to obtain certain additional information requested by Purchaser. By Signing this Agreement, the Seller acknowledges the valuations made by Media Services

4.2 Seller waives its rights to purchase any part or any proportional share of the shares subject to this transaction as provided in Article 15 of the Bylaws of the Corporation.

4.3 By signing this Agreement, the Seller also agrees to waive any and all rights under the Articles or Bylaws of the Corporation as they relate to shareholder meetings, notice of proposed stock transfer, processes for effectuating stock transfers, the number of directors, and/or any other provision that may be conflict with this agreement.

4.4 By signing this Agreement, Seller agrees to waive any requirement that the President reduce the principle or interest of the notes owned by the President as a result of compensation paid to or for him since 2013.

4.5 By signing this Agreement, the Seller acknowledges that there is no independent Board of Directors and waives the requirement for an independent counsel to set the purchase price. See Idaho Code § 30-29-101 et seq.

4.6 General Waiver. It is understood and agreed that this Agreement is made to resolve potential issues between the Parties hereto and is entered solely for the purpose of reaching an agreement. Nothing contained herein shall be interpreted or construed as an admission or acknowledgment by any of the Parties hereto of any wrongdoing, liability, debt, or fault, of any nature whatsoever, and any and all such liabilities, faults, debts, or wrongdoings are hereby expressly denied.

This Agreement is binding upon and shall inure to the benefit of the Parties hereto, and their respective past and present officers, partners, employees, agents, servants, attorneys, legal representatives, shareholders, licensees, affiliates, parent corporations, subsidiary corporations, divisions, predecessors, successors, assigns, officers, directors, members, heirs, executors, administrators, receivers, and trustees, their respective insurers, reinsurers, excess insurers, and underwriters, as applicable.

This Agreement is intended by the Parties hereto as the final expression of their agreement and as a complete and exclusive statement of the terms and provisions thereof. No representations, understandings, or agreements have been made or relied upon in the reaching of this settlement other than those specifically set forth herein. In executing this Agreement, the Parties have relied solely upon their judgment, beliefs, and knowledge, concerning the nature, extent, and duration of their rights and claims hereunder.

4.7 Action After the Closing. Upon the reasonable request of any party hereto after the Closing, any other party will take all action and will execute all documents and instruments necessary or desirable to consummate and give effect to this purchase.

## **Section 5. Miscellaneous Provisions.**

5.1 Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified, or supplemented only by a written agreement signed by Purchaser and Sellers.

5.2 Waiver of Compliance; Consents. Any failure of any party to comply with any obligation, covenant, agreement, or condition herein may be waived by the party entitled to the performance of such obligation, covenant, or agreement or who has the benefit of such condition, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

5.3 Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent will be given in a manner consistent with the requirements for a

waiver of compliance as set forth above.

5.3 Titles and Captions. All section titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the context nor affect the interpretation of this Agreement.

5.4 Entire Agreement. This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement.

5.5 Agreement Binding. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

5.6 Attorney Fees. In the event an arbitration, suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorney fees to be fixed by the arbitrator, trial court, and/or appellate court.

5.7 Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall be included, unless it is a Saturday, Sunday, or a legal holiday, in which event the period shall begin to run on the next day which is not a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day thereafter which is not a Saturday, Sunday, or legal holiday.

5.8 Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

5.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

5.10 Presumption. This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by said Party.

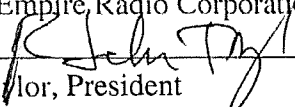
5.11 Further Action. The parties hereto shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of the Agreement.

5.12 Parties in Interest. Nothing herein shall be construed to be to the benefit of any third party, nor is it intended that any provision shall be for the benefit of any third party.

5.13 Savings Clause. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

PURCHASER:

Pacific Empire Radio Corporation, an Idaho Corporation,

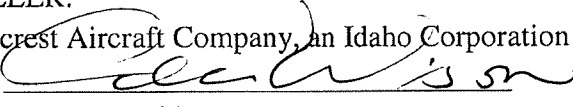
By: 

John Taylor, President

Date of Execution: September 27, 2023

SELLER:

Hillcrest Aircraft Company, an Idaho Corporation

By: 

Gale Wilson, President

Date of Execution: ~~September 11~~, 2023  
October