

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of November 18, 2020 Independence Rock Media LLC, a California limited liability company ("Buyer"), Estate of Thomas F. Huth, Deceased, Dwilynda Huth as Executor ("Estate"), Thomas Huth Revocable Living Trust, Dwilynda Huth as Trustee ("Trust") and Huth-Penney Broadcasting, LLC ("HPB") (Estate, Trust and HPB are collectively referred to herein as "Seller").

Recitals

A. This Agreement pertains to the following radio broadcast Stations (the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

(1) Licensed by the FCC to the Estate:

- KIQS(AM), 1560 kHz, Willows, California, FCC Facility ID #34941
- K252FN(FX), 98.3 MHz, Willows, California, FCC Facility ID #156103
- KEGE(FM), 101.7 MHz, Hamilton City, California, FCC Facility ID #164155

(2) Licensed by the FCC to the Trust:

- KTOR(FM), 99.7 MHz, Gerber, California, FCC Facility ID #82891
- KHEX(FM), 100.3 MHz, Concow, California, FCC Facility ID #31618
- KAJK(FM), 96.3 MHz, Susanville, California, FCC Facility ID #162465
- KGXX(FM), 100.7 MHz, Susanville, California, FCC Facility ID #183357
- KLZN(AM), 1490 kHz, Susanville, California, FCC Facility ID #160277
- K257EK(FX), 99.3 MHz, Susanville, California, FCC Facility ID #151434
- K284CL(FX), 104.7 MHz, Red Bluff, California, FCC Facility ID #156223

(3) Licensed by the FCC to HPB:

- KBLF(AM), 1490 kHz, Red Bluff, California, FCC Facility ID #48853
- KRAC(AM), 1370 kHz, Red Bluff, California, FCC Facility ID #54978
- K277CE(FX), 103.3 MHz, Fallon, Nevada, FCC Facility ID #144156

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Sale Assets (defined below).

C. This Agreement supersedes any and all agreements, written, oral or otherwise, that the parties may have entered into prior to the date hereof.

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: PURCHASE OF ASSETS

1.1 Sale Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Section 1.2, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the following assets and properties of Seller that are used or held for use in the operation of the Stations (the "Sale Assets");

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's equipment, transmitters, antennas, and other tangible personal property used or held for use in the operation of the Stations's main transmitter site, including the items listed on *Schedule 1.1(b)*, except for any retirements or dispositions thereof made in the ordinary course of business (the "Tangible Personal Property");

(c) The following real property, in fee simple absolute, free and clear of bank loans or liens: (1) that certain real property commonly known as 756 Hickory Street, Red Bluff, California, which serves as the studio and office location for KBLF and KRAC (free and clear of bank loans or liens); and (2) that certain real property commonly known as 250 Conrad Avenue, Red Bluff, California, which serves as the transmitter and antenna site for KBLF and KRAC and all related equipment (the "Real Property").

(d) the real property leases and/or transmitter site use agreements which are described on *Schedule 1.1(c)* (the "Real Property Leases");

(e) the contracts and agreements used by Seller in the operation of the Stations, including but not limited to those contracts, agreements, equipment leases, warranties, and other rights or agreements, whether written or oral that are listed on *Schedule 1.1(d)* (the "Station Contracts"); provided, however, that the assignment of the Contracts is explicitly conditioned upon Buyer's assumption of all rights, duties and obligations of such Contracts from and after Closing. Buyer has the right to accept or take on those contracts it chooses.

(f) the call letters of the Stations and the intellectual property such as trade names, logos, copyrights, service marks, trademarks, patents, patent applications, licenses, and goodwill associated with the Stations including but not limited to those items listed on *Schedule 1.1(e)* (the "Intellectual Property"); and

(g) Any books and records of Seller that relate exclusively to the FCC Licenses, Tangible Personal Property, Real Property, Real Property Leases or Stations Contracts, but excluding any that are Excluded Assets (defined below), and provided that Seller may retain copies.

The Sale Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for Assumed Obligations (defined in Section 1.3), liens for taxes not yet due and payable, and liens that will be released at or prior to Closing (collectively, "Permitted Liens"). The Sale Assets being sold pursuant to this Agreement are sold in their present physical condition "as-is", "where-is" and "with all faults". Buyer has had an opportunity to examine the property and assets and (whether or not Buyer has examined the property and assets); Buyer represents, warrants and covenants that it is satisfied with the condition of the property and assets sold pursuant to this Agreement. There are no agreements or representations pertaining to the property and assets or to this transaction which has been made by Seller, except those stated in this Agreement. Title shall be taken in its present condition subject to all easements, covenants, conditions, restrictions, rights and other matters, whether of record or not. If Buyer disapproves of the condition of title Buyer may cancel this Agreement by giving notice of cancellation to Seller. If Buyer does not deliver to Seller a notice of cancellation within 21 days from the effective date of this Agreement, Buyer shall conclusively be deemed to have completed any desired investigations, elected to proceed with the transaction, waived any defects or other condition and title and assumed all liability, responsibility and expense which might flow as a consequence of such circumstances. Seller, with no duty of inquiry, represents she has no knowledge of liens, encumbrances, government actions or foreclosures concerning the assets.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Sale Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

(a) all assets used and useful in the operation of AM Broadcast Station KMYC, 1410 kHz, Marysville, California and FM Translator Station K282BS, 104.3 MHz, Marysville, California, including all parcels of real estate upon which the KMYC offices, studios and transmitter site is situated.

(b) the following real estate: (1) the building and lot at 275 Fairchild Avenue, Chico, California; and (2) the building and lot at 44 N. McDow Street, Susanville, California

1.3 Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Real Property Leases and Stations Contracts, and any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.6 (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations").

1.4 Purchase Price. In consideration for the sale of the Sale Assets to Buyer, at

Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00, in lawful money of the United States of America, subject to adjustment pursuant to Section 1.6 (the "Purchase Price").

1.5 Deposit; Payment on the Closing Date. As of the date hereof, Buyer has made a cash deposit in immediately available funds in the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) (the "Deposit") with Northern California Title Company, 521 Walnut Street, Red Bluff, California ("Escrow Agent"). At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. The balance of the purchase price shall be paid on the Closing Date by Buyer to Seller in cash by means of wire transfer. If this Agreement is terminated by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is otherwise terminated pursuant to its terms, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement unless contested by a party in good faith in writing within five (5) business days of a disbursement request, in which event the Deposit shall remain with the Escrow Agent until the parties' dispute is resolved. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply entitling Seller to immediately terminate this Agreement.

1.6 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Sale Assets and arising from the operation of the Sale Assets shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles ("GAAP") as of 11:59 p.m. on the day immediately preceding the Closing Date (the "Effective Time"). Such prorations shall include without limitation all FCC regulatory fees, utility expenses, rent and other amounts under Stations Contracts and the Real Property Lease, and similar prepaid and deferred items. Prorations and adjustments shall be made at Closing to the extent practicable. As to those prorations and adjustments not made at Closing, an adjustment shall be made no later than ninety (90) calendar days after Closing.

1.7 Allocation. Seller and Buyer shall each allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Sale Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). Each of Buyer and Seller shall file a tax return reflecting its allocation, as and when required under the Code. For these purposes, Seller and Buyer agree to allocate \$175,000.00 to buildings, ~~and~~ Equipment; \$10,000.00 to transmitter sites; and \$210,000.00 to FCC licenses. CAH

1.8 Closing. The consummation of the sale and purchase of the Sale Assets provided for in this Agreement (the "Closing") shall take place on or before the tenth business day after the date the FCC issues public notice of the FCC Consent pursuant to the FCC's initial order, or on such later day after such consent as Buyer and Seller may mutually agree, subject to satisfaction or waiver of the conditions set forth in Articles 6 or 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9 FCC Consent. Within five (5) business days of the date of this Agreement, the parties shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the "FCC Consent". The parties shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. The parties shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation and prosecution of any governmental filing hereunder.

ARTICLE 2: BUYER'S RELEASES

2.1 Pennco. Pennco Investment Group, Incorporated of 2998 Douglas Boulevard, Suite 315, Roseville, California 95661 ("Pennco") and/or Frederick W. Penney ("Penney") may have an interest in the assets which are the subject of this Agreement, to include radio stations KBLF, KRAC and others. To the extent Pennco and/or Penney have any interest in the assets transferred pursuant to this Agreement, they hereby consent to the sale to Buyer and, for no consideration, and transfer any interest they may have in the assets which are the subject of this Agreement to the Buyer. Pennco and Penney also release Seller of and from any and all claims, rights or other causes of action they may have against Buyer and have signed a copy of this Agreement to reflect the consent, transfer and release described above.

2.2 Hunter. Cal Hunter and Donna Hunter (collectively "Hunter") will have a beneficial interest in the Buyer. Hunter, who has served as a management employee of the Estate, the Trust and HPB, has potential legal claims against all of them. Hunter, in consideration of this Agreement and as an inducement for Seller to enter into this Agreement consents to the transfer of assets, the subject of this Agreement, and relinquish any claim Hunter may have in such assets. As additional consideration and inducement for Seller to enter into this Agreement, Hunter waives and releases any and all claims and other causes of action they may have against Seller, the Estate, the Trust and HPB and any other entity in which Tom Huth held an interest during his lifetime. By signing a copy of this Agreement Hunter acknowledges and consents to the transfer of assets, relinquishment of any claims and releases given as described above.

ARTICLE 3: JOINT COVENANTS

3.1 FCC Compliance. If after Closing the FCC Consent is reversed or otherwise set aside, and there is a final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Sale Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Sale Assets free and clear of Liens other than Permitted Liens, and Seller shall repay to Buyer the Purchase Price and reassume the Stations Contracts. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution

by Buyer of instruments of conveyance of the Sale Assets to Seller and execution by Seller of instruments of assumption of the Stations Contracts) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

3.2 No Contingencies. There are no loan or appraisal contingencies associated with the transaction, the subject of this Agreement. The sale is expressly contingent upon the receipt of written consent from the FCC to the assignment of licenses of the Stations from Seller to Buyer (obtained at the cost of Buyer). Seller and Buyer agree to enter into one or more Time Brokerage Agreements ("TBA"). Escrow closes upon FCC approval or disapproval without any additional consideration.

3.3 FCC Applications. Buyer, at Buyer's expense, including but not limited to the payment of all required FCC application filing fees, shall prepare and file three separate FCC Form 314 applications for FCC consent to the assignment to Buyer of the FCC licenses held respectively by the Estate, the Trust and by HPB. Both Seller and Buyer shall diligently prosecute said applications with the FCC and if FCC consent has not been granted by January 31, 2021, Seller may cancel this Agreement by written notification to Buyer and refund all monies expended by it. In any event, the receipt of FCC consent to all transactions contemplated by this Agreement shall be an express condition precedent to the obligations of any and all parties hereunder to close.

3.4 Closing Date. The closing for the purchase and sale of the assets will occur within 20 days of FCC approval unless the parties mutually agree in writing to a different closing date ("Closing Date").

3.5 Maintenance of Property Pending Closing. From the date hereof through the Closing Date, and subject to those certain Time Brokerage Agreements which have been executed by Seller and Buyer, in order to comply with the rules and regulations of the FCC Seller shall continue to maintain the Sale Assets and conduct its operation of the Business in the same manner as they have been maintained and operated by Seller prior to the execution of this Agreement.

3.6 Risk of Loss. Seller assumes all risk of loss or damage to the Assets prior to the Closing. In the event there is any material loss or damage to all or any portion of the Assets prior to the Closing, Buyer party may either terminate this Agreement by delivery of a written notice of cancellation to the other party or negotiate for a proportionate reduction In the Purchase Price to reflect the loss or damage. For the purposes of this provision, the term "material loss or damage" shall mean any loss or damage to the Assets with an aggregate cost of \$10,000.00. Seller will allow buyer to continue to keep insurance on the properties and stations, if Buyer proceeds to close escrow.

ARTICLE 4: SELLER'S CLOSING CONDITIONS

4.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

4.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

4.3 FCC Authorization. The FCC Consent pursuant to the FCC's initial order shall have been obtained.

4.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 8.2.

4.5 Required Consent. The Required Consent shall have been obtained.

ARTICLE 5: BUYER'S CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

5.1 Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

5.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.3 FCC Authorization. The FCC Consent pursuant to the FCC's initial order shall have been obtained.

5.4 Deliveries. Seller shall have complied with its obligations set forth in Section 8.1.

5.5 Required Consent. The Required Consent shall have been obtained.

ARTICLE 6: CLOSING DELIVERIES

6.1 **Seller Documents.** At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) a written assignment of FCC authorizations assigning the FCC Licenses pursuant to FCC Consent from Ocean to Buyer;

(ii) one or more written assignment and assumption instruments for assigning the Real Property Leases from Seller to Buyer;

(iii) one or more written assignment and assumption instruments for assigning the Stations Contracts from Seller to Buyer;

(iv) Quitclaim deeds in a form satisfactory to Buyer and its counsel for each and every parcel of real estate being sold and conveyed hereunder;

(v) a bill of sale conveying the other Sale Assets from Seller to Buyer; and

(vi) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Sale Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

6.2 **Buyer Documents.** At Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the Purchase Price in accordance with Section 1.4 hereof plus any additional sums so as to allow Buyer to comply with its obligations regarding payment of prorations, costs and expenses under this Agreement, subject to disbursement instructions to be given by Dwilynda Huth at the Closing;

(ii) one or more written assignment and assumption instruments for assigning the Real Property Leases from Seller to Buyer;

(iii) one or more written assignment and assumption instruments for assigning the Stations Contracts from Seller to Buyer;

(iv) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

6.3 **Expenses of Closing.** The following items shall be paid current and prorated between Buyer and Seller as of Close of Escrow: real property taxes and assessments, interest, rents and assessments imposed prior to close of escrow-, premiums on insurance-assumed by Buyer, payments in bonds and assessments assumed by Buyer, and payments on Mello-Roos Community Facilities District (Mello-Roos) and other special assessment district bonds and assessments that are now a lien. The following items shall be assumed by Buyer without credit toward the Purchase Price: prorated payments of Mello-Roos and other special assessment

district bonds and assessments that are now a lien but not yet due. The parties shall share equally the escrow fee. The parties shall share equally the cost for an ALTA policy of title insurance. The parties shall equally pay the cost of any county or city transfer tax or fee. Buyer shall pay all sales and use taxes arising out of the transfer of the non real property assets, if any. Legal fees, accounting fees, consulting fees, and all other incidental expenses in connection with the transaction contemplated by this Agreement shall be borne by the party that incurs the expenses. Neither Buyer nor Seller- have retained an agent to represent them and each party represents to the other that there is no commission to be paid concerning the sale of any of the assets the subject of this Agreement. Each party indemnifies the other for any claim that commission be paid associated with the sale to the extent the indemnifying party promised or otherwise agreed to the payment of a commission.

ARTICLE 7: POST-CLOSING OBLIGATIONS

5.1. Additional Assurances. Each party agrees to do all acts and things necessary to make, execute, and deliver such written instruments as shall be reasonably necessary to carry out the terms and provisions of this Agreement. This covenant of further assurances shall survive the Closing.

ARTICLE 8: GENERAL PROVISIONS

8.1. Assignment. The respective rights and obligations of the parties to this Agreement may not be assigned by any party without the prior written consent of the other, which consent may not be unreasonably withheld or delayed.

8.2. Successors and Assigns. The terms and provisions of this Agreement shall be binding on and inure to the benefit of the successors and permitted assigns of the parties.

8.3. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, oral and written, between the parties hereto with respect to the subject matter of this Agreement.

8.4. Modification and Waiver. This Agreement may not be amended, modified, or supplemented except by written agreement signed by the party against which the enforcement of the amendment, modification, or supplement is sought. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision. No waiver shall be binding unless executed in writing by the party making the waiver.

8.5. Attorney Fees. If any legal action or other proceeding is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and other costs incurred in the action or proceeding, in addition to any other relief to which the prevailing party may be entitled.

8.6. Fees and Expenses. Except as otherwise specifically provided in this Agreement, Seller and Buyer shall pay their own fees and expenses in connection with the negotiation and consummation of the transactions contemplated by this Agreement.

8. 7. Notices. All notices, requests, demands, and other communications required by this Agreement shall be in writing and shall be (a) delivered in person or by courier, (b) mailed by first class registered or certified mail, or (c) delivered by facsimile transmission or email (with a mailed copy), as follows, or to such other address as a party may designate to the other in writing:

(a) If to Seller:

Dwilynda Huth
Post Office Box 669
Marysville, CA 95901
E-mail: dwilynda@gmail.com

With a copy to:

Rich, Fuidge, Bordsen, Galyean, Inc.
1129 D Street
Marysville, CA 95901
Attention: Brant J. Bordsen, Esquire
Facsimile: (530)742-5982

(b) If to Buyer:

Calvin Hunter, Manager
Independence Rock Media LLC
1490 Stone Point Drive, Suite 200
Roseville, CA 95661
E-mail: fpenny@penneylawyer.com

With a copy to:

Frederick W. Penney, Esquire
Penney & Associates
1490 Stone Point Drive, Suite 200
Roseville, CA 95661
E-mail: fpenny@penneylawyer.com

If delivered personally or by courier, the date on which the notice, request, instruction, or document is delivered shall be the date on which the delivery is made, and if delivered by facsimile transmission or mail as aforesaid, the date on which the notice, request, instruction, or document is received shall be the date of delivery.

8.8. Headings. All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement, and shall not affect in any way the meaning or interpretation of this Agreement.

8.9. Counterparts. This Agreement may be executed counterparts, all of which shall be considered one and the same agreement and shall become effective when one counterpart has been signed by each party and delivered to the other party hereto,

8.10. Time of Essence. Time shall be of the essence with respect to the obligations of the parties to this Agreement.

8.11. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California.

8.12. Severability. In the event any provision of this Agreement is deemed to be invalid, illegal, or unenforceable, all other provisions of the Agreement that are not affected by the invalidity, illegality, or unenforceability shall remain in full force and effect.

8.13. ALL PARTIES HAVE SOUGHT LEGAL COUNSEL OR EQUIVALENT COUNSEL THAT HAVE EXPERIENCE IN REVIEWING SIMILAR CONTRACTS HEREIN.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

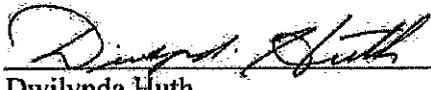
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER

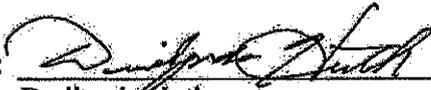
ESTATE OF THOMAS F. HUTH, DECEASED

By: 
Dwilynda Huth
Executor

THOMAS HUTH REVOCABLE LIVING TRUST

By: 
Dwilynda Huth
Trustee

HUTH-PENNEY BROADCASTING, LLC

By: 
Dwilynda Huth
Manager

BUYER

INDEPENDENCE ROCK MEDIA LLC

By: 
Calvin Hunter
Manager