

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made as of this 2<sup>nd</sup> day of December, 2019, by and among Digital Networks-Midwest, LLC/Digital Networks-Wichita, LLC, Digital Networks-Northeast, LLC, Digital Networks-Northwest, LLC, Digital Networks-Southeast, LLC and Digital Networks-Southwest, LLC (“Sellers”) and Reach High Media Group, Inc. (“Buyer”).

### Recitals

- A. Sellers are the owners of the Stations (the “Stations”) listed on the attached Schedule A.
- B. Sellers have agreed to sell the Stations to Buyer, on the terms and conditions set forth herein.

### Agreements

In consideration of the foregoing, and the mutual covenants and agreements set forth below, Sellers and Buyer hereby agree as follows:

1. **Application.** The parties shall cooperate in the prompt preparation and filing of an application with the Federal Communications Commission (the “Commission”) for consent to the assignment of the licenses and authorizations issued by the Commission for the Stations (the “Licenses”) from Sellers to Buyer. Such application is to be filed within seven (7) business days of the date of this Agreement, with the Buyer to pay all of the necessary filing fees. The parties shall cooperate in the diligent submission of any additional information requested or required by the Commission with respect to such application, and shall take all steps reasonably required for the expeditious prosecution of such application to a favorable conclusion.
2. **Assets To Be Conveyed.** On the Closing Date, as defined in Section 11 hereof, Sellers will assign, transfer, convey and deliver to Buyer:

- a. All of the Licenses identified on Schedule A hereto.
- b. All of the tangible personal property, whether owned or leased, located at or used in the operation of the Stations, but excluding any property identified on Schedule B as an excluded asset, and including, but not limited to, all replacements and additions thereto between the date of this Agreement and the Closing Date.
- c. All of the intangible property or property rights of the Stations, including copyrights, trademarks, logos, software, service marks, warranties, goodwill, call sign(s), books and records (excluding Sellers' corporate books and records to the extent reasonably needed for tax purposes), but excluding Sellers' cash or cash equivalents, deposits, prepaid items, accounts receivable, music licenses and pension or deferred compensation plans as of the Closing Date.
- d. All of the contracts, agreements and interests relating to the operation of the Stations listed and described on Schedule C hereto, but excluding all insurance contracts or rights thereunder, labor or employment contracts and pension, 401(k) or deferred compensation plans or agreements.
- e. All of the interests in real property used in the operation of the Stations, as listed and described on Schedule D hereto.

The foregoing assets to be conveyed to Buyer (the "Purchased Assets") are to be conveyed through bills of sale, assignments, deeds or other documents of transfer (the "Closing Documents") customary for such purpose and satisfactory in form and substance to Buyer, Sellers, and their respective counsel. The Purchased Assets are to be conveyed to Buyer free and clear of any claims, liabilities, mortgages, deeds of trust, assignments, liens, pledges, conditions, exceptions, restrictions, limitations, charges, security interests or other encumbrances of any nature whatsoever (collectively, "Liens").

**3. Purchase Price.** The purchase price (“Purchase Price”) to be paid on the Closing Date by Buyer for the Purchased Assets shall be a cash payment of Five Hundred Thousand Dollars (\$500,000), plus or minus any prorations pursuant to Section 7 hereof, to be paid to Sellers in immediately available funds. A breakdown of allocation of the purchase price relative to each Station being acquired is contained in Schedule A. In further consideration of the instant transaction, Buyer shall pay the Purchase Price to Seller by March 2, 2020, however, control of the licenses shall remain with Seller until Closing.

**4. Representations and Warranties of Sellers.** Sellers hereby represent and warrant to Buyer that:

a. Sellers are and as of the Closing Date are duly organized, validly existing and in good standing;

b. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by the principals of Sellers. No other or further corporate act on the part of Sellers is necessary to authorize this Agreement or the consummation of the transaction contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of Sellers, enforceable in accordance with its terms.

c. Subject to obtaining the approval of the Commission, the execution, delivery and performance of this Agreement (i) does not require the consent of any third party (other than as disclosed on Schedule C) and (ii) will not conflict with, result in a breach of, or constitute a default under any agreement or instrument to which Sellers are a party or by which Sellers are bound or under any law, judgment, order, decree, rule or regulation of any court or governmental body which is applicable to Sellers or the Stations.

d. Sellers are and as of the Closing Date will be in material compliance with all applicable laws, including the Communications Act of 1934, as amended, and the rules and regulations of the Commission.

e. The Purchased Assets are and on the Closing Date will be in compliance with all applicable laws.

f. Sellers know of no reason related to its qualifications which would disqualify them from holding the Licenses or assigning the Licenses to Buyer. Sellers have all the Licenses and consents required for the operation of the Stations. The Licenses are valid and in full force and effect and constitute all of the authorizations issued by the FCC in connection with the operation of the Stations. None of the Licenses are subject to any restriction or condition that would limit in any respect the operation of the Stations as now conducted.

g. Sellers have, and on the Closing Date will have, good and marketable title to all the Purchased Assets, free and clear of all Liens. None of the Purchased Assets are subject to any restrictions with respect to the transferability thereof. Sellers have complete and unrestricted power and right to sell, assign, convey and delivery the Purchased Assets to Buyer as contemplated hereby. At Closing, Buyer will receive good and marketable title to all the Purchased Assets, free and clear of all Liens of any nature whatsoever except for Permitted Liens.

h. Schedule D contains true and complete copies of all deeds, leases or other instruments pertaining to the real property included in the Purchased Assets. Except as shown on Schedule D, Sellers have good and marketable fee simple title, insurable at standard rates and without material exceptions or reservations, to the owned real property included in the Purchased Assets. Except as shown on Schedule D, all of the Stations' towers, guy anchors, buildings or

other improvements are located entirely on such real property. Sellers have not received and are not aware of any complaint, order, citation or notice from any person or entity concerning any environmental, health or safety matters affecting such real property.

i. Sellers own and have good title to the personal property described in Schedule B. Except as noted on Schedule B, all items of transmitting equipment and studio equipment included therein are in good operating condition (subject to normal wear and tear), are suitable for their intended use and will permit the Stations to operate in accordance with the terms of the Licenses.

j. The Purchased Assets include all of the assets that are necessary to operate Stations as they are currently operated.

k. All of the contracts, agreements and interests listed and described on Schedule C are in effect, except as specifically noted on Schedule C. Sellers have not breached any of such contracts or agreements and is not aware of any material breach of any of such contracts or agreements by any party thereto.

l. Sellers are not aware of any environmental condition that would constitute a material hazard for purposes of Section 10.e hereof, but Sellers have not conducted an environmental inspection of the Purchased Assets and do not warrant that such an environmental inspection would not reveal any material hazard.

m. Sellers are not a party to any collective bargaining agreement with any trade union and is not aware of any trade union organization effort by or with respect to any of the employees of the Stations. Buyer shall be under no obligation to hire or retain any employee of Sellers or to assume any liability whatsoever for any employment contract or employee benefit program created by or existing with Sellers.

**5. Representations and Warranties of Buyer.** Buyer hereby represents and warrants to Sellers that:

a. This Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms.

b. Buyer knows of no reason related to its qualifications that would disqualify it from acquiring the Licenses from Sellers.

c. Buyer has the financial resources necessary to consummate the purchase contemplated by this Agreement.

**6. Expenses.** The expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring such expense.

**7. Assumption of Liabilities and Proration of Income and Expenses.** All obligations and liabilities of Sellers, including any that relate to Sellers' ownership or operation of the Stations or the Purchased Assets prior to the Closing Date, shall remain the obligations and liabilities of Sellers. All income attributable to the operation of the Stations through 11:59 p.m. on the date prior to the Closing Date will be income of Sellers, and all income thereafter will be income of Buyer. On or within sixty (60) days after the Closing Date, Sellers and Buyer shall perform a proration of income and expenses in accordance with the foregoing provisions.

**8. Sellers' Closing Conditions.** All obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions:

a. The Commission shall have consented to the assignment of the Licenses to Buyer without any condition materially adverse to Sellers, and such consent shall have become a

final order, no longer subject to review, reconsideration, appeal or remand under applicable laws and rules (a “Final Order”). Buyer may, in its sole discretion, waive finality.

b. Buyer shall have paid the Purchase Price.

c. Buyer shall have executed and delivered to Sellers the Closing

Documents.

**9. Buyer’s Closing Conditions.** All obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions:

a. The Commission shall have consented to the assignment of the Licenses to Buyer without any condition materially adverse to Buyer, and such consent shall have become a Final Order. Buyer may, in its sole discretion, waive finality.

b. Sellers shall have executed and delivered to Buyer the Closing Documents and conveyed the Purchased Assets to Buyer in accordance with this Agreement.

c. All representations and warranties of Sellers made herein shall be true and correct in all material respects as of the Closing Date, and Sellers shall have delivered to Buyer a certificate of an officer of Sellers to such effect.

d. As of the Closing Date, Sellers shall have complied in all material respects with all covenants and conditions of this Agreement and Sellers shall have delivered to Buyer a certificate of an officer of Sellers to such effect.

e. There shall have been no material adverse change in the condition of the Purchased Assets between the date of this Agreement and the Closing Date.

**10. Termination.** This Agreement may be terminated as follows, it being agreed that time is of the essence for purposes of all deadlines or timeframes described herein:

a. If conditions to Closing set forth in Section 8 of this Agreement have not been satisfied (or waived by Sellers) within two hundred seventy (270) days of the date of this Agreement, Sellers may terminate this Agreement upon written notice to Buyer.

b. If the conditions of Closing set forth in Section 9 of this Agreement have been satisfied (or waived by Sellers) within two hundred seventy (270) days of the date of this Agreement, Buyer may terminate this Agreement upon written notice to Sellers.

c. If prior to the Closing Date, any damage or destruction of any of the Purchased Assets materially impairs the value of the Stations or prevents signal transmission by the Station(s) for a period of more than forty-eight (48) hours, Sellers shall promptly notify Buyer of such damage or destruction and Buyer may terminate this Agreement upon written notice to Sellers within ten (10) days of Buyer's receipt of such notice.

d. If either Buyer or Sellers shall be in material breach of this Agreement, and such breach is not cured after ten (10) days' written notice, the other party, if not then in material breach and having received written notice thereof, may terminate this Agreement. In the event of a material breach of this Agreement by Sellers, Buyer alternatively shall have the right to obtain specific performance of the terms of this Agreement, it being agreed that the Purchased Assets are unique assets. If any action is brought by Buyer pursuant to this subsection to enforce this Agreement, Sellers shall waive the defense that there is an adequate remedy at law. In the event of a dispute hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party.

**11. Closing.** The Closing, or the Closing Date, as used throughout this Agreement, shall take place in Washington, D.C. on a date selected by Buyer (with reasonable written notice to Sellers) within five to ten (5-10) business days after the condition precedent described in

Section 8.a and 9.a hereof is satisfied, subject to satisfaction of the other conditions precedent set forth above.

**12. Allocation of Purchase Price.** The Purchase Price of the Stations will be allocated in accordance with Schedule A hereto.

**13. Control of the Stations.** Prior to the Closing Date, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Stations. Such operations shall be the sole responsibility of Sellers until this Agreement is consummated. Sellers will operate the Stations in the ordinary course of business, consistent with past practices and in accordance with all applicable laws, rules and regulations. Sellers also will maintain insurance on the Purchased Assets prior to the Closing Date and maintain the Purchased Assets in accordance with Sellers' past practice. Sellers shall, upon reasonable request with reasonable advance notice by Buyer, allow Buyer to inspect the Purchased Assets and the books and records of the Stations.

**14. Survival.** The representations and warranties of Buyer and Sellers set forth above shall survive the Closing Date for a period of twenty-four (24) months (the "Survival Period") and no claims may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such notice is given, the right to indemnification with respect thereto under this provision shall survive the applicable Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

**15. Entire Agreement.** This Agreement, together with all schedules hereto, constitutes the entire agreement between the parties and supersedes all prior agreements.

**16. Construction and Enforcement.** This Agreement shall be construed and enforced in accordance with the internal laws of the State of Tennessee. Any disputes arising out of this Agreement shall be resolved in state or federal court in Tennessee.

**17. Successors and Assigns.** This Agreement shall inure to the benefit of and be binding on the permitted successors and assigns of the parties hereto. Buyer may, without consent of Sellers, assign its rights and obligations hereunder to another party.

**18. Cooperation.** Both before and after the Closing, Sellers and Buyer shall each cooperate, take such actions and execute and deliver such documents as may be reasonably requested by the other party in order to carry out the provisions of this Agreement.

**19. Notices.** All notices hereunder shall be delivered in writing and shall be deemed to have been duly given if delivered and received by certified or registered mail, return receipt requested, or by expedited courier service, to the following addresses or such other addresses as any party may provide by written notice:

To Sellers: Digital Networks-Midwest, LLC/Digital Networks-Wichita, LLC  
Digital Networks-Northeast, LLC  
Digital Networks-Northwest, LLC  
Digital Networks-Southeast, LLC  
Digital Networks-Southwest, LLC  
225 East 8<sup>th</sup> Street  
Chattanooga, TN 37402

To Buyer: Reach High Media Group, Inc.  
225 East 8<sup>th</sup> Street  
Chattanooga, TN 37402

cc: Shainis & Peltzman, Chartered  
ATTN: Aaron P. Shainis  
1850 M Street, N.W., Suite 240  
Washington, DC 20036

**20. Exclusivity.** While this Agreement is in effect, Sellers agrees not to engage in any discussions or negotiations concerning any potential sale of the Purchased Assets to any party other than Buyer or its assigns.

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

SELLERS:

Digital Networks-Midwest, LLC/Digital Networks-Wichita, LLC  
Digital Networks-Northeast, LLC  
Digital Networks-Northwest, LLC  
Digital Networks-Southeast, LLC  
Digital Networks-Southwest, LLC

By: 

President/CEO

BUYER:

Reach High Media Group, Inc.

By: 

COO

# SCHEDULE A

## SCHEDULE A

## SCHEDULE A

Licensee	Call Sign	Facility ID	City & State	Price
DIGITAL NETWORKS-SOUTHEAST, LLC	WDNP	67986	Tampa, FL	\$ 22,878.38
DIGITAL NETWORKS-MIDWEST, LLC	KKTW	68054	Minneapolis, MN	\$ 21,566.74
DIGITAL NETWORKS-MIDWEST, LLC	KAVC	68077	Boulder, CO	\$ 19,469.62
DIGITAL NETWORKS-NORTHEAST, LLC	W48CH	68016	Cleveland, OH	\$ 17,357.76
DIGITAL NETWORKS-SOUTHWEST, LLC	K27GZ	67894	Sacramento, CA	\$ 16,740.12
DIGITAL NETWORKS-NORTHWEST, LLC	K33AG	190345	Portland, OR	\$ 14,135.40
DIGITAL NETWORKS-NORTHEAST, LLC	W52BO	68082	Pittsburgh, PA	\$ 13,721.18
DIGITAL NETWORKS-MIDWEST, LLC	W43BV	68035	Indianapolis, IN	\$ 13,389.94
DIGITAL NETWORKS-SOUTHEAST, LLC	W30EK	190082	Raleigh, NC	\$ 13,027.69
DIGITAL NETWORKS-SOUTHEAST, LLC	WWHL	995	Nashville, TN	\$ 12,492.26
DIGITAL NETWORKS-NORTHWEST, LLC	K39AK	68053	Vernal, UT	\$ 12,102.06
DIGITAL NETWORKS-SOUTHWEST, LLC	K38CX	68020	St George, UT	\$ 12,102.06
DIGITAL NETWORKS-SOUTHWEST, LLC	KRTX	68095	San Antonio, TX	\$ 11,651.00
DIGITAL NETWORKS-MIDWEST LLC	K23MS	191060	Kansas City, MO	\$ 11,395.35
DIGITAL NETWORKS-NORTHEAST, LLC	W29EG	190268	Columbus, OH	\$ 11,149.36
DIGITAL NETWORKS-SOUTHEAST, LLC	W36DH	67953	Milwaukee, WI	\$ 10,638.71
DIGITAL NETWORKS-SOUTHEAST, LLC	WNGS	190222	Greenville, SC	\$ 10,011.42
DIGITAL NETWORKS-SOUTHEAST, LLC	WASV	47722	Asheville, NC	\$ 10,011.42
DIGITAL NETWORKS - SOUTHWEST, LLC	K12XL	67974	Las Vegas, NV	\$ 9,443.33
DIGITAL NETWORKS-SOUTHWEST, LLC	K15BV	68042	Austin, TX	\$ 9,361.38
DIGITAL NETWORKS-SOUTHEAST, LLC	W17DQ	190202	Jacksonville, FL	\$ 8,772.20
DIGITAL NETWORKS-SOUTHEAST, LLC	W15DO	190363	Norfolk, VA	\$ 8,694.82
DIGITAL NETWORKS-MIDWEST, LLC	KWRW	68085	Oklahoma City, OK	\$ 8,470.95
DIGITAL NETWORKS-SOUTHEAST, LLC	WSWH	1008	Birmingham, AL	\$ 8,464.34
DIGITAL NETWORKS-SOUTHWEST, LLC	K33OB	129875	Roswell, NM	\$ 8,237.92
DIGITAL NETWORKS-SOUTHEAST, LLC	WEAZ	190207	New Orleans, LA	\$ 7,820.27
DIGITAL NETWORKS-SOUTHEAST, LLC	WPYM	129503	Memphis, TN	\$ 7,377.09
DIGITAL NETWORKS-NORTHEAST, LLC	W30BW	68012	Buffalo, NY	\$ 7,327.66
DIGITAL NETWORKS-MIDWEST, LLC	KTUO	190113	Tulsa, OK	\$ 6,474.46
DIGITAL NETWORKS-NORTHEAST, LLC	W32FC	68052	Albany, NY	\$ 6,358.07
DIGITAL NETWORKS-NORTHEAST, LLC	W59DG	68090	Scranton, PA	\$ 6,325.41
DIGITAL NETWORKS-SOUTHEAST, LLC	WKXT	67926	Knoxville, TN	\$ 6,248.92
DIGITAL NETWORKS-SOUTHWEST, LLC	K34HC	129389	Hilo, HI	\$ 5,261.92
DIGITAL NETWORKS-SOUTHWEST, LLC	K38HU	130646	Kailua Kona, HI	\$ 5,261.92
DIGITAL NETWORKS-MIDWEST, LLC	K32GF	129701	Green Bay, WI	\$ 5,008.82
DIGITAL NETWORKS-MIDWEST, LLC	K31PO	67879	Des Moines, IA	\$ 4,999.42

DIGITAL NETWORKS-MIDWEST, LLC	K21HS	68018	Omaha, NE	\$	4,836.27
DIGITAL NETWORKS-WICHITA, LLC	KSMI	56518	Wichita, KS	\$	4,814.67
DIGITAL NETWORKS-MIDWEST, LLC	K29LK	68046	Springfield, MO	\$	4,748.22
DIGITAL NETWORKS-NORTHEAST, LLC	W45BW	68037	Huntington, WV	\$	4,666.78
DIGITAL NETWORKS-MIDWEST, LLC	W18BT	67049	Flint, MI	\$	4,580.88
DIGITAL NETWORKS-SOUTHEAST, LLC	WNAL	67953	Huntsville, AL	\$	4,467.55
DIGITAL NETWORKS-NORTHEAST, LLC	WMNE	47717	Portland, ME	\$	4,440.36
DIGITAL NETWORKS-MIDWEST, LLC	W19CX	1006	Madison, WI	\$	4,362.60
DIGITAL NETWORKS-SOUTHWEST, LLC	K47ED	68029	Waco, TX	\$	4,234.90
DIGITAL NETWORKS-MIDWEST, LLC	K32NX	68030	Paducah, KY	\$	4,204.66
DIGITAL NETWORKS-SOUTHWEST, LLC	K30EA	60814	Shreveport, LA	\$	4,081.03
DIGITAL NETWORKS-SOUTHEAST, LLC	W19ES	1013	Champaign, IL	\$	4,012.29
DIGITAL NETWORKS-SOUTHEAST, LLC	W14CQ	129370	Savannah, GA	\$	4,007.46
DIGITAL NETWORKS-SOUTHEAST, LLC	WLOW	190344	Charleston, SC	\$	3,929.32
DIGITAL NETWORKS-SOUTHEAST, LLC	WOOT	31862	Chattanooga, TN	\$	3,879.64
DIGITAL NETWORKS-SOUTHWEST, LLC	K36GD	129009	El Paso, TX	\$	3,749.15
DIGITAL NETWORKS-SOUTHEAST, LLC	K39JV	47721	Baton Rouge, LA	\$	3,730.60
DIGITAL NETWORKS-NORTHEAST, LLC	W27EM	67941	Burlington, VT	\$	3,596.81
DIGITAL NETWORKS-SOUTHEAST, LLC	W33DM	189742	Greenville, NC	\$	3,377.50
DIGITAL NETWORKS-MIDWEST, LLC	KQCT	68036	Davenport, IA	\$	3,298.34
DIGITAL NETWORKS-NORTHEAST, LLC	W43BP	68024	Altoona, PA	\$	3,162.26
DIGITAL NETWORKS-MIDWEST, LLC	K56GF	67998	Sioux Falls, SD	\$	2,915.00
DIGITAL NETWORKS-MIDWEST, LLC	K35KD	68013	Fargo, ND	\$	2,774.48
DIGITAL NETWORKS-SOUTHEAST, LLC	W41EL	190707	Columbus, GA	\$	2,333.07
DIGITAL NETWORKS-SOUTHWEST, LLC	K19FY	68097	Chico, CA	\$	2,181.74
DIGITAL NETWORKS-SOUTHEAST, LLC	W25AD	68080	Columbus, MS	\$	2,055.06
DIGITAL NETWORKS-MIDWEST, LLC	K16KM	190348	Duluth, MN	\$	1,917.71
DIGITAL NETWORKS-MIDWEST, LLC	K15CN	68040	Topeka, KS	\$	1,807.30
DIGITAL NETWORKS-MIDWEST, LLC	K28MS	190349	Bismarck, ND	\$	1,739.83
DIGITAL NETWORKS-MIDWEST, LLC	K21GQ	129668	Minot, ND	\$	1,739.83
DIGITAL NETWORKS-MIDWEST, LLC	K40DE	68087	Williston, ND	\$	1,739.83
DIGITAL NETWORKS-MIDWEST, LLC	K16LO	67912	Wichita Falls, TX	\$	1,687.73
DIGITAL NETWORKS-MIDWEST, LLC	K40JT	129454	Rochester, MN	\$	1,646.69
DIGITAL NETWORKS-MIDWEST, LLC	K29KL	190289	Joplin, MO	\$	1,540.73
DIGITAL NETWORKS-SOUTHEAST, LLC	W22EF	189670	Gainesville, FL	\$	1,453.56
DIGITAL NETWORKS-NORTHWEST, LLC	K41JC	67918	Pocatello, ID	\$	1,283.68
DIGITAL NETWORKS-MIDWEST, LLC	KRPC	68066	Rapid City, SD	\$	1,100.46
DIGITAL NETWORKS-MIDWEST, LLC	K26CV	67899	North Platte, NE	\$	152.60

**TOTAL: \$ 500,000.00**

# SCHEDULE B

# SCHEDULE C

## SCHEDULE D