

# **ASSET PURCHASE AGREEMENT**

**by and between**

**EAST KENTUCKY BROADCASTING CORPORATION  
and EAST KENTUCKY RADIO NETWORK, INC.**

**and**

**MOUNTAIN TOP MEDIA LLC**

**for the purchase and sale of radio stations**

**WPKE(AM), WPKE-FM, WLSI(AM), WDHR(FM),  
WZLK(FM), WEKB(AM), W251AI, W273BC, W283AP,  
and W240CL (the “EKBC Stations”);**

**WBTH(AM), WPRT(AM), WXCC(FM), and W282BZ  
(the “EKRN Stations”);**

**and**

**Associated Real Property**

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made and entered into effective as of the 25<sup>th</sup> day of March 2019 by and between **EAST KENTUCKY BROADCASTING CORPORATION** ("EKBC"), a Kentucky corporation, **EAST KENTUCKY RADIO NETWORK, INC.** ("EKRN"), a Kentucky corporation, and the Estate of Walter E. May (for the sale of certain real property only) ("Estate") (together the "Seller"); and **Mountain Top Media LLC** ("Buyer").

### Recitals

WHEREAS, EKBC is the licensee of radio stations WPKE(AM), FCC Facility ID No. 18225, Pikeville, Kentucky; WPKE-FM, FCC Facility ID No. 32973, Coal Run, Kentucky; WLSI(AM), FCC Facility ID No. 38388, Pikeville, Kentucky; WDHR(FM), FCC Facility ID No. 18224, Pikeville, Kentucky; WZLK(FM), FCC Facility ID No. 34002, Virgie, Kentucky; WEKB(AM), FCC Facility ID No. 32972, Elkhorn City, Kentucky; W251AI, FCC Facility ID No. 34003, Pikeville, Kentucky; W273BC, FCC Facility ID No. 141986, Williamson, West Virginia; W283AP, FCC Facility ID No. 140607, Prestonsburg, Kentucky; and W240CL, FCC Facility ID No. 140614, Pikeville, Kentucky (collectively, the "EKBC Stations"), and EKRN is the licensee of radio stations WBTH(AM), FCC Facility ID No. 26392, Williamson, West Virginia; WPRT(AM), FCC Facility ID No. 18548, Prestonsburg, Kentucky; WXCC(FM), FCC Facility ID No. 26393, Williamson, West Virginia; and W282BZ, FCC Facility ID No. 140602, Elkhorn City, Kentucky (collectively, the "EKRN Stations") (together, the EKBC Stations and the EKRN Stations, the "Stations") pursuant to authorizations (the "Stations' Licenses") issued by the Federal Communications Commission ("FCC" or "Commission");

WHEREAS, Buyer wishes to purchase, and Seller wishes to sell, assets relating to the Stations, and seek the consent of the FCC for an assignment of the Stations' Licenses, subject to the prior approval of the FCC and the other terms and conditions set forth in this Agreement;

WHEREAS, the Estate is the owner of certain real property used by and associated with the Stations that shall be transferred at the same time as the Stations are purchased and sold; and

WHEREAS, Seller wishes to offer to Buyer certain broadcast time on the Stations on a time brokerage basis pending the closing of the transaction, and Buyer wishes to purchase such broadcast time under the terms of an associated time brokerage agreement (the "Time Brokerage Agreement").

NOW, THEREFORE, in consideration of the mutual benefits and covenants set forth below, the parties hereby agree as follows:

**Section 1**  
**Purchase of Assets**

**1.1 Assets to be Sold.** On the Closing Date, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the following assets, free and clear of all liens and encumbrances (the "Stations' Assets"):

- (a) All of Seller's rights and interests in and to the Stations' Licenses listed on **Schedule 1.1(a)** of this Agreement;
- (b) All tangible assets used or held for use in the operations of the Stations including the assets listed on **Schedule 1.1(b)** of this Agreement (the "Tangible Personal Property");
- (c) That certain real property and towers used or held for use in the operations of the Stations, and the appurtenant easements, fixtures and improvements located thereon, described in **Schedule 1.1(c)** (the "Owned Real Property");
- (d) All contracts, agreements and leases (the "Contracts") used in the ordinary course of the Stations' business, including all agreements for the sale of broadcast time, and including those listed in **Schedule 1.1(d)** of this Agreement
- (e) All intangible assets (the "Intangible Assets") including those listed on **Schedule 1.1(e)** of this Agreement; and
- (f) All books, files, and records related to the operations of the Stations.

**1.2 Excluded Assets.** The Stations' Assets shall not include:

- (a) Cash, cash equivalents, cash deposits, inter-company receivables from any affiliate of Seller, notes receivable, certificates of deposit, commercial paper, treasury bills, bank accounts, bank deposits, securities and all such similar accounts or investments, held by Seller at the Closing Date;
- (b) Tangible and intangible personal property retired or disposed of in the ordinary course of business of Seller between the date of this Agreement and Closing;
- (c) Any rights to the FCC call sign "WPRT-FM" which is assigned by the FCC to a non-affiliated radio station;

- (d) Contracts that are terminated or expire prior to Closing in the ordinary course of business;
- (e) Charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Stations, and any records not relating to the operation of the Stations;
- (f) Contracts of insurance, and all insurance proceeds and claims made thereunder;
- (g) Pension, profit sharing and deferred compensation plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;
- (h) Rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Stations or Station Assets, to the extent arising during or attributable to any period prior to Closing;
- (i) Security and other deposits and prepaid expenses (and rights arising therefrom or related thereto);
- (j) Certificates, awards, photographs, paintings, plaques, wall hangings, furnishings, inscribed items, gold records, rugs, antiques, autographs (including autographed books or publications) and other item of a personal or family nature in any of the managers' offices, studios or common areas of the Stations' premises; and
- (k) Any items listed on **Schedule 1.2.**

**1.3 Liabilities.** Buyer shall assume all liabilities and obligations arising on or subsequent to the Closing Date under the Stations' Assets. Seller has received and will continue to receive up to the Time Brokerage Agreement Effective Date certain barter contract benefits under barter and trade air time agreements (the "Barter Agreements") and on the Time Brokerage Agreement Effective Date will have air time obligations under such Barter Agreements. On the Time Brokerage Agreement Effective Date, Seller shall assign to Buyer all right, title, and interest in and to such Barter Agreements including, but not limited to, all the remaining benefits to be received thereunder, and Buyer shall assume and agree to perform and discharge all of Seller's remaining obligations and liabilities under such Barter Agreements, including, without limitation, Seller's obligation to provide barter air time thereunder, on, and after the Time Brokerage Agreement Effective Date. There shall not be any proration or adjustment to the Purchase Price or Time Brokerage Agreement Expenses with respect to Barter Agreements assigned to and assumed by Buyer. Other than the liabilities and obligations described in this Section 1.3, Buyer expressly does not, and shall not, assume or be deemed to have assumed,

under this Agreement or otherwise by reason of the transactions contemplated hereby, any other liabilities, obligations or commitments of Seller.

**1.4 Purchase Price.** At the Closing, Buyer shall pay Seller TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$2,850,000.00) for the Stations' Assets (the "Purchase Price") by the delivery of a wire transfer in immediately available funds of the Purchase Price less the Earnest Money Deposit to an account or accounts designated by Seller.

**1.5 Escrow Deposit.** Within five (5) business days after Shareholder approval, Buyer shall deliver to Kipley J. McNally, PLC, as Escrow Agent, the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) (the "Escrow Deposit") in readily available funds to be held by Escrow Agent pending the Closing of the transaction. At Closing, the Escrow Deposit shall be delivered by Escrow Agent to Seller pursuant to the joint instructions of Seller and Buyer to be credited to the Purchase Price, and any accrued interest delivered to Buyer. In the event this Agreement is terminated, the Escrow Deposit shall be delivered as specified in Section 11.3 below. The delivery of the Escrow Deposit to Escrow Agent in a timely manner is a condition-precedent to the effectiveness of this Agreement, and a failure to timely deliver Escrow Deposit renders this Agreement null and void.

**1.6 Allocation.** Within 60 days after the Closing Date, Seller and Buyer shall attempt in good faith to agree on an allocation of the Purchase Price for tax purposes in accordance with the respective fair market values of the Stations Assets and the goodwill being purchased and sold in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended

**1.7 Accounts Receivable.** With the exception of the Barter Agreements accounts receivable for services or merchandise which shall accrue to the benefit of Buyer as described in Section 1.3, accounts receivable for cash in connection with the broadcasting operations of the Stations arising prior to the Closing Date (the "Seller's Accounts Receivable"), shall remain the property of the Seller. For a time period commencing on the Time Brokerage Agreement Effective Date and extending for ninety days (90) days after the Closing Date (the "Collection Period"), Buyer shall, without charge to Seller, use commercially reasonable efforts to collect all Seller's Accounts Receivable in the ordinary course of business and shall apply all amounts collected from the Station's account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. Any amounts relating to Seller's Accounts Receivable that are paid directly to Seller shall be retained by Seller. Buyer shall not discount, adjust or otherwise compromise any Seller's Accounts Receivable and Buyer shall refer any disputed Seller's Accounts Receivable to Seller. Within five calendar days after the end of each calendar month, Buyer shall deliver to Seller a report showing Seller's Accounts Receivable collections for the just concluded calendar month and Buyer shall make a payment, without offset, to Seller equal to the amount of all such collections. At the end of the Collection Period, the responsibility for collecting any remaining Seller's Accounts Receivable shall be returned to Seller.

## **Section 2**

### **Date of Closing**

**2.1 Closing Date.** The closing of the transactions contemplated in this Agreement (the "Closing") shall take place on the date (the "Closing Date") that is ten (10) business days after the later date of FCC public notice in its Daily Digest of the FCC Consents, as defined in Section 6 below, to the assignment to Buyer of each of the EKBC Stations' Licenses and the EKRN Stations' Licenses. The Closing of this Agreement with respect to the EKBC Stations and the EKRN Stations shall occur on the same day, neither Closing shall be effective until both occur, and each Closing Date shall be in accord with any conditions imposed by the FCC upon its FCC Consent.

**2.2 Closing Time and Location.** The Closing shall take place commencing at 10:00 a.m. local time at the offices of Escrow Agent, or at such other time, location and/or manner (including exchange of closing documents by facsimile or electronic transmission) agreeable to the parties.

## **Section 3**

### **Seller's Representations and Warranties**

Seller hereby represents and warrants to Buyer as follows:

**3.1 Organization, Authorization and Binding Obligation.** Each of EKBC and EKRN is duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky. Each has full power and authority to own and operate its respective Stations and to carry on the business of the Stations as now being conducted, and as proposed to be conducted by it between the date hereof and the Closing Date. The Executor of the Estate of Walter E. May is duly appointed by the Commonwealth of Kentucky. Each has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery and performance of this Agreement by each have been duly and validly authorized by all necessary entity action on its part. This Agreement constitutes Seller's valid, legal and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**3.2 Absence of Conflicting Agreements or Required Consents.** Seller's execution, delivery and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) to the best of Seller's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; (c) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions

of, or constitute a default under, any agreement, instrument or permit; (d) will not result in the creation of any lien, charge or encumbrance on any of the Stations' Assets; and (e) will not in any way affect or violate the terms or conditions of, or result in the cancellation, modification, revocation or suspension of, any of the Stations' Licenses.

**3.3 Liabilities.** Except for liens that will be satisfied on or prior to the Closing Date, there are no liens or encumbrances against the Stations' Assets, other than the lien of taxes not yet due and payable (collectively, "Permitted Liens").

**3.4 Stations' Licenses.** EKBC is the authorized legal holder of the EKBC Stations' Licenses, and EKRN is the authorized legal holder of the EKRN Stations' Licenses. The Stations' Licenses are in full force and effect with expiration dates as stated in **Schedule 1.1(a)**. For each of the Stations' License, four months prior to the expiration date stated in **Schedule 1.1(a)** an FCC Form 303-S license renewal application (a "License Renewal Application") is required by the FCC to be filed. While such a license renewal application is pending, the FCC will not issue its FCC Consent (as defined in Section 6 below) nor allow for a Closing of this transaction. Subject to the Communications Act of 1934 and the FCC rules and regulations promulgated thereunder (the "FCC Rules and Regulations"), the issuance of FCC Consent, and the pendency of license renewal applications, the Stations' Licenses are assignable from Seller to Buyer.

**3.5 Tangible Personal Property.** Seller owns and has good title to each item of Tangible Personal Property to be transferred to Buyer, and none of this Tangible Personal Property is subject to any liens or encumbrances. The Tangible Personal Property is being sold in the condition existing as of the date of this Agreement, normal wear and tear excepted, without any further representations or warranties other than the transfer of good title on the Closing Date to such assets.

**3.6 Owned Real Property.** The description of the Owned Real Property attached as Schedule 1.1(c) is a complete and accurate description of the subject Owned Real Property. Such Owned Real Property constitutes all of the real property owned by Seller in the operations of the Stations. There is no proceeding in eminent domain or any similar proceeding pending, or, to Seller's Knowledge, threatened, affecting the Owned Real Property.

**3.7 Contracts.** Seller has delivered to Buyer true copies of the Contracts listed on Schedule 1.1(d). Schedule 1.1(d) lists, but is not limited to, all material executory Contracts related to the operation of the Station or to the conduct of the Station's business to which Seller is a party or under which the Station has obligations or enjoys benefits, excluding contracts for the sale of on-air spot time, Barter Agreements, commercial time, programs and announcements.

**3.8 Litigation.** There is no litigation or proceeding pending or, to the best of its knowledge, threatened against Seller in any federal, state or local court, or before any administrative agency, which would have a material adverse effect upon the ability of the parties

hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

**3.9 Brokers.** There is no broker or finder or other person who would have any valid claim through Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

## **Section 4**

### **Buyer's Representations and Warranties**

Buyer hereby represents and warrants to Seller as follows:

**4.1 Organization, Authorization and Binding Obligation.** If Buyer is an entity, it is duly organized, validly existing and in good standing under the laws of its state of formation. Buyer has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized by all necessary action on its part. This Agreement constitutes Buyer's valid, legal and binding obligation, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**4.2 Absence of Conflicting Agreements or Required Consents.** Buyer's execution, delivery and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision of Buyer's organizational or operating documents, if applicable; (c) to the best of Buyer's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument or permit.

**4.3 FCC Qualifications.** Buyer has no knowledge of any facts which would, under present law (including the Communications Act of 1934, as amended) and the FCC Rules and Regulations, disqualify Buyer as an assignee of the Stations' Licenses or as an owner and/or operator of the Stations' Assets, and Buyer will not take, or unreasonably fail to take, between now and the Closing Date any action which Buyer knows or has reason to know would cause such disqualification. Buyer is legally and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act and the FCC Rules and Regulations.



**4.4 Financial Qualifications.** Buyer has the firm financial commitments necessary to proceed to a Closing of the transaction on the Closing Date and to pay the Purchase Price.

**4.5 Litigation.** There is no litigation or proceeding pending or, to the best of its knowledge, threatened against Buyer in any federal, state or local court, or before any administrative agency, which would have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

**4.6 Brokers.** Buyer has not retained any brokers who are entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

## **Section 5**

### **Pre-Closing Covenants**

**5.1 Pre-Closing Covenants of Seller.** Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer:

(a) Affirmative Covenants. Seller shall:

- (i) Maintain and preserve the Stations' Licenses without material change, in accord with the Communications Act, the FCC Rules and Regulations, and any other applicable federal, state or local rules and regulations;
- (ii) Prepare, file and prosecute any required License Renewal Applications at the FCC; and
- (iii) Notify Buyer of any litigation or administrative proceeding pending or, to its knowledge, threatened against Seller which is likely to delay or otherwise interfere with Closing or otherwise adversely affect any of the Stations' Licenses; any material damage or destruction of any of the Stations' Assets; and any adverse change in the condition of the Stations which is likely to delay or otherwise interfere with Closing, or otherwise adversely affect any of the Stations' Licenses.

(b) Negative Covenants. Seller shall not:

- (i) Create, assume or permit to exist any mortgage, pledge, lien or other charge or encumbrance or rights affecting any of the Stations' Assets that will not be extinguished on or prior to the Closing Date;
- (ii) Sell, assign, lease or otherwise transfer or dispose of any of the Stations' Assets;
- (iii) Waive any material right relating to the Stations or the Stations' Assets;
- (iv) Take any other action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement; or
- (v) Either itself or through any of its officers, directors, shareholders, employees, agents or any other person or entity acting on Seller's behalf, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity other than Buyer or its assignee(s) concerning the direct or indirect acquisition of the Stations.

## **5.2 Pre-Closing Covenants of Buyer.**

- (a) Buyer shall deliver to Seller any reasonable documentation as may be requested by Seller prior to the Closing Date to demonstrate its financial commitments and ability to consummate the transaction and pay the Purchase Price on the Closing Date; and
- (b) Buyer shall not directly or indirectly control, supervise or direct the operations of the Stations; such operations, including complete control and supervision of all Stations programs, employees, policies and finances, shall be the sole responsibility of Seller.

**5.3 Joint Pre-Closing Covenant.** Seller and Buyer will join together in seeking any required third-party consents to the assignment and assumption of the Contracts. Seller shall be required to use only commercially reasonable efforts to obtain required material consents or authorizations for an assignment of the Contracts, and the failure of Seller to obtain any third party consents shall not be a failure of a condition to Closing.

## **Section 6**

### **FCC Consent**

The assignment of the Stations' Licenses from EKBC and EKRN, to Buyer, as contemplated by this Agreement, is subject to the prior consents and approvals of the FCC (the "FCC Consents") pursuant applications filed by Seller and Buyer with the FCC (the "Assignment Applications"). The Buyer shall join with Seller to complete the Assignment Applications which shall be filed by Seller within five (5) business days of the date of this Agreement. Buyer and Seller shall each fully prosecute the Assignment Applications with all diligence and shall otherwise use commercially reasonable efforts to obtain the grant of such applications as expeditiously as practicable. The FCC filing fee for the Assignment Applications shall be paid one-half by Seller and one-half by Buyer. 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. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

## **Section 7**

### **Instruments of Conveyance and Transfer.**

**7.1 Stations' Assets.** At Closing, Seller shall deliver, or shall cause to be delivered, to Buyer instruments effecting the sale, transfer, assignment and conveyance of Seller's right, title and interest in and to the Stations' Assets to Buyer pursuant to the terms of this Agreement, and Buyer shall deliver to Seller instruments effecting the assumption by Buyer of Seller's obligations under the Stations' Assets pursuant to the terms of this Agreement, including without limitation the following:

- (a) **Assignment and Assumption of Licenses.** An assignment and assumption of all right, title and interest in and to the Stations' Licenses to be assigned pursuant to Section 1.1(a) of this Agreement;
- (b) **Bill of Sale.** A bill of sale transferring and delivering to Buyer all right, title and interest in and to the Tangible Personal Property described in Schedule 1.1(b) of this Agreement, free and clear of all liens and encumbrances;
- (c) **Warranty Deed.** Warranty deeds for the Owned Real Property to be sold pursuant to Section 1.1(c) of this Agreement together with any additional documents reasonably requested by Buyer's title company;
- (d) **Assignment and Assumption of Contracts.** An assignment and assumption of the Contracts described in Section 1.1(d) of this Agreement;

- (e) **Assignment and Assumption of Intangible Assets.** An assignment and assumption of the Intangible Assets described in Section 1.1(e) of this Agreement; and
- (f) **Further Instruments.** Further instruments and documents that may be reasonably necessary to effectuate the transactions contemplated under this Agreement.

## **Section 8**

### **Payment of Purchase Price**

At Closing, Buyer shall deliver the Purchase Price to Seller in accordance with Section 1.4 of this Agreement.

## **Section 9**

### **Expenses and Adjustments**

**9.1 Legal, Accounting and Other Transaction Expenses.** Each party shall pay all of its own legal, accounting and other expenses which it incurs in connection with the transactions contemplated herein, except as may be otherwise provided in Section 6 with regard to the FCC filing fee for the Assignment Application, and in Section 11.3 with regard to the Escrow Deposit in the event of a termination of this Agreement.

**9.2 Transfer Taxes, Fees and Expenses.** Buyer shall bear the costs of any state or local sales, use, stamp or transfer taxes and other similar taxes applicable to the transfer of the Stations' Assets (including the Owned Real Property) under this Agreement, if any.

**9.3 Stations' Income and Expenses.** The operation of the Station and the income and expenses attributable thereto up until 11:59 p.m. on the day preceding the Closing Date shall be for the account of Seller and thereafter for the account of Buyer. At Closing, the following shall be adjusted and apportioned between Seller and Buyer:

- (a) Deposits placed with telephone and utility companies, and any advance rents or deposits with service companies or suppliers which shall be for the credit of the Seller;
- (b) The annual FCC regulatory fees for the Stations;
- (c) Any amounts owed under the Time Brokerage Agreement; and
- (d) All other taxes, charges, utility bills, and expenses attributable to the operation of the Station prior to Closing.

**9.4 Closing Adjustments.** In the event Closing adjustments are in favor of Seller, the same shall be paid at Closing by check of Buyer or added to the Purchase Price. In the event that Closing adjustments are in favor of Buyer, the same shall be paid by check of Seller or deducted from the Purchase Price. In the event it is impractical or impossible to compute the amounts of adjustments at Closing, the amount shall be computed and paid on a date no later than 120 days following the Closing Date.

## **Section 10** **Risk of Loss**

The risk of any loss, damage or destruction to any of the Stations' Assets from fire or other casualty or cause shall be borne by Seller at all times prior to Closing, and Buyer shall bear the risk of any such loss or damage thereafter.

## **Section 11** **Termination Rights and Remedies**

**11.1 Termination Rights.** This Agreement may be terminated prior to the Closing, upon written notice to the other, provided that the terminating party is not then in material breach or default of this Agreement, upon the occurrence of any of the following:

(a) By Seller:

- (i) for a material default by Buyer in the observance or performance of any term or covenant, or a material breach of any material term, representation, warranty or covenant, under this Agreement or the Time Brokerage Agreement, which is not cured by the earlier of the Closing Date or within twenty (20) days after written notice of the breach; or
- (ii) if Buyer fails to appear and consummate the transaction on the Closing Date.

(b) By Buyer:

- (i) for a material default by Seller in the observance or performance of any term or covenant, or a material breach of any material term, representation, warranty or covenant, under this Agreement or the Time Brokerage Agreement, which is not cured by the earlier of the Closing Date or within twenty (20) days after written notice of the breach; or
- (ii) if Seller fails to appear and consummate the transaction on the Closing Date.

- (c) By either Buyer or Seller
  - (i) if the FCC denies either the EKBC or the EKRN Assignment Application and such denial is not the fault, directly or indirectly, of the terminating party;
  - (ii) if the Closing has not occurred on or prior to the date that is twelve (12) months subsequent to date of this Agreement.

The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination.

**11.2 Specific Performance.** In the event of a default by Seller pursuant to Sections 11.1(b)(i) or 11.1(b)(ii) above, Buyer may bring an action to enforce the terms of this Agreement by decree of specific performance (subject to obtaining any necessary FCC consent), it being agreed that the Stations' Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Seller agrees to waive the defense in any such action for decree of specific performance that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

**11.3 Escrow Deposit.** In the event that this Agreement is terminated by Seller pursuant to Sections 11.1(a)(i) or 11.1(a)(ii) or above, and Seller is not materially in default or breach of this Agreement, the Escrow Deposit and any accrued interest shall be delivered by Escrow Agent to Seller and shall serve as Seller's exclusive remedy. If this Agreement is terminated by Buyer pursuant to Sections 11.1(b)(i) or 11.1(b)(ii) above, the Escrow Deposit and any accrued interest shall be delivered by Escrow Agent to Buyer. If this Agreement is terminated for any other reason, \$150,000 of the Escrow Deposit shall be delivered by Escrow Agent to Buyer along with any accrued interest, and the remaining \$50,000 shall be delivered to Seller to be applied to Seller's expenses in entering into and prosecuting this transaction.

## **Section 12** **Indemnification**

**12.1 Seller's Indemnities.** Seller shall indemnify, defend and hold Buyer harmless from and against any and all losses, costs, liabilities, claims, actions, damages and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description, arising out of or in connection with (a) the breach of any representation, warranty, covenant or agreement of Seller set forth in this Agreement (including the schedules hereto); (b) any claims arising as the result of the failure of Seller to comply with the provisions of any bulk sales or similar laws applicable to the transfer of the Stations' Assets to Buyer; (c) any liability of Seller not assumed by Buyer at Closing; or (d) any claim relating to the conduct of the

business and operations of the Stations and the Stations' Assets by Seller prior to the Closing Date.

**12.2 Buyer's Indemnities.** Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, costs, liabilities, claims, actions, damages and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description arising out of, or in connection with (a) the breach of any representation, warranty, covenant or agreement of Buyer set forth in this Agreement; (b) any liability of Buyer; or (c) any claim relating to the conduct of the business and the operation of the Stations and the Stations' Assets by Buyer on or after the Closing Date.

**12.3 Notice of Claim.** If any action, suit or proceeding shall be commenced by a third party against Buyer or Seller, as the case may be, in respect of which Buyer or Seller proposes to seek indemnification from the other under this Section 12 (a "Third-Party Claim"), then such party shall promptly notify the party from whom indemnification is sought (hereinafter the "Indemnifying Party") to that effect. The Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the defense of such Third-Party Claim, and the other party shall cooperate with all reasonable requests of the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of a Third-Party Claim, then the other party shall have the right to participate in the defense of such claim at its own expense. If a Third-Party Claim requires immediate action, then the parties will make every effort to reach a decision with respect thereto as expeditiously as possible. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third-Party Claim, then it shall be bound by the results obtained by the other party with respect to such Third-Party Claim, but no settlement of a Third-Party Claim may be made by the Indemnifying Party without the written consent of the party being indemnified.

**12.4 Limitations.** Neither party shall be required to indemnify the other party for any claims under this Agreement unless (i) written notice of the claim was received by the Indemnifying Party before the end of the survival period for such claim as set forth in Section 13.1 and (ii) the aggregate claim exceeds Ten Thousand Dollars (\$10,000), after which the Indemnified Party shall be entitled to recover for claims including such threshold, but provided that the maximum liability of either party shall not exceed an amount equal to ten percent (10%) of the Purchase Price. The limitations set forth in this Section 12.4 shall not apply to Third-Party Claims.

### **Section 13** **Miscellaneous**

**13.1 Survival of Representations and Warranties.** The representations and warranties in this Agreement shall survive Closing for a period of six (6) months from the Closing Date. If within such period the indemnified party gives the Indemnifying Party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

**13.2 Assignment.** Seller may not assign its rights and obligations hereunder. Buyer may not assign its rights and obligations hereunder without the express written consent of the Seller except that Buyer may assign its rights under this Agreement to a commonly-owned entity provided that such assignment does not delay the FCC Consents. The rights and obligations of the parties hereunder shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and permitted assigns.

**13.3 Construction.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Kentucky without regard to choice of laws principles. Each party submits to the jurisdiction of any court sitting in Pike County, Kentucky in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party waives any defense of inconvenient forum or lack of personal jurisdiction to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of the other party with respect thereto.

**13.4 Attorney's Fees and Costs.** Should any party default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit or any action, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court.

**13.5 Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sent for next business day delivery by USPS Express Mail, Federal Express or similar recognized overnight courier service with all charges prepaid, and shall be deemed to have been duly delivered and received on the second business day after being sent. All such notices, demands, and requests shall be addressed as follows:



If to Seller:

East Kentucky Broadcasting Corporation  
East Kentucky Radio Network, Inc.  
P.O. Box 606  
Prestonsburg, KY 41653  
Attn: Estill Lee Carter

With a copy to:

John F. Garziglia, Esq.  
Womble Bond Dickinson (US) LLP  
1200 19<sup>th</sup> Street, N.W. Suite 500  
Washington, DC 20036  
(202) 857-4455

If to Buyer:

Mountain Top Media LLC  
P O Box 2725  
Pikeville, KY 41502  
606-437-1447  
Attn: M. Lynn Parrish

or at such other address as either party shall specify by written notice to the other.

**13.6 Multiple Counterparts.** This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. All of such counterpart signature pages shall be read as though all of the signers had signed a single signature page. This Agreement may be signed and exchanged by facsimile transmission or PDF scan, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

**13.7 Entire Agreement.** This Agreement along with the Escrow Agreement and Time Brokerage Agreement represent the entire understanding of the parties with respect to the subject matter hereof, supersedes all other and prior memoranda and agreements between the parties with respect to such subject matter and may not be modified or amended except by a written instrument signed by all of the parties hereto.

**13.8 Captions.** The section captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**13.9 No Waiver.** Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (c) no extension of time granted by any party for the performance of any obligation or act by another party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

**13.10 Further Assurances.** From time to time after Closing at another party's request and without further consideration, a party shall execute and deliver such further instruments of conveyance, assignment and transfer, and take such other actions as the requesting party may reasonably request, in order to more effectively convey and transfer any of the Stations' Assets.

**13.11 Investigations.** No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties, and covenants set forth in this Agreement, or be deemed to constitute a waiver of any of those representations, warranties, and covenants.

**13.12 Severability.** If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

**[THE NEXT PAGE IS THE SIGNATURE PAGE]**

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

**SELLER:**

**EAST KENTUCKY BROADCASTING  
CORPORATION**

By: Estell L Carter 4/5/19

**EAST KENTUCKY RADIO NETWORK, INC.**

By: Estell L Carter 4/5/19

**ESTATE OF WALTER E. MAY**

By: Estell L Carter 4/5/19  
Estill Lee Carter  
Executor

**BUYER:**

**Mountain Top Media LLC**

By: M. Lynn Parrish  
M. Lynn Parrish

**SCHEDULE 1.1(a)**  
**Stations' Licenses**

**EAST KENTUCKY BROADCASTING CORPORATION:**

<b>Callsign</b>	<b>Facility Status</b>	<b>Radio Service</b>	<b>Name</b>	<b>Community Of License</b>	<b>Expiration</b>
<a href="#"><u>W240CL</u></a>	LICENSED	FX	EAST KENTUCKY BROADCASTING CORPORATION	PIKEVILLE, KY	08/01/2020
<a href="#"><u>W251AI</u></a>	LICENSED	FX	EAST KENTUCKY BROADCASTING CORPORATION	PIKEVILLE, KY	08/01/2020
<a href="#"><u>W273BC</u></a>	LICENSED	FX	EAST KENTUCKY BROADCASTING CORPORATION	WILLIAMSON, WV	10/01/2019
<a href="#"><u>W283AP</u></a>	LICENSED	FX	EAST KENTUCKY BROADCASTING CORPORATION	PRESTONSBURG, KY	08/01/2020
<a href="#"><u>WDHR</u></a>	LICENSED	FM	EAST KENTUCKY BROADCASTING CORPORATION	PIKEVILLE, KY	08/01/2020
<a href="#"><u>WEKB</u></a>	LICENSED	AM	EAST KENTUCKY BROADCASTING CORPORATION	ELKHORN CITY, KY	08/01/2020
<a href="#"><u>WLSI</u></a>	LICENSED	AM	EAST KENTUCKY BROADCASTING CORPORATION	PIKEVILLE, KY	08/01/2020
<a href="#"><u>WPKE</u></a>	LICENSED	AM	EAST KENTUCKY BROADCASTING CORPORATION	PIKEVILLE, KY	08/01/2020
<a href="#"><u>WPKE-FM</u></a>	LICENSED	FM	EAST KENTUCKY BROADCASTING CORPORATION	COAL RUN, KY	08/01/2020
<a href="#"><u>WZLK</u></a>	LICENSED	FM	EAST KENTUCKY BROADCASTING CORPORATION	VIRGIE, KY	08/01/2020

**EAST KENTUCKY RADIO NETWORK, INC.**

Callsign	Facility Status	Radio Service	Name	Community Of License	Expiration
<a href="#">W282BZ</a>	LICENSED	FX	EAST KENTUCKY RADIO NETWORK, INC.	ELKHORN CITY, KY	08/01/2020
<a href="#">WBTH</a>	LICENSED	AM	EAST KENTUCKY RADIO NETWORK, INC.	WILLIAMSON, WV	10/01/2019
<a href="#">WPRT</a>	LICENSED	AM	EAST KENTUCKY RADIO NETWORK, INC.	PRESTONSBURG, KY	08/01/2020
<a href="#">WXCC</a>	LICENSED	FM	EAST KENTUCKY RADIO NETWORK, INC.	WILLIAMSON, WV	10/01/2019