

## **Agreement for Sale of Station**

### **Asset Purchase Agreement**

A copy of the Asset Purchase Agreement (“APA”) associated with the proposed assignment application is attached hereto. The following schedules to the APA, however, have not been included:

**Schedule 1(a)** – FCC Authorizations

**Schedule 1(b)** – List of Equipment

**Schedule 1(c)** – Real Property Lease

**Schedule 1(d)** – Intangible Property

The APA schedules identified above contain proprietary information and/or are not germane to the Commission’s consideration of this application. *See LUJ, Inc. and Long Nine, Inc.*, Memorandum Opinion and Order, 17 FCC Rcd. 16980 (2002).

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made on this 26th day of July 2022, by and between **Delmarva Educational Association**, a Virginia non-profit corporation (“**Seller**”), and **Truth Broadcasting Corporation**, a North Carolina corporation (“**Buyer**”). Seller and Buyer are sometimes individually referred to in this Agreement as a “**Party**” and collectively as the “**Parties**.”

### RECITALS

**WHEREAS**, Seller is the licensee of FM translator broadcast station **W249CI, Bellwood, Virginia (FCC Facility ID No. 143583)** (the “**Station**”), which Seller operates pursuant to certain licenses, franchises, authorizations, and approvals issued by the Federal Communications Commission (“**FCC**”);

**WHEREAS**, Seller desires to sell, assign, and transfer to Buyer, and Buyer desires to purchase and acquire from Seller substantially all of Seller’s assets used and useful in the operations of the Station, all under the terms and conditions described herein;

**WHEREAS**, Buyer is the Lender and Seller is the Borrower pursuant to that certain Promissory Note dated as of January 4, 2022 (“the “**Promissory Note**”);

**WHEREAS**, Seller desires to exchange the Assets, as defined herein, as payment in full of the amounts due to Buyer under the Promissory Note, and Buyer agrees to accept the Assets as payment in full thereof; and

**WHEREAS**, the consummation of this Agreement is subject to the prior approval of the FCC.

### AGREEMENTS

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions herein contained, it is hereby agreed as follows:

1. **Assets**. Subject to the prior approval of the FCC, Seller agrees to transfer, assign, convey, and deliver to Buyer, and Buyer agrees to receive and accept, free and clear of all liabilities, debts, liens, charges, assessments, and encumbrances of any kind, the following:

(a) all licenses, construction permits, authorizations, or other rights of any kind issued or granted by the FCC to Seller with respect to the Station (collectively, the “**FCC Authorizations**”) listed in **Schedule 1(a)**;

(b) all of the broadcast equipment of the Station (the “**Equipment**”) listed in **Schedule 1(b)**;

- (c) the real property lease used in the operation of the Station's transmitter facility ("**Real Property Lease**") listed in **Schedule 1(c)**;
- (d) all intangible property of the Station ("**Intangible Property**") listed in **Schedule 1(d)**;
- (e) all FCC files and records pertaining to the Station ("**FCC Records**"); and
- (f) goodwill and other rights ("**Other Rights**").

The schedules as identified in the foregoing are attached hereto and made a part hereof. The FCC Authorizations, Equipment, Real Property Lease, Intangible Property, FCC Records, and Other Rights are sometimes collectively referred to in this Agreement as the "**Assets**."

Seller will retain its accounts receivable, cash, deposits, and prepaid items, and any asset not specifically identified on **Schedules 1(a)** through **1(d)** hereto. Buyer assumes no liabilities, debts, or obligations, including without limitation, for Station's personnel or employment contracts, retirement obligations, or any contracts, obligations, or leases of Seller except as set forth in **Schedule 1(c)** as to the Real Property Lease. Buyer assumes no liability for periods on or before the Closing Date (as defined below) under any lease or contract or for any other liability, debt, or obligation of Seller, including without limitation, any which may have accumulated or accrued on any contracts, leases, or agreements on or before the Closing Date.

**2. Purchase Price.** The purchase price for the Assets is **One Hundred Thousand Dollars (\$100,000.00)** (the "**Purchase Price**"). The Purchase Price shall be paid by delivery on the Closing Date of a document cancelling the Promissory Note and indicating the debts and obligations thereunder are satisfied in full.

**3. Seller's Representations, Warranties, and Covenants.** Seller hereby represents, warrants, and covenants as follows:

(a) The FCC Authorizations are in full force and effect, and the Station operates in material compliance with the FCC Authorizations, the rules and regulations of the FCC, and applicable laws of the Commonwealth of Virginia and federal laws.

(b) Seller is aware of no litigation, proceeding, or investigation whatsoever pending or threatened against or relating to Seller, its business, or the Assets to be transferred hereunder, and knows of no reason why the FCC Authorizations would not be renewed in the ordinary course.

(a) Seller has good and marketable title to all Assets.

(b) Seller will convey said Assets to Buyer in "as is" condition of such Assets on the Closing Date, and except as expressly set forth in this Agreement, makes no warranty whatsoever regarding the condition of said Assets.

(e) The Real Property Lease is in good standing and in full force and effect.

(f) Seller will deliver the Assets at Closing free and clear of all liabilities, debts, liens, claims, charges, assessments, or other encumbrances of any kind.

(g) Seller has full power and authority to enter into and perform this Agreement and this Agreement constitutes a valid and binding Agreement of Seller enforceable in accordance with its terms.

(h) Seller is responsible for all liabilities and other obligations to all current employees of the Station and any employees hired by Seller up to the Closing Date. It is understood and agreed by the Parties that Buyer may hire new employees to operate the Station for dates after the Closing Date, assumes no liabilities or obligations whatsoever for the Station's current employees, and is under no obligation to hire any such employees.

(i) As of the Closing Date, Seller will have paid all taxes and assessments, rent, water, sewer, and other utility charges or assessments relating to the Assets, if any.

(j) No broker, finder, or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller.

(k) The warranties, representations, and covenants contained in this **Section 3** shall survive Closing for a period of one (1) year.

**4. Buyer's Representations, Warranties, and Covenants.** Buyer hereby represents, warrants, and covenants as follows:

(a) Buyer has full power and authority to enter into and perform this Agreement, and this Agreement constitutes a valid and binding Agreement of Buyer enforceable in accordance with its terms;

(b) Buyer knows of no reason why it should not be approved to become a holder of the FCC Authorizations.

(c) Prior to Closing, Buyer will have inspected the Assets to be conveyed pursuant to the terms of this Agreement and found each item to be in satisfactory condition and suitable for Buyer's purposes.

(d) No broker, finder, or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer.

(e) The warranties, covenants, and representations contained in this **Section 4** shall survive the Closing Date for a period of one (1) year.

5. **FCC Assignment Application.** Seller and Buyer shall file an application (the “**FCC Assignment Application**”) with the FCC for consent to the assignment of the FCC Authorizations to Buyer within five (5) business days after executing this Agreement and to cooperate fully and diligently in seeking the FCC Consent (as defined below) to assignment of the FCC Authorizations from Seller to Buyer. The Parties shall each be responsible for one-half of (½) of the filing fee for the FCC Application.

6. **Closing.** Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Assets under this Agreement (the “**Closing**”) shall occur on a date (the “**Closing Date**”) mutually agreed upon by the Parties which date shall be within ten (10) business days after the grant of FCC Consent.

7. **Closing Documents.** Seller will at Closing execute and deliver to Buyer customary assignments, deeds, instruments, and other documents sufficient to grant to Buyer title to the Assets, free and clear of liabilities, debts, claims, assessments, liens, and other encumbrances of any kind. Buyer will at Closing execute and deliver to Seller such documents and instruments of assumption as may reasonably be requested by Seller for Buyer to assume the assignment of the Assets, including the Real Property Lease. Buyer shall also deliver the Purchase Price as provided in **Section 2** above.

8. **Termination.** This Agreement may be terminated at any time prior to the Closing as follows:

(a) by mutual written consent of Seller and Buyer;

(b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);

(c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period; or

(d) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the date which is nine (9) months after the execution of this Agreement, and if the Party giving notice is not then in default hereunder.

The term “**Cure Period**” as used herein means a period commencing on the date that a Party receives from the other Party written notice of breach or default hereunder and continuing for twenty (20) days thereafter.

**9. Damages Upon Termination.**

(a) **Effect of Termination.** Termination of this Agreement shall not relieve either Party of any liability for breach or default under this Agreement prior to the date of termination. Upon termination under **Sections 8(a), (c), or (d)**, this Agreement shall be deemed null and void and neither Party will have any further liability or obligation to the other.

(b) **Specific Performance.** If this Agreement is terminated pursuant to **Section 8(c)** due to the default of Seller, the Buyer may bring an action for specific performance in addition to all other rights and remedies Buyer may have against Seller to recover damages resulting from Seller's default. Seller hereby acknowledging that the Station Assets are of a special, unique, and extraordinary character, and that monetary damages alone would not be sufficient to compensate Buyer under such circumstances.

**10. Station Control.** Prior to Closing, Seller shall have complete control over the Assets and operation of the Station. Buyer shall have the right to reasonable access to the Station's logs and other records as to the operation of the Station prior to Closing and to inspect the Assets upon prior reasonable written notice to Seller. Upon Closing and the transfer and assignment of the Assets, as contemplated herein, the Buyer shall have complete control over the Assets and operation of Station.

**11. Indemnification.**

(a) **Seller's Indemnification of Buyer.** Seller hereby agrees to indemnify, defend, save, and hold Buyer harmless with respect to any and all claims, losses, obligations, liabilities, costs, and expenses, including reasonable counsel fees, threatened, suffered, incurred, or sustained by Buyer by reason of any misrepresentations by Seller or any breach by Seller of this Agreement or of any of Seller's warranties, covenants, or representations contained in this Agreement, or arising from or by reason of Seller's ownership of the Assets or operation of the Station prior to the Closing Date hereunder or arising out of any breach by Seller of the Real Property Lease or of any other agreements which might be assigned to Buyer hereunder because of events occurring prior to the Closing Date. This **Section 11(a)** shall survive Closing for one (1) year.

(b) **Buyer's Indemnification of Seller.** Buyer hereby agrees to indemnify, defend, save, and hold Seller harmless with respect to any and all claims, losses, obligations, liabilities, costs, and expenses, including reasonable counsel fees, threatened, suffered, incurred, or sustained by Seller by reason of any misrepresentations by Buyer or any breach by Buyer of this Agreement or of any of Buyer's warranties, covenants, or representations contained in this Agreement or arising from or by reason of Buyer's ownership of the Assets or operation of the Station subsequent to the Closing Date hereunder or arising out of any breach by Buyer of the Real Property Lease assigned to the Buyer hereunder because of events occurring after the Closing Date hereunder. This **Section 11(b)** shall survive Closing for one (1) year.

**12. Notices.** All notices required or permitted to be given under the provisions of this Agreement shall be in writing, delivered by personal delivery, or sent by commercial delivery

service or certified mail, return-receipt requested. Properly made notices shall be deemed to have been given on the date of personal delivery, or the date set forth in the records of the delivery service or on the return-receipt. Notices shall be addressed as follows:

**If to Seller:** Delmarva Educational Association  
3780 Will Scarlet Road  
Winston-Salem, NC 27104  
Attn: Nancy Epperson, President

**If to Buyer:** Truth Broadcasting Corporation  
4405 Providence Lane, Suite D  
Winston-Salem, NC 27106  
Attn: Stuart W. Epperson, Jr., President

If to either Buyer or Seller, a copy (which shall not constitute notice) to:

Baker & Hostetler LLP  
1050 Connecticut Avenue, NW, Suite 1100  
Washington, DC 20036  
Attn: Davina S. Sashkin, Esq.

**13. Risk of Loss.** The risk of loss to any of the Station Assets on or prior to the Closing Date shall be upon Seller.

**14. Assignment.** Neither Party shall assign any right under this Agreement nor delegate any duty under this Agreement unless the other Party has consented to any such assignment or delegation in writing. This document shall be binding on the heirs, successors, and assigns of the Parties hereto.

**15. Severability and Independent Covenants.** If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced by reason of any law, administrative order, judicial decision, or public policy, all other conditions and provisions shall remain in full force and effect. No covenant shall be deemed dependent upon any other covenant or provision unless so expressed in this Agreement.

**16. Governing Law.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the Commonwealth of Virginia, without regards, however, to the choice of law provisions thereof which may direct the application of the laws of another jurisdiction.

**17. Entire Agreement.** This Agreement, the Schedules hereto, and all documents, certificates, and other documents to be delivered by the Parties pursuant hereto collectively represent the entire understanding and agreement between Seller and Buyer with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations among the

Parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and that is signed by the Party against which enforcement of any such amendment, supplement, or modification is sought.

**18. Waiver of Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver of failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of or estoppel with respect to any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance set forth in this **Section 17.**

**19. Counterparts.** This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. Executed copies of this Agreement transmitted by facsimile or other electronic means shall be valid and binding.

**[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: DELMARVA EDUCATIONAL ASSOCIATION**

By: *Nancy Epperson*  
Nancy Epperson (Jul 26, 2022 13:27 EDT)  
Nancy Epperson, President

**BUYER: TRUTH BROADCASTING CORPORATION**

By:   
Stuart Epperson (Jul 25, 2022 16:45 EDT)  
Stuart W. Epperson, Jr., President

## **TABLE OF SCHEDULES**

|                             |                            |
|-----------------------------|----------------------------|
| <b><u>Schedule 1(a)</u></b> | <b>FCC Authorizations</b>  |
| <b><u>Schedule 1(b)</u></b> | <b>List of Equipment</b>   |
| <b><u>Schedule 1(c)</u></b> | <b>Real Property Lease</b> |
| <b><u>Schedule 1(d)</u></b> | <b>Intangible Property</b> |