

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made and entered into this 25th day of March, 2022, by and between CAPITAL BROADCASTING VA, LLC, a Virginia Limited Liability Company ("Seller") and Amin Segundo, a citizen of the State of Maryland, doing business as WASP Productions ("Buyer").

W I T N E S S E T H:

WHEREAS, Seller is or will soon become the licensee and operator of broadcast Station WPWC (AM), Quantico, Virginia, Facility ID 25995, Dumfries - Triangle, Virginia, Facility ID 25995 (the "Station"); and

WHEREAS, Seller desires to sell and assign and Buyer desires to purchase and acquire the use of licenses and certain property and rights of Seller used or held for use in the operation of the Station; and

WHEREAS, the licenses issued by the Federal Communications Commission ("Commission" or "FCC") for the operation of the Station may not be assigned to Buyer without the prior written consent of the Commission;

WHEREAS, the Station is currently operating under Special Temporary Authorization from the FCC and requires the restoration of its towers to operate in full compliance with its license and Buyer agrees to perform all acts required for their restoration;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the parties do hereby agree as follows:

1. SALE OF ASSETS AND ASSIGNMENT OF LICENSES

Seller shall sell and Buyer shall purchase from Seller the following assets ("Assets"), upon the following terms and conditions. On the Closing Date, as defined in Section 5 below, the Assets shall be free and clear of liens, encumbrances, and other security interests except as specifically provided herein:

A. **Tangible Personalty**: All the fixed and tangible personal property owned by Seller and used in the operation of the Station, as listed in Exhibit A hereto, less any property consumed, depleted or otherwise disposed of in the ordinary course of business, and all tangible property acquired by Seller in the ordinary course of business prior to the Closing Date (the "**Tangible Personalty**").

B. **Licenses and Authorizations**: All licenses, permits, permissions and other authorizations as listed in Exhibit B hereto (including without limitation the right to the use of the Station's call sign) which are issued by the Commission and other governmental agencies and that are associated exclusively with the operation of the Station, and all applications for modification, extension or renewal thereof pending on the Closing Date (the "**Licenses**").

C. **Real Property** The real estate upon which the Stations' transmitter towers are located, all as more particularly described in Exhibit D.

D. **Agreements and Contracts**: The rights of Seller under all agreements or contracts listed in Exhibit C hereto and which are in effect on the Closing Date, together with contracts for the broadcast of advertising over the Station for cash consideration which are in effect on the Closing Date, and together with all additional agreements or contracts material to the conduct of the business of the Station entered into by Seller between the date hereof and the Closing Date as permitted by the terms of this Agreement (the "**Contracts**").

E. **Intangible Personal Property**: All good will, trademarks, service marks, copyrights, trade names, common law property rights and all other intangible personal property owned by Seller and used by it in connection with the operation of the Station (the "**Intangible Property**").

F. **Records**: Such of Seller's files, logs, books of account, warranties, technical data, audience surveys, reports and, to the extent assignable, computer programs and software and all of Seller's rights therein, and other records relating exclusively to the operation of the Station as Buyer may reasonably require (the "**Records**").

2. **ASSETS EXCLUDED**

It is understood and agreed that the Assets purchased pursuant to this Agreement shall not include any assets not specifically described in Section 1 hereto, including, but not limited to, the following:

A. Seller's cash, bank accounts, accounts or notes receivable, investments, and tax and corporate records.

B. All assets used by Seller predominantly in the operation of Seller's other businesses or broadcast Stations.

3. **PURCHASE PRICE AND TERMS**

The purchase price for the Assets which are being purchased and other consideration under this Agreement is Two Hundred Fifty Thousand Dollars (\$250,000) (the "**Purchase Price**"), allocated among the Assets in the manner set forth in Exhibit E hereto and paid as follows:

A. **Method of Payment**. On the first (1st) day of the first (1st) month following the Execution of this Agreement (the "**Effective Date**"), Buyer shall pay to Seller the sum of Twelve Thousand Five Hundred Dollars (\$12,500.00). The balance of the Purchase Price shall be paid in cash at Closing.

B. **Towers**. Buyer agrees as an essential term of this Agreement, to restore the Station towers to good condition such that the Station will be able to operate pursuant to its licensed parameters.

4. FILING OF FCC APPLICATION

Buyer and Seller agree to proceed no later than ten (10) days from date Seller has consummated the acquisition of the WPWC license (the "Transfer Transition Date") to file an application requesting FCC consent to the assignment of the Licenses (the "Application") from Seller to Buyer. The parties agree to prosecute the Application, defend it against challenges and file any amendments or additional information requested by the FCC, all in good faith and with due diligence, such that it may be granted and become a Final Order as expeditiously as practicable. A "Final Order" shall mean a Commission action that, by lapse of time or otherwise, is no longer subject to reconsideration, administrative or judicial review, reconsideration, appeal or stay by the Commission or any court of competent jurisdiction.

5. CLOSING DATE AND PLACE

Provided Buyer has not defaulted under the terms of this Agreement, the date (the "Closing Date") of the closing of the transactions contemplated herein (the "Closing") shall be established upon twenty (20) days' notice by Buyer, such notice to be given no earlier than the date of FCC approval of the Application and no later than the last day of the month following the month in which the Commission's approval of the Application becomes a Final Order. In no event shall the Closing Date occur prior to the Transfer Transition Date.

6. PRORATIONS AND ADJUSTMENTS

All taxes, prepayments (to the extent Buyer obtains the asset for which such prepayment was made), deposits, utility charges, Contracts and income and operating expenses of the Station shall be prorated between Buyer and Seller as of 12:01 a.m. Eastern time on the Closing Date. Insofar as feasible, prorations under this paragraph shall be determined and paid on the Closing Date as an adjustment to the cash balance of the Purchase Price, with a final accounting of prorated items, and the sum due from one party to another pursuant to this proration paid, within sixty (60) days after the Closing Date.

7. EXPENSES

Each party shall bear its own legal, engineering and accounting fees and other costs and expenses with respect to the transaction. Recording fees, documentary stamp taxes, revenue stamps and all other similar charges on conveyances from Seller to Buyer, if any, will be paid by Seller or Buyer according to prevailing custom in the State of Virginia. The FCC fee for filing the Application shall be divided equally between Buyer and Seller.

8. ASSUMPTION OF CERTAIN LIABILITIES

At the Closing Buyer shall assume all of the Contracts which by the terms thereof require the payment of money or the performance of other obligations pertaining to the Station after 12:01 a.m. Eastern time on the Closing Date.

9. **TERMINATION**

A. If the Closing Date does not occur by January 1, 2024 either Buyer or Seller may terminate this entire Agreement upon written notice to the other, provided that the party seeking to terminate is not in default hereunder or, in the case of a termination by Buyer, provided Buyer is not in default under the terms of the Note.

B. If the Commission designates the Application for hearing, either party shall have the option of terminating this Agreement by notice to the other party prior to the commencement of the hearing, provided, however, that the hearing is not a proximate result of the failure of the party seeking to terminate to have prosecuted the Application diligently and in good faith or to have satisfied a Commission request for additional information.

C. Either party may terminate this Agreement if the other shall be in material breach hereof and if, in either case, the said breach shall not have been cured within ten (10) days of written notice thereof by the party seeking to terminate, provided, however, that if any such breach is not reasonably susceptible of being cured within ten days, then the party in breach shall have undertaken to cure the breach with all reasonable diligence and shall have cured the breach as promptly as is reasonably practicable.

D. Buyer may terminate this Agreement pursuant to Section 15 hereof.

10. **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties, all of which have been relied upon by Buyer in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

A. **Organization**: Seller is a Limited Liability Company duly organized, validly existing, and in good standing under the laws of the State of Virginia, is authorized to do business in Virginia, and has full power and authority to enter into and perform this Agreement.

B. **Authorization**: The execution, delivery and performance of this Agreement has been duly authorized by the Seller, and constitutes a valid and binding agreement of Seller, enforceable in accordance with its terms.

C. **No Contravention**: The execution, delivery and performance of this Agreement by Seller will not violate any provision of its organizational documents and will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Seller or any of its principals is a party or by which it or they or any of the Assets is bound or affected.

D. **Insolvency Proceedings**: No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Seller or the Assets are pending or threatened.

E. **Commission Licenses:** Exhibit B hereto contains a complete list of all the licenses, permits, and other authorizations issued by the Commission, together with any applications therefor pending before the Commission, needed for operation of the Station.

F. **Contracts:** Exhibit C includes all contracts, agreements and commitments which are necessary for operation of the Station, excluding agreements for the broadcast of advertising on the Station for cash consideration.

G. **Intangible Property:** The Intangible Property includes all good will, trademarks, service marks, copyrights, trade names, intellectual property and other similar intangible property rights to be obtained by Seller at the Transfer Transition Date.

11. **COVENANTS OF SELLER**

A. **Negative:** Between the date hereof and the Closing Date or earlier termination of this Agreement, Seller will not do any of the following without the written consent of Buyer:

(i) Create or assume any mortgage upon or pledge or subject to lien or encumbrance any of the Assets, whether now or hereafter acquired; or

(ii) Sell, assign, lease, convey, or otherwise transfer or dispose of any of the Assets, whether now owned or hereafter acquired other than in the ordinary course of business, unless, in the case of the Tangible Personality, the same are replaced in the normal course of business by assets of at least equal quality and usefulness.

12. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER**

Buyer makes the following representations, warranties and covenants, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct as of Closing:

A. **Organization:** Buyer is an individual residing and domiciled in the State of Maryland and has full power and authority to enter into and perform this Agreement.

B. **Authorization:** The execution and delivery of this Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms.

C. **No Contravention:** The execution, delivery and performance of this Agreement by Buyer will not result in a breach of, or constitute a default under, the provisions of any agreement or other instrument to which Buyer is a party or by which he or his property is bound or affected.

D. **Qualification:** Buyer is fully qualified, legally, financially and otherwise, to become licensee of the Station and to timely consummate all of the transactions contemplated by this Agreement.

13. CONTROL OF STATION

Nothing contained in this Agreement shall be construed as giving Buyer any right to directly or indirectly supervise or direct the operation of the Station prior to the Closing. Such operation, including complete control and supervision of all programming (except to the limited extent permitted by the TBA), shall be the sole responsibility of Seller.

14. RISK OF LOSS - DAMAGE TO FACILITIES

The risk of loss or damage to any of the Assets shall be upon Seller prior to the Closing, and thereafter upon Buyer. In the event of such loss or damage prior to the Closing, the proceeds of, or any claim for any loss payable under, any insurance policy with respect thereto shall be used by Seller to repair, replace, or restore such lost or damaged assets. In the event such loss or damage or any other reason prevents the broadcast transmission by the Station in the normal and usual manner, Seller shall give prompt written notice thereof to Buyer. In the event such loss or damage substantially impairs the operation of the Station and cannot be substantially repaired by the later of the Closing Date or thirty days after such loss or damage, then Buyer may terminate this Agreement.

Pending the Closing Date, Buyer and its employees, representatives and agents will maintain the confidentiality of the information and materials delivered to them or made available for their inspection pursuant to this Agreement, except where such information, schedules, and other documentation are required to be filed with the Commission in connection with an application for Commission consent. If for any reason the transaction is not consummated and does not close, Buyer will cause its employees, representatives and agents to return to Seller all such materials in their possession and continue to preserve the confidentiality of such information.

15. CONDITIONS OF CLOSING – SELLER'S OBLIGATIONS

The obligations of Buyer under this Agreement are, at Buyer's option, subject to compliance by Seller with each of the following terms and conditions at or prior to the Closing Date:

A. **Operating Status of Station:** The Station shall be operating substantially in compliance with all parameters listed on its Licenses;

B. **Commission Consent:** The Commission shall have granted the Application and, if a petition to deny shall have been filed against the Application, such grant shall have become a Final Order;

C. **Consents:** Seller shall have obtained required written consent to the assignment of the Contracts designated as material in Exhibit C and delivered such consents to Buyer along with true copies of all of the Contracts;

D. **Instruments of Conveyance:** Seller shall have delivered to Buyer the following instruments, all of which shall be in form customary in the State of Virginia and reasonably satisfactory to counsel for Buyer:

- (i) Bills of sale and other instruments of assignment and transfer, covering all the Tangible Personalty and the Records;
- (ii) Assignments and other appropriate instruments assigning the Licenses and other authorizations of the Station, the Contracts and the Intangible Property;
- (iii) One or more deeds in proper form for recordation with respect to the real property upon which the towers and transmission facilities of the Station are located transferring the Real Property to Buyer in fee simple free and clear of all liens and encumbrances.
- (iv) Such other documents as Buyer shall reasonably request and which are necessary to place Buyer in actual possession and operating control of Station and the Assets being transferred hereunder.

E. **Accuracy of Representations - Compliance with Covenants:** The representations and warranties of Seller contained in Section 10 above shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date and Seller shall have complied with all the covenants contained in Section 11 above.

F. **Other Acts:** Seller shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

16. CONDITIONS OF CLOSING - BUYER'S OBLIGATIONS

The obligations of Seller under this Agreement are, at Seller's option, subject to compliance by Buyer with each of the following terms and conditions at or prior to the Closing Date:

A. **Commission Consent:** The Commission shall have approved the assignment of the Licenses from Seller to Buyer and, if a petition to deny shall have been filed against the Application, such approval shall have become a Final Order.

B. **Payment of Purchase Price:** Buyer shall have paid to Seller the Purchase Price in the manner set forth in Section 3 above.

C. **Assumption of Contracts:** Buyer shall have delivered to Seller a document, in form and substance reasonably satisfactory to Seller, whereby Buyer assumes those liabilities and obligations of Seller under the Contracts to be assumed pursuant to Section 8 above.

D. **Accuracy of Representations:** The representations, warranties and covenants of Buyer contained in Section 12 above shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, and Buyer shall deliver to Seller the certificate of its President or other authorized party so stating under oath.

E. **Towers:** Buyer shall have restored all the Station towers and transmission to the Station's licensed operating parameters at Buyer's expense such that the Station will no longer be operating under Special Temporary Authority.

F. **Other Acts:** Buyer shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

17. **REMEDIES UPON TERMINATION OR DEFAULT**

If this Agreement is terminated due to no fault of either Buyer or Seller, then neither party shall have any liability to the other. If the Agreement is terminated due to a material default of Seller then, in addition to any other remedies to which it may be entitled, Buyer may, at its option, seek a decree of specific performance, it being agreed by both Buyer and Seller that the Assets to be conveyed hereunder are unique and irreplaceable, and that monetary damages alone may not suffice to compensate Buyer for the loss of an opportunity to acquire the Station on the terms set forth herein. If this Agreement is terminated due to Buyer's material default hereunder, then Seller may, at its sole option, elect to receive as compensation therefor all amounts paid or incurred up to the date of termination under the TBA as and for liquidated damages, and not as a penalty, it being agreed that actual damages would be difficult to calculate and that the foregoing sums are a reasonable estimate of Seller's damages.

18. **INDEMNIFICATION**

A. **Seller's Indemnification.** Seller shall indemnify, defend, and hold harmless Buyer from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description, arising out of (i) any misrepresentation or breach of any warranty of Seller contained in this Agreement, (ii) any breach of any covenant, agreement, or obligation of Seller contained in this Agreement, (iii) all operation of the Station prior to the Closing Date (other than to the extent that Buyer or its agents is a proximate cause of or could reasonably have prevented or mitigated such matters) and (iv) all liabilities of Seller or the Station not expressly assumed by Buyer hereunder.

B. **Buyer's Indemnification.** Buyer shall indemnify, defend, and hold harmless Seller from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description, arising out of (i) any misrepresentation or breach of any warranty of Buyer contained in this Agreement; (ii) any breach of any covenant, agreement or obligation of Buyer contained in this Agreement; (iii) all operation of the Station following the Closing Date (except to the extent that Seller or its agents was a proximate cause or could have reasonably have prevented or mitigated such matters prior to the Closing) and (iv) all obligations expressly assumed by Buyer hereunder.

C. **Procedure for Indemnification.** The party seeking indemnification under this Section 18 ("**Indemnatee**") shall give the party from whom it seeks indemnification ("**Indemnitor**") prompt notice, pursuant to Section 23, of the assertion of any such claim, provided, however, that the failure to give notice of a claim within a reasonable time shall only relieve the Indemnitor of liability to the extent it is materially prejudiced thereby. Promptly after receipt of written notice, as provided herein, of a claim by a person or entity not a party to this Agreement, the Indemnitor shall assume the defense of such claim; provided, however, that if the Indemnitor fails, within a reasonable time after receipt of written notice of such claim, to assume

the defense, compromise, and settlement of such claim on behalf of and for the account and risk of the Indemnitor, the Indemnitee shall have the right to undertake the defense, compromise and settlement of such claim on behalf of and for the account and risk of Indemnitor.

D. **Dispute Over Indemnification.** If upon presentation of a claim for indemnity hereunder, the Indemnitor does not agree that all, or part, of such claim is subject to the indemnification obligations imposed upon it pursuant to this Agreement, it shall promptly so notify the Indemnitee. Thereupon, the parties shall attempt to resolve their dispute, including where appropriate, reaching an agreement as to that portion of the claim, if any, which both concede is subject to indemnification. To the extent that the parties are unable to reach some compromise, the parties agree to submit the matter for binding arbitration pursuant to the expedited procedures of Judicial Arbitration and Mediation Services, Inc. ("JAMS") and to share equally in the costs of such arbitration.

19. ATTORNEY'S FEES; PREJUDGMENT INTEREST.

In the event of commencement of suit by either party to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive such attorney's fees and costs as a court may adjudge reasonable in addition to any other relief granted. Any award of damages following judicial remedy as a result of the breach of this Agreement or any of its provisions shall include, to the extent permitted by applicable law, an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law.

20. PRESERVATION OF BOOKS AND RECORDS

For five (5) years after the Closing, (i) Buyer will preserve the books and records of Seller delivered pursuant to Section 1(E) hereof, and will allow Seller reasonable access to them and (ii) Seller will preserve all other books and records relating to the Seller and the Station (including all tax records) and will allow Buyer reasonable access to them.

21. SURVIVAL

The representations, warranties, covenants, and agreements contained herein and in any certificate or other instrument delivered pursuant hereto shall be deemed and construed to be continuous and shall survive the Closing hereunder and the payment of the Purchase Price for a period of six (6) months.

22. BROKER/FINDER

Buyer and Seller hereby mutually represent that there are no finders, consultants or brokers involved in this transaction and that neither Seller nor Buyer has agreed to pay any brokers', finders' or consultants' fees in connection with this transaction.

23. NOTICES

All necessary notices, demands and requests shall be deemed duly given if mailed by registered or certified mail, postage prepaid, addressed as follows:

If the notice is to Buyer:

Amin Segundo, dba / WASP Productions
12724 Epping Terrace
Silver Spring, Md 20906700
E-Mail: aminsegundo@yahoo.com

If the notice is to Seller:

Capital Broadcasting VA, LLC
800 Cedarcroft Drive
Millersville, MD 21108
Attn: Alfred L. Hammond, Managing
Member

E-Mail: alpha1520@aol.com

With a copy (which shall not constitute notice
to Seller) to:

Gregg P. Skall, Esq.
Telecommunications Law Professionals
PLLC
1025 Connecticut Ave, NW
Suite 1011
Washington, D.C. 20036
E-Mail: gskall@tlp.law

24. CONSTRUCTION

This Agreement shall be construed and enforced in accordance with the laws of the State of Virginia. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and to this end only the provisions of this Agreement are declared severable.

25. ASSIGNMENT AND BENEFIT

This Agreement is not assignable by either Buyer or Seller without written consent of the other. This Agreement and all of the obligations set forth herein shall be binding upon the parties and their respective heirs, assigns and successors.

26. COOPERATION

Each party hereto agrees to perform such further acts and to execute and deliver such further documents as may be necessary or desirable to effectuate the purposes of this Agreement.

27. TIME OF ESSENCE

Time is of the essence with respect to every provision of this Agreement.

28. WAIVER

No waiver of any right pursuant hereto or waiver of a breach hereof shall be effective unless in writing and signed by the parties waiving such right or breach. No waiver of any right or waiver of any breach shall constitute a waiver of any other or similar right or breach; and no failure to enforce any right hereunder shall preclude or affect the later enforcement of such right.

29. ENTIRE AGREEMENT

This Agreement embodies the entire agreement among the parties and supersedes all prior agreements and understandings among the parties. No attempted change, termination or waiver of any of the provisions hereof shall be binding except by a written instrument signed by the party against which the same is sought to be enforced.

30. EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

[Signatures appear on following page.]

EXECUTED on the day first above written.

ATTEST:

CAPITAL BROADCASTING VA, LLC

By Alfred L. Hammond
Alfred L. Hammond, Managing Member

ATTEST:

Amin Segundo, dba / WASP Productions

By Amin Segundo
Amin Segundo

EXHIBIT D

Towers and Real Property

The towers and all of the real property upon which the towers and transmission facilities of the Station are located consisting of two parcels, at 17740 Batestown Road address and at 17700 Van Buren road, both in Dumfries, VA and comprising a total acreage of approximately 9.4842 acres.