

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “Agreement”) is dated as of July 8, 2022 (“Effective Date”), by and between, **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation (“Seller”) and **HEART OF VIRGINIA COMMUNICATIONS, LLC**, a Virginia limited liability company (“Buyer”). Seller and Buyer shall each be referred to herein as a “Party” and shall collectively be referred to as the “Parties”.

WITNESSETH:

WHEREAS, Seller is the licensee of WFLO(AM), Farmville, Virginia (870 kHz; FIN 12317) (the “Station”) pursuant to authorizations issued by the Federal Communications Commission (the “FCC”);

WHEREAS, Seller desires to sell, transfer, assign, convey and deliver to Buyer, and Buyer desires to acquire from Seller, certain assets used in connection with the operation of the Station;

WHEREAS, FCC authorizations may be assigned only with the prior consent of the FCC;

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Sale of Assets.

(a) At Closing (as hereinafter defined), Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer shall purchase and assume from Seller, the following assets used in connection with the operation of the Station (“Assets”), but excluding the Excluded Assets described in subparagraph (b) below:

(i) The equipment and other tangible personal property used in the transmission operations of the Station identified on Schedule 1 hereto (the “Tangible Personal Property”);

(ii) The licenses, permits and authorizations issued by the FCC to Seller for the operation of the Station, identified on Schedule 2 hereto (the “FCC Authorizations”); and

(iii) any file, records or warranties related to the foregoing.

(b) Seller shall not sell, assign or transfer to Buyer any assets, of whatever kind or nature, wherever located, which are held by Seller and used or useful in connection with the operations or ownership of any station other than the Station, including any privileges, rights, interests and claims associated therewith (the “Excluded Assets”) and specifically including, without limitation, the following:

(i) Cash on hand and in banks (or their equivalents), and accounts receivable arising out of the operation of the Station prior to Closing;

(ii) All rights of Seller under all contracts, leases, and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by Seller relating to property or equipment repaired, replaced, restored by Seller prior to the Closing Date;

(iii) All deposits and all prepaid expenses and taxes;

(iv) Seller's corporate records;

(v) Seller's fee simple interest in approximately 6.57 acres of land located at 1582 Cumberland Rd, Farmville, VA 23901 (the "Tower Site Property"),

(vi) all studio equipment of Seller and any other tangible and intangible personal and real property owned by Seller which is not listed on Schedule 1 hereto, including, but not limited to, the items as further identified and described on Schedule 3 hereto.

(c) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("Liens"), except for (i) Liens for taxes, assessments and other governmental charges not yet due and payable and (ii) in the case of real property, zoning laws, ordinances and similar laws that are not violated by any existing improvement and easements, rights of way, restrictive covenants and other encumbrances, encroachments or other similar matters of record that do not affect title to the property subject thereto or impair in any material respect the continued use of Tower Site Property as currently used ("Permitted Liens")

(d) Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement, except for any other liabilities of Seller for which Buyer receives a credit for under Section 2(d) (collectively, the "Assumed Liabilities"). All liabilities, except for the Assumed Liabilities, shall be retained by Seller.

2. Consideration; New Tower Lease.

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date, Buyer shall pay to Seller the aggregate sum of Seventy-Five Thousand Dollars (\$75,000) (the "Purchase Price"), which shall be paid by Buyer by wire transfer of same day federal funds to an account designated by Seller at least two (2) business days before the Closing Date.

(b) As of the Effective Date, Buyer has deposited with Broadcasting Properties, LLC ("Broker") the sum of Seven Thousand Five Hundred Dollars and 00/100 (\$7,500.00) to be held by Broker as a deposit (the "Deposit") for this transaction. The Deposit shall be paid to Seller as partial payment of the Purchase Price due at Closing or shall otherwise be made available to Seller or returned to Buyer in accordance with the provisions of this Agreement.

(c) At Closing, Seller will enter into a new tower lease with Buyer ("New AM Tower Lease", pursuant to which Seller will lease to Buyer tower space on the tower located on the

Tower Site Property for the operation of the Station (which New AM Tower Lease will be on mutually acceptable terms, including those set forth on Schedule 4 hereto);

(d) The Parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 12:01 a.m. local time of the Closing Date (defined below). The items to be prorated shall include, but not be limited to, power and utilities charges; FCC regulatory fees (of which there will be none); real property and personal property taxes related to the Assets based upon the most recent tax bills and similar prepaid and deferred items. Insofar as feasible, the prorations shall, be determined and paid on the Closing Date, with final settlement and payment to be made within sixty (60) days after the Closing Date.

3. **FCC Consent; Assignment Application.** At a date not later than five (5) business days after the date hereof, Buyer and Seller shall execute, file and vigorously prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Station (the "FCC Consent"). Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay. Each Party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to such application and shall furnish all information required by the FCC.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") not later than ten (10) days following the date of which the FCC Consent shall have been granted and the conditions to closing set forth in Section 8 have either been waived or satisfied; provided, however, if any petition to deny or other objection is filed with the FCC against the Assignment Application, then either Party may elect at its sole discretion to postpone Closing until the FCC Consent becomes a Final Order and the conditions to closing set forth in Section 8 have either been waived or satisfied. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application that is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by mail, facsimile, or electronic mail, as the Buyer and Seller may agree.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer:

(a) Seller is a California non-profit religious corporation duly organized, validly existing and in good standing under the laws of the State of California. Seller is qualified to do business in the Commonwealth of Virginia.; Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution and delivery by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby and thereby do not conflict with any organizational documents of Seller; any other agreement or understanding to which Seller is a party; any law,

judgment, order, or decree to which Seller is subject; or require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any governmental authority, except the FCC Consent.

(c) Schedule 1 hereto contains a list of the Tangible Personal Property owned by Seller that shall be transferred to Buyer. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. The Tangible Personal Property shall be conveyed to Buyer in “as-is, where-is” condition and Seller makes no additional representations or warranties regarding the condition of the Tangible Personal Property.

(d) Schedule 2 hereto contains a true and complete list of the FCC Authorizations that are required by the FCC to operate the Station. The FCC Authorizations are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the FCC Authorizations listed on Schedule 2, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, except such conditions as are stated on the face thereof. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify the FCC Authorizations other than proceedings to amend FCC rules of general applicability, and Seller has no knowledge of any such action at the FCC and no reason to believe that such an action may be sought from the FCC by any third party. There is no order to show cause, notice of violation, notice of apparent liability or notice of forfeiture or complaint pending or, to Seller’s knowledge, threatened against Seller with respect to the FCC Authorizations by or before the FCC.

(e) Seller has a valid fee simple interest in the Tower Site Property and has the power and authority to execute and deliver the New AM Tower Lease at Closing. Once executed, the New AM Tower Lease will be a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors’ rights or the application of principles of equity.

(f) Except for Broker, whose fees will be paid by Seller, there is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Seller.

6. **Representations and Warranties of Buyer.** Buyer hereby makes the following representations and warranties to Seller:

(a) This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors’ rights or the application of principles of equity.

(b) The execution and delivery by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby does not conflict with any organizational documents of Buyer; any other agreement or understanding to which Buyer is a party; any law, judgment, order or decree to which Buyer is subject; or require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any governmental authority, except the FCC Consent.

(c) Buyer is legally, financially and technically qualified to acquire and become the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended and the rules, regulations and policies of the FCC (collectively, the “Communications Laws”). There are no facts that would, under the existing laws, including the Communications Laws, disqualify Buyer as an assignee of the FCC Authorizations or as the owner and operator of the Station. No waiver of any FCC rule or policy with respect to Buyer, its business or operations, is necessary for the FCC Consent to be obtained. Buyer has and will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated hereby.

(d) There is no broker or finder or other person who would have any valid claim against Seller for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Buyer.

7. **Covenants.** Buyer and Seller hereby further covenant and agree as follows:

(a) Subject to the requirements of applicable law, all non-public information regarding the Parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except the Parties’ representatives and lenders for the purpose of consummating the transactions contemplated by this Agreement.

(b) Buyer shall not, directly or indirectly, control the Station prior to Closing. Consistent with the Communications Laws, control, supervision and direction of the Station prior to Closing shall remain the responsibility of Seller as the Station’s licensee.

(c) Seller covenants with Buyer that, between the Effective Date and the Closing Date, Seller shall act in accordance with the following:

(i) Seller shall continue to operate and maintain the Station and Assets in material compliance with all applicable laws, rules, and regulations, including the Communications Laws.

(ii) Seller shall not, without the prior written consent of Buyer, sell, lease, transfer or agree to sell, lease or transfer any of the Assets.

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by Seller:

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date;

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent contemplated by this Agreement shall have been granted (and if required by Section 4 hereof, shall have become a Final Order); and

(iv) Buyer shall have delivered to Seller on the Closing Date, the documents and payments required to be delivered pursuant to Section 9(b).

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Seller prior to or as of the Closing Date;

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent contemplated by this Agreement shall have been granted (and if required by Section 4 hereof, shall have become a Final Order);

(iv) The FCC Authorizations shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, or refuse to renew any of such FCC Authorizations; and

(v) Seller shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a).

9. **Closing Deliveries and Post-Closing Deliveries**

(a) At the Closing, Seller shall deliver to Buyer the following, each of which shall be in form and substance satisfactory to Buyer and its counsel:

(i) A bill of sale, executed by Seller, transferring title to the Tangible Personal Property to Buyer ("Bill of Sale");

(ii) An instrument of assignment and assumption, executed by Seller, assigning the FCC Authorizations to Buyer ("FCC Assignment");

(iii) The New AM Tower Lease, executed by Seller;

(iv) A certificate executed by Seller that the conditions set forth in Section 8(b)(i) and 8(b)(ii) have been satisfied by Seller as of the Closing Date;

(v) A closing statement, executed by Seller; and

(vi) Instructions to the Broker requesting release of the Deposit to Seller, executed by Seller.

(vii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Buyer shall reasonably request, each in form and substance satisfactory to Buyer and its counsel.

(b) Prior to or at the Closing, Buyer will deliver to Seller the following, each of which shall be in form and substance satisfactory to Seller and its counsel:

- (i) The Purchase Price (less the Deposit);
- (ii) The Bill of Sale, executed by Buyer;
- (iii) The FCC Assignment, executed by Buyer;
- (iv) The New AM Tower Lease, executed by Buyer;
- (v) Instructions to the Broker requesting release of the Deposit to Seller, executed by Buyer.
- (vi) A certificate executed by Buyer that the conditions set forth in Section 8(a)(i) and 8(a)(ii) have been satisfied by Buyer as of the Closing Date;
- (vii) A closing statement, executed by Buyer; and

(viii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Seller shall reasonably request, each in form and substance satisfactory to Seller and its counsel.

10. **Indemnification.** Each Party agrees to indemnify the other for its breach of any representations, warranties and covenants contained herein. The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire twelve (12) months after the Closing Date. Claims by one Party against the other that do not involve third-party claims shall be permitted only to the extent that damages exceed Ten Thousand Dollars (\$10,000.00) and shall be limited to Forty-Five Thousand Dollars (\$45,000.00). No Party may claim consequential, exemplary, or punitive damages or damages for lost business opportunities.

11. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the Party seeking to terminate is not in default or breach of any of its material obligations under this Agreement upon written notice to the other upon the occurrence of any of the following: (i) if, on or prior to the Closing Date, the other Party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching Party; or (ii) if the Assignment Application is denied by the FCC and such denial shall have become a Final Order; or (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement, or (iv) by Seller, if the Closing has not occurred within 12 months of the date hereof.

(b) If Closing does not occur and this Agreement is terminated by Seller pursuant to Section 11(a) on account of Buyer's breach, then Seller's sole remedy shall be to have Broker deliver the Deposit to Seller, as liquidated damages and not as a penalty ("Liquidated Damages"). THE RECEIPT OF THE LIQUIDATED DAMAGES BY SELLER SHALL BE CONSIDERED LIQUIDATED DAMAGES AND NOT A PENALTY, AND SHALL BE SELLER'S SOLE REMEDY AT LAW OR IN EQUITY FOR A BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS LIQUIDATED DAMAGES AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY A BREACH OF THIS AGREEMENT BY BUYER, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER.

(c) Upon a termination of this Agreement due to a breach by Seller of any of its material obligations under this Agreement, Broker shall return the Deposit to Buyer and Buyer may seek all rights and remedies that it may have in equity or at law.

(d) If this Agreement is terminated for any reason other than by Seller or Buyer pursuant to Section 11(a), Broker shall return the Deposit to Buyer and neither Party shall have any liability to the other with respect to this Agreement from and after the termination date.

(e) Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligations to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performances of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

12. **Risk of Loss.** Seller shall bear the risk of any loss of or damage to any of the Assets at all times until the Closing, and Buyer shall bear the risk of any such loss or damage thereafter.

13. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a Party as shall be specified by like notice):

If to Seller, to:

Educational Media Foundation
2000 Mallory Lane, Suite 130-388
Franklin, TN 37067-8231
Attn. Todd Woods, Chief Legal Officer
Email: TWoods@kloveair1.com

With a copy (which shall not Constitute notice) to:

Paige Fronabarger, Esq.
Wilkinson Barker Knauer LLP
1800 M Street, NW, Suite 800N
Washington, DC 20036
Email: pfronabarger@wbklaw.com

If to Buyer, to:

Donna M. VanCleave
Heart of Virginia Communications, LLC
217 W. Third Street, Suite 2
Farmville, VA 23901
Email: jon.donna77@gmail.com

With a copy (which shall not Constitute notice) to:

N. Garrison Elder
Elder, Watkins & Friedman, P.C.
P.O. Box E
113-B Second Street
Farmville, VA 23901
Email: gary@elderwatkins.ocm

14. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without giving effect to the choice of law principles thereof.

15. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

16. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument. Delivery of a manually or digitally executed signature page of this Agreement and/or transmission of such signature page by facsimile or in a .pdf or similar electronic file shall be effective as delivery of a manually executed counterpart hereof.

17. **Expenses.** Except as otherwise set forth herein, each Party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

18. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may voluntarily

assign its interest or delegate its duties under this Agreement without the prior written consent of the other Party.

19. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the Parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by Parties.

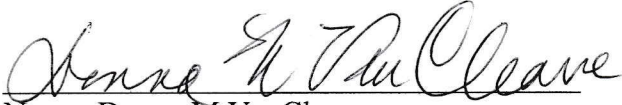
SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

HEART OF VIRGINIA COMMUNICATIONS, LLC

By: 
Name: Donna M. VanCleave
Title: Manager

SELLER:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Name:
Title:

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

HEART OF VIRGINIA COMMUNICATIONS, LLC

By: _____
Name:
Title:

SELLER:

EDUCATIONAL MEDIA FOUNDATION

By:  _____
Name: David Atkinson
Title: CFO/COO