

## **ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (the “Agreement”) is entered into as of this 24<sup>th</sup> day of March 2023 (the “Effective Date”), among Chincoteague Broadcasting Corporation, a Virginia corporation (“CBC”), GSB Media, LLC, a Virginia limited liability company (“Buyer”) and the Estate of Stephen A. Marks (“Estate” and together with CBC, “Seller”) (each a “Party” and, collectively, the “Parties”).

### **RECITALS**

**WHEREAS**, CBC is the licensee and operator of FM radio broadcast station WOWZ-FM Accomac, VA (FCC Facility ID No. 18384) (the “Station”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”) and owns all other assets used in connection with the operation of the Station;

**WHEREAS**, the Estate is the sole owner of Seller and the ultimate beneficial owner of the assets of CBC;

**WHEREAS**, Buyer is operating the Station pursuant to a Time Brokerage Agreement (“TBA”); and

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase substantially all of the assets owned by Seller and used in connection with the operation of the Station;

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the Parties, intending to be legally bound, hereby agree to the following terms and conditions:

### **ARTICLE 1: SALE AND PURCHASE**

1.1 **Station Assets**. Subject to the terms and conditions contained herein, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (defined below) certain assets, properties, interest and rights of Seller used or useful in connection with the operation of the Station (collectively, the “Station Assets”), as follows:

(a) **Licenses and Authorizations**. All licenses, authorizations, permits and approvals issued to CBC with respect to the Station by the FCC (and any pending applications before the FCC), including, without limitation, those described on Schedule 1.1(a) attached hereto, and any pending applications, construction permits, renewals or modifications thereof (collectively, the “FCC Licenses”).

(b) **Tangible Personal Property**. All machinery and equipment, transmitters, furniture, fixtures, computers, cables, spare parts and other tangible personal property owned by Seller and used or useful in connection with the operation of the Station, listed in Schedule 1.1(b), (the “Tangible Personal Property”).

(c) **Contracts**. The contracts, agreements and leases related to the business of the Station, including all orders and agreements for the purchase and sale of underwriting and sponsorship announcements and program time on the Station as of the date hereof and entered into between the date hereof and the Closing Date in the ordinary course of business, to the extent the foregoing have not been performed as of the Closing, including, without limitation, those listed in Schedule 1.1(c) (collectively, the “Assumed Contracts”).

(d) **Files and Records**. The Station’s public inspection file, filings with the FCC relating to the Station, and such other program logs, technical information, engineering data, books and records that relate to the Station and the Station Assets being conveyed hereunder.

(e) **Claims**. Any and all claims and rights against third parties if and to the extent that they relate to Station Assets, including, without limitation, all rights under manufacturers’ and vendors’ warranties.

(f) **Prepaid Items**. All deposits, reserves and prepaid expenses relating to the Station Assets and prepaid taxes relating to the Station Assets, pro-rated as of Closing.

(g) **Real Estate**. The real property set forth in Schedule 1.1(g) (hereinafter “Real Property”) including the building and other improvements located thereon.

1.2 **Excluded Assets**. The following shall be excluded from the Station Assets and retained by Seller (collectively, the “Excluded Assets”):

(a) **Cash**. All cash, cash equivalents or similar investments such as certificates of deposit, treasury bills and other marketable securities on hand and/or in banks and deposits of Seller.

(b) **Insurance**. Any insurance policies, intercompany accounts, promissory notes, amounts due from employees, or other similar items, any cash surrender value in regard thereto of Seller, and any proceeds from insurance claims made by Seller relating to property or equipment included in the Station Assets that has been repaired, replaced or restored by Seller prior to the Closing Date.

(c) **Benefit Plans**. Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and assets thereof, or any other employee benefit plan or arrangement, and the assets thereof.

(d) **Tax Refunds**. Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for taxes incurred and actually paid by Seller prior to the Closing.

(e) **Books and Records**. Except as provided in Section 1.1(d) all the financial records, account books and general ledgers, and all corporate records (including organizational documents) of Seller, including tax returns and transfer books.

(f) **Contracts**. Any contracts, leases or agreements that are not Assumed Contracts.

1.3 **Liabilities.** The Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than Permitted Liens. "Permitted Liens" means, collectively and without duplication: (i) Liens for taxes not yet due and payable, (ii) Liens that will be discharged prior to Closing, (iii) Buyer's obligations to perform on and after the Closing Date the obligations arising under the Assumed Contracts and other Station Assets and (iv) with respect to the Real Property, such easements, rights of way, building and use restrictions and other exceptions now of record that do not materially impair the use of the Real Property, in the ordinary course of business. Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities relating to the Assumed Contracts and other Station Assets arising or occurring after the Closing. Buyer shall not assume (i) any obligations or liabilities under the Assumed Contracts or other Station Assets relating to the period prior to the Closing; (ii) any obligations or liabilities of Seller which are unrelated to the Station Assets being sold hereunder, (iii) any obligations or liabilities relating to employees of Seller, (iv) any obligations or liabilities relating to the Excluded Assets, (v) any federal, state or local franchise, income or other taxes of Seller, or (vi) any other obligations or liabilities of Seller.

1.4 **Escrow Deposit.** Upon the execution of this Agreement, Buyer shall deposit with Patrick Communications, LLC (the "Escrow Agent") the sum of Ten Thousand Dollars (\$10,000.00) by wire transfer of immediately available funds (the "Escrow Deposit"). The Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of an earnest money escrow agreement dated the date of this Agreement in the form of attached Schedule 1.4 (the "Escrow Agreement"). At the Closing, upon receipt of joint written instructions from the Estate and Buyer, Escrow Agent shall deliver the Escrow Deposit to the Estate as a dollar-for-dollar credit against the Purchase Price. If the Closing does not take place in accordance with the terms of this Agreement, then the Escrow Deposit will be delivered to the Estate or the Buyer in accordance with the terms and conditions set forth in Section 11.3 below.

1.5 **Purchase Price, Terms of Payment.** The purchase price for the Station Assets (the "Purchase Price"), as the same may be adjusted pursuant to this Agreement, shall be a total of One Hundred Thousand Dollars (\$100,000) to be paid to Seller (or its designees), at Closing as follows:

(a) Forty Thousand Dollars (\$40,000) by wire transfer of immediately available funds, the sum of;

(b) The \$10,000 Escrow Deposit shall be delivered to Seller (or its designee) from the Escrow Agent by wire transfer of immediately available funds; and

(c) Buyer shall execute and deliver a promissory note payable to the Estate or its assigns in the aggregate principal amount of Fifty Thousand Dollars (\$50,000.00) in the form attached as Schedule 1.5 ("Promissory Note").

1.6 **Prorations.** Subject to any reimbursement obligations which may be provided in the TBA, the Parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued, or payable, as of 11:59 p.m. local time of the day preceding the Closing.

The prorated items shall include, but not be limited to, power and utilities charges, FCC regulatory fees, if any (based on the most recent publicly available information about the cost of such regulatory fees for the Station), real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. The prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

1.7 **Allocation of Purchase Price.** The Parties shall negotiate in good faith an allocation of the Purchase Price to the assets acquired hereunder in a manner which complies with Section 1060 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), prior to Closing, and each Party shall after Closing file returns with the Internal Revenue Service consistent therewith.

## **ARTICLE 2: FCC CONSENT; CLOSING**

2.1 **FCC Consent; Assignment Application.** Not later than five (5) business days after the Effective Date, Buyer and CBC shall prepare, execute, and file an application to the FCC (the “Assignment Application”) requesting the FCC’s consent (the “FCC Consent”) to the assignment of the FCC Licenses from CBC to Buyer. Buyer and CBC shall prosecute the Assignment Application and cooperate with each other and with the FCC in order to secure such FCC Consent without delay and to promptly consummate the transaction contemplated hereby. At the Closing, Buyer shall reimburse CBC for the one-half of the FCC filing fee, if any, paid by CBC in connection with the Assignment Application. Each Party shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application, including attorney’s fees.

2.2 **Closing Date; Closing Place.** The closing (the “Closing”) of the transaction contemplated in this Agreement shall occur on a date (the “Closing Date”) that is no more than ten (10) business days following the date on which (i) the FCC has granted the FCC Consent; provided, however, that if any petition to deny or other objection is filed with the FCC against the Assignment Application, then Buyer may elect to delay the Closing until the FCC Consent becomes a final order; and (ii) the other conditions to the Closing set forth in Articles 6 and 7 hereof shall have either been waived or satisfied. The Closing shall be held at the offices of the Escrow Agent, or by exchange of documents via email, or as Seller and Buyer may agree.

## **ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties to Buyer:

3.1 **Organization and Authorization.** CBC was formed as a corporation under the laws of the Commonwealth of Virginia. Seller have the power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. Seller’s execution and delivery of this Agreement and consummation of the transaction contemplated hereby, have been duly and validly authorized, and no other actions on the part of Seller are necessary to authorize the execution and delivery of, or the performance of Seller’s obligations under this Agreement or to consummate the transaction contemplated hereby. This Agreement 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.

3.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Seller will not (i) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any obligation relating to the business of the Station, (ii) violate any law, statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency applicable to Seller or any of the Station Assets, (iii) result in the creation or imposition of any Lien on the Station Assets, other than Permitted Liens, or (iv) require the consent or approval of any governmental authority or other third party other than the FCC Consent, except where the assignment of any third party contracts may require the other contracting parties' consent. Seller has obtained consent of its lender, if necessary and applicable, for sale of the Station Assets pursuant to this Agreement.

3.3 **Tangible Personal Property.** Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. Each item of Tangible Personal Property will be conveyed to Buyer at the Closing in "as-is, where-is" condition, and, except as expressly set forth in this Agreement, Seller makes no warranty whatsoever with regard to the condition of the Tangible Personal Property.

3.4 **FCC Licenses and Other Licenses.** Schedule 1.1(a) hereto contains a true and complete list of the FCC Licenses (including any pending applications) and all other licenses, permits, or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent that the Station is presently operated. The FCC Licenses and other licenses are in full force and effect, unimpaired by any act or omission of Seller. CBC lawfully holds each of the FCC Licenses and the other licenses, permits, and authorizations listed on Schedule 1.1(a), none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, other than (i) as may be set forth on the faces of such FCC Licenses and other licenses, or (ii) as may be applicable to the radio broadcasting industry. Seller is operating the Station in compliance with the FCC Licenses, the Communications Act of 1934, as amended, and all regulations and published policies of the FCC (the "Communications Laws"). There is not now pending or, to the knowledge of Seller, threatened any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of such FCC Licenses, and Seller has not received any notice of, and has no knowledge of, any pending, issued, or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against the Station or Seller.

3.5 **Title Documents.** Seller has and will deliver to Buyer at Closing, good and marketable title to the Station Assets, free and clear of all Liens other than Permitted Liens, subject to the understandings set forth in Schedule 3.5.

3.6 **Brokers.** Larry Patrick, Patrick Communications. LLC is Seller's broker and Seller shall be responsible for any commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby.

3.7 **Litigation; Compliance with Law.** Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of the Station or the Station Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller's knowledge no such proceeding is pending. There is no material litigation pending by or against, or, to Seller's knowledge, threatened against, Seller which relates to the Station or which could materially and adversely affect any of the Station Assets.

3.8 **Taxes.** To Seller's knowledge, Seller has duly, timely, and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll, and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies, and losses required to be paid. No event has occurred which could impose upon Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority.

3.9 **Real Property.** The Real Property is free and clear of any Liens other than Permitted Liens and will be conveyed to Buyer at the Closing in "as-is, where-is" condition and without any further representation or warranty with respect thereto.

#### **ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer makes the following representations and warranties to Seller:

4.1 **Organization and Standing.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia.

4.2 **Authorization.** Buyer has the power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer's obligations under this Agreement, or to consummate the transaction contemplated hereby. This Agreement constitutes the legal, valid, and binding agreement of Buyer 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.

4.3 **No Defaults.** The execution, delivery, and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or bylaws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution, or other third party other

than the FCC Consent, except where the assignment of any third party contracts may require the other contracting parties' consent.

4.4 **Buyer's Qualification.** Buyer is legally and financially qualified to acquire, and to become the FCC licensee of, the Station and to perform its obligations under this Agreement. Buyer has sufficient funds to pay the Purchase Price when due.

4.5 **Litigation.** Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, or threatened against Buyer, that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

## **ARTICLE 5: COVENANTS OF SELLER**

Except as otherwise provided in the TBA, the following terms of this Article 5 shall apply from the Effective Date until the completion of the Closing (except as otherwise specified).

5.1 **Station Assets.** The Station Assets shall be maintained by Seller in the usual and ordinary manner in which they are currently maintained.

5.2 **FCC Compliance.** Seller shall continue to operate and maintain the Station in accordance with the terms of the FCC Licenses and in compliance with all applicable laws and FCC regulations and published policies. Seller will not file any application with the FCC requesting authority to modify the Station's facilities without Buyer's prior written consent and Seller shall take all actions necessary to keep the FCC Licenses, including all material permits and applications pending before the FCC, valid and in full force and effect.

5.3 **Operation of Station in Ordinary Course.** Subject to the TBA, Seller shall operate the Station in the ordinary course of business and in accordance with past practice, and shall pay and perform all of its obligations with respect to the Station in the ordinary course as such obligations become due (although certain obligations may be satisfied out of the Purchase Price, when received by Seller at the Closing). Seller shall use commercially reasonable efforts to preserve substantially intact the relationships of the Seller with its respective customers, suppliers, licensors, and others with whom the Seller deals. Seller shall maintain the Tangible Personal Property in normal operating condition and in conformity in all material respects with all applicable FCC technical regulations, ordinary wear and tear excepted. Seller shall not materially amend any Assumed Contract without Buyer's written approval.

5.4 **Disposition of Assets.** Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the Station Assets without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry standards for such assets, nor create any new Lien on the Station Assets other than Permitted Liens and Liens arising pursuant to, and in accordance with the terms of, this Agreement.

5.5 **Compliance with Law.** Seller shall comply in all material respects with all federal, state, and local laws, rules and regulations in connection with the operation of the Station.

5.6 **Consummation of Agreement.** Seller shall use commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to consummate the transaction contemplated hereby.

#### **ARTICLE 6: COVENANTS OF BUYER**

Buyer covenants and agrees that from the date hereof until the completion of the Closing, Buyer shall use commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to consummate the transaction contemplated hereby.

#### **ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF SELLER**

The obligations of Seller under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date.

##### **7.1 Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Buyer shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

7.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) which would restrain or prohibit the consummation of the transaction contemplated hereby.

7.3 **FCC Consent.** The FCC Consent has been issued by the FCC.

7.4 **Deliveries.** Buyer has complied with each and every one of its obligations set forth in Section 8.2.

#### **ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF BUYER**

The obligations of Buyer under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date.



8.1 **Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Seller contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Seller shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) which would restrain or prohibit the consummation of the transaction contemplated hereby.

8.3 **FCC Consent.** The FCC Consent has been issued, and upon election by Buyer pursuant to Section 2.2, such FCC Consent shall have become a final order.

8.4 **Deliveries.** Seller has complied with each and every one of the obligations set forth in Section 8.1.

**ARTICLE 9: ITEMS TO BE DELIVERED AT CLOSING**

9.1 **Deliveries by Seller.** At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) a bill of sale sufficient to sell, convey, transfer and assign the Tangible Personal Property and any other assets included in the Station Assets (other than the FCC Licenses and Assumed Contracts) to Buyer free and clear of any Liens other than Permitted Liens (the "Bill of Sale");

(b) an assignment and assumption agreement sufficient to sell, convey, transfer and assign the Assumed Contracts to Buyer free and clear of any Liens other than Permitted Liens (the "Assignment and Assumption");

(c) an assignment instrument sufficient to assign the FCC Licenses (including the Station's call letters) to Buyer (the "FCC Licenses Assignment");

(d) joint instruction with Buyer to the Escrow Agent instructing the Escrow Agent to deliver the Escrow Deposit to the Seller;

(e) executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests or other Liens granted in the Station Assets other than Permitted Liens;

(f) a Bringdown Certificate that the representations and warranties of Seller made in this Agreement are true and correct in all material respects as of Closing and Seller has performed the obligations to be performed by it under this Agreement at or prior to Closing;

- (g) a quit claim deed of sale conveying the Real Property;
- (h) all necessary third party consents; and
- (i) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens.

9.2 **Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

- (a) the payment of the cash portion of the Purchase Price in accordance with Section 1.5, including all adjustments thereto as provided in Sections 1.5 and 1.6;
- (b) the Assignment and Assumption;
- (c) joint instruction with Seller to the Escrow Agent instructing the Escrow Agent to deliver the Escrow Deposit to the Seller;
- (d) The Promissory Note, duly executed in writing by Buyer;
- (e) A Bringdown Certificate that the representations and warranties of Buyer made in this Agreement are true and correct in all material respects as of Closing and Buyer has performed the obligations to be performed by it under this Agreement at or prior to Closing; and
- (f) Any other documents and instruments of conveyance, assignment and transfer that may be reasonably requested by Seller to ensure the Station Assets are transferred to Buyer, free and clear of Liens, except for Permitted Liens.

9.3 **Termination of TBA.** The Parties agree that the TBA shall terminate automatically and without need for further action upon completion of the Closing.

## **ARTICLE 10: SURVIVAL AND INDEMNITY**

10.1 **Seller's Indemnity Obligation.** 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 Station Assets or operation of the Station prior to the Closing Date hereunder, or arising out of any breach by Seller of the Assumed Contracts assigned to Buyer hereunder because of events occurring prior to the Closing Date. This Section 10.1 shall survive Closing for one (1) year.

10.2 **Buyer's Indemnity Obligation.** 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 Station Assets or operation of the Station subsequent to the Closing Date hereunder or arising out of any breach by Buyer of the Assumed Contracts assigned to Buyer hereunder because of events occurring after the Closing Date hereunder. This Section 10.2 shall survive Closing for one (1) year.

10.3 **Limitation on Indemnity Obligations.** Notwithstanding anything to the contrary contained herein, neither Seller nor Buyer shall have any liability to the other under this Article 10 until, and only to the extent that, such Party's aggregate claims under this Article 10 exceed Ten Thousand Dollars (\$10,000) and provided further, that Seller's maximum liability under this Article 10 shall not exceed the Purchase Price received by Seller as of the date of such payment (which amount shall be reduced on a dollar for dollar basis by the unpaid balance on the Promissory Note).

## **ARTICLE 11: TERMINATION**

11.1 **Termination.** This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events such default is not cured within the Cure Period (as defined below), if applicable;
- (c) by written notice of Buyer to Seller if Seller defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events such default is not cured within the Cure Period (as defined below), if applicable;
- (d) by written notice of Seller to Buyer, or Buyer to Seller if the Closing has not been consummated within twelve (12) months of the Effective Date; or
- (e) by written notice given by Seller to Buyer, if, due to a weather related cause, force majeure, or other cause beyond the control of Seller, a material portion of the Station Assets are damaged or destroyed and Seller elects not to repair or replace such damaged or destroyed Station Assets prior to Closing Date.

11.2 **Cure Period.** The term "Cure Period" as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until ten (10) days thereafter.

11.3 **Liability.** If this Agreement is terminated pursuant to Section 11.1(b) above and Seller is not in material default of its obligations hereunder, the Escrow Deposit shall be paid by the Escrow Agent to Seller as liquidated damages and as the exclusive remedy of Seller against Buyer. Seller acknowledges that its damages in the event of termination of this Agreement under the provisions of Section 11.1(b) above would be difficult to determine and that the Escrow Deposit is a reasonable and satisfactory substitution for the amount such damages. If this Agreement is terminated pursuant to Sections 11.1(a), (c), (d), or (e) above and Buyer is not in

material default of its obligations hereunder, the Escrow Deposit shall be returned by the Escrow Agent to Buyer, and neither Party will have any further liability or obligation to the other Party.

11.4 **Specific Performance.** Seller acknowledges that the Station Assets are unique assets not readily obtainable on the open market and money damages alone will not be adequate to compensate Buyer for its injury if Seller breaches its obligations under this Agreement. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction following satisfaction of, and in accordance with, the terms and conditions herein, in lieu of terminating this Agreement under the terms of Section 11.1 above, Buyer, at its option, shall be entitled to seek specific performance, and in such proceeding Buyer shall waive the defense that there is an adequate remedy at law.

## ARTICLE 12: MISCELLANEOUS

12.1 **Governing Law.** This Agreement shall be governed by the laws of the Commonwealth of Virginia (exclusive of those relating to conflicts of laws).

12.2 **Entire Agreement; Amendments; No Waiver.** This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in the particular instance. No amendment to, or waiver of compliance with, any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the Party against whom enforcement of any waiver or amendment is sought.

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

12.4 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Neither Buyer nor Seller may assign this Agreement or any part hereof without the prior written consent of the other Party.

12.5 **Severability.** If one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, 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, unless such construction would alter the fundamental purposes of this Agreement.

12.6 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

If to **Seller**, then to:

Chincoteague Broadcasting Corp  
Attn. Mary Marks  
1235 Harbor Glen Court  
Arnold, MD 210122268

with a copy, given in the manner prescribed above, to:

David D. Oxenford  
Wilkinson Barker Knauer, LLP  
1800 M Street, NW, Suite 800N  
Washington, DC 20036

If to **Buyer**, then to:

GSB Media, LLC  
Attn Wray Fitch  
6139 Franklin Park Rd.  
McLean VA 22101

with a copy, given in the manner prescribed above, to:

Wray Fitch  
Gammon & Grange PC  
1945 Old Gallows Road, Suite 650  
Tysons, VA 22182

12.7 **Further Assurances**. Each Party hereto will execute all such instruments and take all such actions as any other Party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose of this Agreement and the transactions contemplated hereby.

12.8 **Attorneys' Fees**. In the event of a dispute relating to this Agreement involving the interpretation or enforcement of the terms of this Agreement, resulting in litigation brought by either Party, the prevailing Party in such litigation shall be entitled, in addition to other relief ordered by the Court, to reasonable attorneys' fees and costs.

12.9 **Expenses**. Each Party hereto shall bear its own expenses incurred in connection with the negotiation of this Agreement and consummation of the transactions contemplated by this Agreement; provided, however, Buyer shall bear all transfer taxes, recording fees, and documentary stamp costs arising from the sale of the Station Assets to Buyer.

12.10 **Counterparts**. This Agreement may be executed by manual or digital signature and such signature may be delivered by facsimile or email transmission and in counterparts, each of which shall constitute an original but together will constitute a single document.

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

**SELLER:**

**CHINCOTEAGUE BROADCASTING  
CORPORATION**

By: Mary Marks  
Name: Mary Marks  
Title: Director

**ESTATE OF STEPHEN A. MARKS**

By: Mary Marks  
Name: Mary Marks  
Title: Estate Representative

**BUYER:**

**GSB MEDIA, LLC**

By: A Wray Fitch  
Name: A Wray Fitch  
Title: President

List of Schedules to Asset Purchase Agreement

Schedule 1.1(a)	FCC Licenses
Schedule 1.1(b)	Tangible Personal Property
Schedule 1.1(c)	Contracts
Schedule 1.1(g)	Real Property
Schedule 1.2(j)	Other Specifically Excluded Items
Schedule 1.4	Form of Escrow Agreement
Schedule 1.5	Promissory Note
Schedule 3.5	Title Matters

## Schedule 1.1(a) FCC Licenses

Station License:

License Renewal: 0000074037	05/31/2019	WOWZ-FM	18384	0008938060	VA
ACCOMAC	Full Power FM	Renewal of License	Granted	09/25/2019	
10/01/2027					

Remote Pickup License:

Studio-Transmitter Link:

Antenna Structure Registration: ASR



**Schedule 1.5**  
**Form of Promissory Note**

THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). NO SALE OR DISPOSITION MAY BE EFFECTUATED EXCEPT IN COMPLIANCE WITH RULE 144 UNDER THE SECURITIES ACT OR AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

**SECURED PROMISSORY NOTE**

**MAKER:** **GSB MEDIA, LLC**

**PAYEE or HOLDER:** **ESTATE OF STEPHEN A. MARKS**

**PRINCIPAL AMOUNT:** **\$50,000/00**

**DATE:** **[ ]**<sup>1</sup>

**FOR VALUE RECEIVED, GSB Media, LLC** (the “Maker”), hereby promises to pay to the order of the **Estate of Stephen A. Marks** (or its designee) (“Payee”; with Payee and any successor holder hereof being referred to herein as “Holder”), at such location as Holder designate to Maker in writing from time to time, in lawful money of the United States of America and in immediately available funds, in lawful money of the United States of America, the principal sum of Fifty Thousand Dollars (\$50,000.00), together with interest accrued thereon in like money, as provided herein.

This Promissory Note (the “Note”) is issued pursuant to an Asset Purchase Agreement, dated as of March 24, 2023 (the “Purchase Agreement”) between Maker, Holder and Chincoteague Broadcasting Corporation (“CBC”) relating to the Maker’s purchase from Holder and CBC of substantially all of the assets and licenses of FM radio broadcast station WOWZ-FM Accomac, VA (FCC Facility ID No. 18384) (the “Station”), and is issued on the closing date of the transaction contemplated by the Purchase Agreement.

**1. Payment and Interest.** The loan evidenced by the Note shall bear simple interest at the at the “Prime Rate” in effect on the Closing Date (as determined by the Wall Street Journal). All principal and interest accrued on this Note shall be due and payable in one lump sum on [ ]<sup>2</sup> (“Due Date”).

**2. Prepayment.** The Principal Amount along with corresponding interest due under the Note may be prepaid in whole or in part at any time without penalty.

**3. Default.** The occurrence of any one or more of the following, shall constitute a “Default” and upon such Default, Holder shall have the option of declaring the entire unpaid principal of this Note plus accrued interest thereon immediately due and payable:

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<sup>1</sup> Parties to insert date at Closing.

<sup>2</sup> This date will be filled in at Closing and reflect the date that is 18 months following Closing.

(a) if the Maker shall sell or assign, or seek authorization to sell or assign the transfer or assignment of the license issued by the Federal Communications Commission ("FCC") for the operation of the Station, to any entity other than an affiliate, subsidiary, or entity under the control of the Maker, in which event all principal and interest due hereunder shall become immediately due and payable on the closing date for such transaction;

(b) if the Maker shall become insolvent, make an assignment for the benefit of creditors, or any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt, dissolution or liquidation shall be commenced with respect to the Maker; provided, however, in any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt dissolution, or liquidation commenced against the Maker, Maker shall not be in default if discharged within sixty (60) days.

**4. Penalty.** If Maker fails to pay all amounts due under this Note by the Due Date, then Maker shall be subject to a late payment penalty of 5% of the amount due per month until paid in full.

**5. Waivers.** Maker hereby waives and renounces, for itself and its successors, presentment for payment, demand, protest and notice of demand, notice of dishonor, notice of nonpayment, and all other notices. Maker hereby waives and renounces, for itself and its successors and assigns, all rights to the benefit of any statute of limitations, moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisalment, and homestead exemption now provided, or which may hereafter be provided, by the Constitution and laws of the United States of America, or any other state thereof, against the enforcement and collection of the obligations evidenced by this Note.

No failure to accelerate the debt evidenced hereby by reason of Default hereunder, acceptance of a past due amount, or indulgences granted from time to time shall be construed (a) as a novation of this Note or a reinstatement of the indebtedness evidenced hereby or as a waiver for such right of acceleration or of the right of Holder thereafter to insist upon strict compliance with the terms of this Note, or (b) to prevent the exercise of such right of acceleration or any other right granted hereunder or by applicable law; and Maker hereby expressly waive the benefit of any statute or rule of law or equity now provided, which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note, made by agreement with any person now or hereafter liable for the payment of this Note, shall operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part, unless Holder agrees otherwise in writing. No provision of this Note may be changed, waived, discharged, or terminated except by an instrument in writing signed by the party against whom enforcement of the waiver, change, modification or discharge is sought. Holder may, without the consent of Maker, release or discharge any Maker, guarantor, accommodation party, or surety or release, surrender, waive, substitute, compromise, or discharge any security herefor without affecting the liability of the Maker hereunder.

**6. Security.** As security for Maker's payment obligations herein, Maker hereby assigns, pledges, and grants to Holder a continuing first priority security interest in (i) all tangible personal property transferred to Maker pursuant to the Purchase Agreement and (ii) the proceeds

derived from the sale of any FCC license of the Station (but not in the FCC license itself) (the "Collateral"). Maker will execute and deliver such documents or instruments, and take such further action, as may be reasonably required or requested by Holder to attach, perfect, and enforce such security interest. Maker authorizes Holder to file any financing statement or take other actions necessary or appropriate to perfect and enforce such security interest. Maker will not dispose of or relocate any Collateral except in the ordinary course of business without the consent of Holder. Notwithstanding anything to the contrary contained herein, any foreclosure on, sale, transfer, or other disposition of any Collateral or any other action taken or proposed to be taken hereunder that would affect the operational, voting, or other control of Maker or affect the ownership of the Station will be pursuant to Section 310(d) of the Communications Act of 1934, as amended, and to the applicable rules and regulations of the FCC, and if and to the extent required thereby, subject to the prior consent to the FCC and any other applicable governmental authority.

7. **Business Purpose.** Maker hereby declares, represents, and warrants that the indebtedness evidenced hereby is made in a commercial transaction for business purposes.

8. **Governing Law.** This Note shall be deemed to have been made in the Commonwealth of Virginia and the validity of this Note and the construction, interpretation, and enforcement hereof, and the rights of the parties hereto shall be determined under, governed by, and construed in accordance with the internal laws of the Commonwealth of Virginia without regard to the conflicts of law rules of the state in which suit is initiated pertaining to this Note.

9. **Assignment.** Holder may assign its rights under this Note by giving written notice of such assignment to Maker. This Note will not be assignable by Maker without the prior written consent of Holder. Any assignment of Maker's obligations hereunder will not release Maker from liability under this Note.

10. **Definitions.** As used herein, the terms "Maker" and "Holder" shall be deemed to include their respective heirs, successors, and assigns, as the case may be, and any guarantor or endorser hereof.

11. **Notices.** Any notice, request, instruction or other document to be given under this Note shall be deemed made the day after delivery of said notice to an overnight delivery service at the addresses listed below:

If to Maker:                      GSB Media, LLC  
    Attn Wray Fitch  
    6139 Franklin Park Rd.  
    McLean VA 22101

with a copy, given in the manner prescribed above, to:

Wray Fitch  
Gammon & Grange PC  
1945 Old Gallows Road, Suite 650  
Tysons, VA 22182

If to Holder: Mary Marks  
Chincoteague Broadcasting Corp  
1235 Harbor Glen Court  
Arnold, MD 210122268

with a copy, given in the manner prescribed above, to:

David D. Oxenford  
Wilkinson Barker Knauer, LLP  
1800 M Street, NW  
Suite 800N  
Washington, DC 20036

**12. Attorney Fees.** If any Holder of this Note retains an attorney in connection with any default or to collect, enforce or defend this Note or any papers intended to secure or guarantee it in any lawsuit or in any reorganization, bankruptcy or other proceeding, or if either party sues the other party in connection with this Note or any such papers and does not prevail, then the losing party agrees to pay to the prevailing party, in addition to principal and interest, all reasonable costs and expenses incurred by such party in attempting to enforce its rights under this Note or in any such suit or proceeding, including reasonable attorney's fees.

--SIGNATURE PAGE FOLLOWS--

**IN WITNESS WHEREOF**, Maker have caused this Note to be executed on the date first above written.

**MAKER**

By: \_\_\_\_\_

State of \_\_\_\_\_  
County of \_\_\_\_\_

\*  
\* ss  
\*

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that \_\_\_\_\_ who is personally well known to me as the party who executed this Secured Promissory Note, personally appeared before me in the said jurisdiction aforesaid and acknowledged the same to be his act and deed.

Give under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

[Notary Seal]