

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made on this 31st day of January 2024, by and between **Chesapeake-Portsmouth Broadcasting Corporation**, a North Carolina corporation (the “**Seller**”), and **Disruptor Radio LLC**, a Virginia limited liability company (the “**Buyer**”). Seller and Buyer are sometimes individually referred to in this Agreement as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, Seller is the licensee of AM broadcast station **WJFV, Portsmouth, Virginia (FCC Facility ID No. 87170), 1650 AM** (“**WJFV**”) (the “**Station**”), which Seller operates pursuant to certain licenses, franchises, authorizations, and approvals issued by the Federal Communications Commission (“**FCC**”);

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

WHEREAS, prior to the Closing (as defined herein), Buyer will program time on the Station and sell advertising time in connection therewith, pursuant to a separate Local Marketing Agreement, dated August 1, 2022, as amended as of even date herewith (collectively, the “**LMA**”), by and between Seller and Buyer, as successor-in-interest to Common Sense Media LLC, a Virginia limited liability company; and

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

AGREEMENTS

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

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

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

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

(c) Seller’s contracts in connection with the business and operations of the Station (“**Contracts**”) listed in **Schedule 1(c)**;

- (d) all intangible property of the Station (“**Intangible Property**”) listed in **Schedule 1(d)**;
- (e) all FCC files and records pertaining to the Station (“**FCC Records**”); and
- (f) goodwill and other rights (“**Other Rights**”).

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

Seller will retain its accounts receivable arising from the operation of the Station prior to the commencement of Operating Period, as defined in the LMA, cash, deposits, and prepaid items, and any asset not specifically identified on **Schedules 1(a)** through **1(d)** hereto. Buyer assumes no liabilities, debts, or obligations, including without limitation, for Station’ personnel or employment contracts, retirement obligations, or any contracts, obligations, or leases of Seller. Except as provided in the LMA, Buyer assumes no liability for periods on or before the Closing Date (as defined below) under any lease or contract or for any other liability, debt, or obligation of Seller, including without limitation, any which may have accumulated or accrued on any contracts, leases, or agreements on or before the Closing Date.

2. Purchase Price.

(a) **Purchase Price.** The purchase price for the Assets is **Two Hundred Seventy-Five Thousand Dollars** (\$275,000.00) (the “**Purchase Price**”). Subject to the prorations and adjustments described in **Section 2(c)**, Buyer shall pay the Purchase Price to Seller: (i) in the form of a credit of the sum of all Basic Monthly Fees paid under the LMA as of the Closing Date, including the sum of any Basic Monthly Fees held in escrow pursuant to that certain Escrow Agreement dated as of even date herewith; and (ii) by delivery by wire of immediately available funds at Closing of the balance of the Purchase Price. It is expressly understood and agreed by the Parties that the FCC’s policies do not permit Seller to receive from Buyer an amount greater than seventy percent (70%) of the Purchase Price prior to FCC Consent (defined below), thus any Basic Monthly Fees payable to Seller under the LMA (and creditable toward the Purchase Price pursuant to this Section 2(a)) after the sum of One Hundred Ninety-Two Thousand Dollars (\$192,000.00) has been reached shall be paid to the Escrow Agent and held in escrow until the Closing (as defined herein).

(b) **Prorations and Adjustments.** Unless otherwise allocated under the terms and conditions of the LMA, all prepaid and deferred expenses arising from the conduct of the business and operations of the Station shall be prorated as of 11:59 p.m., local time, of the Closing Date. The prorated items shall include, but not be limited to: power and utilities charges, FCC regulatory fees (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 and adjustments contemplated by this **Section 2(b)** shall be made

to the extent practicable at the Closing (as defined below), and to the extent not made at the Closing shall be made within thirty (30) calendar days after the Closing Date.

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

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

(b) Except as set forth in **Schedule 3(b)** hereto, Seller is aware of no litigation, proceeding, or investigation whatsoever pending or threatened against or relating to Seller, its business, or the Assets to be transferred hereunder, and knows of no reason why the FCC Authorizations would not be renewed in the ordinary course.

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

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

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

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

(g) Seller is the owner of a tower used in the Station's operations (the "**Tower**") located at 36° 48' 10.0" N, 76° 16' 58.0" W (NAD 27) (the "**Real Property**"). To Seller's knowledge, the Tower is: (i) obstruction marked; (ii) lighted; and (iii) properly registered with the FCC in the Seller's name, to the extent required by, and in accordance with, the rules and regulations of the Federal Aviation Administration (the "**FAA**") and the FCC. The Tower and all of the guy anchors, guy wires, cables, driveways, parking lots, ground systems, transmitting equipment, buildings, and other improvements relating to the Station's operations are located entirely on and wholly within the Real Property. Seller leases the Real Property for the location of the Tower pursuant to the Lease Agreement, as amended (the "**Real Property Lease**"), dated September 1, 1993, by and between Karen Sheeley, as a successor-in-interest to Albert P. and Mary-Nell Rosendual, and Seller, as successor-in-interest to Radio WJQL, Inc., a copy of which is attached hereto at **Schedule 3(g)**. The Real Property Lease remains in full force and effect. Neither the Tower nor the Real Property Lease is assignable to Buyer. At Closing, however, Seller and Buyer shall enter into a tower space lease (the "**Tower Lease**") for Buyer's usage of the Tower for the Station's transmitter as set forth in **Section 7(b)** of this Agreement.

(h) Seller is responsible for all liabilities and other obligations to all current employees of the Station and any employees hired by Seller up to the Closing Date. It is

understood and agreed by the Parties that Buyer may hire new employees to operate the Station for dates after the Closing Date, assumes no liabilities or obligations whatsoever for the Station's current employees, and is under no obligation to hire any such employees.

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

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

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

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

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

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

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

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

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

5. **FCC Assignment Application.** Seller and Buyer shall file an application (the "**FCC Assignment Application**") with the FCC for consent to the assignment of the FCC Authorizations to Buyer within ten (10) days of the execution date of this Agreement, and to cooperate fully and diligently in seeking the FCC Consent (as defined below) to assignment of the FCC Authorizations from Seller to Buyer. The Parties shall each be responsible for one-half of (½) of the filing fee for the FCC Application.

6. **Closing.**

(a) **Closing.** Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Assets under this Agreement (the "**Closing**") shall occur

on a date (the “**Closing Date**”) mutually agreed upon by the Parties which date shall be within ten (10) business days after the grant of FCC Consent (as defined below) having become a Final Order (as defined below), unless the requirement of a Final Order is waived by Buyer, in which case the Closing shall occur after the grant of FCC Consent upon notice by Buyer to Seller of Buyer’s waiver of the Final Order requirement.

(b) **Finality.** The Closing is subject to and conditioned upon prior FCC consent (the “**FCC Consent**”) to the assignment of the FCC Authorizations to Buyer, and, unless waived by Buyer, the FCC Consent having become a Final Order. “**Final Order**” means an action by the FCC as to which: (i) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (ii) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition, or application has passed; (iii) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (iv) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed.

7. Closing Documents.

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

(b) **Execution of the Tower Lease.** At the Closing, Buyer and Seller shall enter into the Tower Lease. The rent payable under the Tower Lease shall be Nine Hundred Dollars (\$900.00) per month.

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

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

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

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

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

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

9. Damages Upon Termination.

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

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

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

11. Indemnification.

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

(b) **Buyer’s Indemnification of Seller.** Buyer hereby agrees to indemnify, defend, save, and hold Seller harmless with respect to any and all claims, losses, obligations, liabilities, costs, and expenses, including reasonable counsel fees, threatened, suffered, incurred,

or sustained by Seller by reason of any misrepresentations by Buyer or any breach by Buyer of this Agreement or of any of Buyer's warranties, covenants, or representations contained in this Agreement or arising from or by reason of Buyer's ownership of the Assets or operation of the Station subsequent to the Closing Date hereunder. This **Section 11(b)** shall survive Closing for one (1) year.

12. Notices. All notices required or permitted to be given under the provisions of this Agreement shall be in writing, delivered by personal delivery, or sent by commercial delivery service or certified mail, return-receipt requested. Properly made notices shall be deemed to have been given on the date of personal delivery, or the date set forth in the records of the delivery service or on the return-receipt. Notices shall be addressed as follows:

If to Seller: Chesapeake-Portsmouth Broadcasting Corporation
3780 Will Scarlet Road
Winston-Salem, NC 27104
Attn: Nancy Epperson, President

If to Buyer: Disruptor Radio LLC
320 Prism Place, Unit 312
Coraopolis, PA 15108
Attn: John Fredericks, Manager

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

Wilkinson Barker Knauer PLLC
1800 M Street, NW, Suite 800N
Washington, DC 20036
Attn: Davina S. Sashkin, Esq.

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

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

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

16. Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the Commonwealth of Virginia, without regards, however, to the

choice of law provisions thereof which may direct the application of the laws of another jurisdiction.

17. Entire Agreement. This Agreement, the Schedules and Exhibits hereto, the LMA, and all documents, certificates, and other documents to be delivered by the Parties pursuant hereto collectively represent the entire understanding and agreement between Seller and Buyer with respect to the subject matter of this Agreement and the LMA. This Agreement supersedes all prior negotiations among the Parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and that is signed by the Party against which enforcement of any such amendment, supplement, or modification is sought.

18. Effect of LMA on this Agreement. Notwithstanding anything in this Agreement to the contrary, neither Seller nor Buyer shall be deemed to have breached any representation, warranty, covenant, or other agreement contained herein, or have failed to satisfy any condition precedent to the other party's obligations to perform under this Agreement, in each case to the extent that the inaccuracy of any representation, or the breach of any warranty, covenant, or agreement, or the inability to satisfy any condition to performance is caused by: (a) any action or omission of the other party under the LMA; or (b) the failure of the other party to perform any of its obligations under the LMA, as required under the terms of the LMA. Breach of any of the terms or conditions of the LMA by either party shall be deemed to be a breach of this Agreement by such party.

19. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver of failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of or estoppel with respect to any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance set forth in this **Section 19.**


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

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER: CHESAPEAKE-PORTSMOUTH BROADCASTING CORPORATION

By: 
Nancy Epperson (Jan 30, 2024 18:08 EST)
Nancy Epperson, President

BUYER: DISRUPTOR RADIO LLC

By: _____
John Fredericks, Manager

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER: CHESAPEAKE-PORTSMOUTH BROADCASTING CORPORATION

By: _____
Nancy Epperson, President

BUYER: DISRUPTOR RADIO LLC

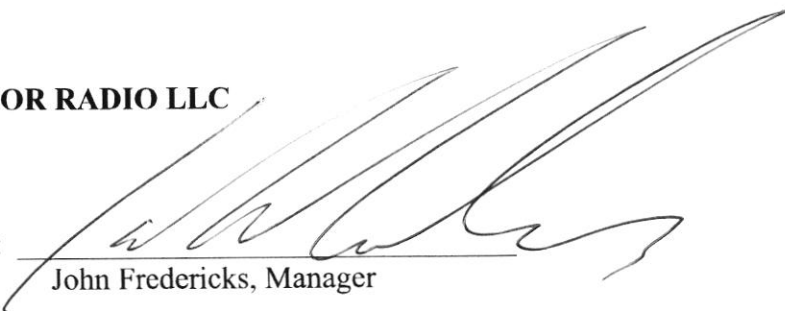
By: _____
John Fredericks, Manager

TABLE OF SCHEDULES AND EXHIBITS

<u>Schedule 1(a)</u>	FCC Authorizations
<u>Schedule 1(b)</u>	List of Equipment
<u>Schedule 1(c)</u>	Assigned Contracts
<u>Schedule 1(d)</u>	Intangible Property
<u>Schedule 3(b)</u>	Pending Litigation
<u>Schedule 3(g)</u>	Real Property Lease
<u>Exhibit A</u>	Form of Tower Lease

Schedule 1(a)

FCC Authorizations

WJFV, Portsmouth, Virginia (FCC Facility ID No. 87170), 1650 AM

License:	CDBS File No. BZ-20141009ADU (granted Oct. 29, 2014)
License Renewal:	LMS File No. 0000074453 (granted Sept. 25, 2019; expires Oct. 1, 2027)