

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of the 5th day of April, 2021 by and between **Maryland Media One LLC (“Buyer”)**, and **Colonial Radio Group, Inc. (“Seller”)**.

WHEREAS, Seller currently holds license and permit (hereafter “Licenses”) issued by the Federal Communications Commission (“FCC” or “Commission”) for the following Radio Station (the “Station”):

WYAY (FM), Bolivia, NC (Fac. # 60882)

WHEREAS, Buyer would like to obtain from the Seller its rights and interest in the Station and any associated equipment and contract rights associated thereto; and

WHEREAS, the Parties agree and understand that prior FCC approval for this transaction contemplated herein is required.

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. The Assignment. Subject to the conditions contained herein, Seller agrees to assign and Buyer agrees to purchase the rights to the Licenses/Station as follows:

- (a) Purchase Price. The Purchase Price for the License is **Four Hundred Thousand Dollars (\$400,000.00)**. Buyer shall make a non-refundable cash deposit (the “*Deposit*”) to Seller in an amount equal to Seventy-Five Thousand Dollars (\$75,000.00) upon execution of this Agreement. The remaining balance of Three Hundred Twenty-Five Thousand Dollars (\$325,000.00) of the Purchase Price shall be represented by a Promissory Note (the “*Note*”) in a form substantially similar to that set forth in *Schedule A* attached hereto and made a part hereof, to be executed and delivered by Buyer to Seller at the Closing. The Note shall have a term of fifteen (15) years, with an interest rate of Wall Street Journal Prime Rate plus three percent (3%), with a minimum floor of 6% and maximum ceiling of 12%, adjustable annually. The Purchase Price shall be the consideration for the Broadcasting Assets. “Broadcasting Assets” include all FCC licenses and authorizations, existing real estate rights, and broadcasting equipment. The parties agree and understand that the Station assets are sold in an “*as-is-where-is*” condition, as itemized on *Schedule “B”* attached hereto. The Deposit is non-refundable to Buyer except in the

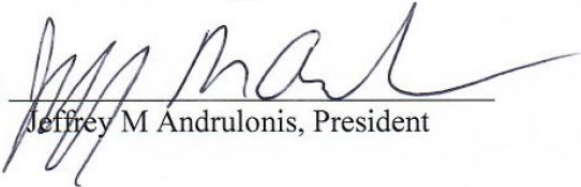
event that the Seller fails to perform its obligations under this Agreement after given notice of default and opportunity to cure.

- (b) Collateral. As security and collateral for the Note, Buyer shall provide to Seller at Closing a UCC-1 Financing Statement securing the tangible and intangible assets associated with the Station, not including the FCC authorizations and licenses, but including the proceeds thereof, to be recorded with the State of North Carolina, a Personal Guarantee of Buyer's principal, and a Security and Membership Interest Pledge Agreement, the form of which is attached as *Schedule "C"*.
 - (c) Closing. Buyer will close the transaction and pay the Purchase Price within five (5) business days of initial FCC approval (the "*Closing Date*").
- 2. FCC Qualifications. Seller and Buyer represent warrants and covenants that they are qualified to be a Commission Licensee and to hold the FCC authorizations which is the subject of this Agreement. The Buyer represents and warrants that it knows of no reason any party would petition the FCC to deny the proposed license assignment application.
 - 3. Real Property. Seller is not conveying any Real Property in connection with this transaction. Buyer will assume at Closing an existing tower lease agreement (the "*Lease*") (with Vertical Bridge S3 Assets, LLC for the site it identifies as VB Site Id: US-NC-5051, as further described in *Schedule "D"*). The Buyer shall attempt to obtain a consent to assignment of the Lease from Vertical Bridge S3 Assets, LLC which releases Seller from any further liability under the Lease prior to Closing, but in the alternative if Buyer is unable to obtain such consent Seller shall assign the Lease as permitted thereunder to Buyer.
 - 4. Closing Documents. At Closing Seller shall convey and deliver the various assets by a Bill of Sale, Assignment and Assumption of Intangible Assets, Assignment and Assumption of FCC Authorizations, Assignment and Assumption of Contracts & Leases, together with a Closing Statement and Resolutions authorizing the sale of assets. Buyer shall provide similar Resolutions authorizing the purchase of the assets.
 - 5. Attorney Fees, Transfer Fees, Taxes and Broker Fees. The Buyer 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. Buyer shall be responsible for the FCC filing fee applicable to the request for FCC Consent. Buyer shall be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement.

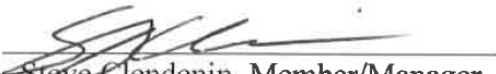
6. Indemnification. (a) Following the Closing, Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to Seller's ownership of the Station prior to the Closing (b) Following the Closing, Buyer shall indemnify, defend and hold harmless Seller with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership of the Station subsequent to the Closing.
7. Upset Date. If the assignment application contemplated herein has not been approved by the FCC twelve (12) months from the date written above, then Seller may, so long as it is not in material default, terminate this Agreement.
8. Miscellaneous. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. This Agreement may be amended only in writing by an instrument duly executed by both parties. This Agreement is to be construed and enforced under the laws of the State of Maryland. Venue for any action brought to enforce this Agreement is exclusively in the federal or state courts located in North Carolina. This Agreement may be executed in counterparts. The undersigned represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind their respective companies to perform all of the terms hereof.

WHEREFORE, the parties whose names and addresses appear below have caused this Agreement to be executed by them as of the date first above written.

SELLER: **Colonial Radio Group, Inc.**

By: 
Jeffrey M Andrulonis, President

BUYER: **Maryland Media One, LLC**

By: 
Steve Clendenin, Member/Manager

SCHEDULE A – FORM OF PROMISSORY NOTE
(attached)

SCHEDULE B – TANGIBLE ASSETS TO BE CONVEYED

415 Middle River Road Supply NC/WYAY Tower Lease/Transmitter Building

Leased Tower

Transmitter Building (wood frame - approx 300sf)

415 Middle River Road Supply NC/WYAY Tower Site Personal Property

Harris HT-5FM 5000 watt transmitter for WYAY

Armstrong FMX-30C exciter

Wheatstone FM-55 audio processor

Barix Receiver for WYAY

Inovonics RDS Box for 106.3FM

Broadcast Tools Site Sentinel-for WYAY

Rockville RDJT6700 AM/FM tuner for Site Sentinel

Sage ENDEC-blue model 3644 (EAS "blue box")

Sage FM receiver (grey-to receive LP1/LP2/NOAA Wx Radio)

Full size equipment rack

WYAY Studio Equipment

Audioarts R60 Console Board-from WUDE

Samson Servo 120a

(2) JBL Studio speakers

(2) Mic Arms

Microphone - MXL V57M NOT IN GOOD SHAPE!

Microphone - cheap something

Hnat Hindes CSP-2013 Mic Maze, Broadcast Mic Processor, Gate, Expansion, Limiter

(2) Sony CD players CDP-XE400 THESE DO NOT WORK!

415 Middle River Road Supply NC/WYAY Tower Site Inland Marine

2 Bay antenna for WYAY

Transmission Line for WYAY

SCHEDULE “C” - FORM OF SECURITY & MEMBERSHIP INTEREST PLEDGE
AGREEMENT
(attached)

SCHEDULE "D" – REAL PROPERTY

Tower Site – Assumption of Lease with Vertical Bridge S3, LLC dated June 1, 2016.