

Asset Purchase Agreement

BY AND BETWEEN

Awaken FM, Inc.
(AS SELLER)

AND

David W. Blair
(AS BUYER)

January 15, 2019

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made this 15th day of January, 2019, by and between Awaken FM, Inc, a Virginia Corporation ("Seller") and David W. Blair ("Buyer").

WITNESSETH:

Seller is the holder of certain licenses, permits and authorizations (the "Licenses") issued by the Federal Communications Commission (the "FCC") and other assets for the operation of radio broadcast station WZQY (FM), licensed to serve Glade Spring, Virginia (FCC ID No. 166082) (the "Station");

In accordance with applicable FCC requirements, Seller wishes to sell, transfer and assign, and Buyer wishes to purchase, acquire and assume, the Licenses and the other Station Assets (as defined herein) pursuant to the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual agreements and covenants contained herein, the parties, intending to be legally bound, agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

1.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth below, Seller agrees to assign, sell and transfer to Buyer, free and clear of all liens and security interests, and Buyer agrees to acquire and assume from Seller the following assets, properties and business real or personal, tangible or intangible, used or to be used or otherwise relating to the Station (collectively the "Station Assets"):

- (a) pending FCC consent to assignment, all of Seller's right and interest in the Licenses and any and all other FCC authorizations pertaining to the Station, including any renewals or modifications thereof between the date hereof and Closing;
- (b) all of the Seller's right and interest in and to the Station's call letters and rights in and to the trademarks, trade names, service marks, copyrights, programs and programming material, slogans, logos and other intangible property that are used or held for use solely in the operation of the Station;
- (c)-all of the Seller's right, title and interest in equipment, transmitters, antennas, cables, towers, furniture, fixtures, spare parts, and other tangible personal property of every kind and description used or held for use in the operation of the Station;

1.2 Excluded Assets. Nothing contained herein shall be deemed to sell, transfer, assign or convey the Excluded Assets to Buyer, and Seller shall retain all right, title and interest to, in and under the Excluded assets. “Excluded Assets” shall mean all assets, properties, interest, and rights of Seller in each of the following assets:

- (a) cash, cash equivalents and cash items of any kind whatsoever, certificates of deposit, money market instruments, bank balances and rights in and to bank accounts, Treasury bills and marketable securities existing as of the Closing Date;
- (b) any claim, right or interest of Seller in or to any refund, rebate, abatement or other recovery for taxes, together with any interest due thereon or penalty arising therefrom, for any tax period (or portion thereof) ending on or before the Closing Date;
- (c) any rights, claims or causes of action of Seller against third parties relating to assets, properties, business or operations of Seller arising out of events occurring on or prior to the Closing Date.
- (d) contracts of insurance and insurance plans and the assets thereof, promissory notes, amounts due from employees, bonds, letters of credit or other similar items and any cash surrender value in regard thereto;
- (e) records and other books and records that pertain to internal company matters of Seller.

1.3 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement, at the Closing Buyer shall assume, effective as of the Closing, and shall timely perform and discharge in accordance with their respective terms, the following Liabilities (as defined below) (collectively, the “Assumed Liabilities”):

- (a) all Transfer Taxes (as defined below) if any;
- (b) all taxes related to the Station Assets that are required to be paid after the Closing Date, other than income taxes of Seller or taxes imposed in lieu thereof.

1.4 Seller's Accounts Receivable. The Accounts Receivable with respect to the period prior to the Closing Date shall be the property of the Seller and since the Station is currently silent there are no active accounts receivable.

ARTICLE II
CONSIDERATION

2.1 Purchase Price and Payment.

Seller purchased the Station from HB Radio, LLC (David W. Blair, Managing Member) on August 2, 2017 and met the terms of that agreement until losing the lease on the currently licensed tower site on June 3, 2018. Because of the inability to fulfill the obligations of the original financing agreement and promissory note, Seller desires to sell and Buyer desires to purchase back the assets owned by the Seller and used in conjunction with the operation of the Station. In consideration for the sale of the Station Assets, Buyer will execute and deliver to Seller, in a form reasonably acceptable to Seller, a termination, cancellation, and release of the original Financing Agreement and Promissory Note delivered by Seller to David W. Blair in the amount of Two-Hundred Seventy-Five thousand Dollars (275,000.00) executed August 2, 2017.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

- 3.1 **Organization, Standing and Qualification.** Seller has all requisite power and authority to enter into this Agreement and the other documents and instruments to be executed and delivered by Seller and to carry out the transactions contemplated hereby and thereby.
- 3.2 **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Seller have been duly and validly authorized by all necessary action on the part of Seller; and this Agreement has been duly signed and delivered by seller and constitutes the legal, valid and binding obligations of seller, enforceable in accordance with its terms, except as the enforceability may be affected by bankruptcy and other laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.
- 3.3 **FCC and Governmental Matters.**
- (a) Seller is the FCC-authorized licensee of the Licenses attached as Schedule 1, which are in effect in accordance with their terms and have not been revoked, suspended, cancelled, rescinded or terminated. Seller has no other authorizations, construction permits or licenses issued by the FCC pertaining to the Station.
 - (b) To the knowledge of Seller, all regulatory fees due and owing and required to be paid to the FCC by Seller have been paid as of the date of this document.
 - (c)- To Seller's knowledge, Seller is, in all respects material to the transactions described herein, in compliance with all requirements of law, federal, state and local, and all requirements of governmental authorities having jurisdiction over it including, without limitation, the Communications Act of 1934, as amended, and the rules and published policies of the FCC promulgated thereto (collectively, the "Communication Laws").

- 3.4 **Tangible Personal Property.** Without material exception, the tangible personal property included in the Station Assets and used or intended for use in the operation of the Station is in compliance with all applicable laws in all material respects and was in good and acceptable operating condition at the time the station ceased operation. Due to the Station being silent and no ability of the Seller to make monthly payments Buyer is to take possession of all equipment in the Station Assets as of the date of this document.
- 3.5 **Absence of Litigation.** There is no suit, action, proceeding or investigation now pending or, to the best knowledge of Seller, threatened before any federal, state or local court, grand jury, administrative or regulatory body, arbitration or mediation panel or similar body, against Seller or in any way involving or relating to the Station Assets that reasonably could be expected to result in any judgment, order, decree, liability, award or other determination having a material adverse effect upon any of the Station Assets. To the knowledge of the Seller, there is no order, judgment or decree of any court or governmental agency enjoining Seller from selling and transferring the Licenses or any of the Station Assets to Buyer pursuant to this Agreement.
- 3.6 **Lease Agreements.** There are no lease agreements currently in place between the Seller and any other company or person. The currently licensed tower site for the Station is owned by SBA Communications and the Seller has never held a lease agreement with SBA Communications. Seller will not be responsible for any payments or amounts charged by SBA Communications. Seller was unsuccessful in securing a lease agreement with SBA Communications from August 2, 2017 to present and was forced to take the Station silent as of June 3, 2018 due to the loss of the tower site. Any agreement to return the Station to service from the currently licensed tower site will be the sole responsibility of the Buyer and Buyer will not hold Seller responsible for any fees charged by SBA Communications. Seller will however provide engineering assistance to Buyer with returning the Station to service.
- 3.7 **Brokers and Finders.** There is no investment banker, broker, finder, financial advisor or other intermediary (collectively a "Broker") who has been retained by or is authorized to act on behalf of Seller that is to be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

ARTICLE IV **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

- 4.1 **Organization and Standing.** Buyer is an individual and has all requisite power and authority to enter into this Agreement and the other documents and instruments to be executed and delivered by Buyer and to carry out the transactions contemplated hereby and thereby.
- 4.2 **Authorization and Binding Obligation.** This Agreement has been duly signed and delivered by Buyer and constitutes the legal, valid and binding obligations of Buyer, enforceable against it in accordance with its terms, except as the enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.

4.3 **Absence of Violation, Conflicting Agreements.** Buyer's execution, delivery and performance of this Agreement (with or without giving of notice, lapse of time, or both): (i) do not require the consent of any third party other than the FCC; (ii) do not violate any provision of its articles, by-laws, or other organizational documents; (iii) do not violate any applicable law, judgment, order injunction, decree, rule, regulation, ordinance or ruling of any court or governmental authority; (iv) do not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire the Station Assets.

4.4 **Absence of Litigation.** Buyer is not a party to any suit, action, proceeding or investigation pending or, to Buyer's knowledge, threatened before any federal, state or local court, grand jury, administrative or regulatory body, arbitration, or mediation panel or similar body that seeks to enjoin or prohibit or otherwise to question the validity of any action taken or to be taken by Buyer pursuant to or in connection with this Agreement.

4.5 **Condition of the Station Assets.** Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges and agrees that Seller is not making any representations or warranties whatsoever, expressed or implied. Buyer acknowledges that it has conducted to its satisfaction, its own independent investigation of the Station Assets and, in making the determination to proceed with the transactions contemplated by this Agreement, Buyer has relied on the results of its own independent investigation, and is not relying on any statements or representations of Seller, or any of its employees or agents.

4.6 **FCC Matters.** Buyer is legally, financially and otherwise qualified to assume and hold the Licenses and to acquire, own, and operate the Station under the Communications Laws, including all provisions thereof, relating to attribution of media ownership, foreign ownership and control, and character qualification. Buyer knows of no fact that would, under the Communications Laws disqualify Buyer as an assignee of the Licenses or as the owner and operator of the Station or cause the FCC to fail or refuse to grant the FCC Application in a timely manner. No waiver of any FCC rule or policy is necessary to be obtained for the grant of the FCC Application, nor will processing pursuant to any exception to any FCC rule or policy of general applicability be requested or required in connection with Buyer's consummation of the transactions contemplated by this Agreement.

4.7 **Brokers and Finders.** There is no investment banker, broker, finder, financial advisor or other intermediary (collectively a "Broker") who has been retained by or is authorized to act on behalf of Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

ARTICLE V **COVENANTS**

5.1 **Covenants of Seller.** Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer, Seller hereby covenants and agrees:

(a) not to sell, transfer or further encumber any of the Station Assets;

(b) to cooperate fully with Buyer in taking any and all actions necessary or desirable for the consummation of the transactions contemplated by this Agreement;

5.2 Joint Covenants.

(a) FCC Application. Buyer and Seller shall cooperate fully with each other in taking any actions necessary to obtain FCC Consent, including (i) the filing of an application (the "FCC Application") with the FCC for all necessary consent of the FCC to the assignment of the Licenses to Buyer as proposed in this Agreement, and (ii) the defense against any petition to deny or informal objection filed against the FCC Application. Each party shall prepare its portion of the FCC Application, which shall be filed with the FCC within ten (10) business days after the execution of this Agreement. Buyer shall pay the FCC filing fees associated with the FCC Application.

(b) Other Consents. Seller shall use its commercially reasonable efforts, and Buyer shall cooperate with Seller, to obtain at the earliest practicable date all consents and approvals of third parties required to consummate the transactions contemplated by this Agreement; provided, however, that Seller shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any litigation or legal proceedings to obtain any such consent or approval.

(c)- Further Assurances. Each of the Seller and Buyer shall use its commercially reasonable efforts to take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement and cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement. At and after the Closing, Buyer and Seller shall, without further consideration, execute and deliver such further instruments and documents and do such other acts and things that the other party may reasonably request to effect or confirm the transactions contemplated by this Agreement.

ARTICLE VI CLOSING

6.1 Time and place. The closing of the sale of the Station Assets to Buyer from Seller (the "Closing") shall take place on a business day specified by notice of Seller to Buyer within five (5) business days following the date that the action of the FCC granting the FCC Consent becomes a Final Order (as defined below), provided that the FCC Consent shall then be in effect and shall not have been reversed, stayed, enjoined, annulled or set aside. The parties shall cooperate so that the Closing shall take place at a time or location as the parties shall mutually agree.

6.2 Seller's Deliveries at Closing. At Closing, Seller shall deliver to Buyer the following:

(a) a Bill of Sale and all other documents required to be delivered by Seller prior to the Closing pursuant to this Agreement.

(b) copies of the Licenses, together with a copy of the FCC consent, and all other files, records and correspondence pertaining to the Licenses of the station in Seller's possession;

(c)- tax clearance certificates issued by the applicable state agency in each of the jurisdictions where the Station does business, such certificates evidencing that Seller has filed all state and use tax returns and paid all sales and use tax due.

6.3 Buyer's Deliveries at Closing. At Closing, Buyer shall deliver to Seller the following:

Document of termination and cancellation of the Financing Agreement and Promissory Note between Awaken FM, Inc and David W. Blair (Managing Member of HB Radio, LLC) which went into effect August 2, 2017.

ARTICLE VII
CONDITIONS TO CLOSING

The FCC shall have granted the FCC Consent and any condition to the FCC Consent required to be satisfied at or prior to the Closing shall have been satisfied.

ARTICLE VIII
MISCELLANEOUS

8.1 Attorney Fees. If any party should default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit for damages, specific performance, or other permitted remedy, the prevailing party in such lawsuit shall be entitled to its reasonable legal fees and expenses, including such fees and expenses at the appellate level.

8.2 Benefit and Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and assigns.

8.3 Governing Law. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Virginia without regard to the choice of law provisions thereof.

8.4 Construction. The parties acknowledge and agree that this Agreement has been fully negotiated between them.

8.5 Notices. All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by certified, express or registered mail, return receipt requested, postage prepaid, or personal delivery to the address below:

If to Seller:

Awaken FM. INC
PO Box 369
Bristol, VA. 24202

If to Buyer:

David W. Blair
350 Lakeview Drive
Wytheville, VA. 24382

8.6 Entire Agreement. This Agreement, the schedules and exhibits hereto, and all documents to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof. This Agreement supersedes all prior memoranda and agreements between the parties hereto, and may not be modified, supplemented or amended, except by a written instrument signed by each of the parties hereto designating specifically the terms and provisions so modified, supplemented or amended.

8.7 Captions. The section captions and headings in this Agreement are for convenience and reference purposes only and should not affect in any way the meaning or interpretation of this Agreement.

8.8 No Waiver. Unless otherwise specifically agreed in writing to the contrary: (I) the failure of any party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by another shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

8.9 Further Assurances. Upon the signing of this Agreement, Seller will use its best efforts, and Buyer will reasonably cooperate with Seller, to secure the FCC Consent and any related authorizations or fulfillment of any conditions hereto. The parties acknowledge that FCC Consent is required to assign of the Licenses, and agree not to consummate such assignment before such consent has been obtained. At and after the Closing, Buyer and Seller shall, without further consideration, execute and deliver such further instruments and documents and do such other acts and things that the other party may reasonably request in order to effect or confirm the transactions contemplated by this Agreement.

8.10 Interpretation. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

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

SELLER:

Awaken FM, Inc.

By: Charles A. Lawson CHARLES A. LAWSON
Title: PRESIDENT

BUYER:

David W. Blair

By: David W. Blair

Schedule 1
Licenses

Station license is on file with the FCC.

Schedule 2
Tangible Personal Property

TRANSMITTER EQUIPMENT

Broadcast Electronics FM 10S 10KW Solid State Analog Transmitter
274 feet of Andrew HJ7-50A 1 5/8" Air Cable (Transmission Line) with hangers, grounding kits, angle adaptors, connectors, and hoisting grips
Andrew #858C Regulator
ERI LPX-3E-HW 3-Bay Circularly Polarized Antenna (half wave spacing, end fed)
ERI De-Icers and Special Legs for the three bays of above antenna
LEA Surge Suppression System DS-21-120/240-225-SP
Wheatstone VP-8 Audio Processor
Broadcast Tools WVRC-8 Eight Channel Remote Control
Barix Insteamer/Exstreamer System (Backup STL over IP)
Belar FMM-2 Modulation Monitor
Belar FMS-2 Stereo Monitor
Bird 3127-075 (Watt Meter)
APC UPS Backup Supply
Middle Atlantic ERK-4020 Rack
20 Foot Mobile Storage Group Transmitter Building with two Bard HVAC units

STUDIO EQUIPMENT

Audioarts Air 1 Console
Control Room Console Desk
KLH Control Room Speakers
Middle Atlantic ERK-4020 Rack
Behringer Compellor Audio Processor
Digital Alert Systems #D-1R3DHS (EAS) with new DASDEC software and CAP
Rolls AM/FM Tuner
OC White #51900-B Mic Arm and Riser
DBX #286A Mic Processor
Symetrix Audio Amplifier
Electro-Voice RE-20 Mic
JK Audio Broadcast Host Digital Hybrid BH04718
Three APC UPS Units
Dell Desktop Computer (Administrative)
HP Printer
* Six Flat Screen Computer Monitors

- Google Automation Control Room Computer
- Google Automation Dispatch Computer
- Google Production Computer