

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (“APA”), made and entered into this ___ day of April, 2004, by and between Foreign Radio Programs, Inc., a Michigan corporation, with offices located at 2222 Franklin Road, Bloomfield Hills, MI 48302 (hereinafter referred to as the “Seller”), and Birach Broadcasting Corporation, a Michigan corporation, with offices located at 21700 Northwestern Highway, Southfield, MI 48072 (hereinafter referred to as the “Buyer”).

WITNESSETH:

WHEREAS, Seller is the owner of AM Broadcast Station WPON, Walled Lake, Michigan, FCC Facility ID No. 22045 (the “Station”), and holds a license issued by the Federal Communications Commission (“FCC”) for the operation of such station on the frequency 1460 kHz, with power of 1 kW, day, 760 watts, night, directional; and

WHEREAS, Seller is desirous of selling and Buyer is desirous of purchasing, certain of Seller’s assets upon the terms and conditions and for the consideration hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, it is agreed as follows:

1. **Assets to Be Sold:** The assets to be sold (the “Assets”) consist of the following:

- a. Studio equipment, office equipment and furniture;
- b. Transmitting equipment and towers;
- c. Subject to the prior approval of the FCC, all licenses and other authorizations

issued by the FCC for use in connection with the Station, including Seller's rights to the call letters WPON.

2. Purchase Price: The purchase price for the Assets described in paragraph 1. is Eight Hundred Thousand Dollars (\$800,000.00), payable as follows:

a) Eighty Thousand Dollars (\$80,000.00) has been paid to Jack Maloney, Inc., the broker who brought about this sale. This money shall be paid to Seller at Closing. If the transaction fails to close and the fault lies with the Seller, said deposit shall be forfeited to Buyer as liquidated damages; otherwise the deposit shall be returned to the Seller.

b) At the Closing, Buyer shall deliver to Seller the sum of Three Hundred Twenty Thousand Dollars (\$320,000.00) in immediately available funds (by wire transfer or by cashier's check), which will be applied in full to the purchase price.

c) The balance of the purchase price in the amount of Four Hundred Thousand Dollars (\$400,000.00) shall be paid pursuant to the terms of a secured Promissory Note ("Note"), as set forth in the Note attached hereto as Exhibit A, to be executed and delivered to Seller by Buyer. The Note shall provide for two (2) installments of Two Hundred Thousand Dollars (\$200,000.00), plus interest at five percent (5%) per annum. The Note may be prepaid at any time without penalty. The first payment shall be due six (6) months from the Closing Date and the second and final payment shall be due twelve (12) months from the Closing Date. The Note shall be secured by the Assets sold hereunder, as set forth in the Security Agreement attached hereto as Exhibit B, to be executed and delivered to Seller by Buyer. The Note shall be personally guaranteed by Sima Birach.

3. Allocation of Purchase Price: Subject to the requirements of the Internal Revenue Code of 1986, the purchase price shall be allocated as follows:

a) Fifty Thousand Dollars (\$50,000.00) shall be attributed to the purchase of studio and office equipment currently located at 2222 Franklin Road, Bloomfield Hills, Michigan 48302.

b) Two Hundred Thousand Dollars (\$200,000.00) shall be attributed to the radio towers located in Commerce Township, Michigan..

c) Five Hundred Fifty Thousand Dollars (\$550,000.00) shall be attributed to the FCC License.

4. Application for FCC Consent: Immediately upon execution of this APA, Seller and Buyer will file an electronic amendment to their application for FCC consent to the transactions contemplated by this APA. Seller and Buyer will each bear their own legal expenses associated with the application, but the filing fees associated with the application will be split equally between Seller and Buyer. Seller and Buyer will vigorously prosecute such application and do all things reasonably necessary and/or appropriate to obtain a grant hereof.

5. Closing and Closing Date; Termination: The Closing of the transactions contemplated by this APA shall take place at a mutually agreeable place and time within ten (10) days after the FCC issues an Order granting the assignment application; provided, however, that at Buyer's option the Closing may be postponed to a date no later than ten (10) days after the FCC's order becomes final, *i.e.*, no longer subject to any administrative or judicial review; and provided, further, that Buyer shall make a good faith effort to close before June 1, 2004, when the application for renewal of Station's license is due for filing if the Closing can be

accomplished by that date without prejudicing the Buyer's best interest. In the event that the Closing fails to take place within two hundred seventy (270) days after the filing of the application for FCC approval, either party may terminate this APA on five (5) days written notice to the other party; provided, however, that the party giving such notice must not be in material default under any provision of this APA, or any subsequent agreement or agreements which may be drafted and executed in furtherance of this APA.

6. Contingency to Close: Seller's obligation to close is subject to the approval of the shareholders of Foreign Radio Programs, Inc.

7. Seller's Warranties: Seller makes the following representations and warranties to Buyer which shall survive the Closing:

a. FCC Authorizations: Seller is the legal holder of the FCC Authorizations listed in Schedule 1. There is not now pending, or to the knowledge of the Seller threatened, any action by the FCC to revoke, cancel, rescind, modify or refuse to renew in the ordinary course any of the FCC Authorizations, or any investigation, Order to Show Cause, Notice of Violation or of Apparent Liability or of Forfeiture, or material complaint against the Station. All material reports, forms and statements required to be filed by Seller with the FCC with respect to the Station have been filed and are complete and accurate in all material respects. The Station is operating in accordance with its FCC Authorizations, and in material compliance with the Act and the rules and regulations of the FCC. The FCC Authorizations are in full force and effect, unimpaired by any act or omission of Seller, or its agents, and constitute all of the permits and Authorizations required by the Act, the rules and regulations thereunder or the FCC for, or used in, the operation of the Station as now operated; and none of the FCC Authorizations is subject to any restriction or condition which would limit in any respect the full operation of the Station as now conducted.

b. Tangible Personal Property: Schedule 2 lists all tangible

personal property (other than office supplies and other incidental items) used or useful in the and operation of the Station included in the Assets (the "Tangible Personal Property"). Seller has good and marketable title to all of the Tangible Personal Property (except for the items indicated on Schedule 2 as leased or licensed by Seller), free and clear of all liens. Except as set forth on Schedule 2, the equipment included in Tangible Personal Property of Seller is serviceable and in a good state of repair and operating condition (ordinary wear and tear excepted), and is available for immediate use in the conduct of the business or operation of the Station.

c. Litigation: Except as described in Schedule 3 and except for any investigations and rule making proceedings affecting the broadcasting industry generally, there are no actions, judgments (issued or outstanding), suits, claims, investigations or administrative, arbitration or other proceedings pending or, to the knowledge of Seller, threatened against Seller or the Station before or by any court, arbitration tribunal or governmental department or agency of any kind, domestic or foreign that would give any third party the right to enjoin the transactions contemplated by this APA, or that could adversely affect Seller's ability to consummate the transactions contemplated hereunder or that could adversely affect Buyer as the owner of the Station. Seller does not know any basis for such claim, litigation, proceeding or investigation. Should any such litigation or other proceeding commence or be threatened after the date of this APA, Seller shall promptly, and in no event later than five (5) days after becoming aware of it, notify Buyer and use its best efforts to accomplish the prompt removal or dismissal thereof.

d. Insurance: Seller currently has, and through the date of Closing will maintain, insurance on the Assets in an amount sufficient to cover the value of said Assets and will use the proceeds of any claims for loss to repair, replace or restore any damaged property. All such policies are outstanding and full in force and effect.

8. Buyer's Warranties: Buyer warrants, covenants and represents that it is financially qualified to carry out the terms of this APA and that it knows of no reason why the FCC will not consent to the transactions contemplated by this APA.

9. Buyer's Representations: Excepting the FCC license, Buyer acknowledges that it is not purchasing any intangible assets of the Seller, e.g. cash, securities, receivables and deposits.

10. Binding Effect: This APA shall be binding upon the heirs, successors and assigns of the parties hereto.

11. Assignment: Neither party may assign its rights and/or obligations under this APA to any third party.

12. Risk of Loss: The risk of any loss, damage or destruction to any of the property or assets to be transferred to the Buyer hereunder from fire or other casualty or cause shall be borne by the Seller at all times prior to the Closing hereunder. Upon the occurrence of any material loss or damage to any of the tangible property or assets to be transferred hereunder as a result of fire, casualty or other causes prior to Closing, Seller shall notify the Buyer of same in writing immediately stating with particularity the extent of loss or damage incurred, the cause thereof if known and the extent to which restoration, replacement and repair of the property or assets lost or destroyed will be reimbursed under any insurance policy with respect thereto. Upon receipt of such notice, Buyer shall have the option to either (a) terminate this APA; or (b) accept the insurance proceeds (if any) and proceed to Closing.

13. Contracts to Be Assigned: The only contract being assigned to Buyer and assumed by Buyer is a certain lease by and between Seller and Commerce MB LLC, which will be assigned to and assumed by Buyer at Closing. Buyer agrees to assume all of the liabilities set forth in such lease, including but not limited to the obligation to dispose of the radio towers

located on the property. Buyer is not assuming any other obligations of Seller.

14. Accounts Receivable: Buyer agrees for a period of ninety (90) days following the Closing Date to act as agent for Seller for the collection of accounts receivable owing to Seller on account of broadcasts prior to the Closing Date. Seller shall furnish to Buyer at Closing a list of said accounts and the amounts due. Buyer shall collect such accounts without commission or compensation, and Buyer shall forward to Seller the amounts collected on such accounts at intervals of approximately every thirty (30) days during the ninety (90) day period following the Closing Date. Buyer shall not, without consent of Seller, compromise or settle for less than full value any such accounts receivable. Buyer shall not incur any liability as the result of failure to collect said receivables and shall not be required to institute suit to collect, but will exercise its best efforts to collect said receivables. Seller will not, without the written consent and approval of Buyer, make any direct solicitation for the payment of said receivables for ninety (90) days after the Closing Date. Any accounts receivable owing to Seller which are not collected within ninety (90) days from Closing Date shall be delivered back to Seller. It is understood and agreed that during said ninety (90) day period all moneys collected from advertisers indebted to Seller shall first be applied, as provided herein, toward the payment of the accounts receivable owing to Seller. If any such advertiser shall, in good faith, dispute the amount Seller claims is owed to it, Buyer shall promptly so notify Seller in writing and return such account to Seller who without further permission from Buyer may collect such account. Upon notification and return to Seller of any account as herein provided, Buyer thereafter may deal with such advertiser as if it were not indebted to Seller and without the obligation of

applying funds subsequently received from such advertiser to the account of Seller. All payments by Buyer to Seller pursuant hereto shall be the gross amounts collected; payment of agency and sales commissions respecting the same shall be the responsibility of Seller.

15. Pro-Rations: Personal Property taxes, Real Estate taxes and Rents shall be prorated and adjusted as of the Closing Date in accordance with the due date method.

16. Notices: Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, or mailed by certified mail or Federal Express, postage prepaid, with return receipt request, and addressed as follows:

If to Seller: Dr. Janusz A. Subczynski, President
Foreign Radio Programs, Inc.
2222 Franklin Road
Bloomfield Hills, MI 48302
Facsimile:

With a copy to: Arthur V. Belendiuk, Esq.
Smithwick and Belendiuk, P.C.
5028 Wisconsin Avenue, N.W., Suite 301
Washington, D.C. 20016
Facsimile: (202) 363-4266

With a copy to: David P. Neveux, Esq.
McDonnell, Conley, Arslanian & Neveux, LLP
19838 Mack Avenue
Grosse Pointe Woods, MI 48236
Facsimile: (313) 881-3121

If to Buyer: Birach Broadcasting Corporation
ATTN: Sima Birach
21700 Northwestern Hwy.
Tower 14, Suite 1190
Southfield, MI 48075

Facsimile: (248) 557-2950

With a copy to:

Lauren A. Colby, Esq.
10 E. Fourth Street
P.O. Box 113
Frederick, MD 21705-0113
Facsimile: (301) 695-8734

17. Counterparts: This APA may be executed in counterpart and/or by telecopy and, when so executed, the counterparts, whether they are original or facsimile signatures, shall constitute a complete and binding instrument.

18. Michigan Contract: This APA is a Michigan contract and shall be construed and interpreted in accordance with the laws of that state.

The parties hereto have fully executed this APA as of the date first above written.

BIRACH BROADCASTING CORPORATION

By: _____
Sima Birach, President

FOREIGN RADIO PROGRAMS, INC.

By: _____
Janusz A. Subczynski, President

SCHEDULE 1

SCHEDULE 2

SCHEDULE 3