

AGREEMENT OF PURCHASE AND SALE OF ASSETS

THIS AGREEMENT (the **IAgreement@**), dated as August 30, 2001, by and among Hometown Broadcasting, Inc., a Minnesota corporation (**ASeller@**), and Lynn Ketelsen of Waseca, Minnesota, (**Buyers@**).

WITNESSETH:

WHEREAS, Seller owns the following radio stations:

<u>Station</u>	<u>Market</u>
KOWO B AM	Waseca, MN
KRUE B FM	Waseca, MN

(the **AStations@**), pursuant to certain authorizations issued by the Federal Communications Commission (the **ACommission@** or **AFCC@**) and Seller owns or leases assets used in connection with the operation of the Stations;

WHEREAS, Seller desires to sell, assign and transfer the Stations, its FCC authorizations for the Stations, all of the assets and business of the Stations and Buyers desire to acquire same, all on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, and upon the terms and subject to the conditions hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I PURCHASE AND SALE OF ASSETS

1.1 **Purchased Assets**. Subject to and upon the terms and conditions of this Agreement, Seller shall sell, transfer, convey, assign, grant and deliver to Buyers, and Buyers shall purchase, at the Closing (as hereinafter defined) all right, title and interest in and to all business, properties, assets, machinery, equipment, furniture, fixtures, franchises, goodwill and rights of Seller, of every nature, kind and description, tangible and intangible, owned or leased, and used in the operation of the Stations, including, without limitation, all properties, assets and rights described in the form of Bill of Sale attached as Exhibit 1.1 hereto (the **ABill of Sale@**), but excluding the **AExcluded Assets@**, as hereinafter defined. All of the foregoing are herein collectively referred to as the **APurchased Assets@** and include without limitation all of the following

(a) **Commission Authorizations**. All right, title and interest of Seller in and to all licenses, permits, approvals, Construction permits and authorizations issued or granted by the FCC for the operation of; or used in connection with the operation of the Stations, and any and all auxiliary and/or supportive transmitting and/or receiving facilities, boosters and repeaters associated with the Stations (hereinafter the **ACommission Authorizations@**), including, without limitation, all of those listed in Schedule 5.7(b) hereto.

(b) **Other Authorizations**. All right, title and interest of Seller in and to all licenses, permits, variances, franchises, certifications, approvals, construction permits and authorizations issued or granted by any administrative body or licensing authority or governmental or regulatory agency, other than Commission Authorizations, used principally in connection with the operation of the Stations and/or the ownership and/or use of the Purchased Assets (hereinafter the **AOther Authorizations@** and, collectively with the Commission Authorizations, the **AAuthorizations@**).

(c) **Tangible Personal Property**. All fixed and tangible personal property used principally by or for the Stations and/or Seller in connection with the business or operation of the Stations, including, but not limited to, all physical assets and equipment, leasehold improvements, machinery, vehicles, furniture, fixtures, transmitting towers, transmitters, antennae, office materials and supplies, spare parts and music libraries, including, without limitation, those listed on Schedules 5.8(a) to (i) thereto, together with all replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date (hereinafter collectively the **ATangible Personal Property@**).

(d) **Real Property**. All land, buildings, improvements, fixtures, and transmitting towers (to the extent they constitute fixtures or other interests in real property and not Tangible Personal Property) and other real property owned by Seller and principally used for the operation of the Stations, and all leaseholds and other interests in real property and the buildings and improvements thereon and appurtenances thereto, including, without limitation, easements, variances, air rights and the like, and all security deposits with respect to any of the foregoing, used, or held for use principally by or for the Stations and/or Seller in connection with the business or operation of the Stations (the **AREal Properties@**).

(e) **Advertising Contracts**. All right, title and interest of Seller in and to all orders, agreements and other arrangements for the sale of advertising time on the Stations for cash and all trade, barter and similar agreements for the sale of advertising time on the Stations other than for cash, and all such orders, agreements and other arrangements for advertising time entered into between the date hereof and the Closing Date, each in the ordinary course of business, and to the extent the foregoing have not been performed as of the Closing Date, in each case to which Seller or the Stations is a party (hereinafter collectively **AAvertising Contracts@**).

(f) **Other Contracts**. All right, title and interest of Seller in and to the contracts, agreements, and leases, including, without limitation, all program licenses, and agreements and contracts to broadcast product or programs on the Stations, to which Seller in connection with the operations of any of the Stations or any of the Stations is a party (hereinafter, together with the Advertising Contracts, collectively, **AContracts@**), and all rights under all confidentiality and indemnification agreements in favor of Seller and/or the Stations and/or relating to the Stations.

(g) **Intangibles**. All right, title and interest in and to the call letters for each of the Stations as listed on **Schedule 5.6(b)** hereto, and together with all copyrights, patents, trademarks, trade names, logos, slogans, jingles, service marks, applications for any of the foregoing, telephone numbers and listings, trade secrets, confidential or proprietary information and other intangible property used, or held for use, principally by or for the Stations and/or Seller principally in connection with the business or operation of the Stations, and any and all universal resource locators (**AURLs@**), domain names, of or maintained principally by or for the Stations, including without limitation, those listed on **Schedule 5.8(b)** hereto, and, any web sites or home pages of or maintained by or for the Stations, and all property and assets (tangible and intangible) used or necessary to create and publish any such web site or home page (collectively the **ASites@**) and all goodwill associated with any of the above (hereinafter collectively the **Antangibles@**).

(h) **FCC Logs**. All FCC logs and similar records that relate to the operation of the Stations (**AFCC Logs@**).

(i) **Business Records**. All reports, statements, books, financial records, engineering and advertising reports, programming studies, consulting reports, marketing data, technical information, specifications, research and development information, engineering drawings, manuals, computer programs, tapes and software, business and personnel records, mailing and listener lists, lists of vendors or other suppliers and any other information in tangible form, used, or held for use, principally by or for the Stations and/or Seller in connection with the business or operation of the Stations or relating to any of the Purchased Assets (hereinafter collectively **ABusiness Records@**).

(j) **Receivables**. All accounts receivable of the Stations (the **AAccounts Receivable@**) as of the Closing Date.

(k) **Goodwill**. All goodwill in and going concern value of the Stations.

(l) In addition to the Purchased Assets, Buyers shall purchase from Seller the accounts receivable which shall be in addition to the \$900,000.00 purchase price. The accounts receivable shall be purchased at the time of closing as defined herein. Buyers shall not be obligated to purchase any accounts receivable more than 60 days old.

1.2 **Excluded Assets**. The Purchased Assets shall not include the following (the **Excluded Assets**):

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

(b) All supplies and similar items of Tangible Personal Property consumed in the ordinary course of business between the date of this Agreement and the Closing Date.

(c) Any assets of any compensation or benefit plan, contract or arrangement in effect as of the Closing Date including, without limitation, all pension, retirement, welfare, profit sharing, stock option or stock purchase, savings and thrift, bonus, incentive or deferred compensation, severance pay, vacation, sick pay, personal day and medical, vision, dental, accident, disability, life and other health and hospitalization insurance or benefit plans in which any current or former employee (or dependent of any such employee) of Seller or any of the Stations participates or is entitled to benefits (the **Employee Benefit Plans**).

(d) Any and all assets of each of Sellers not used either exclusively or principally in connection with business and operation of the Stations and all contracts which are not Contracts.

(e) Those other excluded assets listed on Schedule 1.2(e).

1.3 **Assignments of Contracts**. Buyers and Seller acknowledge that certain of the Contracts to be included in the Purchased Assets, and the rights and benefits thereunder necessary or appropriate or relating to the conduct of the business and activities of Seller and/or the Stations, may not, by their terms, be assignable. Anything in this Agreement or in the Obligations Undertaking (as hereinafter defined) to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any such Contract and Buyers shall not be deemed to have assumed the same or to be required to perform any obligations thereunder, if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach thereof or in any way affect the rights under any such Contract of Buyers or Seller thereunder. In such event, Seller will cooperate with Buyers and use its reasonable best efforts to provide for Buyers all benefits to which Seller is entitled under such Contracts, and any transfer or assignment to Buyers by Seller of any such Contract or any right or benefit arising thereunder or resulting therefrom which shall require the consent or approval of any third party shall be made subject to such consent or approval being obtained. Seller will use reasonable best efforts prior to, and if requested by Buyers after, the Closing Date to obtain all necessary consents to the transfer and assignment of all such Contracts, which shall not require the payment by Seller of any sum to the other party thereto to obtain such consent.

ARTICLE 2
PURCHASE PRICE; PAYMENT;
ASSUMPTION OF OBLIGATIONS

2.1 Purchase Price.

Subject to and upon the terms and conditions of this Agreement, in reliance on the representations, warranties, covenants and agreements of Seller contained herein, and in full payment and consideration for the sale, conveyance, assignment, transfer and delivery of the Purchased Assets by Seller, Buyers will pay a total amount of Nine Hundred Thousand United States Dollars (U.S. \$900,000), (the **Cash Purchase Price**), plus the amount representing the accounts receivable being purchased and sold as described in Paragraph 1.1 and payable as hereinafter provided, and Buyers will assume the liabilities of Seller, pursuant to the Contracts, and trade payables and similar liabilities of Seller in respect of the Stations incurred in the ordinary course of the business of the Stations and further described in an **Obligations Undertaking**, to be executed and delivered by Buyers at the Closing and in form attached hereto as **Exhibit 2.1** (the **Obligations Undertaking**), which liabilities are referenced herein as the **Assumed Liabilities**. Except as expressly provided in the **Obligations Undertaking**, Buyers shall not and does not assume any liability or obligation of Seller, fixed or contingent, disclosed or undisclosed, and assumes no liability for any claim, debt, default, duties, obligations or liabilities of Seller of any kind or nature, whether known or unknown, contingent or fixed.

2.2 Payment.

The Cash Purchase Price shall be paid as follows:

(a) Upon the execution and delivery of this Agreement, Buyers shall deposit with an escrow agent agreeable to Buyers and Seller (the **Escrow Agent**), as a good faith deposit, the sum of Ninety-Five Thousand United States Dollars (U.S. \$95,000) (such sum and any interest or other earnings thereon referred to herein as the **Escrow Amount**). The Escrow Amount shall be held and disbursed by the Escrow Agent, pursuant to the terms of an escrow agreement in the form of **Exhibit 2.2(a)** attached hereto (the **Escrow Agreement**), which Escrow Agreement shall be executed and delivered by Seller, Buyers and the Escrow Agent simultaneously with the execution and delivery of this Agreement. The parties' rights and obligations with respect to the Escrow Amount shall be governed by the terms and conditions of the Escrow Agreement and this Section 2.2(a).

(b) At Closing (i) the Escrow Amount shall be disbursed by the Escrow Agent to the Seller, and (ii) the sum of Nine Hundred Thousand United States Dollars (U.S. \$900,000) less the Escrow Amount plus the accounts receivable, shall be paid by Buyers to Seller by wire transfer or delivery of immediately available funds. If the Closing does not occur,

the Escrow Amount shall be delivered to Seller or returned to Buyers in accordance with Section 8.2 hereof and the terms and conditions of the Escrow Agreement.

2.3 **Allocation.** Seller and Buyers agree to allocate the Purchase Price among the Purchased Assets in accordance with the allocation schedule to be attached hereto as Schedule 2.3, (the APreliminary Allocation Schedule). Within ninety (90) days after the date of this Agreement, the parties hereto shall agree on a final allocation schedule (the AFinal Allocation Schedule) and make any changes or adjustments to the Preliminary Allocation Schedule if so required. If the parties are unable to so agree, a third-party appraiser selected by Buyers, and reasonably acceptable to Seller, the fees of which shall be borne equally by Buyers and Seller, shall resolve the allocation of the consideration to any items with respect to which there is a dispute between the parties. In the event that the Purchase Price shall be adjusted pursuant to this Agreement, the Preliminary or Final Allocation Schedule as applicable, shall be appropriately modified, on such basis as Buyers and Seller agree to reflect such adjustment. Seller and Buyers will each file an IRS Form 8594 consistent with the Final Allocation Schedule.

ARTICLE 3 APPLICATION TO AND CONSENT BY COMMISSION

3.1 **Application for Commission Consent.** Seller and Buyers agree to proceed expeditiously to use their reasonable best efforts and to cooperate with each other in seeking and applying (Assignment Application) for the FCC's written consent to the assignment of the Commission Authorizations from **Seller** to Buyers. Seller and Buyers shall take all steps that are necessary and proper or desirable to expedite the prosecution of the Assignment Application, the obtaining of the FCC Consent without any conditions materially adverse to Seller or Buyers or any of the Stations and to cause the FCC Consent to become a Final Order without any such conditions. Within five (5) business days after the date of this Agreement, each party shall prepare and file with the Commission an Assignment Application and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such Assignment Application. Each party further agrees to use its reasonable efforts to expeditiously prepare and file with the FCC any further required or revised or new Assignment Application and any Assignment Application amendments, whenever such amendments or new filings are required by the Commission or its rules. For purposes of this Agreement, each party hereto shall be deemed to be using its reasonable efforts with respect to the foregoing provisions of this Section 3.1, so long as it expeditiously and truthfully provides information necessary in completing the application process, expeditiously provides its comments on any filing materials, and uses its reasonable efforts to oppose attempts by third parties to resist, modify or overturn the grant of the FCC Consent and Final Order without prejudice to the parties' termination rights under this Agreement. Each of the parties hereto agrees to use their respective reasonable efforts to oppose any efforts or any requests by third parties for reconsideration or judicial review of the grant by the Commission of the FCC Consent. Except as otherwise provided herein, each party will be

solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of any Assignment Application. All filing fees and grant fees imposed shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyers. Seller shall, at its expense, give due notice of the filing of the Assignment Application by such means as may be required by the rules and regulations of the Commission.

3.2 **Absence of Commission Consent**. This Agreement, prior to the Closing, may be terminated by Seller, on the one hand, or Buyers on the other hand, upon written notice to the other(s), if the FCC Consent as to the assignment of the Stations has not come into existence and effect within [nine (9) months] after the date hereof; provided, however, that neither Seller nor Buyers, as the case may be, may terminate this Agreement if Seller or Buyers, as the case may be, is in default or breach under this Agreement, or if a delay in any decision or determination by the Commission respecting an Assignment Application has been caused or materially contributed to (i) by any failure of Seller or Buyers, as the case may be, to furnish, file or make available to the Commission information within its respective control; (ii) by the willful furnishing by Seller or Buyers, as the case may be, of incorrect, inaccurate or incomplete information to the Commission; or (iii) by any other action taken by Seller or Buyers, as the case may be, for the purpose of delaying the Commission's decision or determination respecting an Assignment Application.

3.3 **Effect of Termination**. No termination under this Article 3 shall affect any rights or obligations under this Agreement arising by reason of any breach or default by any party under this Agreement prior to such termination or any remedy to which any party hereto may be entitled by reason of such breach or termination, each of which shall survive such termination.

ARTICLE 4 CLOSING; DELIVERIES; CONDITIONS PRECEDENT

4.1 **Closing**. The Closing under this Agreement (the AClosing@) shall take place at the offices of Christian & Peterson, 314 South Broadway, Albert Lea, Minnesota 56007, or at such other place as the parties may agree, commencing at _____ a.m., on the fifth (5th) business day after the FCC Consent has been granted or such other date, place or time as the parties hereto may mutually agree upon in writing. The date of the Closing is herein called the AClosing Date@. All proceedings to be taken and all documents to be executed and delivered by the parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

4.2 **Sellers' Deliveries**. At the Closing, Seller shall deliver to Buyers:

- (a) the Bill of Sale, executed by Seller;

(b) instruments of assignment and transfer of all the Authorizations and the Intangibles, executed by Seller, in form reasonably required by Buyers;

(c) all Contracts, FCC Logs and Business Records;

(d) such other good and sufficient instruments of conveyance, assignment and transfer, as Buyers shall reasonably require, each in form and substance reasonably required by Buyers, and as shall be effective to vest in Buyers title to the Purchased Assets as contemplated by this Agreement; and

(e) all Lien Release Instruments as described in Section 7.9 hereof

4.3 **Buyer's Deliveries**. At the Closing, Buyers will deliver:

(a) the Cash Purchase Price minus the Escrow Amount.

(b) instructions to the Escrow Agent authorizing the Escrow Agent to deliver the Escrow Amount to Seller; and

(c) the Obligations Undertaking, duly executed by Buyers.

4.4 **Further Assurances**. At any time and from time to time after the Closing, at Buyers' reasonable request, and without further consideration, Seller will execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation, and take such actions, as Buyers may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyers, and to confirm Buyers title to, all of the Purchased Assets, to put Buyers in actual possession and operating control thereof, and to assist Buyers in exercising all rights with respect thereto.

4.5 **Buyers' Conditions Precedent**. The obligations of the Buyers under this Agreement to consummate the transactions contemplated hereby are subject to the satisfaction of each of the following conditions:

(a) no order shall have been issued by a Governmental Authority, which restrains, prevents, enjoins or prohibits any of the transactions contemplated hereby;

(b) the representations and warranties made by Seller in this Agreement as of the date hereof, and any certificates or documents delivered in connection with this Agreement as of their respective dates, are true and correct in all material respects;

(c) each covenant, agreement and obligation required by the terms of this Agreement to be complied with and performed by Seller, at or prior to the Closing shall have been duly and properly complied with and performed in all material respects;

(d) the FCC Consent shall have been granted by the FCC; and

(e) Buyers shall pay all expenses, including deed tax and transfer fees, to put any real estate into the name of Buyers.

4.6 **Seller=s Conditions Precedent**. The obligations of Seller under this Agreement to consummate the transactions contemplated hereby are, subject to the satisfaction at or prior to Closing of each of the following conditions all or any of which may be waived, in whole or part, by Seller for purposes of consummating such transactions, but without prejudice to any other right or remedy which Seller may have hereunder as a result of any misrepresentation by or breach of any covenant or warranty of Buyers contained herein or any other certificate or instrument furnished by Buyers hereunder:

(a) no order shall have been issued by a Governmental Authority, which restrains, prevents, enjoins or prohibits, any of the transactions contemplated hereby;

(b) the representations and warranties made by Buyers contained in this Agreement as of the date hereof, and any certificates or documents delivered by it to Seller in connection with this Agreement as of their respective dates, are true and correct in all material respects;

(c) each covenant, agreement and obligation required by the terms of this Agreement to be complied with and performed by Buyers at or prior to the Closing shall have been duly and properly complied with and performed in all material respects;

(d) the FCC Consent shall have been granted by the FCC; and

(e) this sale is contingent upon Seller having consummated its purchase of the stations from Cumulus Licensing Corporation.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller, with respect to itself and not jointly with respect to the other, hereby makes each of the following representations and warranties:

5.1 **Organization. Standing and Qualification**. Seller is a corporation validly existing and in good standing under the laws of the State of Minnesota.

5.2 **Authority of Sellers**. Seller has all requisite power and authority to execute, deliver and perform this Agreement and each other agreement, document and instrument in connection with this Agreement (together the ATransaction Documents@) to be executed,

delivered or performed by such Seller and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at the Closing, each other Transaction Document will constitute, the legal, valid and binding obligation of each such Seller as is party thereto in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws which affect the enforcement of creditor's rights generally).

5.3 **No Violation**. Except for the filing of the Assignment Application and the granting of the FCC Consent, and except as indicated in Schedule 5.3 hereto, the execution, delivery and performance of this Agreement and the Transaction Documents to which each Seller is a party and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the Certificate of Incorporation or the Bylaws of Seller (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any Material Contract to which Seller is a party or to or by which it or any of the Purchased Assets is subject or bound, (iii) require the consent of any party to any Material Contract to which Seller is a party, or to or by which it or the Purchased Assets is subject or bound, (iv) result in the creation or imposition of any Lien upon any of the Purchased Assets, or (v) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which either Seller or any of the Purchased Assets is subject or bound. Other than the filing of the Assignment Application and the granting of the FCC Consent, no consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority or any other third party is required to be obtained or made by Seller or License Co. in connection with the execution, delivery and performance of this Agreement or Transaction Documents or the consummation of the transactions contemplated hereby and thereby.

5.4 **Title to and Condition of Purchased Assets**. Except for the assets and properties leased to Seller pursuant to the leases identified in Schedule 5.8(a), (b) and (c) hereto, Seller has good and marketable title to all of the assets and properties which it owns or uses or purports to own or use in connection with the Stations. Except for these liens listed on Schedule 5.4 hereto (Permitted Liens), none of the Purchased Assets is subject to any Lien and none of the Real Properties is subject to or affected by any reservation or exclusion of any material rights or interests other than those recorded and identified on Schedule 5.4. The Purchased Assets are in good operating condition and repair, subject to ordinary wear and tear and normal maintenance.

5.5 **Litigation**. Except as set forth in Schedule 5.5 hereto and except for administrative rule making or other proceedings of general applicability to the broadcast industry and except for the Assignment Application contemplated by this Agreement and matters pertaining thereto, there is no action, suit, proceeding, arbitration or investigation pending, or to the knowledge of Seller threatened, against Seller in connection with its

operation of the Stations or any assets, properties, business or employees of the Stations or the transactions contemplated by this Agreement, which in any case or in the aggregate, materially adversely affect the operation of the Stations and/or the ability of Seller to consummate the transactions contemplated hereby. There is not outstanding any order, writ, injunction, award or decree of any court or arbitrator or any federal, state, municipal or other governmental department, commission, board, agency or instrumentality to which the Stations or Seller in connection with its operation of the Stations is subject nor is any of them in default with respect to any such order, writ, injunction, award or decree.

5.6 **Compliance; Properties; Authorizations.**

(a) Except as set forth in Schedule 5.6(a) hereto, Seller and the Stations have complied, and all of the Real Properties are in compliance, in all material respects, with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to Seller in respect of the Stations, any of the employees thereof, the Stations, or the Real Properties and/or any aspect of the Stations' operations, including, without limitation, any laws, rules, regulations, ordinances, codes, orders, judgments or decrees as to zoning, building requirements or standards, hiring, employment, or environmental, health and/or safety matters.

(b) Seller will be the holder of the Commission Authorizations listed on Schedule 5.6(b) hereto, for each Station and its call letters listed thereon. The Commission Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or adversely modify any of the Commission Authorizations (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against License Co. with respect to any of the Stations. The Stations are operating in compliance, in all material respects with the Commission Authorizations, the Communications Act, and the rules, regulations and policies of the FCC including the FCC's guidelines regarding RE radiation. All FCC regulatory fees for the Stations have been paid, and, to the knowledge of Sellers all broadcast towers from which the Stations operate have been duly registered with the FCC.

5.7 **Properties.** Schedule 5.7 hereto contains a true and complete list of the following:

(i) all Real Properties together with each lease, sublease or license related to the Stations under which Seller or the Stations holds any leasehold or other interest or right to the use thereof or pursuant to which Seller or the Stations have leased, assigned, sublet or granted any rights therein or with respect thereto; and

(ii) all items of Tangible Personal Property owned, leased or used principally in connection with the operation and business of the Stations, except for items having a value of less than \$5,000 which do not, in the aggregate, have a total value of more

than \$20,000, setting forth with respect to all such listed property any leases or similar arrangement relating thereto.

5.8 **Contracts.**

(a) Schedule 5.8(a) lists all Contracts but excluding (A) purchase orders for necessary supplies or services and air time sales orders for cash made in the ordinary course of business (on customary terms and conditions and consistent with past practice) involving payments or receipts of less than \$25,000 in any single case or series of related orders, and (B) contracts entered into in the ordinary course of business on customary terms and conditions which are terminable on less than 30 days' notice without any penalty or consideration and involving payments or receipts during the entire life of such contracts of less than \$25,000 in the case of any single contract but not more than \$75,000 in the aggregate;

(b) Schedule 5.8(b) lists all licenses, Internet or web-site agreements, (including, without limitation, all interactive service, portal, web site management, hosting, server, content licensing, advertising, branding, amid link or hyperlink agreements), development agreements, royalty agreements, and software agreements, all guarantees, loan agreements, indentures, mortgages and pledges, all conditional sale or title retention agreements, security agreements, equipment obligations, leases or lease purchase agreements as to items of personal property, in each case to which Seller is a party or by which Seller is bound principally in connection with the operation of the Stations; and

(c) Schedule 5.8(c) lists all agency and representative agreements and all agreements providing for the services of an independent contractor to which Seller is a party or by which Seller is bound principally in connection with the operation of the Stations.

True and complete copies of all contracts, agreements, plans, arrangements, commitments and documents required to be listed pursuant to this Section 5.8, together with any and all amendments thereto, have been delivered to Buyers (collectively, the **AMaterial Contracts**). All of the Material Contracts are in full force and effect (other than those which have been fully performed). To the best of Sellers=knowledge there is not under any Material Contract any existing default or event which, after notice or lapse of time, or both, would constitute a material default or result in a right to accelerate or loss of material rights.

5.9 **Insurance. Schedule 5.9** lists all insurance policies currently held by Seller in connection with the operations and the business of the Stations. The properties and assets of Seller, which are of an insurable character and are principally used in operating the Stations, are insured at full replacement cost against loss or damage by fire or other risks in accordance with customary industry practices, and Seller maintains liability insurance, to the extent and in the manner and covering such risks as is customary for companies engaged in a business similar to that of the Stations or owning assets similar to the Purchased Assets.

5.10 **Intangibles**. Seller owns or possesses all rights necessary to use the call letters set forth for each Station on Schedule 5.6(b), together with all copyrights, trademarks, trade names, logos, slogans, jingles, service marks and other proprietary rights and Intangibles and any goodwill associated therewith currently used in connection with the operation of the Stations as presently operated. Seller has no knowledge of any infringement or unlawful, unauthorized or conflicting use of any of the foregoing, or of the use of any call letters, slogan or logo by any broadcast Stations in the areas served by the Stations which may be confusingly similar to any of the call letters, slogans and logos currently used by the Stations. Seller has received no notice that Seller is infringing upon or otherwise acting adversely to any copyrights, trademarks, trademark rights, service marks, service mark rights, trade names, service names, slogans, call letters, logos, jingles, licenses or any other proprietary rights owned or used by any other person or entity. Schedule 5.10 lists all material trademarks, trademark registrations, and applications therefor, service marks, service mark registrations, and applications therefor, trade names, patents and patent applications, copyright registrations, and applications therefor, all uniform resource locators (URLs), domain names, names of Sites, wholly or partially owned, held or used by Seller principally in connection with the Stations.

5.11 **Environmental Matters**.

(a) Except as set forth in Schedule 5.11 hereto, to Seller's knowledge (i) no Hazardous Substance (as hereinafter defined) has been stored, treated, released, disposed of or discharged on, about, from or affecting any of the Real Properties in any material amounts, and (ii) Seller has no liability which is based upon or related to the environmental conditions under or about any of the Real Properties. To Seller's knowledge, Seller has complied with all environmental, health and safety laws applicable to the Real Properties. The term "Hazardous Substance" as used in this Agreement shall include, without limitation, gasoline, oil and other petroleum products, explosives, radioactive materials and related and similar materials, and any other substance or material defined as a hazardous, toxic or polluting substance or material by any federal, state or local law, ordinance, rule or regulation, including asbestos and asbestos-containing materials.

(b) Except as set forth in Schedule 5.11, Seller, in connection with the business of the Stations, has not within the prior twelve (12) months, (i) given any report or notice to any governmental agency or authority involving the use, management, handling, transport, treatment, generation, storage, spill, escape, seepage, leakage, spillage, emission, release, discharge, remediation or clean-up of any Hazardous Substance on or about any of the Real Properties or caused by Seller or any affiliate thereof (a "Hazardous Discharge"), or (ii) received any complaint, order, citation or notice with regard to a Hazardous Substance or any other environmental, health or safety matter affecting any of the Real Properties or the Business or operations conducted thereat (an "Environmental Complaint"), under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or under any other federal, state or local law, ordinance, rule or regulation.

5.12 **Employee Benefits.** All Employee Benefit Plans in which any employee or former employee of the Stations participates are listed in Schedule 5.12. None of the Employee Benefit Plans is a Qualified plan pursuant to Section 401 of the Code and all required filings have been, are or will be made in respect of such Employee Benefit Plans with the U.S. Internal Revenue Service or the U.S. Department of Labor. To the knowledge of Seller, Seller has not violated any provisions of ERISA or any other applicable law in relation to such Employee Benefit Plans. Buyers and the Purchased Assets will not be subject to any lien or liability in respect of the Employee Benefit Plans.

5.13 **Taxes.** All material taxes, fees, assessments and charges, including, without limitation, income, property, sales, use, franchise, added value, employees' income withholding and social security taxes, imposed by the United States or by any foreign country or by any state, municipality, subdivision or instrumentality of the United States or of any foreign country, or by any other taxing authority, which are due and payable by Seller in respect of or in connection with any of the Stations, and all interest and penalties thereon (collectively, Taxes or Tax), have been paid in full, all Tax returns required to be filed in connection therewith have been accurately filed, and all deposits required by law to be made by Seller with respect to employees' and other withholding Taxes have been duly made. No deficiency for any Tax or claim for additional Taxes has been proposed, asserted or assessed against Seller.

5.14 **Barter.** Schedule 5.14 hereto sets forth as of the respective dates set forth therein, all agreements and arrangements relating to each of the Stations pursuant to which advertising is exchanged for goods and services for which an obligation to broadcast advertising time is outstanding and indicating the balances thereof.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyers hereby represent and warrant to Sellers that:

6.1 Organization and Standing.

6.2 **Authority of Buyer.** Buyers have all requisite power and authority to enter into this Agreement and each other Transaction Document to be executed or delivered by Buyers and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at the Closing, each other Transaction Document will constitute, the legal, valid and binding obligation of Buyers. All [corporate] proceedings and action required to be taken by Buyers relating to the execution, delivery and performance of this Agreement and the Transaction Documents to which Buyers are a party and the consummation of the transactions contemplated hereby and thereby shall have been duly taken by the Closing.

6.3 **Litigation**. Except as set forth on Schedule 6.3 hereto and except for administrative rule making or other proceedings of general applicability to the broadcast industry and except for the Assignment Application contemplated by this Agreement and matters pertaining thereto, there is no action, suit, proceeding, arbitration or investigation pending, or to the knowledge of Buyers threatened, against or affecting Buyers, which, in any case or in the aggregate, materially adversely affects the ability of Buyers to consummate the transactions contemplated hereby. There is not outstanding any order, writ, injunction, award or decree of any court or arbitrator or any federal, state, municipal or other governmental department, commission, board, agency or instrumentality to which Buyers are subject nor are Buyers in default with respect to any such order, writ, injunction, award or decree.

6.4 **No Violation**. Except for the filing of the Assignment Application and the granting of the Initial Order and the Final Order the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, will not (i) conflict with or violate any provision of the Bylaws of Buyer, (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of; or cause or permit acceleration under, any material contract or instrument or any debt or obligation to which Buyers are a party or subject, or (iii) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which Buyers are subject or bound. No consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority or any other third party is required to be obtained or made by Buyers in connection with the execution, delivery and performance of this Agreement or the Transaction Documents to which Buyers are a party or the consummation of the transactions contemplated hereby and thereby, subject, however, to Buyers= obtaining the consent of Buyers' lenders as aforesaid.

6.5 **Buyer's Qualification**. Upon its deposit of the Escrow Amount with the Escrow Agent, Buyers will be legally, technically and financially qualified to become a licensee of the FCC and to complete the transactions contemplated by this Agreement, and Buyers know of no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyers as an assignee of the Commission Authorizations. Notwithstanding the foregoing, Buyers make no representation or warranty with respect to any existing or pending law, rule, regulation, policy or practice of the FCC which relates to multiple ownership in view of the fact that the full complement of FCC commissioners has not been identified and the FCC is currently considering a rule making proceeding which could have the effect of changing, inter alia, a Radio market@ as well as affect the processing of assignment or transfer applications filed before the full complement of FCC commissioners have been appointed.

ARTICLE 7 CERTAIN COVENANTS

7.1 **Conduct of Business**. During the period from the date of this Agreement to and including the Closing Date, Seller shall, cause the Stations to be operated and conducted in all material respects, in the ordinary and usual course of business and consistent with past practices. Without limiting the foregoing, prior to the Closing, Seller, without the prior written consent of Buyers, shall not, and Seller shall not permit the Stations to unless any such act or omission has no material adverse affect on the business of the Stations:

(a) By any act or omission surrender, modify adversely, forfeit, or fail to renew under regular terms any of the Authorizations, or give the FCC grounds to institute any proceeding for the revocation, suspension or modification of any of the Authorizations, or fail to prosecute with due diligence any pending application with respect to any of the Authorizations;

(b) Dissolve or liquidate or sell, transfer, lease or otherwise dispose of any Purchased Assets, other than (i) assets, which individually or collectively are not material to the business of any of the Stations, or (ii) supplies consumed in the ordinary and customary course of business, or obligate itself to do so;

(c) Outside of the ordinary course of the business of the Stations and inconsistent with past practices, amend, modify, change, alter, terminate, rescind or waive any material rights or benefits under any Material Contract, or enter into any contract, agreement or commitment which, if in existence as of the date of this Agreement would have been required to be listed, under Schedules 5.8(a)-(c); and

(d) Fail to maintain the Purchased Assets and the Real Properties in good repair and condition, reasonable and ordinary wear and tear excepted; or cancel or fail to renew any of the current insurance policies or any of the coverage thereunder maintained for the protection of any of the Real Properties, the Stations or Purchased Assets.

7.2 **Operations**. During the period from the date of this Agreement to the Closing Date, Seller shall have sole responsibility for the Stations and its operations, and during such period, Seller shall:

(a) Operate the Stations in the ordinary and usual course of business and in a manner consistent with past practices.

(b) Deliver to Buyers within five (5) days after filing thereof with the Commission copies of any and all reports, applications, and/or responses relating to the Stations which are filed with the Commission on or prior to the Closing Date, including a copy of any Commission inquiries to which the filing is responsive.

7.3 **Changes in Information**. During the period from the date of this Agreement to the Closing Date, Seller shall give Buyers prompt written notice of any material change in,

or any of the information contained in, the representations and warranties made in or pursuant to this Agreement or of any event or circumstance which, if it had occurred on or prior to the date hereof; would cause any of such representations or warranties not to be true and correct. Such notification shall be deemed to amend the representations and warranties of Seller hereunder, or the schedules thereto, as appropriate; provided, however, if such amendment discloses a fact or condition that would have a material adverse effect on the Stations or the Purchased Assets, then Buyers may at its option, cause this Agreement to be terminated by written notice to Seller, upon the earlier of (i) five (5) days after receipt of the notification for Sellers, or (ii) the Closing Date. If Buyers do not give such written notice, the amendment indicated above shall be fully effective.

7.4 **Restrictions on Buyer.** Nothing contained in this Agreement shall give Buyers any right to control the programming or operations of the Stations prior to the Closing Date and Seller shall have complete control of the programming and operation of the Stations between the date hereof and the Closing Date and shall operate the Stations in conformity with the public interest, convenience and necessity and with all other applicable requirements of law.

7.5 **Access to Information.** During the period from the date of this Agreement to the Closing Date, Buyers and their accountants, counsel and other representatives, shall, upon prior written or telephone notice, be given reasonable access during normal business hours to all of the facilities, properties, books and records of Seller as they pertain to any of the Stations, and they shall be furnished with such documents and information with respect to the affairs of Seller and the Stations as from time to time may reasonably be requested.

7.6 **Sales and Other Taxes.** Buyers shall pay all sales taxes, transfer taxes and intangibles taxes and similar government charges, filing fees and recording and registration fees applicable to the transactions contemplated by this Agreement, including, without limitation, all taxes and similar charges, if any, payable upon the transfer of title to any Purchased Assets. Buyers and Seller will cooperate to prepare and file with the proper public officials, as and to the extent necessary, all appropriate sales tax exemption certificates or similar instruments as may be necessary to avoid the imposition of sales, transfer and similar taxes on the transfer of the Purchased Assets pursuant hereto. The provisions of this Section 7.6 shall not apply to filing and grant fees associated with the Assignment Application. The payment of such fees shall be governed by Section 3.1 hereof.

7.7 **Bulk Transfer Laws.** The parties do not believe that any bulk transfer or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyers therefore waive compliance by Seller with the requirements of any such statutes, and Seller agrees to indemnify and hold Buyers harmless against any claim by any creditor of Seller or claimant against either or both of Buyers as a result of a failure to comply with any such statute.

7.8 **Brokerage Fee**. All fees and expenses incurred by McCoy Broadcast Brokerage in connection with transactions contemplated by this Agreement shall be the sole and exclusive responsibility of and paid by Seller. Seller represents to Buyers that no other person or entity is entitled to any brokerage commission or finder's fee in connection with the transactions contemplated by this Agreement as a result of any actions taken by the representing party or any of the affiliates, officers, directors or employees hereof.

7.9 **Satisfaction of Liens**. At the Closing, Seller shall cause all Liens on or relating to any of the Purchased Assets (other than the Permitted Liens) to be released, extinguished and discharged in full, and shall deliver to Buyers instruments releasing, extinguishing and discharging all such Liens, and all rights and claims of any holder(s) of any of such Liens with respect to any of the Purchased Assets, all in such form and substance as Buyers shall reasonably require (collectively the ALien Release Instruments).

ARTICLE 8 TERMINATION

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

- (a) by mutual written consent of Buyers and Seller;
- (b) by written notice from a party that is not then in material breach of this Agreement if the other party has continued in material breach of this Agreement for thirty (30) days after written notice of such breach from the terminating party is received by the other party and such breach is not cured by the earlier of (i) the last day of such 30-day period or (ii) the Closing Date (the ACure Period); provided, however, that if such breach cannot be reasonably cured within such 30-day period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date;
- (c) by written notice of Buyers to Seller, or by Seller to Buyers, if the FCC denies the Assignment Application;
- (d) as provided in Section 3.2;
- (e) by written notice of Seller to Buyers if the Closing shall not have been consummated on or before the date twelve months after the date of this Agreement provided that Seller are not then in breach or default.

8.2 **Effect of Termination**:

(a) Upon termination of this Agreement, each party shall thereafter remain liable for (i) breach of this Agreement prior to such termination and (ii) payment and performance of the party's obligations under Section 9.2 hereof.

(b) If this Agreement is terminated prior to Closing for any reason other than by Seller pursuant to Section 8.1(b) of this Agreement, as provided in, and subject to the terms and conditions of the Escrow Agreement, Buyers shall be entitled to the return of the Escrow Amount by Escrow Agent.

(c) If this Agreement is terminated prior to Closing by Seller pursuant to Section 8.1(b) of this Agreement, as provided in, and subject to the terms and conditions of the Escrow Agreement, Seller shall be entitled to the Escrow Amount and Escrow Agent shall deliver the Escrow Amount to Seller.

ARTICLE 9 INDEMNIFICATION

9.1 Obligation to Indemnify.

(a) Following the Closing, Seller hereby agrees to save, indemnify and hold harmless Buyers from and against, and shall on demand reimburse Buyers for: any and all loss, liability, damage or deficiency suffered or incurred by any of Buyers by reason of any misrepresentation, breach of warranty or nonfulfillment of any covenant or agreement to be performed or complied with by Seller under this Agreement or any agreement, certificate, document or instrument executed by Seller and delivered to Buyers pursuant to or in connection with this Agreement; and

(b) Following the Closing, Buyers hereby agree to save, indemnify and hold harmless Sellers from, against and in respect of, and shall on demand reimburse Sellers for: any and all loss, liability, damage or deficiency suffered or incurred by Sellers by reason of any misrepresentation or breach of warranty by Buyers or nonfulfillment of any covenant or agreement to be performed or complied with by Buyers under this Agreement or in any agreement, certificate, document or instrument executed by Buyers and delivered to Seller pursuant to or in connection with this Agreement; including without limitation, the Obligations Undertaking.

9.2 **Survival and Other Matters.** Each representation, warranty, indemnity, covenant and agreement of each of the parties hereto shall survive the Closing; provided, however, that no party shall be entitled to assert claims against any other for misrepresentations or breach of warranty under or pursuant to this Agreement unless the party asserting such claim shall notify the other in writing of such claim within twelve (12) months after the Closing Date. Notwithstanding the foregoing, in no event shall Seller on the one hand and Buyers on the other hand, have any liabilities under or pursuant to this Agreement for any

misrepresentation or breaches of warranties hereunder or indemnification in respect thereto (a) until such liabilities shall exceed in the aggregate of \$[95,000], at which time such indemnifying part shall be fully liable for all such liabilities in excess of such sum, or (b) in excess in the aggregate of [\$500.000].

9.3 **Provisions Regarding Indemnification.** If; within the applicable survival period, any third party shall notify any Party (the Indemnified Party) with respect to any third party claim which may give rise to a claim for indemnification against any other party (the Indemnifying Party) under this Article 9, then the Indemnified Party shall notify the Indemnifying Party thereof promptly; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnified Party shall relieve the Indemnifying Party from any liability or obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced. In the event any Indemnifying Party notifies the Indemnified Party within 20 days after the Indemnified Party has given notice of the matter that the Indemnifying Party is assuming the defense thereof, (i) the Indemnifying Party will defend the Indemnified Party against the matter with counsel of its choice reasonably satisfactory to the Indemnified Party, (ii) the Indemnified Party may retain separate co-counsel at its sole cost and expense (except that the Indemnifying Party will be responsible for the fees and expenses of the separate co-counsel to the extent the Indemnified Party concludes reasonably that the counsel the Indemnifying Party has selected has a conflict of interest), (iii) the Indemnified Party will not consent to any settlement with respect to the matter without the written consent of the Indemnifying Party (not to be withheld unreasonably), and (iv) without the written consent of the Indemnified Party, the Indemnifying Party will not consent to the entry of any judgment with respect to the matter, or enter into any settlement unless the Indemnifying Party pays all amounts in full and such judgment or settlement includes a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto.

9.4 **Remedies.** Following the Closing, the indemnification rights provided for in this Article 9 shall be the sole and exclusive remedy available under contract, tort, or any legal theories to the parties hereto (or any person or entity claiming by or through such parties) for breach/misrepresentation or default by any party under or in respect of this Agreement or in respect of the transactions contemplated hereby.

ARTICLE 10 DEFINITIONS

Accounts Receivable has the meaning set forth in Section 1.1(j).

Advertising Contracts has the meaning set forth in Section 1.1(e) hereof.

Assignment Application has the meaning set forth in Section 3.1 hereof.

Assumed Liabilities has the meaning set forth in Section 2.1 hereof.

Authorizations means Commission Authorizations and Other Authorizations collectively.

Bill of Sale has the meaning set forth in Section 1.1 hereof.

Business Records has the meaning set forth in Section 1.1(i) hereof

Buyer means Lynn Ketelson.

Cash Purchase Price has the meaning set forth in Section 2.1 hereof.

CERCLA means the Comprehensive Environmental Response, Compensation and Liability Act.

Closing has the meaning set forth in Section 4.1 hereof.

Closing Date has the meaning set forth in Section 4.1 hereof.

Commission has the meaning set forth in the recitals hereto.

Commission Authorizations has the meaning set forth in Section 1.1(a) hereof.

Communications Act means _____

Contracts has the meaning set forth in Section 1.1(f) hereof.

Cure Period has the meaning set forth in Section 8.1(b) hereof.

Employee Benefit Plans has the meaning set forth in Section 1.2(c) hereof.

Environmental Complaint has the meaning set forth in Section 5.11(b) hereof.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Escrow Agent has the meaning set forth in Section 2.2(a) hereof.

Escrow Agreement has the meaning set forth in Section 2.2(a) hereof.

AEscrow Amount® has the meaning set forth in Section 2.2(a) hereof.

AExcluded Assets® has the meaning set forth in Section 1.2 hereof.

AExcluded Liabilities® has the meaning set forth in Section 2.5 hereof.

AFCC® has the meaning set forth in the recitals hereto.

AFCC Consent® means the FCC staffs initial grant of consent to the Assignment Application.

AFCC Logs® has the meaning set forth in Section 1.1(h) hereof.

AFinal Allocation Schedule® has the meaning set forth in Section 2.3 hereof.

AFinal Order® means a final order of the Commission which is not reversed, stayed, enjoined or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition or notice of appeal or for review by the Commission, and for any reconsideration, stay or setting aside by the Commission on its own motion or initiative, has expired.

AGovernmental Authority® means any foreign, federal, state, local, municipal, county or other governmental) quasi-governmental, administrative or regulatory authority, body, agency, court, tribunal, commission or other similar entity.

AHazardous Discharge® has the meaning set forth in Section 5.14(b) hereof.

AHazardous Substance® has the meaning set forth in Section 5.14(a) hereof.

AIndemnified Party® has the meaning set forth in Section 9.3 hereof.

AIndemnifying Party® has the meaning set forth in Section 9.3 hereof.

AIntangibles® has the meaning set forth in Section 1.1(g) hereof.

ALicense Co.® means

ALien Release Instruments® has the meaning set forth in Section 7.9 hereof.

ALiens® means any liens, pledges, charges, mortgages, security interests, restrictions, easements, claims, title defects, encumbrances or any other rights of other Persons.

AMaterial Contracts® has the meaning set forth in Section 5.7 hereof.

AObligations Undertaking® has the meaning set forth in Section 2.1 hereof.

AOther Authorizations® has the meaning set forth in Section 1.1(b) hereof.

APermitted Liens® has the meaning set forth in Section 5.4 hereof.

APreliminary Allocation Schedule® has the meaning set forth in Section 2.3 hereof.

APurchase Price® has the meaning set forth in Section 2.1 hereof

APurchased Assets® has the meaning set forth in Section 1.1 hereof.

AREal Properties® has the meaning set forth in Section 1.1(d) hereof

ASeller® means Hometown Broadcasting, Inc.

ASites® has the meaning set forth in Section 1.1(g) hereof

AStations® has the meaning set forth in the recitals hereto.

ATangible Personal Property® has the meaning set forth in Section 1.1(c) hereof.

ATaxes® or **ATax®** has the meaning set forth in Section 5.13 hereof.

ATransaction Documents® has the meaning set forth in Section 5.2 hereof.

AURLS® has the meaning set forth in Section 1.1(g) hereof.

ARTICLE 11 MISCELLANEOUS

11.1 **Binding Agreement**. All the terms and provisions of this Agreement shall be binding upon, inure to the benefit of; and be enforceable by, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

11.2 **Assignment**. This Agreement shall not be assignable by Seller or Buyers without the prior written consent of the other. No assignment shall relieve the assigning party of its obligations hereunder.

11.3 **Law To Govern.** This Agreement and the Obligations Undertaking shall be construed and enforced in accordance with the internal laws of the State of Minnesota.

11.4 **Notices.** All notices shall be in writing and shall be deemed to have been duly given if delivered personally or when deposited in the mail if mailed via registered or certified mail, return receipt requested, postage prepaid to the other party hereto at the following addresses:

if to Seller, to:

Hometown Broadcasting, Inc.
109 East Clark
Albert Lea, Minnesota 56007
Attn: Gregory D. Jensen

if to Buyer, to:

Lynn Ketelsen
601 15th Avenue N.E.
Waseca, Minnesota 56093

or to such other addresses as any such party may designate in writing in accordance with this Section 11.4.

11.5 **Fees and Expenses.** Except as expressly set forth in this Agreement, each of the parties shall pay its own fees and expenses with respect to the transactions contemplated hereby.

11.6 **Entire Agreement** This Agreement sets forth the entire understanding of the parties hereto in respect of the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement signed by all of the parties hereto. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter.

11.7 **Waivers.** Any failure by any party to this Agreement to comply with any of its obligations hereunder may be waived by Seller in the case of a default by any of Buyers and by Buyers in case of a default by any of the Seller. No waiver shall be effective unless in writing and signed by the party granting such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

11.8 **Severability.** Any provision of this Agreement which is rendered unenforceable by a court of competent jurisdiction shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Agreement.

11.9 **No Third-Party Beneficiaries**. Nothing herein, express or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement or any documents executed in connection with this Agreement.

11.10 **Affiliate**. For purposes of this Agreement, the term Aaffiliate@when used with respect to any person or entity, shall mean any person or entity which directly or indirectly, alone or together with others, controls, is controlled by or is under common control with such person or entity.

11.11 **Drafting**. No party shall be deemed to have drafted this Agreement but rather this Agreement is a collaborative effort of the undersigned parties and their attorneys.

11.12 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

11.13 **Headings**. The Section and paragraph headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said Sections and paragraphs.

11.14 **Use of Terms**. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the words Ainclude@ or Aincluding@ in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof. Unless otherwise indicated, reference in this Agreement to a >Section@ or Article@ means a Section or Article, as applicable, of this Agreement. When used in this Agreement, words such as Aherein@, Ahereinafter@, Ahereof, Ahereto@, and Ahereunder@ shall refer to this Agreement as a whole, unless the context clearly requires otherwise. The use of the words Aor,@ Aeither@ and Aany@ shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

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

SELLER:

HOMETOWN BROADCASTING, INC.

By _____
Gregory D. Jensen, its President

BUYER:

Lynn Ketelsen