

TIME BROKERAGE AGREEMENT

THIS TIME BROKERAGE AND PROGRAM SERVICES AGREEMENT (this “**Agreement**”) is made and entered into as of this 3rd day of November, 2016, by and between Salem Media of Massachusetts, LLC (“Salem – Massachusetts”), a limited liability company organized and subsisting under the laws of the State of Delaware (“Salem – Massachusetts”); Salem Media of Kentucky, Inc., a corporation organized and subsisting under the laws of the State of Kentucky (“Salem – Kentucky”) (Salem- Massachusetts and Salem-Kentucky shall collectively be referred to herein as “**Licensees**” and individually as a “**Licensee**”) and Word Broadcasting Network, Inc., a nonprofit corporation organized and subsisting under the laws of the State of Kentucky (the “**Programmer**”).

B A C K G R O U N D

WHEREAS, Salem-Massachusetts is the Federal Communications Commission (the “**FCC**”) licensee of radio station WFIA(AM), 900 kHz, Louisville, KY (FCC Facility ID No. 55504) (“**WFIA(AM)**”);

WHEREAS, Salem-Kentucky is the FCC licensee of radio station WFIA-FM, 94.7 MHz, New Albany, IN (FCC Facility ID No. 48371) (“**WFIA-FM**”), and the FCC licensee of radio station WGTK(AM), 970 kHz, Louisville, KY (FCC Facility ID No. 63936) (“**WGTK(AM)**”). WFIA(AM), WFIA-FM, and WGTK(AM) shall collectively be referred to herein as the “**Stations**” and individually as a “**Station**”)

WHEREAS the Licensees have available broadcasting time on the Stations;

WHEREAS, Programmer desires to avail itself of the broadcast time of the Stations for the presentation of programming services, including the sale of advertising time, in accordance with procedures and policies approved by the FCC;

WHEREAS, Programmer desires to have the option to purchase the Stations during the term of the Agreement, and Licensees desire to have the option of Programmer purchasing the Stations at the end of the term, or during the term if Programmer obtains sufficient funding from the sale of television stations owned by Programmer (the “**TV Sale**”).

A G R E E M E N T

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

1. Sale Of Time

1.1. *Broadcast of Programming*

During the Term, as defined below, the Licensees shall make available exclusively to Programmer broadcast time on the Stations for up to 24 hours a day, seven days a week for the broadcast of Programmer’s programs (the “**Programming**”); provided that the

Licensees shall specifically reserve from such time: (a) downtime occasioned by routine maintenance consistent with prior practice; (b) such times as the parties may agree, not to exceed two (2) hours per week, during which time the Licensees may broadcast additional programming designed to address the concerns, needs and issues of the Stations' listeners ("**Licensee's Public Service Programming**"); (c) times when Programmer's programs are not accepted or are preempted by a Licensee in accordance with Section 2.3 of this Agreement or because such Programming does not satisfy the standards of Section 2.4.1 of this Agreement; and (d) Force Majeure Events, as defined in Section 1.7 of this Agreement (such hours, subject to the reservation, being the "**TBA Hours**").

1.2. *Term*

This Agreement shall be effective and binding between the parties as of the date first set forth above. The term for the provision of Programming by the Programmer and related performance thereto by both parties of this Agreement (the "**Term**") shall be for the period commencing on January 3, 2017, or such later date as set forth in Section 11.11 below, or such other time as the parties mutually agree (the "**Commencement Date**"), and terminating on the earliest of: (a) termination of this Agreement pursuant to Section 7; or (b) twenty-four (24) months after the Commencement Date; provided however, that if the purchase of the Stations as set forth in Section 10 hereof has not yet been completed, the term of this Agreement shall be extended to the date which is either: (x) the consummation of the assignment to the Programmer, or its affiliated entity, of the licenses and authorizations issued by the FCC for the Stations in accordance with the Purchase Agreement; or (y) the date the Purchase Agreement terminates without consummation.

1.3. *Payments*

Programmer shall pay to the Licensees the fee set forth on Schedule 1.3 hereto, in advance of each month, for the rights granted under this Agreement (the "**Monthly Fee**"). In accordance with the Licensees' rights under Section 2.3.2 below, and provided Programmer is not then in default hereof, if a Licensee preempts, deletes, delays, suspends, cancels or fails to broadcast any of the Programming during time that would otherwise be considered as TBA Hours, Programmer shall receive a credit equal to the *pro rata* portion of the Monthly Fee for the affected Station paid for the month in which such preemption, deletion, delay, suspension, cancellation or failure to broadcast occurs pursuant to Section 2.3.2. Any credit due Programmer shall be applied to the Monthly Fee due immediately following the calendar month during which such suspension, cancellation, preemption or delay subject to credit occurred.

1.4. *Advance Payment*

No later than the Commencement Date, Programmer shall deposit with Licensee the amount of Thirty Nine Thousand Dollars (\$39,000.00) as an advance payment of the Monthly Fee for the first three months of the Term ("**Advance Payment**"). If Programmer defaults with respect to any provisions of the Agreement, including but not limited to the payment of the Monthly Fee or other payments due under Schedule 1.3, Licensee may (but shall not be required to), without prejudice to any other right Licensee has on account thereof, use,

apply or retain all or any part of the Advance Payment for the payment of any Monthly Fee or any other sum in default, or for the payment of any other amount which Licensee may spend or become obligated to spend by reason of Programmer's default or to compensate Licensee for any loss or damage which Licensee may suffer by reason of Programmer's default. Licensee shall not be required to keep the Advance Payment separate from its general funds; nor shall Licensee be obligated to pay interest or other amounts to Programmer with respect to the Advance Payment.

1.5. *Option Payment*

Within thirty days of the effectiveness hereof, Programmer shall pay to Salem-Kentucky Four Hundred Fifty Thousand Dollars (\$450,000.00) (the "Option Payment"). If this Agreement is terminated by Programmer due to a breach of the Agreement by a Licensee, then Salem-Kentucky shall pay to Programmer the Option Payment, within ten (10) business days after the date this Agreement terminates.

1.6. *Advertising and Programming Revenues*

During the broadcast of the Programming delivered to the Station by Programmer, Programmer shall have full authority to sell for its own account commercial time or block programming time on the Station and to retain all revenues and all accounts receivable arising from or relating to the Programming, including, without limitation, promotion-related revenues. Programmer may sell such time in combination with the sale of time on any other broadcast stations of its choosing. The Licensees may barter or sell commercial time or mentions within Licensee's Public Service Programming or within programming presented in accordance with Section 2.3.2., provided that such barter or sale is incidental to the purpose of such programming and not for the commercial advantage of the Licensees.

1.7. *Force Majeure Events*

Any failure or impairment of facilities or any delay or interruption in broadcasting the Programming due to acts of God, strikes or threats thereof, force majeure or any other causes beyond the control of the Licensees (collectively, "**Force Majeure Events**"), shall not constitute a breach of this Agreement.

2. **Programming And Operating Standards**

2.1. *Nature of the Programming*

Each Licensee acknowledges that Programmer has provided a description of the nature of the Programming to be produced by Programmer and each Licensee has determined that the broadcasting of the Programming on the Stations will serve the public interest.

2.2. Right to Use the Programming

The ownership of and all rights to use the Programming furnished by Programmer and to authorize its use in any manner and in any media whatsoever shall be at all times vested solely in Programmer except as specifically authorized by this Agreement.

2.3. Obligations and Rights of Licensee

Each Licensee shall be ultimately responsible for the control of the day-to-day operations of its Station(s) and for complying with the FCC's rules and regulations with respect to (a) the staffing and maintenance of the Station's main studio; (b) the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to equal opportunities, lowest unit charge and reasonable access); (c) the broadcast and nature of public service programming; (d) the maintenance of political and public inspection files and the Station's logs; (e) the ascertainment of issues of community concern; (f) the preparation of all quarterly issues/programs lists; and (f) the preparation and filing with the FCC of all required material with respect to the Station, including the Station's Biennial Ownership Report and periodic employment reports.

2.3.1. Licensee's Right to Reject Programming

Each Licensee shall retain the right to accept or reject any Programming or advertising announcements or material which Licensee in its good faith, reasonable judgment deems contrary to the Communications Act of 1934, as amended and the rules, regulations and policies of the FCC promulgated thereunder (collectively, the "FCA"). Each Licensee reserves the right to refuse to broadcast any Programming containing matter that the Licensee reasonably in good faith believes to be, or that the Licensee reasonably in good faith believes may be determined by the FCC or any court or other regulatory body with authority over Licensee or the Station to be, violative of any right of any third party or indecent, profane or obscene. Licensee may take any other actions which Licensee in its good faith, reasonable judgment deems necessary to ensure that the Station's operations comply with the laws of the United States, the States of Kentucky and Indiana, and the FCA (including the prohibition on unauthorized transfers of control). If, in the reasonable good faith judgment of Licensee or its General Manager, any portion of the Programming presented by Programmer does not meet the requirements of Section 2.4.1 of this Agreement, Licensee may suspend, cancel or refuse to broadcast any such portion of the Programming. Licensee expressly agrees that its right to reject or preempt any of the Programming or take action to ensure compliance with applicable laws shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee, and the exercise by Licensee thereof shall be limited to the minimum extent reasonably necessary.

2.3.2. Licensee's Right to Preempt Programming for Special Events

Each Licensee shall have the right, in its reasonable, good faith judgment, to preempt any of the broadcasts of the Programming in order to broadcast a program deemed by the Licensee, in its good faith, reasonable judgment, to be of greater national, regional, or local interest. In all such cases, Licensee will use its best efforts to give Programmer reasonable

advance notice of its intention to preempt any regularly scheduled Programming, and, in such event, Programmer shall receive a payment credit for the Programming so omitted consistent with the intent and pursuant to the terms of Section 1.3 of this Agreement. Licensees expressly agree that its right to reject or preempt any of the Programming shall not be exercised in an arbitrary manner or for the commercial advantage of a Licensee.

2.3.3. Maintenance and Repair of Transmission Facilities

Licensees shall use commercially reasonable efforts to maintain the Stations' transmission equipment and facilities, including the respective antenna, transmitter and transmission line, and, shall provide for the delivery of electrical power to the Stations' transmitting facilities in order to permit operation of the Stations. Licensees shall use commercially reasonable efforts to undertake such repairs as are reasonably necessary to resume operation of the Stations with the maximum authorized facilities, as expeditiously as possible following the occurrence of any loss or damage preventing such operation.

2.3.4. Main Studio

Each Licensee shall maintain a main studio (the "**Main Studio**") for its Station(s) in the manner required under FCC rules.

2.3.5. Compliance with FCC Technical Rules

Licensees shall designate and engage at its expense a qualified Chief Operator for the Stations who shall be responsible for maintaining the transmission facilities of the Stations and who shall be responsible for ensuring compliance by the Stations with the technical operating and reporting requirements established by the FCC.

2.4. Obligations and Rights of Programmer

2.4.1. Compliance with Laws and Station Policies

All Programming shall conform in all material respects to all applicable provisions of the FCA, all other laws or regulations applicable to the broadcast of programming or commercial advertisements by the Stations, and the standards set forth in Schedule 2.4.1. At no time during the Term shall Programmer or its employees or agents represent, hold out, describe, or portray Programmer as the licensee of any of the Stations.

2.4.2. License to Use Call Sign

During the Term of this Agreement, Licensees grants Programmer the right to use the Stations' call signs in connection with and during the Programming during the Term, and Salem-Massachusetts agrees to change the call sign of WFIA(AM) to WJIE(AM) effective as of the Commencement Date or such later date specified by Programmer.

2.4.3. Cooperation with Licensee

Programmer, on behalf of Licensees, shall furnish within the Programming all Station identification announcements required by the FCA, and shall, upon request by a Licensee, provide to that Licensee information with respect to any of the Programming which is responsive to the public needs and interests of the area served by the Station(s) to assist Licensee in the preparation of any required programming reports and will provide upon request other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer shall maintain and deliver to Licensees all records and information required by the FCC to be placed in the public inspection file of the Stations pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC's rules, and agrees that, when presenting to a Licensee for broadcast on a Station sponsored programming addressing political issues or controversial subjects of public importance, Programmer will do so in accordance with the provisions of Section 73.1212 of the FCC's rules and the applicable rules of the Federal Election Commission. Programmer shall consult with Licensees and adhere to all applicable provisions of the FCA, as announced from time to time, with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, other parties, to "equal opportunities") and the charges permitted for such programming or announcements, and, in the event of a dispute, the Licensee's determination shall govern.

2.4.4. Payola and Plugola

Programmer shall provide to Licensee in advance any information known to Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensee by Programmer for broadcast on its Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Commercial matter or programming with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy or announced in connection with the programming. Programmer shall at all times endeavor in good faith to comply with the requirements of Sections 317 and 507 of the FCA.

2.4.5. Handling of Communications

Programmer shall provide Licensee with the original or a copy of any correspondence from a member of the public relating to the Programming to enable Licensee to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file. No Licensee shall be required to receive or handle mail, cables, telegraph or telephone calls in connection with the Programming unless that Licensee has agreed to do so in writing. Each Licensee shall promptly forward to Programmer all correspondence, payments, communications or other information and/or documents which it receives and which relate to the Programming, including without limitation, invoices, billing inquiries, checks, money orders, wire transfers, or other payments for services or advertising.

2.4.6. Use of Main Studio / Delivery of Programming

Programmer shall be entitled to use the Main Studio. Programmer shall be solely responsible for delivering the Programming to each Station's transmitter site or the Main Studio (as directed by Licensee) for broadcast on that Station. In the event that Programmer needs to obtain a studio transmitter link or similar FCC authorization to facilitate Programmer's delivery of the Programming, each Licensee agrees that it shall cooperate reasonably with Programmer to file any required application for such authority with the FCC. In the event Programmer elects not to use the existing Main Studio as studios for the Programming, Licensee may elect to relocate the Main Studio to the studio location being used by Programmer, and Programmer shall lease space to Licensee for the remaining term of this Agreement for use as the Main Studio upon mutually agreeable terms. If Programmer elects not to use the existing Main Studio as studios for the Programming prior to Programmer's exercise of the Option Right, then Programmer must obtain prior approval from Licensees of the design of the new studios and the terms of any lease for the studios, such approval not to be unreasonably withheld. If Programmer exercises the Option Right and closes upon the purchase of the Stations prior to December, 31, 2017, then Programmer may negotiate with Licensee's landlord to terminate Licensee's existing Main Studio lease, provided that such termination does not impose any additional costs or obligations upon Licensee.

2.4.7. Format of Stations

Programmer shall obtain Licensee's consent, not to be unreasonably withheld, prior to Programmer making any change to the current formats of the Stations, which are as follows: WFIA(AM) and WFIA-FM – Christian Teaching/Talk; WGTK(AM) – News/Talk.

3. Responsibility For Employees And Expenses

3.1. Licensee's Responsibility for Employees and Expenses

Each Licensee will employ at least two persons at its Station(s): a full-time General Manager for the Station (who may or may not also be the designated Chief Operator), who shall report and be solely accountable to Licensee and shall direct the day-to-day operations of the Station, and a staff-level employee who shall report to and assist the manager in the performance of his or her duties. Licensee will be responsible for the salaries, benefits, taxes, insurance and similar expenses for these two employees, subject to reimbursement of these expenses by Programmer pursuant to Schedule 1.3. Whenever at the Main Studio or otherwise on the premises of the Station, all of Programmer's personnel shall be subject to the supervision and the direction of the Licensee's General Manager and/or the Licensee's Chief Operator, as designated by Licensee.

3.2. Programmer's Responsibility for Employees and Expenses

Programmer shall be responsible for the artistic personnel and material for the production of the Programming to be provided under this Agreement. Programmer shall employ

and be responsible for the salaries, taxes, insurance and related costs for all of its personnel used in fulfillment of its rights and obligations under this Agreement. Programmer shall pay for all costs associated with production of the Programming and listener responses, including any other copyright fees, and all other costs or expenses attributable to the Programming that is delivered by Programmer and broadcast on the Stations. Programmer shall maintain at its expense commercially reasonable coverage for broadcaster's liability insurance, worker's compensation insurance and commercial general liability insurance with reputable insurance companies for operation of the Stations, in amounts reasonably acceptable to Licensee. Licensees shall be named as additional insureds on such policies, and such policies shall not be terminable without notice to Licensees and an opportunity to cure any default thereunder. Programmer shall deliver to Licensees upon request a current certificate establishing that such insurance is in effect. Programmer shall, if required under the FCA, be responsible for adherence to the FCC's EEO standard outreach and recruitment policies for broadcast radio stations.

3.3.No Third Party Beneficiary Rights

No provisions of this Agreement shall create any third party beneficiary rights of any employee or former employee (including any beneficiary or dependent thereof) of Licensees in respect of continued employment (or resumed employment) with Licensees or with Programmer or in respect of any other matter.

4. Assignment And Assumption Of Certain Agreements, Rights And Obligations

Programmer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of either Licensee of any nature whatsoever.

5. Indemnification

5.1.Indemnification

From and after the Commencement Date, Licensees and Programmer shall indemnify, defend, protect and hold harmless the other and their members, managers, owners and affiliates (the "**Indemnitees**") from and against any and all losses, costs, damages, liabilities or expenses (including reasonable attorneys' fees and expenses) (collectively, "**Claims**") that are proximately caused by (a) any programming provided by such party for broadcast on a Station; (b) any breach by such party of a representation, warranty, covenant or other agreement contained in this Agreement; and (c) the negligence of such party, its employees or agents in fulfilling its obligations under this Agreement. Without limiting the generality of the preceding sentence, Licensees shall indemnify and hold Programmer and its Indemnitees harmless from and against, and Programmer will indemnify and hold Licensees and their Indemnitees harmless from and against, liability with respect to matters arising from or relating to any programming produced or supplied by the indemnifying party, including liability for libel, slander, infringement of copyright or other intellectual property, violation of rights of privacy or proprietary rights, and for any claims of any nature, including fines imposed by the FCC, as a result of the broadcast on a Station of any programming produced or supplied by indemnifying

party, including, without limitation, any programming which the FCC determines was in violation of any FCC rule, regulation or policy relating to lotteries or games of chance; obscenity, profanity or indecency; broadcast hoaxes; or the adequacy of sponsorship identification.

5.2.Procedure for Indemnification

The procedure for indemnification shall be as follows:

5.2.1. Notice

The party seeking indemnification (the “**Claimant**”) shall give notice to the party from whom indemnification is sought (the “**Indemnitor**”) of any claim, whether solely between the parties or brought by a third party, specifying (i) the factual basis for the Claim, and (ii) the amount of the Claim. If the Claim relates to an action, suit or proceeding filed by a third party against Claimant, notice shall be given by Claimant within fifteen (15) business days after written notice of the action, suit or proceeding was given to Claimant. In all other circumstances, notice shall be given by Claimant within thirty (30) business days after Claimant becomes, or should have become, aware of the facts giving rise to the Claim. Notwithstanding the foregoing, Claimant’s failure to give Indemnitor timely notice shall not preclude Claimant from seeking indemnification from Indemnitor except to the extent that Claimant’s failure has materially prejudiced Indemnitor’s ability to defend the claim or litigation.

5.2.2. Claims Between Parties

With respect to claims between the parties, following receipt of notice from the Claimant of a Claim, the Indemnitor shall have thirty (30) business days to make any investigation of the Claim that the Indemnitor deems necessary or desirable. For the purposes of this investigation, the Claimant agrees to make available to the Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the Claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the Claim within the 30-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

5.2.3. Third Party Claims

With respect to any Claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnitor shall have the right at its own expense to participate in or assume control of the defense of the Claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnitor. If the Indemnitor elects to assume control of the defense of any third-party Claim, the Claimant shall have the right to participate in the defense of the Claim at its own expense. If the Indemnitor does not elect to assume control or otherwise participate in the defense of any third party Claim, Claimant may, but shall have no obligation to, defend or settle such Claim or litigation in such manner as it deems appropriate, and in any event Indemnitor shall be bound by the results obtained by the Claimant with respect

to the Claim (by default or otherwise) and shall promptly reimburse Claimant for the amount of all expenses (including the amount of any judgment rendered), legal or otherwise, incurred in connection with such Claim or litigation. The Indemnitor shall be subrogated to all rights of the Claimant against any third party with respect to any Claim for which indemnity was paid.

5.3.Limitations

Neither Programmer nor Licensees shall have any obligation to the other party for any indemnification hereunder except upon compliance by the other party with the provisions of this Section 5.

6. Default and Cure

6.1.Events of Default

The following shall, after the expiration of the applicable cure periods as set forth in Section 6.2, each constitute an Event of Default under this Agreement by the party responsible for the action, or failure to act, described below:

6.1.1. Non-Payment

Programmer's failure to pay when due the Monthly Fee or the reimbursement of Station Expenses payable under Section 1.3 and Schedule 1.3 of this Agreement, or the Security Deposit, pursuant to Section 1.4 hereof, or the Option Deposit, pursuant to Section 10.1 hereof.

6.1.2. Default in Covenants or Adverse Legal Action

a. Any party (i) defaults in the performance of any material covenant, condition or undertaking contained in this Agreement, (ii) makes a general assignment for the benefit of creditors, or (iii) files or has filed against it a petition for bankruptcy, for reorganization or an arrangement, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within 60 days thereafter, or

b. As a consequence of any act or omission of a Licensee or Programmer, the FCC issues a Hearing Designation Order or commences any hearing with respect to a Station, issues a Show Cause Order, a Letter of Inquiry (as to which counsel for the party not responsible for the matter addressed in such Letter of Inquiry determines in the reasonable exercise of his discretion that there is a reasonable basis to believe that the FCC may take material adverse action with respect such matter), Notice of Apparent Liability, or Order of Forfeiture with respect to the Station, provided, however that it shall not be an Event of Default by one party, if such Order, Letter of Inquiry, Notice of Apparent Liability or hearing results from the act or omission of the other party hereto. This subsection (b) shall not apply to hearings with respect to any FCC applications during the Term for changes to the facilities of the Stations.

6.1.3. Breach of Representation

Any material representation or warranty made by either party to this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, proves to have been false or misleading in any material respect as of the time made or furnished.

6.2.Cure Periods

Except as provided herein, an Event of Default shall not be deemed to have occurred until the non-defaulting party has provided the defaulting party with written notice specifying the event or events that, if not cured within ten (10) days, would constitute an Event of Default; provided, however, that in the event of a non-payment as provided in Section 6.1.1 hereof, Licensees shall not have to give such notice or opportunity to cure if, within the preceding twelve (12) months, such notice has previously been given. If not cured within that ten (10) business day period, the Event of Default shall be deemed to have occurred as of the date the event (that is, the act, failure to act, omission, filing, or other such occurrence) triggering the Event of Default occurred. The cure period for a failure by Programmer to supply the Programming for broadcast by the Station shall be five (5) business days from the receipt of written notice by a Licensee.

7. Termination

7.1.Termination Upon Default

Upon the occurrence of any other Event of Default, the non-defaulting party may terminate this Agreement, provided that it is not also in material default of this Agreement, and may seek such remedies at law and equity as provided herein. If this Agreement is terminated as a result of Programmer's default in the performance of its obligations, all amounts accrued or payable to Licensee up to the date of termination which have not been paid shall become due and payable within ten (10) business days.

7.2.Termination for Change in Governmental Rules or Policies

The parties believe that the terms of this Agreement meet all of the requirements of current federal governmental policy, including that of the FCC, for time brokerage or local marketing agreements, and agree that they shall negotiate in good faith to meet any governmental concern with respect to this Agreement. If the parties cannot agree within a reasonable time to modification(s) deemed necessary by either party to meet such governmental requirements, either party may terminate this Agreement upon written notice to the other.

7.3.Certain Matters Upon Termination

7.3.1. No Obligation to Provide Time

If this Agreement is terminated for any reason other than the occurrence of the consummation of the assignment to Programmer of the licenses and authorizations issued by

the FCC for the Station, Licensees shall be under no further obligation to make available to Programmer any broadcast time or broadcast transmission facilities, and Programmer shall have no further obligations to make any payments to Licensees under Schedule 1.3 attributable to any period after the effective date of termination. Programmer shall be solely responsible for all of its liabilities, debts and obligations to third parties incident to Programmer's purchase of broadcast time under this Agreement, including, accounts payable provided that Licensees shall be responsible for Licensees' federal, state, and local tax liabilities associated with Programmer's payments to Licensees under Schedule 1.3. So long as this Agreement is not terminated as a result of Programmer's breach or default, Licensees agree that they will cooperate reasonably with Programmer to discharge in exchange for reasonable compensation any remaining obligations of Programmer in the form of air time following the Commencement date of termination.

7.3.2. Return of Equipment

Programmer shall return to Licensees any of either Licensee's equipment or property used by Programmer, its employees or agents, in substantially the same condition as such equipment existed on the Commencement Date, ordinary wear and tear excepted.

7.4. Liability for Prior Conduct

No expiration or termination of this Agreement shall terminate the obligation of each party to indemnify the other for claims of third parties under Section 5 of this Agreement or limit or impair any party's rights to receive or make payments due and owing in accordance with this Agreement on or before the date of such termination.

7.5. Attorneys' Fees and Costs

In the event any action or proceeding is commenced by either party to enforce the provisions of this Agreement or to seek remedies for a breach or wrongful termination of this Agreement, the prevailing party in such an action or proceeding shall be entitled to the award of its reasonable attorneys fees and costs incurred in and relating to such an action or proceeding.

7.7 Limitation on Damage

Notwithstanding anything here to the contrary, in the event of a default of this Agreement and its failure to cure such default as provided in Section 6.2 hereof, either party shall be entitled to seek, as its sole remedy, specific performance of this Agreement or, in lieu thereof, its actual damages, but not both. Neither Licensees nor Programmer shall, under any circumstances, be liable for any special, exemplary, punitive, incidental, or consequential damages regardless of the cause.

8. Representations And Warranties

8.1. Representations and Warranties of Licensee

Licensees hereby represents and warrants that:

8.1.1. Organization and Standing

Salem – Massachusetts is a limited liability company duly established and in good standing under the laws of the State of Delaware and has all necessary right, power and authority to own WFIA(AM)'s assets, to lease all leased assets and to utilize all of WFIA(AM)'s assets and to carry on the business of WFIA(AM). Salem – Kentucky is a corporation duly established and in good standing under the laws of the State of Kentucky and has all necessary right, power and authority to own WGTK(AM)'s and WFIA-FM's assets, to lease all leased assets and to utilize all of WGTK(AM)'s and WFIA-FM's assets and to carry on the business of WGTK(AM) and WFIA-FM.

8.1.2. Binding Obligation

Each Licensee has all necessary power to enter into and perform this Agreement and the transactions contemplated hereby with respect to its Station(s). This Agreement constitutes a valid and binding obligation of Licensees, enforceable in accordance with its terms.

8.1.3. Absence of Conflicting Agreements or Required Consents

The execution, delivery and performance of this Agreement by Licensees (a) do not and will not require the consent or approval of or any filing with any third party or governmental authority, other than the FCC; (b) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (c) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, lease, instrument, license or permit to which a Licensee or any of its assets is now subject; and (d) do not and will not violate any provision of a Licensee's organizational documents.

8.2. Representations and Warranties of Programmer

Programmer hereby represents and warrants that:

8.2.1. Organization and Standing

Programmer is a nonprofit corporation duly formed, validly existing and in good standing under the laws of the State of Kentucky and, to the extent necessary, is in good standing as a foreign entity able to transact business in the States of Kentucky and Indiana and has all necessary power and authority to perform its obligations hereunder.

8.2.2. Authorization and Binding Obligation

Programmer has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Programmer's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by

Programmer and constitutes its valid and binding obligation enforceable against Programmer in accordance with its terms.

8.2.3. Absence of Conflicting Agreements or Required Consents

The execution, delivery and performance of this Agreement by Programmer: (a) do not and will not violate any provision of Programmer's organizational documents; (b) do not and will not require the consent of any third party or governmental authority other than the FCC; (c) do not and will not violate any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, lease, instrument, license or permit to which Programmer is now subject.

9. Certifications

9.1. Programmer's Certification

Programmer hereby certifies that this Agreement complies with the provisions of Sections 73.3555 (a) and (d) of the FCC rules.

9.2. Licensee's Certification

Each Licensee hereby certifies that it shall maintain the ultimate control over its Station's facilities, including but not limited to control over the finances with respect to the operation of the Station, over its personnel operating the Station, and over the programming to be broadcast by the Station.

10. Purchase of the Stations

10.1. Purchase Option Right

Provided Programmer is not in default under this Agreement, at any time during the Term hereof Programmer shall have the right (the "Option Right") to purchase Licensees' assets that are used solely in the operation of the Stations, free and clear of any debts, liens, or encumbrances of any kind or nature except as to any obligation or liability of Licensee that Programmer may expressly agree in writing to assume, for a purchase price of Four Million Dollars (\$4,000,000.00). If Programmer closes on the sale within twelve months after the Commencement Date of this Agreement, then the purchase price shall be reduced by One Hundred Thousand Dollars (\$100,000.00). The purchased assets shall include the real property used as tower sites for WGTK(AM) and WFIA-FM owned by Licensees' affiliate Salem Radio Properties, Inc., and the assets relating to FM translator construction permit, W297BV (FCC Facility ID 142519) (the "Translator") currently owned by Licensees' affiliate Caron Broadcasting, Inc. If Programmer exercises its Option Right, then Licensees and Programmer shall enter into an Asset Purchase Agreement with customary representations and warranties,

covenants, indemnities, terms and conditions for the sale of radio stations in the form attached hereto as Exhibit 10.1. If the Option Right is exercised, the Option Payment specified in Section 1.5 shall serve as the initial deposit under the Asset Purchase Agreement and shall be applied towards the purchase price at closing. In addition, the Monthly Fees paid by Programmer pursuant to Schedule 1.3 shall be applied towards the purchase price at closing, with the exception of the Monthly Fees for the first three months of the Term (totaling \$39,000.00) and any Licensee expenses reimbursed by Programmer pursuant to Schedule 1.3, which shall not be applied towards the purchase price. Within five (5) business days after execution of the Asset Purchase Agreement the parties shall join in and file the necessary applications with the FCC for consent to assignment of the licenses of the Stations and the FM translator, and shall cooperate to have the applications granted and to diligently proceed with the closing of the transaction, which shall occur within ten (10) days after the FCC orders granting the consent to assignment of the Stations' and FM translator licenses becomes a final order.

10.2. *Exercise of Purchase Option Right*

The Option Right may only be exercised by at least ninety (90) days' written notice by Programmer of its election to exercise the Option Right (the "Exercise Notice") during the Term. Upon delivery of the Exercise Notice to Licensee, Licensees and Programmer shall diligently cooperate to promptly complete and sign the Asset Purchase Agreement.

10.3. *Station Sale Put Right*

Provided a Licensee is not in default under this Agreement, Licensees shall have the right (the "Sale Put Right") to require Programmer to purchase Licensee's assets used solely in the operation of the Stations. Licensees may exercise the Sale Put Right effective at the end of the Term of this Agreement. Alternatively, if Programmer or its affiliated entities receive at least Three Million Five Hundred Thousand Dollars (\$3,500,000) in funds from sales of television station(s) owned by Programmer, Programmer shall give notice to Licensees within five days of receipt of such funds, and Licensees may elect to exercise the Sale Put Right within sixty days of receipt of such notice from Programmer. The assets and liabilities purchased, application of the Option Payment, and documentation and closing of the transaction shall be as specified in Section 10.1. If the Sale Put Right is exercisable pursuant to this section, the Sale Put Right may only be exercised by giving at least ninety (90) days' written notice by Licensees of their election to exercise of the Sale Put Right (the "Sale Put Notice"). Upon delivery of the Sale Put Notice to Programmer, Licensees and Programmer shall diligently cooperate to promptly complete and sign the Asset Purchase Agreement.

10.4. *Failure to Purchase*

If Programmer does not exercise its Option Right at any time during the Term and Licensees do not exercise their Sale Put Right, then Salem-Kentucky shall retain the Option Payment. The retention of the Option Payment is without prejudice to any other remedies at law or equity available to Licensees for breach of this Agreement by Programmer. In addition, if Licensee no longer has its Main Studio at its current location at 9960 Corporate Campus Drive, Suite 3600, Louisville, KY, 40223, then Licensee shall have the option to rent the studio location

being used by Programmer (“Programmer’s Studio”) on terms equal to or better than those Programmer has for the use of such location. If location for Programmer’s Studio is rented by Programmer from an unaffiliated third party, then Programmer shall cooperate with Licensee to obtain an assignment of its lease for Programmer’s Studio, and if the location is owned by Programmer, then Programmer shall rent Programmer’s Studio to Licensee for a minimum of five years.

10.5. *No Inconsistent Activities*

Each Licensee agrees that it shall not, nor shall it authorize or permit any officer, director, employee investment banker, attorney, advisor or agent, or directly or indirectly, solicit, initiate or encourage the submission of, or participate in any discussions or negotiations regarding, or take any other action to facilitate the making of any proposal by any party to acquire the Stations in a manner which would materially and adversely affect Programmer’s obligation to purchase the Stations as provided in this Section 10.

11. Miscellaneous

11.1. *Modification and Waiver*

No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose for which such consent was given.

11.2. *No Waiver; Remedies Cumulative*

No failure or delay on the part of a Licensee or Programmer in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies which either may otherwise have.

11.3. *Governing Law*

The construction and performance of this Agreement shall be governed by the laws of the State of Kentucky without regard to its principles of conflict of law.

11.4. *No Partnership or Joint Venture*

This Agreement is not intended to be and shall not be construed as a partnership or joint venture agreement between the parties. Except as otherwise specifically provided in this Agreement, no party to this Agreement shall be authorized to act as agent of or otherwise represent any other party to this Agreement.

11.5. *Benefit and Assignment*

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither Programmer nor Licensees may assign its rights under this Agreement without the prior written consent of the other parties hereto provided that Programmer may, without the consent of Licensees, (i) assign its rights and obligations hereunder in whole or in part to any entity under common control with Programmer provided that the assignee agrees, in writing, to assume and be bound by Programmer's obligations hereunder and has the financial ability to fulfill those obligations. Upon any such assignment by Programmer of its rights hereunder, references to "**Programmer**" shall include such assignee, provided, however, that no such assignment shall relieve Programmer of any obligation hereunder.

11.6. *Headings*

The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

11.7. *Counterparts*

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

11.8. *Notices*

Any notice, report, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given by hand delivery, by prepaid registered or certified mail, with return receipt requested, or by an established national overnight courier providing proof of delivery for next business day delivery addressed as follows:

If to Salem-Massachusetts: Salem Media of Massachusetts, LLC
4880 Santa Rosa Road
Camarillo, California 93012
Attn: Christopher J. Henderson
Facsimile: (805) 384-4505

If to Salem-Kentucky: Salem Media of Kentucky, Inc.
4880 Santa Rosa Road
Camarillo, California 93012
Attn: Christopher J. Henderson
Facsimile: (805) 384-4505

If to Programmer: Word Broadcasting Network, Inc.
P.O. Box 197309
Louisville, Kentucky 40259
Attn: James M. Fraser

Facsimile: (502) 962-4963

The date of any such notice and service thereof shall be deemed to be the day of delivery if hand delivered or delivered by overnight courier or the day of delivery as indicated on the return receipt if sent by mail. Either party may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this Section 11.8.

11.9. *Severability*

In the event that any of the provisions of this Agreement shall be held unenforceable, then the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

11.10. *Waiver of Trial by Jury*

PROGRAMMER AND LICENSEES WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, COUNTERCLAIM, OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS AGREEMENT. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY PROGRAMMER AND PROGRAMMER ACKNOWLEDGES THAT NEITHER LICENSEES, NOR ANY PERSON ACTING ON BEHALF OF A LICENSEE, HAD MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. PROGRAMMER AND LICENSEES EACH FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. PROGRAMMER AND LICENSEES EACH FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

11.11 *Commencement Contingency*

This Agreement shall commence on the later of (i) January 3, 2017 as provided in Section 1.2 above or (ii) the date of filing of a license to cover (Form 350) application for FM Translator W297BV and commencement of broadcast operations of such translator.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized corporate officers and their respective corporate seals thereunto affixed on this the day and date first written above.

SALEM MEDIA OF MASSACHUSETTS, LLC

By: _____
Name: Christopher J. Henderson
Title: Senior Vice President of SCA License Corporation, its managing member

SALEM MEDIA OF KENTUCKY, INC.

By: _____
Name: Christopher J. Henderson
Title: Senior Vice President

WORD BROADCASTING NETWORK, INC.

By: _____
Name: Dr. Bob Rodgers
Title: President

SCHEDULE 1.3

COMPENSATION

(A) Beginning on the Commencement Date, for each month during the Term, Programmer shall pay a monthly fee (the “**Monthly Fee**”) as follows:

For each of the first three months of the Term, the Monthly Fee shall be the amount of Thirteen Thousand Dollars (\$13,000.00) per month (these Monthly Fees are to be paid upon execution of the Agreement as the Advance Payment under Section 1.4);

For the fourth through twelfth months of the Term, the Monthly Fee shall be the amount of Fifteen Thousand Dollars (\$15,000.00) per month;

For the thirteenth month of the Term and each month thereafter, the Monthly Fee shall be the amount of Twenty Thousand Dollars (\$20,000.00) per month.

In the event that the Commencement Date occurs on a day other than the first day of a month, the initial monthly payment made by Programmer shall be an amount equal to the Monthly Fee as determined above multiplied by a ratio, the numerator of which is the number of days between the Commencement Date and the end of the month in which the Commencement Date occurs and the denominator of which is the number of days in the month in which the Commencement Date occurs; and in the event that the last day of the Term occurs other than on the last day of a month, the Monthly Fee for the month in which such day occurs shall be similarly prorated.

(B) For and during the Term hereof, Programmer shall reimburse Licensee for all normal and customary out-of-pocket costs and expenses associated with or arising out of the operation of each Station, and the Translator if it becomes operational during the Term, (“Station Expenses”) including (without limitation) the cost to maintain and repair the station’s transmitter and antennas, premiums for insurance, the salaries, benefits, taxes, insurance wages and other employment costs of the Licensee employees, the cost of the existing Main Studio for the Stations (whether or not used by Programmer), and the cost and expense of all utilities, telephones and music license fees for the operation of the Stations. Notwithstanding the preceding sentence, “Station Expenses” shall not include any cost or expenses associated with any inter-company charges. All Station Expenses shall be due and payable not later than thirty (30) days after Programmer’s receipt of written itemizations of said expenses.

SCHEDULE 2.4.1

PROGRAM STANDARDS

Programmer agrees to cooperate with Licensee in the broadcasting of programs in a manner consistent with the standards of Licensee, as set forth below:

1. **Political Programming and Procedures.** At least 90 days before the start of any primary or regular election campaign, Programmer will coordinate with Licensee's General Manager the rate Programmer will charge for time to be sold to candidates for public office and/or their supporters to make certain that the rate charged conforms to all applicable laws and the Station's policy. Throughout a campaign, Programmer will comply with all applicable laws and rules concerning political candidacy broadcasts and will promptly notify Licensee's General Manager of any disputes concerning either the treatment of or rate charged a candidate or supporter.

2. **Required Announcements.** Programmer shall broadcast an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station, and any other announcement that may be required by law, regulation, or the Station's policy.

3. **Commercial Record Keeping.** Programmer shall maintain such records of the receipt of, and provide such disclosure to Licensee of, any consideration, whether in money, goods, services, or otherwise, which is paid or promised to be paid, either directly or indirectly, by any person or company for the presentation of any programming over the Station as are required by Sections 317 and 507 of the Communications Act and the rules and regulations of the FCC.

4. **No Illegal Announcements.** No announcements or promotion prohibited by federal or state law or regulation of any lottery, game or contest shall be made over the Station. Licensee reserves the right to reject any game, contest or promotion which, in its reasonable judgment, it deems violative of any applicable FCC rule or federal, state or local law or regulation.

5. **Indecency, Hoaxes.** No programming violative of applicable laws and rules concerning indecency or hoaxes will be broadcast over the Station.

6. **Controversial Issues.** Any broadcast over the Station concerning controversial issues of public importance shall comply with the then current FCC rules and policies.

7. **Licensee's Discretion Paramount.** In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with the Station's policy or which, in the good faith, reasonable judgment of Licensee or its General Manager would be contrary to the Act or the Rules. Licensee may waive any of the foregoing regulations in specific instances if, in its reasonable opinion, good broadcasting in the public interest will be served thereby.

EXHIBIT 10.1

FORM OF ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

(WFIA(AM), Louisville, KY; WFIA-FM, New Albany, IN; WGTK(AM), Louisville, KY)

This AGREEMENT (this "Agreement") is dated as of _____, 201_ by and between Salem Media of Massachusetts, LLC ("Salem-Massachusetts"), Salem Media of Kentucky, Inc. ("Salem-Kentucky"), and Salem Radio Properties, Inc. ("SRP"), on the one hand (Salem-Massachusetts, Salem-Kentucky, and SRP shall collectively be referred to herein as "Seller") and Word Broadcasting Network, Inc. ("Buyer").

RECITALS:

1. Salem-Massachusetts owns and operates radio station WFIA(AM), FCC Facility No. 55504, licensed to Louisville, Kentucky ("WFIA(AM)") and is the permittee of FM translator W297BV, FCC Facility ID 142519 (its primary station is WFIA(AM)), and holds the licenses and authorizations issued by the FCC for the operation of WFIA(AM) and W297BV.

2. Salem-Kentucky owns and operates radio stations WFIA-FM, FCC Facility No. 48371, licensed to New Albany, Indiana ("WFIA-FM") and WGTK(AM), FCC Facility No. 63936, licensed to Louisville, Kentucky ("WGTK(AM)"). WFIA(AM), W297BV, WFIA-FM, and WGTK(AM) shall collectively be referred to herein as the Stations, and individually as a Station.

3. SRP owns certain real estate used as the transmitter site for WGTK(AM) and WFIA-FM.

4. Buyer desires to acquire certain assets of the Stations, and Seller is willing to convey such assets to Buyer.

5. The acquisition of the Stations is subject to prior approval of the FCC.

6. Salem-Massachusetts, Salem-Kentucky, and Buyer are parties to a Time Brokerage Agreement for WFIA(AM), WFIA-FM, and WGTK(AM)) dated November 3, 2016, (the "TBA") pursuant to which Buyer commenced programming the Stations on _____, 2017.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, Seller and Buyer hereby agree as follows:

ARTICLE 1

TERMINOLOGY

1.1 **Act.** The Communications Act of 1934, as amended.

1.2 **Adjustment Amount.** As provided in Section 2.7, the amount by which Buyer's

account is to be credited or charged, as reflected on the Adjustment List(s).

1.3 **Adjustment List.** As provided in Section 2.7, an itemized list(s) of all sums to be credited or charged against the account of Buyer, with a brief explanation in reasonable detail of the credits or charges, consistent with the allocation principle set forth in Section 2.7(a).

1.4 **Assumed Obligations.** Such term shall have the meaning defined in Section 2.3.

1.5 **Business Day.** Any calendar day, excluding Saturdays and Sundays, on which federally chartered banks are regularly open for business.

1.6 **Buyer's Threshold Limitation.** As provided in Section 9.3 (b), the threshold dollar amount for the aggregate of claims, liabilities, damages, losses, costs and expenses that must be incurred by Buyer before Seller shall be obligated to indemnify Buyer. The Buyer's Threshold Limitation shall be Ten Thousand Dollars (\$10,000) in the aggregate; provided, however, that for any individual item or series of related items, the Buyer's Threshold Limitation shall be Five Thousand Dollars (\$5,000).

1.7 **Closing.** The closing with respect to the transactions contemplated by this Agreement.

1.8 **Closing Date.** The date determined as the Closing Date as provided in Section 8.1.

1.9 **Documents.** This Agreement and all Exhibits and Schedules hereto, and each other agreement, certificate, or instrument delivered pursuant to or in connection with this Agreement, including amendments thereto that are expressly permitted under the terms of this Agreement.

1.10 **Earnest Money.** None.

1.11 **Environmental Assessment.** Such term shall have the meaning defined in Section 5.10.

1.12 **Environmental Laws.** The Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act and the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Emergency Planning and Community Right-to-Know Act, the Safe Drinking Water Act, each as amended, and any other applicable federal, state and local laws, statutes, rules or regulations concerning or relating to the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting or dumping of Hazardous Materials, or the pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata).

1.13 **Excluded Assets.** Such term shall have the meaning defined in Section 2.2.

- 1.14 **Escrow Agent.** None.
- 1.15 **Escrow Agreement.** None.
- 1.16 **FCC.** Federal Communications Commission.
- 1.17 **FCC Licenses.** The licenses, permits and authorizations (and any renewals, extensions, amendments or modifications thereof) of the FCC for the operation of the Station as listed on Schedule 3.8, including without limitation, all pending Licenses, permits, and authorizations of the FCC to the extent they pertain to the operation of the Station.
- 1.18 **FCC Order.** An action, order or decision of the FCC, granting its consent to the assignment of the FCC Licenses to Buyer.
- 1.19 **Final Action.** An action of the FCC that has not been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely petition for reconsideration or administrative or judicial appeal or sua sponte action of the FCC with comparable effect is pending and as to which the time for filing any such petition or appeal (administrative or judicial) or for the taking of any such sua sponte action of the FCC has expired.
- 1.20 **Hazardous Materials.** Toxic materials, hazardous wastes, hazardous substances, pollutants or contaminants, asbestos or asbestos-related products, polychlorinated biphenyls (“PCBs”), petroleum, crude oil or any fraction or distillate thereof in excess of legally-defined permissible limits (as such terms are defined in any applicable federal, state or local laws, ordinances, rules and regulations, and including any other terms which are or may be used in any applicable Environmental Laws to define prohibited or regulated substances).
- 1.21 **Indemnified Party.** Any party described in Section 9.3 or Section 9.4 against which any claim or liability may be asserted by a third party which would give rise to a claim for indemnification under the provisions of this Agreement by such party.
- 1.22 **Indemnifying Party.** The party to the Agreement (not the Indemnified Party) that, in the event of a claim or liability asserted by a third party against the Indemnified Party which would give rise to a claim for indemnification under the provisions of this Agreement, is obligated to indemnify and hold harmless the Indemnified Party to the extent expressly provided in this Agreement.
- 1.23 **Lien.** Any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, lien, lease or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any Sale Assets or property, including any written or oral agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement, and the filing of or agreement to give any financing statement with respect to any assets or property under the Uniform Commercial Code or comparable law of any jurisdiction.

1.24 **Material Adverse Condition.** A condition, event or circumstance which would materially restrict, limit, increase the cost or burden of or otherwise materially adversely affect or materially impair the right of Buyer to the ownership, use, control, enjoyment or operation of the Station or the proceeds therefrom; provided, however, that any condition which requires that the Station be operated in accordance with a condition similar to those contained in the present FCC licenses issued for operation of the Station shall not be deemed a Material Adverse Condition.

1.25 **OSHA Laws.** The Occupational Safety and Health Act of 1970, as amended, and all other federal, state or local laws or ordinances, including orders, rules and regulations thereunder, regulating or otherwise affecting health and safety of the workplace.

1.26 **Permitted Lien.** For purposes hereof, "Permitted Lien" shall mean (i) easements, restrictions, and other similar matters which will not materially adversely affect the use of the Real Property in the ordinary course of business; (ii) liens for taxes not due and payable or, that are being contested in good faith by appropriate proceedings; (iii) mechanics, materialmen's, carriers', warehousemen's, landlords' or other similar liens in the ordinary course of business for sums not yet due or which are being contested in good faith by appropriate proceedings; (iv) liens or mortgages that will be released at Closing; (v) zoning ordinances and regulations, including statutes and ordinances relating to the liens of streets and to other municipal improvements, which will not materially adversely affect the use of the Real Property in the ordinary course of business, provided that any of the foregoing alone or in the aggregate do not materially impair the value or materially interfere with the use of any asset or property of the Seller material to the operation of its business as it has been and is now conducted; and/or (vi) a Lien securing only an Assumed Obligation.

1.27 **Person.** Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

1.28 **Purchase Price.** The consideration to be paid by Buyer to Seller for purchase of the Sale Assets in an amount equal to Four Million Dollars (\$4,000,000.00) payable pursuant to the terms of Section 2.5 and subject to adjustments pursuant to Section 2.7.

1.29 **Real Property.** Such term shall mean the real property described on Schedule 3.7.

1.30 **Rules and Regulations.** The rules of the FCC as set forth in Volume 47 of the Code of Federal Regulations, as well as such other policies of the FCC, whether contained in the Code of Federal Regulations, or not, that apply to the Station.

1.31 **Sale Assets.** All of the tangible and intangible assets to be transferred by Seller to Buyer as set forth in Section 2.1.

1.32 **Seller's Threshold Limitation.** As provided in Section 9.4 (b), the threshold dollar amount for the aggregate of claims, liabilities, damages, losses, costs and expenses that

must be incurred by Seller before Buyer shall be obligated to indemnify Seller. The Seller's Threshold Limitation shall be Ten Thousand Dollars (\$10,000) in the aggregate; provided, however, that for any individual item or series of related items, the Seller's Threshold Limitation shall be Five Thousand Dollars (\$5,000).

1.33 **Station Agreements.** The agreements, commitments, contracts, leases and other items described in Section 3.9(a) that relate to operation of the Station.

1.34 **Tangible Personal Property.** The personal property described in Section 2.1(a).

1.35 **Tower Coordinates.** Such term shall have the meaning defined in Section 3.15 hereof.

ARTICLE II

PURCHASE AND SALE

2.1 **Sale Assets.** On the Closing Date, Seller will sell, transfer, assign and convey to Buyer, and Buyer will purchase from Seller, free and clear of all Liens, except Permitted Liens, all of Seller's right, title and interest, legal and equitable, in and to the tangible and intangible, real, personal and mixed assets (except Excluded Assets) used or useful in the operation of the Station as set forth below:

(a) **Tangible Personal Property.** All equipment, parts, supplies, furniture, fixtures, studio equipment, and other tangible personal property now or hereinafter owned by Seller and used exclusively in the operation of the Station as set forth on Schedule 3.6, together with such modifications, replacements, improvements and additional items, made or acquired between the date hereof and the Closing Date;

(b) **Real Property and Leases.** Seller's interests in all of the real property used in operating the Station as described in Schedule 3.7.

(c) **Licenses and Permits.** The FCC Licenses and all other assignable or transferable governmental permits, licenses and authorizations (and any renewals, extensions, amendments or modifications thereof) now held by Seller or hereafter obtained by Seller between the date hereof and the Closing Date, to the extent such other permits, licenses and authorizations pertain to or are used exclusively in the operation of the Station;

(d) **Station Agreements.** All agreements which are listed on Schedule 3.9 as agreements which Buyer elects to assume; any renewals, extensions, amendments or modifications of those agreements being assumed which are made in the ordinary course of Seller's operation of the Station and in accordance with the terms and provisions of this Agreement;

(e) **Records.** True and complete copies of all of the books, records, accounts,

files, logs, ledgers, reports of engineers and other consultants or independent contractors, pertaining to or used in the operation of the Station (other than corporate records);

(f) **Intellectual Property.** All of Seller's Intellectual Property used solely in, or related to, the Stations or Sale Assets. For purposes of this Agreement, "Intellectual Property" shall mean all of the following relating to the exclusive use or operation of the Stations or the Sale Assets: trademarks, service marks, brand names, trade names, mask works, trade dress, Internet Domain Name(s), Internet Web page(s), HTML content located and publicly accessible from the Domain Names, the visitor e-mail data bases for Internet Domain Names, call letters, slogans, and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdictions to register the foregoing, including any extension, modification or renewal of any such registration or application; inventions, discoveries and ideas, whether patentable or not; patents and applications for patents; nonpublic information, trade secrets or confidential information; writings and other works, whether copyrightable or not; technology, know-how or computer software programs and applications used in the Station's business, any similar intellectual property or proprietary rights, and any claims or causes of action arising out of or relating to any infringement or misappropriation of any of the foregoing.

(g) **Miscellaneous Assets.** Any other tangible, intangible, real, personal or mixed asset, property or right of any kind or nature listed on Schedule 2.1(g).

2.2 **Excluded Assets.** Notwithstanding any provision of this Agreement to the contrary, Seller shall not transfer, convey or assign to Buyer, but shall retain all of its right, title and interest in and to, the following assets owned or held by it on the Closing Date ("Excluded Assets"):

(a) Any and all cash, cash equivalents, cash deposits to secure contract obligations, all inter-company receivables from any affiliate of Seller and all other accounts receivable, bank deposits and securities held by Seller in respect of the Station at the Closing Date, that are unrelated to the operation of the station after the Closing Date and further provided that such cash or receivable is not for services on obligations of the Station after the Closing Date (except to the extent Seller receives a credit therefor under Section 2.7, in which event such cash, receivable, deposit or security shall be included as part of the Sale Assets).

(b) Any and all claims of Seller with respect to transactions prior to the Closing including, without limitation, claims for tax refunds and refunds of fees paid to the FCC.

(c) All prepaid expenses (except to the extent Seller receives a credit therefor under Section 2.7, in which event the prepaid expense shall be included as part of the Sale Assets).

(d) All contracts of insurance and claims against insurers.

(e) All employee benefit plans and the assets thereof and all employment contracts.

(f) All contracts that are terminated in accordance with the terms and provisions of this Agreement or have expired prior to the Closing Date in the ordinary course of business; and all loans and loan agreements.

(g) All tangible personal property disposed of or consumed between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement and in the ordinary course of business.

(h) Seller's corporate records except to the extent such records pertain to or are used in the operation of the Station, in which case Seller shall deliver materially accurate copies thereof to Buyer.

(i) All commitments, contracts and agreements not specifically assumed by Buyer pursuant to Section 2.1(d), above.

(j) The assets, both tangible and intangible, real, personal, or mixed, of Seller or Seller's affiliates relating to the other radio stations of Seller or Seller's affiliates, including but not limited to intellectual property of Seller which is used by other stations or business operations of Seller or Seller's affiliates, even if such intellectual property is also used by or in connection with the Stations or Sale Assets.

2.3 **Assumption of Liabilities.**

(a) At the Closing, Buyer shall assume and agree to perform, without duplication of Seller's performance, the following liabilities and obligations of Seller (the "Assumed Obligations"):

(i) Current liabilities of Seller for which Buyer receives a credit pursuant to Section 2.7, but not in excess of the amount of such credit;

(ii) Liabilities and obligations arising under the Station Agreements assumed by and transferred to Buyer in accordance with this Agreement, but only to the extent such liabilities and obligations relate to the Sale Assets and are attributable to the period of time after the Closing; and

(iii) The obligations, if any, specifically listed in Schedule 2.3.

(b) Except for the Assumed Obligations, Buyer shall not assume or in any manner be liable for any debts, liens, charges, claims, encumbrances, duties, responsibilities, obligations or liabilities of Seller of any kind or nature, whether express or implied, known or unknown, contingent or absolute, including, without limitation, any liabilities to or in connection with Seller's employees whether arising in connection with the transaction contemplated

hereunder or otherwise.

2.4 **Reduction Of Purchase Price For Closing.** If the Closing occurs on or before October 31, 2017, Buyer shall receive a credit towards the Purchase Price of One Hundred Thousand Dollars (\$100,000.00). If the transaction herein closes at any time, Buyer shall receive a credit towards the Purchase Price of a sum equal to the Monthly Fees paid under the TBA by and between the parties dated November __, 2016 for all months after Month 3 of the TBA.

2.5 **Payments Of Purchase Price.**

(a) At the Closing, the Purchase Price shall be paid to Seller by wire transfer of immediately available funds.

(b) Buyer shall pay to Seller, or Seller shall pay to Buyer, the Adjustment Amount in accordance with Section 2.7.

2.6 **Allocation of the Purchase Price.** Buyer and Seller shall agree to an allocation of the Purchase Price as reasonably determined by Seller. Buyer and Seller shall use such allocation for all reporting purposes in connection with federal, state and local income and, to the extent permitted under applicable law, franchise taxes. Buyer and Seller agree to report such allocation to the Internal Revenue Service in the form required by Treasury Regulation § 1.1060-1T.

2.7 **Adjustment of Purchase Price.**

(a) Except as otherwise set forth in the TBA, all operating income and operating expenses of the Station shall be adjusted and allocated between Seller and Buyer, and an adjustment in the Purchase Price shall be made as provided in this Section, to the extent necessary to reflect the principle that all such income and expenses attributable to the operation of the Station on or before the Closing Date shall be for the account of Seller, and all income and expenses attributable to the operation of the Station after the Closing Date shall be for the account of Buyer. Any cost or obligation related to any Permitted Lien shall also be included as part of the adjustment and allocation between Buyer and Seller.

(b) To the extent not inconsistent with the express provisions of this Agreement, the allocations made pursuant to this Section 2.7 shall be made in accordance with generally accepted accounting principles.

(c) For purposes of making the adjustments pursuant to this Section, Seller shall prepare and deliver an initial Adjustment List to Buyer within forty five (45) days following the Closing Date, or such later date as shall be mutually agreed to by Seller and Buyer. Seller may also prepare and deliver to Buyer additional Adjustment Lists as Seller becomes aware of additional Adjustment List items. The Adjustment List(s) shall set forth the Adjustment Amount. If the Adjustment Amount is a credit to the account of Buyer, Seller shall pay such amount to Buyer within fifteen (15) days of receiving the Adjustment List(s) if both

parties agree on the amount, and if the Adjustment Amount is a charge to the account of Buyer, Buyer shall pay such amount to Seller within fifteen (15) days of delivering the Adjustment List(s) to Seller if both parties agree on the amount. In the event Buyer disagrees with the Adjustment Amount determined by Seller or with any other matter arising out of this subsection, and Buyer and Seller cannot within sixty (60) days resolve the disagreement themselves, the parties will refer the disagreement to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final. The fees and expenses of such accountants shall be paid by the party who does not prevail on the disputed matters decided by the accountants.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 **Organization and Good Standing.** Salem-Massachusetts is a limited liability company, validly existing and in good standing under the laws of the State of Delaware and authorized to conduct business in the State of Kentucky. Salem-Kentucky is a corporation, validly existing and in good standing under the laws of the State of Kentucky and authorized to conduct business in the State of Kentucky. SRP is a corporation validly existing and in good standing under the laws of the State of Delaware and authorized to conduct business in the State of Kentucky. Seller has all requisite power to own, operate and lease its properties and carry on its business as it is now being conducted and as the same will be conducted until the Closing.

3.2 **Authorization and Binding Effect of Documents.** Seller's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents, and the consummation by Seller of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate action on the part of Seller, and no other corporate proceedings on the part of the Seller are necessary to authorize and approve this Agreement. As of the date hereof, the Board of Directors of Seller has determined that the transaction contemplated by this Agreement is advisable and in the best interest of its stockholders. Seller has the power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions hereby and thereby contemplated. This Agreement and each of the other Documents have been, or at or prior to the Closing will be, duly executed by Seller. The Documents, when executed and delivered by the parties hereto, will constitute legal and valid obligations of Seller enforceable against it in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights or remedies generally, and except as may be limited by general principles of equity.

3.3 **Absence of Conflicts.** The execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents by Seller, and the consummation of the transactions contemplated hereby and thereby:

(a) do not in any material respect (with or without the giving of notice or the passage of time or both) violate, or result in the creation of any Lien other than a Permitted Lien, on any of the Sale Assets under any provision of law, rule or regulation or any order, judgment, injunction, decree or ruling applicable to Seller;

(b) do not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default or give rise to a right of termination or acceleration under the articles of incorporation or bylaws of Seller or pursuant to any lease, agreement, commitment or other instrument which Seller is a party to, or bound by, or by which any of the Sale Assets may be bound, or result in the creation of any Lien, other than a Permitted Lien, upon any of the Sale Assets.

3.4 **Governmental Consents and Consents of Third Parties.** Except for such consents as are required by the FCC and as are disclosed on Schedule 3.4, the execution and delivery of, and the performance of Seller's obligations under, this Agreement and each of the other Documents by Seller, and the consummation by Seller of the transactions contemplated hereby and thereby, do not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration of filing with, any court or public agency or governmental body or other authority, or the consent of any Person under any agreement, arrangement or commitment of a nature to which Seller is a party or by which it is bound or by which the Sale Assets are bound or to which they are subject to, the failure of which to obtain would constitute a Material Adverse Condition on the Sale Assets or the operation of the Station.

3.5 **Sale Assets.** The Sale Assets include all of the assets, properties and rights of every type and description, real, personal and mixed, tangible and intangible, that are used in the conduct of the business of owning and operating the Station in the manner in which that business is now conducted, including, without limitation all of the assets described in Section 2.1 with the exception of the Excluded Assets described in Section 2.2.

3.6 **Tangible Personal Property.** Except for supplies and other incidental items which in the aggregate are not of material value, the list of Tangible Personal Property set forth on Schedule 3.6 includes all of the items of tangible personal property (other than Excluded Assets) used to a material extent in the operation of the Station in the manner in which it is now operated. In addition, except to the extent that any defect would not constitute a Material Adverse Condition on the Station or Sale Assets:

(a) Seller has good, marketable and valid title to all of the items of Tangible Personal Property free and clear of all Liens except Permitted Liens, and including the right to transfer same.

(b) The Tangible Personal Property used to a material extent in the operation of the Station in the manner in which it is now operated has been maintained in accordance with industry practices and is in operating condition subject only to ordinary wear and tear.

(c) The Tangible Personal Property complies with applicable rules and regulations of the FCC and the terms of the FCC Licenses.

3.7 **Real Property.**

(a) The real property (described on Schedule 3.7) includes all of the interests in real estate of Seller, including, without limitation, any and all leases, easements and licenses, used to any material extent in the operation of the Station in the manner in which it has been and is now operated. Said real property, together with all improvements affixed thereto, is herein defined as the “Real Property.”

(b) To Seller's knowledge, the Real Property complies in all respects with all applicable federal, state and local laws, ordinances, statutes, rules, and regulations in effect as of the Effective Date and the Closing Date.

(c) To Seller's knowledge, all permanent certificates of occupancy and other consents and approvals required from governmental authorities and associations and boards with jurisdiction over the Real Property have been issued and are in full force and effect without presence or existence of any unsatisfied conditions or requirements with respect thereto, and true, correct, and complete copies of such consents, approvals and certificates of occupancy have been delivered to Buyer.

(d) Seller has not received any notice of condemnation or of eminent domain proceedings or negotiations for the purchase of any of the Real Property in lieu of condemnation, and no condemnation or eminent domain proceedings or negotiations have been commenced or, to the best of Seller's knowledge, threatened in connection with the Real Property or the Improvements that would have a material and adverse effect on the value of the Real Project or on the continued utilization of the Real Property for its current use.

(e) To Seller's knowledge, all utility services necessary for the operation of the Station's transmitter site are available to the Real Property and no unpaid assessments, impact fees, development fees, tap-on fees or recapture costs are payable in connection therewith.

(f) **Title Documents** On the Effective Date, (i) Seller shall deliver to Buyer a copy of the latest policy of owner's title insurance in Seller's current possession for the Real Property, and (ii) Buyer shall order an ALTA commitment of title insurance (the “**Commitment**”) issued by a title company, covering the Real Property and showing the state of title affecting the owned Real Property.

(g) **Survey.** On the Effective Date, Seller shall deliver to Buyer a copy of the most recent survey of the Real Property in Seller's current possession (if any). Buyer shall order, at its option, any recertification of survey or new survey of the Property (the “**Survey**”).

(h) **Title Objections.** Within ten (10) days after delivery to Buyer of the Commitment, but in no event later than twenty (20) Days prior to the Closing, Buyer shall

deliver to Seller a notice of objections, in Buyer's reasonable discretion, to any exceptions to title disclosed on the Commitment and to any matters disclosed on the Survey, and any other title matters by delivery of a notice of objections to Seller (the "**Title Objection Notice**"). If the Title Objection Notice is not timely delivered, Buyer shall be deemed to have consented to and approved all matters shown in the Commitment and the Survey. If the Title Objection Notice is timely given, Seller shall give Buyer written notice of its response to the Title Objection Notice no later than five (5) days after receipt of the Title Objection Notice, in which Seller may, but is under no obligation to, agree to cure any or all of the matters set forth in the Title Objection Notice. If Seller or title company does not remove or insure over (without payment of additional premium by Buyer) any title objection set forth in the Title Objection Notice within a reasonable time, Buyer may terminate this Agreement. If Buyer fails to terminate this Agreement, then all matters disclosed on the Commitment and the Survey, except those matters Seller has removed or agreed to remove, will constitute the "**Permitted Exceptions**". Notwithstanding the foregoing, if Seller notifies Buyer within five (5) days of receipt of the Title Objection Notice that it has elected not to remove or agree to remove any title or survey matter set forth in the Title Objection Notice, and Buyer does not terminate this Agreement as provided herein, then any such matter shall constitute a Permitted Exception.

(i) **Waiver**. If Buyer waives its objection to any title or survey matter, such item will be included as a Permitted Exception.

3.8 **FCC Licenses**. Seller is the holder of the licenses, permits and authorizations listed on Schedule 3.8, and except as set forth on such Schedule, (i) the FCC Licenses are valid, in good standing and in full force and effect, unimpaired by any act or omission of Seller, and constitute all of the licenses, permits and authorizations required by the Act, the Rules and Regulations or the FCC for, or used in, the operation of the Station in all material respects as now operated, (ii) the licenses, permits and authorizations listed on Schedule 3.8 constitute all the current licenses, permits and authorizations issued by the FCC to Seller or pending before the FCC for or in connection with the Station; (iii) there is no condition imposed by the FCC as part of any FCC License which is neither set forth on the face thereof as issued by the FCC nor contained in the Rules and Regulations applicable generally to stations of the type, nature, class or location of the Station; (iv) the Station is being operated in accordance with the terms and conditions of the FCC Licenses applicable to it and in accordance with the Rules and Regulations, except to the extent a failure to so comply would not constitute a Material Adverse Condition; (v) no application, action or proceeding is pending, or, to Seller's actual knowledge is threatened, which may result in the revocation, modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending applications, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to the Station or its operation, other than proceedings affecting the radio broadcasting industry in general; (vi) there is not before the FCC any material investigation, proceeding, notice of violation or order of forfeiture relating to the Station; (vii) Seller has complied in all material respects with all requirements to file reports, applications and other documents with the FCC with respect to the Station, and all such reports, applications and documents are complete and correct in all material respects; (viii) to Seller's knowledge, there are no matters (A) which

could reasonably be expected to result in the suspension, revocation, cancellation, modification of or the refusal to renew any of the FCC Licenses or the imposition of any fines or forfeitures by the FCC, or (B) against Seller which could reasonably be expected to result in the FCC's refusal to grant approval of the assignment to Buyer of the FCC Licenses or the imposition of any Material Adverse Condition in connection with approval of such assignment; (ix) there are not any unsatisfied or otherwise outstanding citations issued by the FCC with respect to the Station or its operation; and (x) the "Public Inspection File" of the Station is in material compliance with Section 73.3526 of the Rules and Regulations.

3.9 **Station Agreements.**

(a) Schedule 3.9 sets forth an accurate and complete list of all material agreements, contracts, arrangements or commitments in effect as of the date hereof, including all amendments, modifications and supplements thereto which the Station or its assets or properties are bound by ("Station Agreements") other than agreements for the purchase of airtime on the stations which may be cancelled on less than ninety (90) days notice and any agreements entered into by Buyer in its capacity as Programmer under the TBA.

(b) Except as set forth in the Schedules, to Seller's knowledge, (i) all Station Agreements are legal, valid and enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity; (ii) neither Seller, nor any party thereto is in material breach of or in material default under any Station Agreements; (iii) there has not occurred any event which, after the giving of notice or the lapse of time or both, would constitute a material default under, or result in the material breach of, any Station Agreements which are, individually or in the aggregate, material to the operation of the Station; and (iv) Seller holds the right to enforce and receive the benefits under all of the Station Agreements, free and clear of all Liens (other than Permitted Liens) but subject to the terms and provision of each such agreement.

3.10 **Litigation.** There are no actions, suits, claims, investigations or administrative, arbitration or other proceedings pending or threatened against Seller which would, individually or in the aggregate if adversely determined, be a Material Adverse Condition on the Sale Assets or the operation of the Station, or which would give any third party the right to enjoin the transactions contemplated by this Agreement. There is no basis for any such claim, investigation, action, suit or proceeding which would, individually or in the aggregate if adversely determined, be a Material Adverse Condition on the Sale Assets or operation of the Station. There are no existing or pending orders, judgments or decrees of any court or governmental agency affecting Seller, the Station or any of the Sale Assets which would materially adversely affect the Station's operations or the Sale Assets. Notwithstanding the disclosure of any matter herein, Buyer shall not assume any liability for any such matter.

3.11 **Labor Matters.** Seller is not a party to any collective bargaining agreement, and there is no collective bargaining agreement that determines the terms and conditions of employment of any employees of Seller. With respect to the Station, there are no labor strikes,

disputes, slow-downs or stoppages pending or, to the actual knowledge of Seller, threatened against the Station, there are neither pending nor threatened, any suits, actions, administrative proceedings, union organizing activities, arbitrations, grievances, complaint, charges, claims or other proceedings between Seller and any employees of the Station or any union representing such employees; and there are no existing labor or employment or other controversies or grievances involving employees of the Station which have had or are reasonably likely to constitute a Material Adverse Condition on the operation of the Station;

3.12 **Employee Benefit Plans.** To Seller's knowledge, Buyer's consummation of the transactions contemplated by this Agreement in accordance with the terms hereof shall not, as a result of or in connection with the transactions contemplated hereby, impose upon Buyer any obligation under any benefit plan, contract or arrangement (regardless of whether they are written or unwritten and funded or unfunded) covering employees or former employees of Seller in connection with their employment by Seller. For purposes of the Agreement, "benefit plans" shall include without limitation employee benefit plans within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, vacation benefits, employment and severance contracts, stock option plans, bonus programs and plans of deferred compensation.

3.13 **Compliance with Law.** To Seller's knowledge, the operation of the Station complies in all material respects with the applicable rules and regulations of the FCC, and all other federal, state, local or other laws, statutes, ordinances, regulations, and any applicable order, writ, injunction or decree of any court, commission, board, agency or other instrumentality.

3.14 **Environmental Matters; OSHA.** Except as otherwise set forth on Schedule 3.14 hereof:

(a) Seller has obtained all material, environmental, health and safety permits known by Seller to be necessary or required for either the operation of the Station as currently operated or the ownership of the Sale Assets and all such permits are in full force and effect and Seller is in compliance with all material terms and conditions of such permits.

(b) To Seller's knowledge, there is no proceeding pending or threatened which may result in the reversal, rescission, termination, modification or suspension of any environmental or health or safety permits necessary for the operation of the Station as currently conducted or the ownership of the Sale Assets.

(c) With respect to the Station and the Sale Assets, to Seller's knowledge Seller is in compliance in all material respects with the provisions of Environmental Laws.

(d) Seller has not, and, to Seller's knowledge, no other Person or entity has, caused or permitted materials to be generated, released, stored, treated, recycled, disposed of, on, under or at such parcels, which materials, if known to be present, would require clean up, removal or other remedial or responsive action under Environmental Laws (other than normal office, cleaning and maintenance supplies in reasonable quantities used and /or stored

appropriately in the buildings or improvements on the Real Property). To Seller's knowledge, Seller has not caused the migration of any materials from the Sale Assets onto or under any property, which materials, if known to be present, would require cleanup, removal or other remedial or responsive action under Environmental Laws.

(e) To Seller's knowledge, Seller is not subject to any judgment, decree, order or citation with respect to the Sale Assets related to or arising out of Environmental Laws, and Seller has not received notice that it has been named or listed as a potentially responsible party by any Person or governmental body or agency in any matter, under Environmental Laws.

(f) To Seller's knowledge, Seller has not discharged or disposed of any petroleum product or solid waste on the Real Property or on the property adjacent to the Real Property owned by third parties, which may form the basis for any present or future claim based upon the Environmental Laws in existence on the date hereof or as of the Closing, or any demand or action seeking clean-up of any site, location, body of water, surface or subsurface, under any Environmental Laws or otherwise, or which may subject the owner of the Real Property to claims by third parties (except to the extent third party liability can be established) for damages.

(g) To Seller's knowledge, no portion of the Sale Assets have ever been used by Seller, in material violation of Environmental Laws.

(h) To Seller's knowledge, no pesticides, herbicides, fertilizers or other materials have been used on, applied to or disposed of on or in the Sale Assets in material violation of any Environmental Laws (other than normal office, cleaning and maintenance supplies in reasonable quantities used and/or stored appropriately in the buildings or improvements on the Real Property) in any manner which may constitute a Material Adverse Condition.

(i) With respect to the Sale Assets, to Seller's knowledge Seller has disposed of all waste in full compliance with all Environmental Laws and there is no existing condition that may form the basis of any present or future claim, demand or action seeking clean up of any facility, site, location or body of water, surface or subsurface, for which the Buyer could be liable or responsible solely as a result of the disposal of waste at such site by a prior owner of the Sale Assets.

(j) To Seller's knowledge, Seller is in material compliance with all OSHA Laws applicable to the Sale Assets.

(k) Seller has not agreed to indemnify any predecessor or other party with respect to any environmental liability relating to the Real Property or Sale Assets.

3.15 **Tower Coordinates.** The current vertical elevation and geographical coordinates of the Station's towers ("the Tower Coordinates") are properly registered with the FCC and Federal Aviation Administration ("FAA"); and to Seller's knowledge the Tower Coordinates

comply with and correspond to the current vertical elevation and geographical coordinates authorized by the FAA, FCC and any other governmental authority, including any federal, state or local authority having jurisdiction over the Station or said towers.

3.16 **Filing of Tax Returns.** Seller has filed all federal, state and local tax returns which are required to be filed, and has paid all taxes and all assessments to the extent that such taxes and assessments have become due, other than such returns, taxes and assessments, the failure to file or pay would not, individually or in the aggregate, constitute a Material Adverse Condition.

3.17 **Absence of Insolvency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Seller or any of the Sale Assets, are pending or threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

3.18 **Broker's or Finder's Fees.** Except for as set forth on Schedule 3.18, no agent, broker, investment banker or other Person or firm acting on behalf of or under the authority of Seller or any affiliate of Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement.

3.19 **Insurance.** There is now, and through the Closing Date there shall be, in full force and effect with reputable insurance companies fire and extended coverage insurance with respect to all material tangible Sale Assets and public liability insurance, all in commercially reasonable amounts, and the Sale Assets shall be insured to cover the full amount of any loss.

3.20 **Absence Of Certain Changes Or Events.** Except as otherwise set forth in the TBA, as of the Closing Date, the Station and Sale Assets shall have been conducted and utilized in all material respects in the ordinary course and there has not been any event, circumstance, occurrence or development that has or will constitute a Material Adverse Condition on the Station or Sale Assets.

3.21 **Compliance with Patriot Act.** Seller is not nor will it become (i) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (ii) a person or entity that knowingly engages in any dealings or transactions, or be otherwise knowingly associated, with any such person. Seller is not in violation of the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act) Act of 2001.

3.22 **Representations Complete.** None of the representations or warranties made by Seller, nor any statement made in any document or certificate furnished by Seller pursuant to this

Agreement contains or will contain at the Closing, any untrue statement of a material fact, or omits or will omit at the Closing, to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 **Organization and Good Standing.** Buyer is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Kentucky. Buyer has all requisite corporate power to own, operate and lease its properties and carry on its business as it is now being conducted and as the same will be conducted following the Closing.

4.2 **Authorization and Binding Effect of Documents.** Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents, and the consummation by Buyer of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate action on the part of Buyer. Buyer has the power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions hereby and thereby contemplated. This Agreement and each of the other Documents have been, or at or prior to the Closing will be, duly executed by Buyer. The Documents, when executed and delivered by the parties hereto, will constitute the valid and legally binding agreement of Buyer, enforceable against Buyer in accordance with their terms, except as may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights or remedies generally, and except as may be limited by general principles of equity.

4.3 **Absence of Conflicts.** Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transaction contemplated hereby and thereby:

(a) do not in any material respect (with or without the giving of notice or the passage of time or both) violate or result in the creation of any claim, lien, charge or encumbrance on any of the assets or properties of Buyer under any provision of law, rule or regulation or any order, judgment, injunction, decree or ruling applicable to Buyer in any manner which would have a material adverse effect on the assets, business, operation or financial condition or results of operations of Buyer;

(b) do not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default or give rise to a right of termination or acceleration under, the articles of incorporation or bylaws of Buyer or any lease, agreement, commitment, or other instrument which Buyer is a party to, bound by, or by

which any of its assets or properties may be bound, the results of which would be a Material Adverse Condition.

4.4 **Governmental Consents and Consents of Third Parties.** Except for the required consent of the FCC, Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transaction contemplated hereby and thereby, do not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other authority, or the consent of any Person under any agreement, arrangement or commitment of any nature to which Buyer is a party or by which it is bound, the failure of which to obtain would have a material adverse effect on the assets, business, operation or financial condition or results of operations of Buyer.

4.5 **Qualification.**

(a) Buyer has no knowledge after due inquiry of any facts concerning Buyer or any other Person with an attributable interest in Buyer (as such term is defined under the Rules and Regulations) which, under present law (including the Act) and the Rules and Regulations, would (i) disqualify Buyer from being the holder of the FCC Licenses, the owner of the Sale Assets or the operator of the Station upon consummation of the transactions contemplated by this Agreement, or (ii) raise a substantial and material question of fact (within the meaning of Section 309(e) of the Act) respecting Buyer's qualifications.

(b) Without limiting the foregoing Subsection(a), Buyer shall make the affirmative certifications provided in Section III of FCC Form 314, or as may be required on any form required by the FCC to obtain its consent to this transaction, at the time of filing of such form with the FCC as contemplated by Section 5.2.

4.6 **Financing.** Buyer has, and as of the Closing Date will have, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement and the Documents.

4.7 **Broker's or Finder's Fees.** No agent, broker, investment banker, or other Person or firm acting on behalf of or under the authority of Buyer or any affiliate of Buyer is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with transactions contemplated by this Agreement.

4.8 **Litigation.** There are no legal, administrative, arbitration or other proceedings or governmental investigations pending or, to the knowledge of Buyer, threatened against Buyer that would give any third party the right to enjoin the transactions contemplated by this Agreement.

4.9 **Compliance with Patriot Act.** Buyer is not nor will it become (i) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order

13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (ii) a person or entity that knowingly engages in any dealings or transactions, or be otherwise knowingly associated, with any such person. Buyer is not in violation of the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act) Act of 2001.

4.9 **Representations Complete.** None of the representations or warranties made by Buyer, nor any express statement made in any document or certificate furnished by Buyer pursuant to this Agreement contains or will contain at the Closing, any untrue statement of a material fact, or omits or will omit at the Closing, to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE V

TRANSACTIONS PRIOR TO THE CLOSING DATE

5.1 **Conduct of the Station's Business Prior to the Closing Date.** Seller covenants and agrees with Buyer that between the date hereof and the Closing Date, unless the Buyer otherwise agrees in writing (which agreement shall not be unreasonably withheld or delayed), except as otherwise set forth in the TBA Seller shall:

(a) Use reasonable commercial efforts to maintain insurance upon all of the Sale Assets in such amounts and of such kind as is consistent with Seller's other radio stations and with insurers of substantially the same or better financial condition;

(b) Operate the Station and otherwise conduct its business in all material respects in accordance with the terms or conditions of its FCC Licenses, the Rules and Regulations, the Act and all other rules and regulations, statutes, ordinances and orders of all governmental authorities having jurisdiction over any aspect of the operation of the Station, except where the failure to so operate would not constitute a Material Adverse Condition on the Sale Assets or the operation of the Station or on the ability of Seller to consummate the transactions contemplated hereby;

(c) Comply in all material respects with all Station Agreements Buyer is assuming now or hereafter existing;

(d) Promptly notify Buyer of any default by, or claim of default against, any party under any Station Agreements Buyer is assuming and any event or condition which, with notice or lapse of time or both, would constitute an event of default under such Station Agreements;

(e) Not mortgage, pledge or subject any of the Sale Assets to any Lien other than a Permitted Lien;

(f) Not sell, lease or otherwise dispose of, nor agree to sell, lease or otherwise dispose of, any of the Sale Assets;

(g) Not amend or terminate any Station Agreement;

(h) Not introduce any material change with respect to the operation of the Station including, without limitation, any material changes in the broadcast hours of the Station or any other material change in the Station's programming policies, except such changes as in the sole discretion of Seller, exercised in good faith after consultation with Buyer, are required by the public interest;

5.2 **Governmental Consents.** Seller and Buyer shall file with the FCC, within five (5) business days after the execution of this Agreement such applications and other documents in the name of Seller or Buyer, as appropriate, as may be necessary or advisable to obtain the FCC Order. Seller and Buyer shall take all commercially reasonable steps necessary to prosecute such filings with diligence and shall diligently oppose any objections to, appeals from or petitions to reconsider such approval of the FCC, to the end that the FCC Order and a Final Action with respect thereto may be obtained as soon as practicable; provided, however, that in the event the application for assignment of the FCC Licenses has been designated for hearing, either Buyer or Seller may elect to terminate this Agreement pursuant to Section 10.1(c). Buyer shall not knowingly take, and Seller covenants that Seller shall not knowingly take, any action that such party knows or has reason to know would materially and adversely affect or materially delay issuance of the FCC Order or materially and adversely affect or materially delay its becoming a Final Action without a Material Adverse Condition, unless such action is requested or required by the FCC, its staff or the Rules and Regulations. Should Buyer or Seller become aware of any facts which could reasonably be expected to materially and adversely affect or materially delay issuance of the FCC Order without a Material Adverse Condition (including but not limited to, in the case of Buyer, any facts which would reasonably be expected to disqualify Buyer from controlling the Station), such party shall promptly notify the other party thereof in writing and both parties shall cooperate to take all steps necessary or desirable to resolve the matter expeditiously and to obtain the FCC's approval of matters pending before it. Subject to the terms and conditions herein provided, Buyer and Seller shall promptly determine whether any filings are required to be made with, or consents, permits, authorizations or approvals are required to be obtained from, any other governmental agency or regulatory body of the federal, state and local jurisdictions in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and take all reasonable actions necessary to obtain any required permits, authorizations or appraisals.

5.3 **Other Consents.** Buyer and Seller shall use their reasonable best efforts to obtain the consent or waivers to the transactions contemplated by this Agreement required under any assumed Station Agreements; provided that Buyer and Seller shall not be required to pay or grant any material consideration in order to obtain any such consent or waiver.

5.4 **Tax Returns and Payments.** All taxes pertaining to ownership of the Sale

Assets or operation of the Station prior to the Closing Date will be timely paid; provided that Seller shall not be required to pay any such tax so long as the validity thereof shall be contested in good faith by appropriate proceedings and Seller shall have set aside adequate reserves with respect to any such tax to the reasonable satisfaction of Buyer. Taxes for the Real Property shall be credited to the party paying them for the calendar year of the Closing, prorated between the parties such that Seller is responsible for all amounts prior to Closing and Buyer for all amounts after Closing.

5.5 **Access Prior to the Closing Date.** Prior to the Closing, Buyer and its representatives may make such reasonable investigation of the assets and business of the Station and the Sale Assets as it may desire; and Seller shall give to Buyer, its engineers, counsel, accountants and other representatives reasonable access during normal business hours throughout the period prior to the Closing to personnel and all of the assets, books, records and files of or pertaining to the Station and the Sale Assets, provided that (i) Buyer shall give Seller reasonable advance notice of each date on which Buyer or any such other Person or entity desires such access, (ii) each Person (other than an officer of Buyer) shall, if requested by Seller, be accompanied by an officer or their representative of Buyer approved by Seller, which approval shall not be unreasonably withheld, (iii) the investigations at the offices of Seller shall be reasonable in number and frequency and, (iv) all investigations shall be conducted in such a manner as not to physically damage any property or constitute a disruption of the operation of the Station or Seller. Seller shall furnish to Buyer during such period all documents and copies of documents and information concerning the business and affairs of Seller and the Station as Buyer may reasonably request. No investigation or information furnished pursuant to this **Section 5.5** shall affect any representations or warranties made by the Seller herein.

5.6 **Confidentiality; Press Release.** All information, data and materials furnished or to be furnished to either party with respect to the other party in connection with this transaction or pursuant to this Agreement are confidential. Each party agrees that prior to Closing (a) it shall not disclose or otherwise make available, at any time, any such information, data or material to any Person who does not have a confidential relationship with such party; (b) it shall protect such information, data and material with a high degree of care to prevent the disclosure thereof; and (c) if, for any reason, this transaction is not consummated, all information, data or material concerning the other party obtained by such party, and all copies thereof, will be returned to the other party. After Closing, neither party will disclose or otherwise make available to any Person any of such information, data or material concerning the other party, except as may be necessary or appropriate in connection with the operation of the Station by Buyer. Each party shall use its reasonable efforts to prevent the violation of any of the foregoing confidentiality provisions by its respective representatives. Notwithstanding the foregoing, nothing contained herein shall prohibit Buyer or Seller from:

(i) using such information, data and materials in connection with any action or proceeding brought or any claim asserted by Buyer or Seller in respect of any breach by the other of any representation, warranty or covenant made in or pursuant to this Agreement; or

(ii) supplying or filing such information, data or materials to or with the FCC or SEC or any other valid governmental or court authority to the extent required by law or reasonably necessary to obtain any consent, waiver, amendment, modification, approval, authorization, permit or license which may be necessary to effectuate this Agreement, and to consummate the transaction contemplated herein.

Notwithstanding anything herein to the contrary, unless and until such filing with the FCC as described in Section 5.2 is made, no public announcement shall be made about this transaction and Buyer shall take all reasonable steps to ensure that Seller's employees, customers, clients and others are not made aware of the existence of this agreement or the transaction contemplated hereby.

In the event that either party determines in good faith that a press release or other public announcement is desirable under any circumstances, the parties shall consult with each other to determine the appropriate timing, form and content of such release or announcement.

5.7 **Reasonable Best Efforts.** Subject to the terms and conditions of this Agreement, each of the parties hereto will use its reasonable best efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to the parties' obligations hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement.

5.8 **FCC Reports.** Seller shall continue to file, on a current basis until the Closing Date, all reports and documents required to be filed with the FCC with respect to the Station. Seller shall provide Buyer with copies of all such filings within five business days of the filing with the FCC. Seller shall maintain the traditional paper Public File, or Online Public File at fcc.gov, as applicable, through the Closing Date.

5.9 **Conveyance Free and Clear of Liens.** At or prior to the Closing, Seller shall obtain executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Sale Assets and properties as security for payment of loans and other obligations or judgments and of any other Liens on the Sale Assets. At the closing, Seller shall transfer and convey to Buyer all of the Sale Assets free and clear of all Liens except Permitted Liens.

5.10 **Environmental Assessment.** Not later than thirty (30) days after execution of this Agreement, Buyer may obtain a Phase I ("the Phase I") environmental assessment of the Sale Assets by an environmental engineer selected by Buyer. Within fourteen (14) days after Buyer's receipt of the Phase I, if the Phase I indicates environmental conditions may exist on, under or affect such properties that may constitute a violation or breach of Seller's representations and warranties contained in Section 3.14 of this Agreement or cause the condition contained in Section 6.9 to not be satisfied, then Buyer shall be entitled to obtain a Phase II ("the Phase II") environmental assessment of the Real Property, or any portion thereof. (The Phase I and the Phase II, if obtained, shall be referred to herein as the "Environmental Assessment"). Buyer shall commission and pay the cost of such Environmental Assessment and

shall provide a copy to Seller. The Environmental Assessment shall be subject to the confidentiality provisions of Section 5.6. If after appropriate inquiry into the previous ownership of and uses of the Real Property consistent with good commercial or customary practice, the engineer concludes that environmental conditions exist on, under or affecting such properties that would constitute a violation or breach of Seller's representations and warranties contained in Section 3.14 of this Agreement or cause the condition contained in Section 6.9 to not be satisfied, then Buyer may (i) elect to proceed with Closing, or (ii) terminate the Agreement at the sole option of Buyer.

5.11 **Disclosure Schedules.** Notwithstanding anything to the contrary in this Agreement, during the period after the date of this Agreement but prior to the Closing, subject to the reasonable approval of Buyer, Seller shall be entitled to update, amend or supplement the Schedules to this Agreement to the extent information contained therein is discovered to be untrue, incomplete or inaccurate after the date of this Agreement by delivering such update, amendment or supplement to Buyer; (each such update, amendment or supplement reasonably approved or deemed reasonably approved by the Buyer, an “[date] Updated Schedule”). Buyer shall not be obligated to approve any change or changes to the schedules which would have, or which would reasonably be expected to have, in the aggregate, a material adverse effect on the Station Assets. If Seller delivers to the Buyer one or more Updated Schedule, all references in this Agreement to any such schedule shall thereafter mean the schedule as updated by each such Updated Schedule.

1 **ARTICLE VI**

2 **CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER TO CLOSE**

Buyer's obligation to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, unless waived by Buyer in writing:

6.1 **Accuracy of Representations and Warranties; Closing Certificate.**

(a) The representations and warranties of Seller contained in this Agreement or in any other Document shall be complete and correct in all material respects on the date hereof and at the Closing Date with the same effect as though made at such time except for changes that do not constitute a Material Adverse Condition on the Station or the Sale Assets taken as a whole.

(b) Seller shall have delivered to Buyer on the Closing Date a certificate that (i) the condition specified in Section 6.1(a) is satisfied as of the Closing Date, and (ii) except as set forth in such certificate (none of which exceptions shall constitute a Material Adverse Condition on Seller's ability to consummate the transaction contemplated hereby), the condition specified in Section 6.2 is satisfied as of the Closing Date.

6.2 **Performance of Agreements.** Seller shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement and each of the other Documents to be performed or complied with by it prior to or upon the Closing Date.

6.3 **FCC and Other Consents.**

(a) The FCC Order shall have been issued by the FCC and shall have become effective under the rules of the FCC, without any Material Adverse Condition.

(b) Seller shall have satisfied all material conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied by Seller prior to transfer of the FCC Licenses to Buyer.

(c) All other material authorizations, consents, approvals and clearances of federal, state or local governmental agencies required to permit the consummation by Buyer of the transactions contemplated by this Agreement including, without limitation, the assignment of any FCC Licenses requested by Buyer, shall have been obtained; all material statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would constitute a Material Adverse Condition.

6.4 **Adverse Proceedings.** Neither Buyer nor any affiliate of Buyer shall be subject to any ruling, decree, order or injunction restraining, imposing material limitations on or prohibiting (i) the consummation of the transactions contemplated hereby or (ii) its participation in the operation, management, ownership or control of the Station; and no litigation, proceeding or other action seeking to obtain any such ruling, decree, order or injunction shall be pending. No governmental authority having jurisdiction shall have notified any party to this Agreement that consummation of the transaction contemplated hereby would constitute a violation of the laws of the United States or of any state or political subdivision or that it intends to commence proceedings to restrain such consummation or to force divestiture, unless such governmental authority shall have withdrawn such notice. No governmental authority having jurisdiction shall have commenced any such proceeding.

6.5 **Other Consents.** Seller shall have obtained in writing and provided to Buyer on or before the Closing Date, without any condition materially adverse to Buyer or the Station, the material consents or waivers to the transactions contemplated by this Agreement required under those Station Agreements which Buyer has elected to assume.

6.6 **Delivery of Closing Documents.** Seller shall have delivered or caused to be delivered to Buyer on the Closing Date each of the Documents required to be delivered pursuant to Section 8.2.

6.7 **Environmental Conditions.** The Environmental Assessment obtained by Buyer pursuant to Section 5.10 hereof shall not have disclosed any material violation of any

Environmental Law which is not removed or cured by Seller prior to Closing; provided, however, that in the event the Environmental Assessment indicates that environmental conditions exist on, under or affecting such properties that would constitute a violation or breach of Seller's representations and warranties contained in Section 3.13 of this Agreement then, notwithstanding any other provisions of this Agreement to the contrary, Seller may elect at its sole cost and expense to agree to remediate any such conditions post-Closing, in which event this Section 6.7 shall not constitute a condition precedent to Buyer's obligation to close.

3 ARTICLE VII

4 CONDITIONS PRECEDENT OF THE OBLIGATION OF SELLER TO CLOSE

The obligation of Seller to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the closing Date, of each of the following conditions, unless waived by Seller in writing:

7.1 Accuracy of Representations and Warranties.

(a) The representations and warranties of Buyer contained in this Agreement shall be complete and correct in all material respects on the date hereof and at the Closing Date with the same effect as though made at such time except for changes that are not materially adverse to Seller.

(b) Buyer shall have delivered to Seller on the Closing Date a certificate that (i) the condition specified in Section 7.1(a) is satisfied as of the Closing Date, and (ii) except as set forth in such certificate (none of which exceptions shall be a material adverse effect on Buyer's ability to consummate the transaction contemplated hereby), the conditions specified in Section 7.2 are satisfied as of the Closing Date.

7.2 Performance of Agreements. Buyer shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement and each of the other Documents to be performed or complied with by it prior to or upon the Closing Date.

7.3 FCC and Other Consents.

(a) The FCC Order shall have been issued by the FCC and shall have become effective without any Material Adverse Condition.

(b) Conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied by Buyer prior to transfer of the FCC Licenses to Buyer shall have been satisfied by Buyer.

(c) All other authorizations, consents, approvals and clearances of all federal, state and local governmental agencies required to permit the consummation by Seller of the transactions contemplated by this Agreement shall have been obtained; all statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would have any material adverse effect on Seller.

7.4 **Adverse Proceedings.** Seller shall not be subject to any ruling, decree, order or injunction restraining, imposing material limitations on or prohibiting the consummation of the transactions contemplated hereby. No governmental authority having jurisdiction shall have notified any party to this Agreement that consummation of the transactions contemplated hereby would constitute a violation of the laws of the United States or of any state or political subdivision or that it intends to commence proceedings to restrain such consummation or to force divestiture, unless such governmental authority shall have withdrawn such notice. No governmental authority having jurisdiction shall have commenced any such proceeding.

7.5 **Delivery of Closing Documents and Purchase Price.** Buyer shall have delivered or caused to be delivered to Seller on the Closing Date each of the Documents required to be delivered pursuant to Section 8.3, and Seller shall have received payment of the Purchase Price with the form of payment set forth in Section 2.5.

ARTICLE VIII

CLOSING

8.1 **Time and Place.** Unless otherwise agreed to in advance by the parties, Closing shall take place in person or via facsimile at the offices of Seller's counsel in Camarillo, California, or at such other place as the parties agree, at 10:00 A.M. Pacific Time on the date (the "Closing Date") that is the later of (i) the fifth Business Day after the Applicable Date, or (ii) the date as soon as practicable following satisfaction or waiver of the conditions precedent hereunder. The "Applicable Date" shall be the date on which issuance of the FCC Order without any Material Adverse Condition or condition materially adverse to Seller has become effective under the rules of the FCC. Notwithstanding the foregoing, the parties will endeavor in good faith to effect the Closing simultaneously in different locations to avoid the travel and additional expense of requiring all parties to be located in the same place and in connection therewith the parties will deliver, in escrow, to opposing counsel and other appropriate parties, all agreements, instructions, documents, releases, certificates, wire transfer instructions, pay-off instructions, UCC-3's and other matters and things necessary to effect Closing in such manner.

8.2 **Documents to be Delivered to Buyer by Seller.** At the Closing, Seller shall deliver or cause to be delivered to Buyer the following:

(a) Certified resolutions of Seller's Board of Directors approving the execution and delivery of this Agreement and each of the other Documents and authorizing the consummation of the transactions contemplated hereby and thereby.

- (b) The certificate required by Section 6.1(b).
- (c) A bill of sale and other instruments of transfer and conveyance transferring to Buyer the Tangible Personal Property.
- (d) Executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Sale Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens).
- (e) An instrument or instruments assigning to Buyer all right, title and interest of Seller in and to all Station Agreements being assumed by Buyer.
- (f) An instrument assigning to Buyer all right, title and interest of Salem-Massachusetts and Salem-Kentucky in the FCC Licenses, and all other assignable or transferable governmental permits, licenses and authorizations (and any renewals, extensions, amendments or modifications thereof).
- (g) A Grant Deed assigning to Buyer all right, title and interest of SRP in and to any owned Real Property, and an instrument or instruments assigning to Buyer all right, title and interest of Seller in and to any other Real Property, including without limitation, any leases, easements or licenses for the Real Property.
- (g) An instrument assigning to Buyer all rights, title and interest of Seller to the assets described in Section 2.1(f) and Section 2.1(g) hereof, and any remaining Sale Assets not otherwise conveyed.
- (h) True and correct copies of all records as described in Section 2.1(e) hereof.
- (i) Certificates of Good Standing and Certificates of No Tax Liability (or similar documents confirming Seller has no current tax liability) issued no more than thirty (30) days prior to Closing by (i) Seller's respective state of incorporation and (ii) the state where the Sale Assets are located.
- (j) Such additional information and materials as Buyer shall have reasonably requested, including without limitation, evidence that all consents and approvals required as a condition to Buyer's obligation to close hereunder have been obtained.

8.3 **Documents to be Delivered to Seller by Buyer.** At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

- (a) Certified resolutions of Buyer's Board of Directors approving the execution and delivery of this Agreement and each of the other Documents and authorizing the consummation of the transaction contemplated hereby and thereby.
- (b) The Purchase Price as set forth in Section 2.5.
- (c) The agreement of Buyer assuming the obligations under any Station Agreements being assumed by Buyer.
- (d) The certificate required under Section 7.1(b).
- (e) Such additional information and materials as Seller shall have reasonably requested.

8.4 **Unassignable Station Agreements.** Buyer and Seller acknowledge that certain of the Station Agreements, to be included in the Sale 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 Station may not, by their terms, be assignable. Notwithstanding anything in this Agreement to the contrary, nothing herein shall constitute an agreement to assign such Station Agreement, and Buyer 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 such Station Agreement of Buyer or Seller thereunder. In such event, Seller will cooperate with Buyer to provide for Buyer all benefits to which Seller is entitled under such Station Agreements, and any transfer or assignment to Buyer by Seller of any such Station Agreement or approval or any right or benefit arising thereunder or resulting therefrom, which shall require the consent of any third party shall be made subject to such consent or approval being obtained. Seller shall, without further consideration therefore, pay, assign, and remit to Buyer promptly all monies, and, to the extent permitted, all other rights or consideration received or obtained, or which may be received or obtained, in respect of performance of such Station Agreements.

ARTICLE IX

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

9.1 **Survival of Representation and Warranties.** All representations, warranties, covenants and agreements contained in this Agreement or in any other Document shall survive the Closing for the Survival Period and the Closing shall not be deemed a waiver by either party of the representations, warranties, covenants or agreements of the other party contained herein or in any other Document. No claim may be brought under this Agreement or any other Document unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such a notice is so given, the right to indemnification with respect thereto under this Article shall survive the Survival Period until such claim is finally resolved and any obligations with respect thereto are

fully satisfied. For purposes of this agreement the “Survival Period” shall be twelve (12) months after the Closing Date except that any representation or warranty of Buyer or Seller as to (i) such party’s qualification and authority to consummate the transactions contemplated hereby, (ii) title of the parties to the Station or Sale Assets, or (iii) any tax obligation of Seller, the Survival Period shall be indefinite.

9.2 **Indemnification in General.** Buyer and Seller agree that the rights to indemnification and to be held harmless set forth in this Agreement shall, as between the parties hereto and their respective successors and assigns, be exclusive of all rights to indemnification and to be held harmless that such party (or its successors or assigns) would otherwise have by statute, common law or otherwise. Except with respect to claims based on actual fraud or intentional misrepresentation or as provided in Article X, each party’s rights under this Article IX shall be the sole and exclusive remedies with respect to claims resulting from or relating to any misrepresentation, breach of warranty or failure to perform any covenant or agreement contained in this Agreement or otherwise relating to the transactions that are the subject of this Agreement. Without limiting the generality of the foregoing, in no event shall either party or any Person claiming through, by or on behalf of either party, be entitled to claim or seek rescission of the transactions consummated under this Agreement.

9.3 **Indemnification by Seller.**

(a) Subject to the provisions of Section 9.3(b) below and Section 10.2 below, Seller shall indemnify and hold harmless Buyer and any officer, director, agent, employee and affiliate thereof with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including reasonable attorneys' fees), relating to or arising out of:

(i) Any breach or non-performance by Seller of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Documents; or

(ii) The ownership or operation by Seller of the Station and the Sale Assets on or prior to the Closing Date, other than the Assumed Obligations; or

(iii) All other liabilities and obligations of Seller other than the Assumed Obligations.

(iv) Noncompliance by Seller with the provisions of the Bulk Sales Act, if applicable, in connection with the transactions contemplated hereby.

(b) Except for any amounts owed by Seller to Buyer under Section 9.3(a)(iv), and Section 2.7, if Closing occurs, Seller shall not be obligated until the amount of such claims, liabilities, damages, losses, costs and expenses exceeds Buyer’s Threshold Limitation, in which case Buyer shall then be entitled to indemnification of such amount that is in excess of Buyer’s Threshold Limitation.

9.4 **Indemnification by Buyer.**

(a) Subject to the provisions of Section 9.4(b) below and Section 10.2 below, Buyer shall indemnify and hold harmless Seller and any officer, director, agent, employee and affiliate thereof with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including reasonable attorneys' fees) relating to or arising out of:

(i) Any breach or non-performance by Buyer of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Document; or

(ii) The ownership or operation of the Station after the Closing Date; or

(iii) All other liabilities or obligations of Buyer pursuant to the terms of this Agreement, including, without limitation, the Assumed Obligations.

(b) Except for any amounts owed by Buyer to Seller under Section 2.7, if Closing occurs, Buyer shall not be obligated until the amount of such claims, liabilities, damages, losses, costs and expenses exceeds Seller's Threshold Limitation, in which case Seller shall then be entitled to indemnification of such amount that is in excess of Seller's Threshold Limitation.

9.5 **Indemnification Procedures.** In the event that an Indemnified Party may be entitled to indemnification hereunder with respect to any asserted claim of, or obligation or liability to, any third party, such party shall notify the Indemnifying Party thereof, describing the matters involved in reasonable detail, and the Indemnifying Party shall be entitled to assume the defense thereof upon written notice to the Indemnified Party with counsel reasonably satisfactory to the Indemnified Party; provided, that once the defense thereof is assumed by the Indemnifying Party, the Indemnifying Party shall keep the Indemnified Party advised of all developments in the defense thereof and any related litigation, and the Indemnified Party shall be entitled at all times to participate in the defense thereof at its own expense. If the Indemnifying Party fails to notify the Indemnified Party of its election to defend, or contests its obligation to indemnify under this Article IX, the Indemnified Party may pay, compromise, or defend such a claim without prejudice to any right it may have hereunder.

ARTICLE X

TERMINATION; LIQUIDATED DAMAGES

10.1 **Termination.** If Closing shall not have previously occurred, this Agreement shall terminate upon the earliest of:

(a) the giving of written notice from Seller to Buyer, or from Buyer to Seller, if:

(i) Seller gives such termination notice and is not at such time in material default hereunder, or Buyer gives such termination notice and Buyer is not at such time in material default hereunder; and

(ii) Either:

(A) Any of the representations or warranties contained herein of Buyer (if such termination notice is given by Seller), or of Seller (if such termination notice is given by Buyer), are inaccurate in any material respect and materially adverse to the party giving such termination notice unless the inaccuracy has been induced by or is the result of actions or omissions of the party giving such termination notice; or

(B) Any material obligation to be performed by Buyer (if such termination notice is given by Seller) or by Seller (if such termination notice is given by Buyer) is not timely performed in any material respect unless the lack of timely performance has been induced by or is the result of actions or omissions of the party giving such termination notice; or

(C) Any condition (other than those referred to in Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B)) to the obligation to close the transaction contemplated herein of the party giving such termination notice has not been timely satisfied, and

(iii) any such inaccuracy, failure to perform or non-satisfaction of a material condition neither has been cured nor satisfied within twenty (20) days after written notice thereof from the party giving such termination notice nor waived in writing by the party giving such termination notice; provided however that such opportunity to cure shall not apply to the failure of a party to perform its obligations set forth in Article VIII herein.

(b) Written notice from Seller to Buyer, or from Buyer to Seller, at any time after twelve (12) months from the date this Agreement is executed; provided that termination shall not occur upon the giving of such termination notice by Seller if Seller is at such time in material default hereunder or upon the giving of such termination notice by Buyer if Buyer is at such time in material default hereunder.

(c) Written notice from Seller to Buyer, or from Buyer to Seller, at any time following a determination by the FCC that the application for consent to assignment of the FCC Licenses has been designated for hearing; provided that the party which is the subject of the hearing (or whose alleged actions or omissions resulted in the designation for hearing) may not elect to terminate under this Section 10.1(c).

(d) The written election by Buyer under Section 5.10.

(e) The written election by Seller if Seller terminates the TBA in accordance with Section 7.1 of the TBA, or the written election by Buyer if Buyer terminates the TBA in accordance with Section 7.1 or Section 7.2 of the TBA.

10.2 **Obligations Upon Termination.**

(a) In the event this Agreement is terminated pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B), the aggregate liability of Buyer for breach hereunder shall be limited as provided in Section 10.2(c) below, and the aggregate liability for Seller for breach hereunder shall be limited as provided in Section 10.2(b). In the event this Agreement is terminated for any other reason, neither party shall have any liability hereunder. NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, NO MATTER WHAT THE CAUSE, CLAIM OR THEORY FOR SUCH DAMAGES MIGHT BE.

(b) Upon termination of this Agreement, Buyer shall be entitled to monetary damages from Seller, or, alternatively, at Buyer's election in lieu of damages Buyer shall be entitled to seek specific performance of this Agreement (i) if such termination is effected by Buyer's giving of valid written notice to Seller pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B).

(c) If this Agreement is terminated by Seller's giving of valid written notice to Buyer pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B), Seller shall be entitled to monetary damages from Buyer, or may alternatively, at Seller's election, in lieu of monetary damages or indemnification from Buyer, be entitled to seek specific performance.

ARTICLE XI

CASUALTY

Upon the occurrence of any casualty loss, damage or destruction material to the operation of the Station or the Sale Assets prior to the Closing, Seller shall promptly give Buyer written notice setting forth in detail the extent of such loss, damage or destruction and the cause thereof if known. Seller shall use its reasonable efforts to promptly commence and thereafter to diligently proceed to repair or replace any such lost, damaged or destroyed property. In the event that such repair or replacement is not fully completed prior to the Closing Date, Seller shall assign to Buyer the portion of the insurance proceeds (less all reasonable costs and expenses, including without limitation attorney's fees, expenses and court costs incurred by Seller to collect such amounts), if any, not previously expended by Seller to repair or replace the damaged or destroyed property and Buyer shall accept the damaged Sale Assets in their damaged condition provided that Seller has satisfied its insurance obligations in Section 5.1(a) hereof.

ARTICLE XII

CONTROL OF STATION

Subject to the TBA, between the date of this Agreement and the Closing Date, Buyer shall not control, manage or supervise the operation of the Station or conduct of its business, all

of which shall remain the sole responsibility and under the control of Seller, subject to Seller's compliance with this Agreement.

ARTICLE XIII

1031 EXCHANGE

Buyer agrees to cooperate with Seller as reasonably requested by Seller to assist Seller in consummating a tax deferred exchange under Section 1031 of the *Internal Revenue Code* of 1986, and the comparable provisions of applicable state law, provided Buyer shall incur no additional liabilities, expenses or costs as a result of or connected with such exchange.

ARTICLE XIV

MISCELLANEOUS

14.1 **Further Actions.** From time to time before, at and after the Closing, each party, at its expense and without further consideration, will execute and deliver such documents to the other party as the other party may reasonably request in order more effectively to consummate the transactions contemplated hereby.

14.2 **Access After the Closing Date.** After the Closing and for a period of twelve (12) months, Buyer shall provide Seller, Seller's counsel, accountants and other representatives with reasonable access during normal business hours to the books, records, property, personnel, contracts, commitments and documents of the Station pertaining to transactions occurring prior to the Closing Date, that are the responsibility and obligation of the Seller, when requested by Seller, and Buyer shall retain such books and records for the normal document retention period of Buyer. At the request and expense of Seller, Buyer shall deliver copies of any such books and records to Seller.

14.3 **Payment of Expenses.**

(a) Any fees assessed by the FCC in connection with the filings contemplated by Section 5.2 or consummation of the transactions contemplated hereby shall be shared equally between Seller and Buyer.

(b) All state or local sales or use, stamp or transfer, grant and other similar taxes payable in connection with consummation of the transactions contemplated hereby shall be shared equally between Seller and Buyer.

(c) Except as otherwise expressly provided in this Agreement, each of the parties shall bear its own expenses, including the fees of any attorneys and accountants engaged by such party, in connection with this Agreement and the consummation of the transactions contemplated herein.

14.4 **Notices.** All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by courier or sent by overnight delivery, registered or certified mail, first class, postage prepaid, or by telex, cable, telegram, facsimile machine or similar written means of communication, addressed as follows:

(a) If to Seller, to:

Salem Media of Massachusetts, LLC
Salem Media of Kentucky, Inc.
Salem Radio Properties, Inc.
4880 Santa Rosa Road
Camarillo, California 93012
Attention: Christopher J. Henderson
Senior Vice President and Secretary
Facsimile No.: (805) 384-4505

(b) If to Buyer, to:

Word Broadcasting, Inc.
P.O. Box 197309
Louisville, Kentucky 40259
Attention: James M. Fraser
Facsimile No.: (502) 962-4963

or such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given (i) if so mailed, as of the close of the third (3rd) business day following the date mailed, and (ii) if personally delivered or otherwise sent as provided above, on the date received.

14.5 **Entire Agreement.** This Agreement, the Schedules and Exhibits hereto, and the other Documents constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede any prior negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter hereof.

14.6 **Binding Effect; Benefits.** Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors or assigns. Except to the extent specified herein, nothing in this Agreement, express or implied, shall confer on any Person other than the parties hereto and their respective successors or assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14.7 **Assignment.** This Agreement and any rights hereunder shall not be assignable by either party hereto without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

14.8 **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Kentucky, including all matters of construction, validity and performance. BUYER AND SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Buyer and Seller hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of this Agreement, including in particular the jury-trial waiver.

14.9 **Bulk Sales.** Buyer hereby waives compliance by Seller with the provisions of the Bulk Sales Act and similar laws of any state or jurisdiction, if applicable. Seller shall, in accordance with Article IX, indemnify and hold Buyer harmless from and against any and all claims made against Buyer by reason of such non-compliance.

14.10 **Amendments and Waivers.** No term or provision of this Agreement may be amended, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of such amendment, waiver, discharge or termination is sought. Any waiver shall be effective only in accordance with its express terms and conditions.

14.11 **Severability.** If any provision of this Agreement, or the application thereof to any Person or entity or any circumstance, is invalid or unenforceable in any jurisdiction, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the extent and purpose of such invalid and unenforceable provision, and (ii) the remainder of this Agreement and the application of such provision to other Persons, entities or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

14.12 **Headings.** Except as provided in Article I, the captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

14.13 **Counterparts.** This Agreement may be executed in any number of counterparts, and by either party on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Fax signatures and scanned signatures delivered electronically shall be deemed the same as original signatures. This Agreement is not binding until executed by both parties hereto.

14.14 **References.** All references in this Agreement to Articles and Sections are to Articles and Sections contained in this Agreement unless a different document is expressly specified.

14.15 **Schedules and Exhibits.** Unless otherwise specified herein, each Schedule and

Exhibit referred to in this Agreement is attached hereto, and each such Schedule and Exhibit is hereby incorporated by reference and made a part hereof as if fully set forth herein.

14.16 **Attorneys' Fees.** If any action at law or equity is brought, whether in a judicial proceeding or arbitration, to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and expenses from the other party, which fees and expenses shall be in addition to any other relief, which may be awarded.

14.17 **Knowledge.** All references to the knowledge or awareness of Seller or Buyer shall refer to the Seller's or Buyer's respective actual knowledge, assuming a reasonable degree of investigation by such party.

Signatures appear on following page.

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

"SELLER"

"BUYER "

Salem Media of Massachusetts, LLC

Word Broadcasting Network, Inc.

By: _____
Christopher J. Henderson
Senior Vice President and Secretary of
SCA License Corporation,
Its managing member

By: _____

Salem Media of Kentucky, Inc.

By: _____
Christopher J. Henderson
Senior Vice President and Secretary

Salem Radio Properties, Inc.

By: _____
Christopher J. Henderson
Senior Vice President and Secretary

LIST OF SCHEDULES

Schedule 2.3	List of liabilities assumed by Buyer
Schedule 3.4	Consents
Schedule 3.6	List of Tangible Personal Property
Schedule 3.7	Description of Real Property
Schedule 3.8	List of FCC licenses, permits & authorizations
Schedule 3.9	List of Station Agreements
Schedule 3.13	Environmental Matters; OSHA
Schedule 3.17	Brokers or finders' fees

These Schedules are not intended to constitute, and shall not be construed as constituting, any representation or warranty of Seller except as and to the extent expressly provided in the Agreement. The fact that any item of information is contained herein shall not, in and of itself, be construed to mean that such information is required to be disclosed in or by the Agreement or that such item of information is "material" as such term is used in the Agreement.

Seller has not undertaken to describe the contents of documents referred to in these Schedules. Instead, references to such documents are qualified in their entirety by the text of such documents. Furthermore, the reference to any document is deemed to include any and all exhibits, schedules, annexes and other attachments to such document.

Any matter disclosed in one Schedule hereof in such a way as to make its relevance to information called for by another Schedule readily apparent shall be deemed to be disclosed in such other Schedules, notwithstanding the omission of an appropriate cross-reference. The headings in these Schedules are for convenience of reference only and shall not be deemed to alter or affect the express description of the sections of these Schedules as set forth in the Agreement.

Schedule 2.3

Liabilities Assumed By Buyer

Schedule 3.4

Consents

Schedule 3.6

Tangible Personal Property

5 **Schedule 3.7**

Description of Real Property

Schedule 3.8

FCC Licenses

Main Station FCC Licenses:

Call Sign	Facility ID#	City/Lic	FCC File No.	License Expiration Date
WFIA(AM)	55504	Louisville, KY		08/01/2020
WFIA-FM	48371	New Albany, IN		08/01/2020
WGTK(AM)	63936	Louisville, KY		08/01/2020

Auxiliary (Back-up) FCC Licenses:

Part74 Licenses (all STLs):

Pending FCC Applications:

Schedule 3.9

Station Agreements

Schedule 3.13

Environmental Matters/OSHA

Schedule 3.18

Broker's Fees

None.