

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “Agreement”) is made as of May 13, 2022, by and between **WATR, Inc.**, a Connecticut corporation, and **Thomas Brothers, LLC**, a Connecticut limited liability company (collectively “Seller” or “Sellers”) and **WATR Radio, LLC**, a Connecticut limited liability company (“Buyer”), (collectively the “Parties”).

Recitals

WHEREAS, Seller is licensee of AM Radio Station WATR, FCC Facility ID No. 71102, Waterbury, Connecticut and FM Translator W249DY, FCC Facility ID No. 203226, Waterbury, Connecticut (the “Stations”) and

WHEREAS, Seller is the owner of certain real estate located in Waterbury County, Connecticut used for the operations of the Stations and as defined further herein (“Real Property”); and

WHEREAS, Buyer desires to acquire certain assets used or held for use in the operation of the Stations, including without limitation, the licenses, permits and authorizations (“FCC Licenses and Authorizations”) issued by the Federal Communications Commission (“FCC” or “Commission”) and the Tower and Real Property located in Waterbury County, Connecticut, together with certain assets used or useful in the operation of the Stations (“Station Assets”); and

WHEREAS, pursuant to the terms and subject to the conditions set forth in this Agreement, the Sellers desire to assign and transfer to Buyer the Station Assets, owned by them respectively; and

WHEREAS, the FCC Licenses and Authorizations cannot be assigned or transferred to the Buyer without the prior written consent of the FCC.

AGREEMENT

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations, except the Excluded Assets (defined below) (the “Station Assets”), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the “FCC Licenses”), including those described on *Schedule 1.1(a)*, and any renewals or modifications thereof between the date hereof and Closing (defined below);

(b) all of Seller’s equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations (the “Tangible Personal Property”), including without limitation those items listed on *Schedule 1.1(b)*;

(c) good and marketable title to all of the rights, title and interest in and to each parcel of real property and all structures thereon currently owned and used by Seller in the operation of the Stations including the improvements and appurtenances to such improvements, located on such real property, including without limitation, buildings, outside storage areas, driveways, walkways and parking areas as fully described on *Schedule 1.1(c)* attached hereto (the “Owned Real Property”);

(d) all agreements entered into in the ordinary course of business for the sale of advertising time on the Stations for cash that are cancelable without penalty that exist as of the date of this Agreement, and all other operating contracts, agreements and leases that are used in the operation of the Stations *and* listed on *Schedule 1.1(d)* attached hereto (the “Station Contracts”);

(e) all of Seller’s rights in and to the Stations’ call letters and Seller’s rights in and to the trademarks, trade names, service marks, copyrights, domain names, except for WWW.WATR.COM as detailed in Schedule 1.2, computer software, jingles, slogans, logos, social media accounts (and associated logins and passwords) and other intangible property that is used or held for use in the operation of the Stations, including without limitation those listed on *Schedule 1.1(e)* attached hereto (the “Intangible Property”); and

(f) Seller’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations’ online public inspection files, station logs, programming information and studies, blueprints, technical information and engineering data, advertising studies,

marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs.

The Station Assets shall be transferred to Buyer free and clear of all liens, claims and encumbrances of any kind or nature ("Liens") except for (i) the Assumed Obligations (defined below), (ii) statutory liens for taxes not yet due and payable, (iii) easements, rights of way, building and use restrictions, zoning laws and ordinances, exceptions, reservations and limitations that do not in any material way affect the value of or impair the present and continued use of the property subject thereof in the ordinary course of the business of the Stations, and (iv) inchoate materialmen's, mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business, payment of which is Seller's responsibility (collectively, "Permitted Encumbrances").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include Seller's rights, title and interest in cash, cash equivalents, insurance policies, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies, employee benefit plans, any non-transferable shrink-wrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Stations, and all contracts or leases listed on *Schedule 1.2* and not listed on *Schedule 1.1(c)* or *Schedule 1.1(e)*, Seller's corporate or company names and trade names not related to the operation of the Stations, charter documents, business records, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Stations, all records not relating to the operation of the Stations and any assets listed on *Schedule 1.2* (collectively, the "Excluded Assets").

1.3 Assumed Obligations. On the Closing Date, Buyer shall assume the obligations of Seller arising on or after Closing under the Station Contracts (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any liabilities, obligations or commitments of Seller of any kind, whether or not disclosed to Buyer, including, without limitation, any liability or obligation of Seller under any contracts not included in the Station Contracts or the assumed Real Property Leases (the "Retained Liabilities").

1.4 Purchase Price. The purchase price to be paid for the Station Assets shall be the sum of Three Hundred and Twenty Thousand Dollars (\$320,000), subject to adjustment pursuant to Section 1.5 (the "Purchase Price"). The Purchase Price shall be paid as follows:

(a) The Buyer has already deposited Fifteen Thousand Dollars in the Escrow Account following the execution of a Letter of Intent (the "Deposit"). In the event the Parties fail to consummate this transaction for any reason other than due solely to the Buyer's material breach of this Agreement then the Deposit shall be returned to

Buyer. In the event the transaction is not consummated due solely to Buyer's material breach of this Agreement, then the Deposit shall be paid to Sellers as liquidated damages and the accrued interest, if any, shall be on the Deposit shall be returned to Buyer. The Parties agree and understand that upon Buyers' purchase of the Stations, the Deposit will be applied to the overall Purchase Price.

(b) At Closing, Buyer shall pay to Seller Three Hundred and Five Thousand Dollars (\$305,000) in cash payable by wire transfer in immediately available funds pursuant to written instructions of Seller to be delivered by Seller to Buyer at least three (3) business days prior to Closing.

1.5 Prorations.

(a) The operation of the Stations and any operating expenses attributable thereto until 11:59 p.m. on the date preceding the day of Closing (the "Adjustment Time") shall be for the account of Seller and thereafter for the account of Buyer, and expenses shall be prorated between Seller and Buyer as of the Adjustment Time in accordance with generally accepted accounting principles, and the Purchase Price shall be adjusted accordingly.

(b) Such prorations shall include, without limitation, all ad valorem, real estate (real estate taxes shall be prorated according to the customary policy for real estate closings in Waterbury, Connecticut and other property taxes for the Owned Real Property included in the sale (except transfer taxes as provided by Section 11.1), music and other license fees, FCC regulatory fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Sales commissions related to the sale of advertisements broadcast on the Stations prior to the Closing shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing shall be the responsibility of Buyer. Prorations and adjustments shall be made at Closing. As to those prorations and adjustments not capable of being ascertained at Closing, a final adjustment and proration shall be made by the parties in good faith within ninety (90) calendar days after Closing and any payment due as a result thereof shall be paid to the entitled party within five (5) business days thereof.

1.6 Allocation. Buyers and Seller will allocate the Purchase Price in accordance with the respective fair market values of the Purchased Assets in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code").

1.7 Closing. Assuming that no petitions to deny the FCC Application (defined below) are filed, consummation of the sale and purchase of the Station Assets pursuant to this Agreement (the "Closing"), and unless otherwise mutually agreed by Seller and Buyer, shall take place on a date ten (10) days after the date that the initial FCC Consent is issued, subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date." In the event that a petition to deny the

FCC application is filed, then the Closing Date shall occur within ten (10) days after the date on which the FCC Consent becomes a Final Order. For purposes of this Agreement, the term “Final” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

1.8 FCC Consent. Within five (5) business days after the date of this Agreement, Seller and Buyer shall file an application (the “FCC Application”) requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the “FCC Consent”). Seller and Buyer shall share equally the FCC filing fee associated with the FCC Application. Seller and Buyer shall diligently prosecute the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

2.1 Organization. Sellers are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organizations. Sellers have the requisite power and authority to own and operate the Stations, to carry on the Stations’ business as heretofore conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Sellers (the “Seller Authorization”) and do not require any further authorization or consent of Seller. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Sellers enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. The execution, delivery and performance by Sellers of this Agreement and the documents to be made pursuant hereto do not conflict with any organizational documents of Sellers or any law, judgment, order, or decree to which

Sellers are subject, and, except for the FCC Consent and counter-party consent to assign those Station Contracts designated on *Schedule 1.1(c)* and *Schedule 1.1(e)*, do not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority.

2.4 FCC Licenses.

(a) Seller holds the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the rules, regulations and policies of the FCC for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or, to Seller’s knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or, to Seller’s knowledge, threatened against Seller or the Stations by or before the FCC. To Seller’s knowledge, Seller and the operation of each of the licensed Stations, is in compliance in all material respects with the FCC Licenses, the Communications Act and the rules, regulations and policies of the FCC. To Seller’s knowledge, WATR(AM) is operating at full power in accordance with its FCC-licensed parameters.

(b) To Seller’s knowledge, Seller and the Station Assets are in compliance in all material respects with all rules and regulations of the Federal Aviation Administration and or any other regulatory agency, local, state or federal law applicable to the Stations. Any tower utilized by any of the Stations, whether or not owned by Seller, that is required to be registered is properly registered (and the ASR(s) listed on *Schedule 1.1(a)*). All reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations have been filed and paid. To Seller’s knowledge, all such reports and filings are accurate and complete. Seller maintains public files for the Stations on the FCC’s website as required by FCC rules.

(c) To Seller’s knowledge, the operation of the Stations as operated do not expose workers or others to levels of radio frequency radiation in excess of the “Radio Frequency Protection Guides” recommended in “American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz” (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a “major action” within the meaning of Section 1.1301, *et seq.*, of the FCC’s rules.

(d) To Seller’s knowledge, no interference existed to any of the Station’s signal from other broadcast stations, or from any of the Station’s signal to other broadcast stations, in each case beyond that permitted by the FCC’s rules and policies and, to Seller’s knowledge, there are no applications or proceedings pending at the FCC the grant of which would cause objectionable interference to any of the Station’s

operations with its current licensed facilities, other than what might arise as a result of proceedings that generally affect the radio broadcast industry.

2.5 Taxes. Except as provided below, Seller has filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law in connection with each Station's business, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. THE TANGIBLE PERSONAL PROPERTY LISTED ON SCHEDULE 1.1(b) ARE SOLD AS IS, WHERE IS. SELLER MAKES NO WARRANTY OF MERCHANTABILITY, MARKETABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY WHATSOEVER AS TO THE CONDITION OF THE TANGIBLE PERSONAL PROPERTY. Buyer enters into this Agreement based upon Buyer's own investigation and review of the Stations' operations and the Station Assets.

2.7 Real Property. *Schedule 1.1(c)* contains a description of all owned real property used or held for use in the business or operation of the Stations. THE OWNED REAL PROPERTY DESCRIBED IN SCHEDULE 1.1(D) IS BEING SOLD "AS IS." BUYER ENTERS INTO THIS AGREEMENT BASED UPON BUYER'S OWN INVESTIGATION AND REVIEW OF THIS REAL PROPERTY.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts used in the operation of the Stations included in the sale. Each of the Station Contracts is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. There are no Station Contracts between Seller and any affiliate of Seller. Seller has delivered to Buyer true and complete copies of each Station Contract, together with all amendments thereto.

2.9 Environmental. To Sellers' knowledge, no hazardous or toxic substance or waste regulated under Environmental Laws (defined below) has been generated, stored, transported or released on, in, from or to any Owned Real Property or the Station Assets in violation of Environmental Laws. To the best of Sellers' knowledge, Sellers have complied in all material respects and is in compliance in all material respects with all Environmental Laws applicable to the Stations or the Station Assets. "Environmental Laws" are those laws and regulations related to the protection of human health, safety or the environment, or the use, treatment, storage, disposal, release or transportation of toxic or hazardous substances (including, without limitation, petroleum products). Sellers have not received in respect of the Stations or Station Assets any notice or claim to the effect that they are or may be liable under any Environmental Laws. To Sellers' knowledge,

none of the Stations nor any Station Assets are the subject of any investigation by any governmental authority with respect to a violation of any Environmental Laws. Sellers have delivered to Buyer true and complete copies of all environmental reports and assessments in its possession that are applicable to the Owned Real Property or the Stations.

2.10 Intangible Property. Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights, social media accounts, domain names and all other intangible property necessary to the conduct of the Stations as operated. *Schedule 1.1(e)* contains a description of all material Intangible Property. To Seller's knowledge, Seller's use of the Intangible Property does not infringe upon any third party rights. Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). No Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings claiming infringement or unauthorized use. The Stations have the exclusive right to use the Intangible Property. To Seller's knowledge, no programming or other material used or broadcast by the Stations infringes upon any copyright, patent or trademark of any other party.

2.11 INTENTIONALLY LEFT BLANK

2.12 Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use in the business or operation of the Stations. Seller has good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. Seller maintains sufficient insurance policies with respect to the Stations and the Station Assets and will maintain such policies in full force and effect until Closing.

2.13 Compliance with Law. To the best of Seller's knowledge, Seller is in compliance in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Stations or the Station Assets. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller or any of the Stations in respect of the Stations or the Station Assets. To Seller's knowledge, there are no claims or investigations pending or threatened against Seller in respect of the Stations or the Station Assets.

2.14 No Finder. No broker, finder or other person, is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

2.15 Disclosure. This Agreement and the documents made pursuant hereto do not and will not contain any untrue statement of material fact or omit to state a material

fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and if such qualification is necessary, is qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

3.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the “Buyer Authorization”) and do not require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject, any contract or agreement to which Buyer is a party or by which it is bound, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent.

3.4 Qualification. Buyer is legally, financially and otherwise qualified to acquire, own and operate the Stations and to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement. There are no facts relating to Buyer under existing law and the existing rules, regulations, policies and procedures of the FCC that (a) could reasonably be expected to prevent or delay the FCC from granting the FCC Consent or (b) would disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations. To Buyer’s knowledge, no waiver of any FCC rule or policy relating to Buyer is necessary for the FCC Consent to be obtained. There is no action, suit or proceeding pending or, to Buyer’s knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the

transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

3.6 Disclosure. This Agreement and the documents made pursuant hereto do not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 4: SELLER COVENANTS

4.1 Covenants. From the date hereof until Closing, and except as otherwise permitted by this Agreement or with the prior written consent of Buyer, Seller shall:

(a) Operate the Stations in the ordinary course of business and keep its books and accounts, records and files in the ordinary course, and preserve the business and goodwill of the Stations and the Station Assets;

(b) operate any Stations in accordance with the terms of the FCC Licenses and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations (including those of the FAA);

(c) maintain the FCC Licenses of all of the Stations in full force and effect;

(d) preserve the Station Assets 'As Is' and maintain in effect its current insurance policies with respect to the Stations and the Station Assets;

(e) at the request of Buyer, from time to time give Buyer access during normal business hours to all the Stations' facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files, equipment, machinery, fixtures, furniture, vehicles and all other Station Assets, and provide Buyer all other information concerning the Stations as Buyer may reasonably request (any investigation or examination by Buyer shall not in any way diminish any representations or warranties of Seller made in this Agreement);

(f) Seller will allow Buyer, at Buyer's own expense, within thirty (30) days of the effective date of this Agreement (the "Due Diligence Period"), to conduct any and all investigations, examinations and studies of the Owned Real Property as Buyer deems necessary including, but not limited to, a title examination, survey and any environmental study of the Owned Real Property before Closing. If Buyer is not satisfied with the results of these investigations in its sole discretion, Buyer shall inform the Seller in writing, and have the option of proceeding to Closing with whatever title Seller can give or terminating the Agreement in writing, provided that if Buyer terminates this Agreement, the written notice of termination must be given to Seller on or before the seventh (7th) day following the end of the Due Diligence Period referenced above. If the Agreement is terminated under this Section 4.1(f), Escrow Agent shall pay the Deposit

plus any accrued interest back to Buyer and neither party shall have any further liability to the other hereunder

(g) not, without the prior written consent of Buyer, which shall not be unreasonably withheld:

(i) sell, lease or otherwise dispose of any Station Assets except for non-material dispositions in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) create, assume or permit to exist any Liens on the Station Assets, and not dissolve, liquidate, merge or consolidate with any other entity;

(iii) increase the compensation payable to any employee of the Stations, or enter into any employment, labor or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing;

(iv) modify any of the FCC Licenses;

(v) amend or terminate any of the Station Contracts, or enter into any contract, lease or agreement with respect to the Stations except for ordinary course cash time sales agreements and any other agreements entered into in the ordinary course of business that will be paid and performed in full before Closing; or

(vii) take any action (or omit to take any action) that is reasonably likely to interfere with, prevent or hinder the consummation of the transactions contemplated by this Agreement.

(h) Seller will allow Buyer the same Due Diligence Period referenced in Section 4.1(f) to conduct any and all due diligence of the Stations, other Station Assets, the Station Contracts and the business of the Stations generally. Subject to the terms of Section 10.1(f), if Buyer is not satisfied with the results of its investigations, Buyer shall notify Seller in writing on or before the seventh (7th) day following the end of the Due Diligence Period, and Buyer shall be entitled to terminate this agreement and recover the Escrow Deposit and any interest accrued thereon as its sole remedy.

ARTICLE 5: JOINT COVENANTS

5.1 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

5.2 Control. Consistent with FCC rules, the control, supervision and direction of the operation of the Stations prior to Closing shall remain the ultimate responsibility of Seller as the holder of the FCC Licenses.

5.3 Risk of Loss. The risk of loss of or damage to any of the Station Assets shall remain with Seller at all times until 12:01 a.m. local time on the day of Closing.

5.4 Consents. Prior to Closing Seller shall obtain the Required Consents (defined below), and Seller shall use commercially reasonable efforts to obtain the other consents noted on *Schedule 1.1(d)* hereto. To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed at Closing pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller's rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller's behalf; provided, however, that *Schedule 1.1(d)* identifies those consents the receipt of which is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing is subject to satisfaction of the following conditions at or prior to Closing:

6.1 Buyer's Representations and Warranties. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing, Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of Closing from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Buyer Officer's Certificate").

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Consent. The FCC Consent shall have been granted.

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing is subject to satisfaction of the following conditions at or prior to the Closing:

7.1 Seller's Representations and Warranties. The representations and warranties of Seller made in this Agreement shall be true and correct in all material

respects as of Closing, Seller shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Buyer shall have received a certificate dated as of Closing from Seller (executed by authorized officers) to the effect that the conditions set forth in this section have been satisfied (the “Seller Officer’s Certificate”).

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Consent. The FCC Consent shall have been granted and, if a petition to deny was filed against the FCC Application prior to the Initial Grant, shall have become a Final Order.

7.4 FCC Licenses. All of the FCC Licenses shall be valid and in full force and effect.

7.5 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

7.6 Due Diligence. Buyer shall have concluded its due diligence and have elected to move forward with this transaction; provided, however, that unless Buyer informs Seller of its dissatisfaction with the results of its investigations in writing on or before the seventh (7th) day following the end of the Due Diligence Period, the transaction shall move forward.

ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Deliveries. At Closing, Sellers shall deliver or cause to be delivered to Buyer:

- (a) Secretary’s Certificate. Sellers shall have delivered to Buyer a copy of a resolution of the applicable governing body of Sellers authorizing the sale described herein;
- (b) the Sellers’ Officer’s Certificate;
- (c) an Assignment of FCC Licenses assigning the FCC Licenses to Buyer;
- (d) an Assignment and Assumption of Contracts assigning the Station Contracts to Buyer;
- (e) an Assignment of Marks assigning the Stations’ registered marks (if any) to Buyer;

- (f) domain name transfers assigning the Stations' domain names (if any) from Seller to Buyer following customary procedures of the domain name administrator;
- (g) an assignment of all social media accounts (including log-ins and passwords);
- (h) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) to Buyer;
- (i) a bill of sale conveying all Station Assets to Buyer;
- (j) a general warranty deed for each parcel of Owned Real Property described on *Schedule 1.1(d)* and all structures thereon;
- (l) the Required Consents;
- (m) any estoppel certificates and consents to assignment obtained by Seller;
- (n) customary payoff letters and other appropriate documents necessary to release all Liens (except for Permitted Encumbrances) on the Station Assets;
- (o) in the event that the Closing will occur before the grant of the FCC Application has become a Final Order, an Unwind Agreement, if agreed to by the Parties;
- (p) joint written escrow instructions to the Escrow Agent for the release of the Deposit and any accrued interest; and
- (q) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Encumbrances.

8.2 Buyer Deliveries. At the Closing, Buyer shall deliver to Seller:

- (a) the Purchase Price in accordance with the terms of this Agreement;
- (b) Secretary's Certificate. Buyer shall have delivered to Seller a copy of a resolution of the applicable governing body of Buyer authorizing the sale described herein;
- (c) the Buyer Officer's Certificate;
- (d) an Assignment and Assumption of Contracts assuming the obligations arising after Closing under the Station Contracts;

- (e) domain name transfers assigning the Station's domain names (if any) from Seller to Buyer following customary procedures of the domain name administrator;
- (f) an assumption of all social media accounts (including log-ins and passwords);
- (g) in the event that the Closing will occur before the grant of the FCC Application has become a Final Order, an Unwind Agreement, if agreed to by the Parties;
- (h) joint written escrow instructions to the Escrow Agent for the release of the Deposit and any accrued interest.

ARTICLE 9: INTENTIONALLY LEFT BLANK

ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. This Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller:
 - (i) does not perform the obligations to be performed by it under this Agreement on or before the Closing Date, as applicable; or
 - (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);
- (c) by written notice of Seller to Buyer if Buyer:
 - (i) does not perform the obligations to be performed by it under this Agreement on or before the Closing Date, as applicable; or
 - (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period; *provided, however*, that no Cure Period shall apply to Buyer's obligation to make the Deposit in accordance with Section 1.4(a) hereof or to pay the Purchase Price at Closing;
- (d) If the FCC denies the FCC Application;

(e) If the Closing does not occur by the date nine (9) months after the date of this Agreement; or

(f) if Buyer timely exercises its right to terminate this Agreement under Section 4.1(f) or Section 4.1(h).

(g) The term “Cure Period” as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 1.8. Notwithstanding anything contained herein to the contrary, Sections 1.4 (Escrow), 5.1 (Announcements), and 11.1 (Expenses) shall survive any termination of this Agreement.

ARTICLE 11: MISCELLANEOUS.

11.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that the FCC filing fee applicable to the request for the FCC Consent and any governmental taxes (including, but not limited to, Connecticut real estate transfer tax), fees and charges applicable to the transfer of the Station Assets under this Agreement shall be shared equally by Seller and Buyer.

11.2 Further Assurances. After Closing, each party hereto shall execute all such instruments and take all such actions as any other party may reasonably request, without payment of further consideration, to effectuate the transactions contemplated by this Agreement, including without limitation the execution and delivery of confirmatory and other transfer documents in addition to those to be delivered at Closing.

11.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Seller may not assign any of its rights or delegate any of its obligations hereunder, and any such attempted assignment or delegation without such consent shall be void. Buyer may assign its right to acquire the Stations and/or Station Assets (in whole or in part) upon written notice to Seller, but without Seller’s consent, provided that (a) any such assignment does not delay processing of the FCC Application, grant of the FCC Consent, and (b) any such assignee delivers to Seller a written assumption of this Agreement.

11.4 Specific Performance. Seller acknowledges that the Assets to be sold and delivered to Buyer pursuant to this Agreement are unique and that Buyer has no adequate remedy at law if Seller shall fail to perform its obligations to proceed to the Closing hereunder. Buyer shall therefore be entitled, in addition to any other remedies that may be available to it, to obtain specific performance of the terms of this Agreement prior to Closing. If any action is brought by Buyer to enforce this Agreement prior to Closing, Seller shall waive the defense that there is an adequate remedy at law.

11.5 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Sellers, then to:

WATR, Inc.
Thomas Brothers, LLC
79 Baldwin Ave.
Waterbury, CT 06702
Attention: Mark Gilmore
Email: markgilmore@watr.com

with copies to: (which shall not constitute notice)

Allan G. Moskowitz, Esq.
10845 Tuckahoe Way
North Potomac, MD 20878
Email: amoskowitz@amoskowitzlaw.com

if to Buyer, then to:

WATR Radio, LLC
1056 Willard Avenue
Newington, CT 06111
Attn: Kurt Jackson
Email: hampdencom@aol.com

with copies (which shall not constitute service) to:

Allan G. Moskowitz, Esq.
10845 Tuckahoe Way
North Potomac, MD 20878
Email: amoskowitz@amoskowitzlaw.com

11.6 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.7 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Connecticut without giving effect to the choice of law provisions thereof. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement, including without limitation any action to enforce this Agreement under Section 10.1, may recover reasonable attorneys' fees and costs from the non-prevailing party.

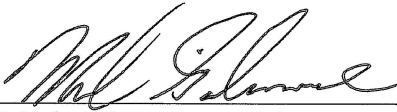
11.8 Miscellaneous. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless in a writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement, including the schedules hereto, constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their respective successors and permitted assigns. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic delivery method shall be as effective as delivery of a manually executed counterpart of this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER: WATR, INC.

By: 
Name: Mark Gilmore, President

SELLER: THOMAS BROTHERS, LLC.

BY: 
Name: Mark Gilmore, Member

BUYER: WATR RADIO, LLC

By: _____
Name: David Webster, Member

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER: WATR, INC.

By: _____
Name: Mark Gilmore, President

SELLER: THOMAS BROTHERS, LLC.

BY: _____
Name: Mark Gilmore, Member

BUYER: WATR RADIO, LLC

By: _____
Name: David Webster, Member

