

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, dated as of April 17, 2023 (the “Agreement”), by and between Multicultural Radio Broadcasting Licensee, LLC, a Delaware limited liability company (“Seller”) and Smiley Radio Properties, Inc., a California corporation, (“Buyer”) (Individually, Seller and Buyer are the a “Party” and collectively, the “Parties”).

WITNESSETH:

WHEREAS, Seller is the licensee of AM Radio Broadcast Station KBLA, Facility Id. No. 34385, licensed to Santa Monica, California (the “Station”), pursuant to authorizations issued by the Federal Communications Commission (the “FCC”);

WHEREAS, the Parties have entered into a Local Marketing Agreement of the same date (the “LMA”);

WHEREAS, Buyer desires to purchase from Seller the Assets (as defined in Section 1.1) used in the broadcast operations of the Station, and to obtain an assignment from Seller of all FCC Licenses and Other Authorizations (each, as defined in Section 1.1(b)) held in connection with the operation of the Station, and Seller desires to sell such Assets to Buyer and to assign to Buyer all such FCC Licenses and Other Authorizations, all in accordance with and subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. SALE AND PURCHASE OF ASSETS

1.1 **Sale and Purchase of Assets.** Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, convey, transfer, assign, grant and deliver to Buyer, and Buyer, in reliance on the representations, warranties and covenants of Seller, agrees to purchase, acquire and accept from Seller at the Closing (as defined in Section 4) to be held on the Closing Date (as defined in Section 4), all of Seller’s right, title and interest in and to all of the tangible and intangible assets owned by Seller and used or held for use exclusively in connection with the broadcast operations of the Station and that are described below (the “Assets”); provided that the Assets shall not include the Excluded Assets described in Section 1.3:

(a) All equipment and other tangible personal property used or held for use in connection with the conduct of the business or operations of the Station, including without limitation the transmitter, broadcast-related transmission equipment and any parts, upgrades or replacements thereof, fixtures, furniture, computers, software, inventory, tooling, cables, spare parts, tubes, microwaves, transponders, telephone systems, memorabilia, framed items, carts, recordings of programs, production equipment, and other tangible personal property (including associated manufacturer and vendor warranties) primarily used, or held for use, in connection with the operation of the Station, all as set forth on Schedule 1.1(a) (the “Tangible Personal Property”),

together with such modifications, improvements and additions thereto and replacements thereof occurring between the date hereof and the Closing Date;

(b) All licenses, permits and other authorizations that have been or will be issued to Seller by the FCC for the operation of the Station, including any renewals thereof or any pending applications therefor, each as set forth on Schedule 1.1(b) (the “*FCC Licenses*”) and, to the extent they are assignable, all other licenses, permits, franchises, authorizations and other similar rights issued by any federal, state or local governmental authority held by Seller in connection with the conduct of the business and the Station’s broadcast facilities (collectively, the “*Other Authorizations*”);

(c) All of Seller’s right, title and interest in and to the contracts, leases and agreements used in the Station’s business on Schedule 1.1(c), including all orders and agreements for advertising now existing, or entered into during the ordinary course of business between the date of this Agreement and the Closing Date, for the sale of advertising time or cash on the Station, as well as advertising time obligations, known as the “Trade and Barter Contracts”, provided they were entered into for the current benefit of the Station’s operations and may be cancelled on thirty (30) days’ notice (collectively referred to as the “*Contracts*”); and

(d) All of Seller’s right, title and interest in and to intangible personal property, including the Station’s call letters and rights in and to the trademarks, trade names, service marks, internet domain names, copyrights, jingles, slogans, logos, intellectual property, computer programs, software, accounting systems, traffic systems, data and data processing systems, websites and website content and account names, Facebook and Twitter names and accounts and other intangible property which are used or held for use solely in the operations of the Station, and all goodwill associated therewith, all registrations and applications for registration of any of the foregoing, and all other similar intangible rights and interests, including without limitation those set forth and more fully described on Schedule 1.1(d) hereto (collectively, the “*Intangible Property*”).

1.2 **Transfer of Assets**. The Assets shall be transferred from Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities, restrictions and encumbrances of every kind and nature (“*Liens*”) except (i) liens for taxes not due and payable or, that are being contested in good faith by appropriate proceedings; and (ii) liens or mortgages, in each case that will be released on or before the Closing or otherwise satisfied by Seller with Buyer’s consent (“*Permitted Liens*”). Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement unless otherwise specifically agreed to herein. All liabilities not specifically assumed by Buyer shall be retained by Seller and are referred to herein as the “*Retained Liabilities*”. Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Seller to Seller’s employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any

other matter, or (ii) any liability arising out of any termination by Seller of the employment of any employee of the Station or any liability for any employee benefit plan or arrangement of Seller for the Station's employees.

1.3 **Excluded Assets.** The following assets and obligations relating to the business of the Station shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer (the "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 bank deposits and securities held by Seller;

(b) Any and all claims of Seller with respect to transactions prior to the Closing;

(c) All prepaid expenses;

(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 Closing 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 Closing in the ordinary course of business;

(h) Seller's corporate records;

(i) Seller's rights and obligations under the Tower License Agreement;

(j) All commitments, contracts, leases (including the Station's studio lease), and agreements except for the Contracts or to the extent that they are specifically assumed in this Agreement; and

(k) Any other items identified on Schedule 1.3 hereof.

2. **PURCHASE PRICE.**

2.1 **Purchase Price.** Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of Six Million, Eight Hundred Ninety-Six Thousand, Seven Hundred Sixty and no 00/100 Dollars (\$6,896,760.00) (the "Purchase Price"). The Purchase Price shall be paid at Closing (as that term is herein defined) as follows: (1) the Deposit (as that term is defined herein) credited against the Purchase Price and (2) Five Million, Eight Hundred Four Thousand,

Two Hundred Sixty and no 00/100 Dollars (\$) (\$5,804,260) cash via wire or ACH. The Purchase Price shall be adjusted by the net amount of the adjustments, if any, provided for in Section 2.3.

2.2 **Deposit.** Buyer has paid Seller the sum of One Million, Ninety-Two Thousand Five Hundred and no 00/100 Dollars (\$1,092,500.00) a nonrefundable deposit (the "Deposit"). The Deposit shall be credited as partial payment of the Purchase Price due at Closing to Seller.

2.3 **Proration of Expenses.** The parties agree to prorate all income and expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing with the principle that Seller shall receive all revenue and be responsible for all expenses allocable to the period prior to the Closing, and Buyer shall receive all revenue and be responsible for all expenses allocable to the period after the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, FCC regulatory fees, real and personal property taxes upon the basis of the most recent tax bills and information available, and similar prepaid and deferred items. The prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within sixty (60) days after the Closing Date. In the event of any dispute regarding the adjustment, the amounts not in dispute shall be paid promptly after submission of such statement, and such disputes shall be resolved by an independent certified public accountant mutually acceptable to the Parties, the fees and expenses of whom shall be paid one-half by Seller and one-half by Buyer.

2.4 **Allocation of Purchase Price.** The Purchase Price shall be allocated among the Assets as provided on Schedule 2.4 (the "Allocation"). Buyer and Seller shall allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). Each of Buyer and Seller shall: (i) timely file all forms and tax returns reflecting this allocation as and when required under the Code; and (ii) take no position, or cause no position to be taken, inconsistent with the Allocation on any applicable tax return, in any audit or proceeding before any governmental authority, in any report made for tax, financial accounting or any other purposes, in any litigation or otherwise. Each Party will provide to the other Party any information returns required by Section 1060 of the Internal Revenue Code and any similar state or local statute at least sixty (60) days before filing such returns. Such returns shall be subject to the other party's review and consent, which consent shall not be unreasonably withheld. If the Allocation is disputed by any governmental authority, the Party receiving notice of such dispute shall promptly notify the other Party hereto concerning the existence and resolution of such dispute.

3. APPLICATIONS FOR FCC CONSENT. Concurrent with the execution and delivery of this Agreement, Buyer and Seller shall prepare and file the necessary application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Seller to Buyer of all FCC Licenses pertaining to the Station (the "FCC Consent"). Buyer and Seller shall vigorously prosecute and take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full; provided that if the FCC initially dismisses or denies the Assignment Application, neither Party shall be required to seek reconsideration of that FCC action unless the reason for dismissal of the

Assignment Application was due in whole or part to any action or omission of such Party, in which case the other Party may require the Party whose action or omission was a reason for dismissal to participate, at its own expense, in seeking reconsideration of such dismissal.

4. CLOSING DATE; CLOSING PLACE. The closing (the “*Closing*”) of the transactions contemplated by this Agreement shall occur on a date (the “*Closing Date*”) fixed by Buyer upon at least five (5) business days prior written notice to the Seller on a date which shall be no later than ten (10) business days following the later of 1) the date on which the FCC Consent shall have been granted, pursuant to the FCC’s Final Order and 2) the other conditions precedent to the Closing set forth in Sections 9 and 10 of this Agreement shall have been satisfied, unless otherwise agreed to by the parties. For purposes of this Agreement, the term “Final Order” means action by the FCC consenting to the Assignment Application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held at the offices of Rini O’Neil, PC, 2101 L Street, NW, Suite 300, Washington, DC 20037, or at any other location agreed upon by Buyer and Seller, or by mail, or by electronic exchange of documents.

5. REPRESENTATIONS AND WARRANTIES BY SELLER. Seller hereby makes the following representations and warranties to Buyer:

5.1 **Organization and Standing.** Seller is duly formed and validly existing in the State of Delaware, is in good standing and is authorized to do business in the State of California. Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Seller has the requisite power and authority to own, lease and operate the Assets, to carry on their business with regard to the Station as now conducted, and to enter into and perform the terms of this Agreement and the agreements and instruments called for hereunder (the “*Collateral Agreements*”) and to consummate the transactions contemplated by this Agreement and the Collateral Agreements.

5.2 **Authorization.** The execution and delivery of this Agreement and the Collateral Agreements and the consummation of the transactions contemplated hereby have been duly and validly authorized by Seller and no other proceedings on the part of Seller are necessary to authorize this Agreement and the Collateral Agreements or to consummate the transactions contemplated hereby. This Agreement and the Collateral Agreements constitute the legal, valid, and binding obligation of Seller enforceable in accordance with its terms.

5.3 **No Conflict or Breach; Third Party Consents** The execution, delivery and performance of this Agreement and the Collateral Agreements by Seller will not (i) constitute a violation of or conflict with Seller’s organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, contract, lease or other instrument or obligation relating to the business of the Station and to which Seller or any of the Assets may be subject (including, but not limited to, Contracts), except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any material law, statute, rule, regulation, order,

writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any federal, state or local governmental authority or other third party other than the FCC Consent.

5.4 **Governmental Consents.** Except for the FCC Consent, neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby, nor compliance by Seller with any provisions of this Agreement or the Collateral Agreements will require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority by Seller.

5.5 **Litigation; Compliance with Law.** Except for the pending petition disclosed in Schedule 5.5 and for proceedings related to the Assignment Application and/or generally applicable to the broadcast industry, there is no action, suit, investigation, claim, arbitration, proceeding or litigation pending or, to the knowledge of Seller, threatened against or involving the Assets or the operations of the Station, at law or in equity, or before or by any court, arbitrator or federal, state or local governmental authority. Seller has not operated and is not operating the Station under or subject to any order, judgment, decree or injunction of any court, arbitrator or federal, state or local governmental authority. To the knowledge of Seller, Seller has complied in all material respects and is in compliance in all material respects with all laws, ordinances and regulations applicable to the Assets and to the business of Seller regarding the Station.

5.6 **Title to Assets.** Seller has good and valid title to all of the Assets, free and clear of all Liens, except for Permitted Liens and: (a) mechanics, materialmen's and similar liens with respect to any amount not yet due or payable or that are being contested in good faith through appropriate proceedings, and for which in any case Buyer receives a credit pursuant to Section 2.3 and (b) liens for taxes not yet due and payable or that are being contested in good faith through appropriate proceedings, and for which in any case Buyer receives a credit pursuant to Section 2.3; provided that in the event that Seller prevails with regard to contested amounts, and if Buyer has received a credit for such amount, then Seller may present to Buyer evidence of having prevailed, and Buyer shall within 30 days thereafter remit to Seller the heretofore contested amounts.

5.7 **Tangible Personal Property.** Schedule 1.1(a) hereto contains a list of the Tangible Personal Property owned by Seller for use in connection with the operation of the Station that will be acquired by Buyer. Seller owns and has, and will hold on the Closing Date, good and marketable title to the Tangible Personal Property. The assets listed in Schedule 1.1(a) hereto include all Material Tangible Personal Property (as defined below) necessary to conduct the operation of the Station in the manner in which it is currently operated (other than those assets which are Excluded Assets). Each material item of Tangible Personal Property has been maintained by Seller (i) in normal operating condition and repair, ordinary wear and tear excepted, (ii) in a manner consistent with generally accepted standards of good engineering practice, (iii) is operating in substantial compliance with the FCC Licenses and rules and regulations of the FCC and Federal Aviation Administration ("FAA"), and (iv) to Seller's best knowledge, does not contain any polychlorinated biphenyls (PCBs). For purposes of this Section, "Material Tangible

Personal Property” shall be such items of tangible personal property with a reasonable fair market value of One Thousand Dollars (\$1,000) or more.

5.8 **FCC Licenses and Operation of the Station.** Schedule 1.1(b) hereto contains a true and complete list of the FCC Licenses and material Other Authorizations and any pending applications for any FCC Licenses or Other Authorizations. Seller lawfully holds each of the FCC Licenses and Other Authorizations listed on Schedule 1.1(b). Seller is operating the Station in all material respects in accordance with the FCC Licenses and Other Authorizations, and all statutes, rules, regulations and published policies involving the FCC (the “*Communications Laws*”). The FCC Licenses and Other Authorizations set forth on Schedule 1.1(b) are valid and in full force and effect. There is not now pending or, to Seller’s knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Licenses or Other Authorizations, and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller.

5.9 **Towers.** The existing towers used in the operation of the Station are obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Seller has complied in all material respects with all applicable requirements of the FCC and the FAA with respect to the construction and/or alteration of the Seller’s antenna structures, and “no hazard” determinations for each antenna structure have been obtained, where required. The operations of the Station do not exceed permissible levels of exposure to RF radiation specified in either the FCC’s rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws (as defined below).

5.10 **Reports and Records.** All material returns, reports and statements relating to the Station currently required to be filed by Seller with the FCC, and any material returns, reports and statements relating to the Station currently required to be filed by Seller with any other governmental instrumentality have been, or prior to the Closing Date shall be, filed and complied with in all material respects and are true, correct and complete in all material respects. All material items required by the FCC to be placed in the local public inspection file of the Station have been uploaded to such file, and all such items are true, correct, and complete in all material respects.

5.11 **Environmental Matters.**

(a) For the purposes of this Agreement, the following terms shall have the following meanings:

“**Environmental Claim**” means any claim, action, cause of action, investigation, or notice (whether written or oral) by any person or entity alleging potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or civil or criminal penalties arising out of or resulting from the actual or alleged presence or release into the environment of any Substances of Concern (as defined below) at any location, whether or not owned or operated by Seller, used in connection with Seller’s operation of the Station.

“**Environmental Laws**” means all federal, state, local, and foreign laws and regulations as in effect on the date hereof or the Closing Date relating to pollution or protection of human health or the environment (including without limitation, ambient air, surface water, ground water, wetlands, land surface, subsurface strata, and indoor and outdoor workplace), including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Resource Conservation and Recovery Act, as amended, and the Clean Air Act, as amended.

“**Substances of Concern**” means chemicals, pollutants, contaminants, wastes, toxic substances, Hazardous Substances, radioactive materials, petroleum and petroleum products.

“**Hazardous Substances**” means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as “hazardous wastes,” “hazardous substances,” “toxic substances,” “radioactive materials,” or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. “Hazardous Substances” includes polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof).

(b) Except for such instances of non-compliance that do not and could not be reasonably expected to have a material adverse effect on the operations of the Station, taken as a whole, Seller is in material compliance with all applicable Environmental Laws. Seller has not received any communication (written or oral) from any federal, state or local governmental authority that alleges that Seller’s operation of the Station is not in compliance with the Environmental Laws, and to the knowledge of Seller, there are no circumstances that may prevent or interfere with Seller’s compliance in the future.

5.12 **Contracts.** Each of the Contracts is in full force and effect, unimpaired by any acts or omissions of Seller, constitutes the legal, valid and binding obligation of Seller and any other party thereto, and is enforceable in accordance with its terms. Seller or any other party thereto is not in default under any Contracts. Seller has furnished true and correct copies of the Contracts, including all amendments, modifications and supplements thereto to the Buyer.

5.13 **Intangible Property.** To Seller’s knowledge, Seller has sufficient right, title and interest in and to all trademarks, service marks, trade names, copyrights, domain names and all other intangible property necessary to the conduct of the Station as presently operated. Schedule 1.1(d) contains a description of all material Intangible Property. To Seller’s knowledge, there is no Intangible Property necessary for the continued operation of the Station owned by any person or entity, other than Seller, which Seller is using without proper license to do so. 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, to Seller’s knowledge, 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 by Seller.

5.14 **Employees.** Buyer shall have no obligation to offer employment to any employee of Seller or the Station and shall have no liability with respect to any such employee or for benefits of any kind or nature.

5.15 **No Broker.** There is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Seller. Seller agrees to indemnify Buyer for all costs incurred by Buyer arising from the claim of any Broker reasonably related to the transactions contemplated by this Agreement.

5.16 **Insurance.** There is now, and through the Closing there shall be, in full force and effect with reputable insurance companies, fire and property insurance with respect to all material Assets in commercially reasonable amounts sufficient to repair or replace the applicable Assets.

5.17 **Returns.** Seller has duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and have paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid prior to the Closing Date. No event has occurred which imposes on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

5.18 **Statement of Fact.** This Agreement and any document, agreement, report, summary, or statement made or provided by Seller or its representatives 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.

6. REPRESENTATIONS AND WARRANTIES BY BUYER. Buyer hereby makes the following representations and warranties to Seller:

6.1 **Organization and Standing.** Buyer is duly formed and validly existing in the State of California, is in good standing and is authorized to do business in the State of California. Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Buyer has the requisite power and authority to own, lease and operate the Assets, to carry on their business with regard to the Station as now conducted, and to enter into and perform the terms of this Agreement and the Collateral Agreements and to consummate the transactions contemplated by this Agreement and the Collateral Agreements.

6.2 **Authorization.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

6.3 **No Conflict or Breach; Third Party Consents** The execution, delivery and performance of this Agreement by Buyer will not (i) constitute a violation of or conflict with Buyer's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, contract, lease or other instrument or obligation relating to the business of the Station and to which Buyer or any of the Assets may be subject (including, but not limited to, Contracts), except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any material law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Buyer or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any federal, state or local governmental authority or other third party other than the FCC Consent.

6.4 **Governmental Consents.** Except for the FCC Consent, neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any provisions of this Agreement or the Collateral Agreements will require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority by Buyer.

6.5 **Qualifications.** Buyer is not aware of any facts that would, under present law (including the Communications Act of 1934, as amended) and present rules, regulations, policies and practices of the FCC, form the basis for a determination by the FCC that Buyer is not qualified to become the licensee of the Station, the assignee of the FCC Licenses, and the owner and/or operator of the Station or the Assets, and Buyer will not take, or unreasonably fail to take, any action that would cause such non-qualification.

6.6 **Funding.** Buyer has cash available or has existing borrowing facilities which, together with its available cash, are sufficient to enable it to consummate the transactions contemplated by this Agreement and pay all related fees and expenses for which Buyer will be responsible and will, from time to time, provide assurances and information to Seller as shall reasonably be requested by Seller that it will have such financial capability on the Closing Date.

6.7 **Litigation.** Except for administrative rule making or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer including without limitation, any voluntary or involuntary petition under Federal bankruptcy law or any state receivership or similar proceedings, that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement, nor does Buyer know of, or have any reasonable ground to know of, in view of its present situation or action it now contemplates taking, any basis for such litigation, proceeding or investigation.

6.8 **No Broker.** Other than Patrick Communications, whose commission shall be the sole responsibility of Buyer, there is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the

transaction contemplated hereby as a result of any agreement, understanding or fact by Buyer. Broker agrees to indemnify Seller for all costs incurred by Buyer arising from the claim of any Broker reasonably related to the transactions contemplated by this Agreement.

7. **COVENANTS AND AGREEMENTS OF SELLER.** Seller covenants and agrees with Buyer as follows:

7.1 **Negative Covenants.** Pending and prior to the Closing, Seller shall not without the prior written approval of Buyer do or agree to do any of the following in connection with Seller's operation of the Station:

(a) **Dispositions.** Sell, assign, lease or otherwise transfer or dispose of any material Asset, other than dispositions in the ordinary course of business;

(b) **Contracts.** Enter into any contracts, leases, commitments, understandings, licenses, or other agreements relating exclusively to the Station or incur any obligation or liability (contingent or absolute) relating exclusively to the Station; provided, however, that Seller may enter into such other contracts, leases, commitments, understandings, licenses or other agreements in the ordinary course of business at the Station consistent with Seller's past business practices at the Station and with customary practices in the radio broadcast industry, so long as such contracts, leases, commitments understandings, licenses or other agreements will not be assigned to Buyer or are terminable by Seller on thirty (30) days' notice without further liability therefor;

(c) **Material Adverse Actions.** Do or omit to do any act (or permit such action or omission) that would be reasonably expected to have a material adverse effect on the Assets;

(d) **Actions Affecting Licenses, Other Authorizations.** Take any action that would be reasonably expected to jeopardize the validity or enforceability of or rights under the FCC Licenses or the Other Authorizations; and

(e) **Encumbrances.** Mortgage, pledge or subject any of the Assets to any Lien other than a Permitted Lien.

7.2 **Affirmative Covenants.** Pending and prior to the Closing, Seller shall:

(a) **Preserve Existence.** Preserve its existence intact as of the Closing;

(b) **Compliance with FCC Rules and Regulations.** In connection with Seller's operation of the Station, comply in all material respects with all applicable rules and regulations of the FCC and with all material rules and regulations of any other federal, state or local governmental authority having jurisdiction over Seller in connection with its operation of the Station;

(c) **Access.** Upon reasonable notice, give Buyer and Buyer's authorized representatives reasonable access to the Assets;

(d) Updates. On or before the Closing Date, Seller shall furnish to Buyer revised Schedules to this Agreement as may be necessary to render such Schedules accurate and complete as of the Closing Date. Seller shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a material breach or would have caused a material breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement or in any Schedule. Seller shall promptly disclose to Buyer any significant problems or developments with respect to the Assets.

(e) Violations. If Seller receives notice of or becomes aware of any material violation with respect to or affecting the FCC Licenses or the Other Authorizations, notify Buyer and use commercially reasonable efforts to correct all such violations prior to the Closing; and

(f) Notification. Notify Buyer of any complaints, investigations, hearings or any material litigation pending or threatened against the Station or any material damage to or destruction of any assets included or to be included in the Assets.

7.3 **Corporate Action.** Prior to the Closing, Seller shall (i) take all necessary corporate action under federal law and under the law of any state having jurisdiction over Seller to effectuate the transactions contemplated by this Agreement and (ii) notify Buyer of any litigation or administrative proceeding pending or, to Seller's knowledge, threatened against Seller that challenges the transactions contemplated hereby.

7.4 **Qualifications.** In the event Seller becomes aware of any facts or circumstances that might cause it to become unqualified to hold the FCC Licenses for the Station, it will promptly notify Buyer in writing thereof and use its reasonable best efforts to prevent and/or cure any such non-qualification or disqualification.

8. **COVENANTS AND AGREEMENTS OF BUYER.** Buyer covenants and agrees with Seller as follows:

8.1 **Negative Covenants.** Pending and prior to the Closing, Buyer will not take, or fail to take, any action that could be reasonably expected to disqualify Buyer as an assignee of the FCC Licenses, or as owner or operator of the Station and the Assets, or that could be reasonably expected to result in failure of the FCC to grant the FCC Consent.

8.2 **Corporate Action.** Prior to the Closing, Buyer shall (i) take all necessary corporate action under federal law and under the law of any state having jurisdiction over Buyer to effectuate the transactions contemplated by this Agreement and (ii) notify Seller of any litigation or administrative proceeding pending or, to Buyer's knowledge, threatened against Buyer that challenges the transactions contemplated hereby.

8.3 **Qualifications.** In the event Buyer becomes aware of any facts or circumstances that might cause it to become unqualified to hold the FCC Licenses for the Station, it will promptly notify Seller in writing thereof and use its reasonable best efforts to prevent and/or cure any such non-qualification or disqualification.

9. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.

The obligations of Buyer to purchase the Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Buyer):

9.1 **Performance.** Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement and the Collateral Agreements to be performed or complied with by Seller prior to or as of the Closing Date.

9.2 **Representations and Warranties.** The representations and warranties of Seller made herein or in any schedule, agreement or instrument called for hereunder shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made on and as of such date; and Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller prior to the Closing.

9.3 **Documents at Closing.** Seller shall have delivered to Buyer on or before the Closing Date all documents and instruments required to be delivered by Seller to Buyer pursuant to Section 11.1.

9.4 **Legal Proceedings.** No proceeding by or before any federal, state or local governmental authority shall have been instituted (and not subsequently dismissed, settled or otherwise terminated) that would (a) restrain, prohibit or invalidate the transactions contemplated by this Agreement, or (b) impose material restrictions, limitations or conditions with respect to Seller's ownership of the Station or the Assets, other than an action or proceeding that is instituted or threatened by Buyer or is solicited or encouraged by, or instituted as a result of any act or omission of Seller.

9.5 **FCC Consent.** The FCC shall have granted the FCC Consent without any conditions or modifications that are materially adverse to Buyer's operation of the Station or that materially diminish the rights of a licensee with respect to the Station (except for any such conditions that are accepted by Buyer in writing), and such grant shall have become a Final Order.

10. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.

The obligations of Seller to sell, transfer, convey and deliver the Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Seller):

10.1 **Performance.** Buyer shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement and the Collateral Agreements to be performed or complied with by Buyer prior to or as of the Closing Date.

10.2 **Representations and Warranties.** The representations and warranties of Buyer made herein or in any agreement or instrument called for hereunder shall have been true

and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made on and as of such date; and Buyer shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by Buyer prior to the Closing.

10.3 **Documents at Closing.** Buyer shall have delivered to Seller on or before the Closing Date all documents and instruments required to be delivered by Buyer to Seller pursuant to Section 11.2.

10.4 **Legal Proceedings.** No proceeding by or before any federal, state or local governmental authority shall have been instituted or threatened in a writing to Buyer (and not subsequently dismissed, settled or otherwise terminated) that would restrain, prohibit or invalidate the transactions contemplated by this Agreement, other than an action or proceeding that is instituted or threatened by Seller or is solicited or encouraged by, or instituted as a result of any act or omission of Buyer.

10.5 **FCC Consent.** The FCC shall have granted the FCC Consent without any conditions or modifications that are materially adverse to Seller, and such grant shall have become a Final Order.

10.6 **Lender's Consent.** Seller shall have received its Lender's Consent to the Agreement.

11. **CLOSING DELIVERIES**

11.1 **Delivery by Seller.** At the Closing, Seller will deliver, or cause to be delivered, to Buyer the following, each of which shall be in form and substance satisfactory to Buyer and their counsel:

(a) **Transfer Documents.** (i) a bill of sale conveying to Buyer the Assets; (ii) an Assignment and Assumption of Tangible Personal Property; (iii) an Assignment and Assumption of FCC Licenses and Other Authorizations; (iv) an Assignment and Assumption of Intangible Property; (v) the Closing Statement listing the Purchase Price along with any adjustments as well as instructions for payment of the Purchase Price; (vi) the Tower License Agreement described in Section 11.3 below; (vii) the Noncompete Agreement described in Section 11.4 below; and (viii) such other instruments and documents as Buyer may reasonably request to effectuate the transfer of the Assets to Buyer, in form and substance reasonably acceptable to Buyer;

(b) **Corporate Resolutions.** Certified copies of the resolutions of the Members of Seller authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby; and

(c) **Officer Certificate.** A certificate of Seller certifying that the representations and warranties of Seller made herein were true and correct in all material respects as of the date of this Agreement and are true and correct in all material respects as of the Closing

Date, and that Seller have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by Seller on or prior to the Closing Date.

11.2 **Delivery by Buyer.** At or before the Closing, Buyer shall deliver to Seller:

(a) **Purchase Price Payment.** The Purchase Price in cash, less the Deposit and subject to any adjustment to the Purchase Price pursuant to Section 2.3, by wire transfer in immediately available funds pursuant to wire instructions that Seller shall deliver to Buyer at least two (2) business days prior to the Closing;

(b) **Transfer Documents.** (i) a bill of sale conveying to Buyer the Assets; (ii) an Assignment and Assumption of Tangible Personal Property; (iii) an Assignment and Assumption of FCC Licenses and Other Authorizations; (iv) an Assignment and Assumption of Intangible Property; (v) the Closing Statement listing the Purchase Price along with any adjustments as well as instructions for payment of the Purchase Price; (vi) the Tower License Agreement described in Section 11.3 below; (vii) the Noncompete Agreement described in Section 11.4 below; and (viii) such other instruments and documents as Buyer may reasonably request to effectuate the transfer of the Assets to Buyer, in form and substance reasonably acceptable to Buyer;

(c) **Corporate Resolutions.** Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby; and

(d) **Officer Certificate.** A certificate of Buyer certifying that the representations and warranties of Buyer made herein were true and correct in all material respects as of the date of this Agreement and are true and correct in all material respects as of the Closing Date, and that Buyer has performed and complied in all material respects with all covenants and agreements required to be performed or complied with by Buyer on or prior to the Closing Date.

11.3. **Tower License Agreement.** At the Closing, Seller and Buyer shall enter into an agreement, in the form of Exhibit B hereto, by which Seller shall lease to Buyer space on the real property owned by Seller at 1700 N. Alvarado Street, Los Angeles, California for purposes of operating the Station and utilizing the multi-frequency AM antenna system.

11.4 **Noncompete Agreement.** At the Closing, Seller and Buyer shall enter into a Noncompete Agreement in the form of Exhibit C hereto. Seller shall have no involvement with the operations of the Station after Closing.

12. **POSSESSION AND CONTROL.** Between the date of this Agreement and the Closing, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station, and such operation, including complete control and supervision of all Station programming, personnel and finances, shall be the sole responsibility of Seller; provided, however, that Buyer shall be entitled to inspect the Assets with the purpose that an uninterrupted and efficient transfer of ownership may be accomplished. On and after the Closing, Seller shall have no control over, or right to intervene or participate in, the operation of

the Station, but Buyer will give Seller reasonable access to the books and records included in the Assets.

13. **RISK OF LOSS.**

13.1. **Risk of Loss.** The risk of loss or damage by fire or other casualty or cause to the Assets until the Closing shall be borne by Seller. In the event of a “material” (as defined in Section 13.2) loss or damage prior to the Closing, Seller shall notify Buyer within fifteen (15) business days after the occurrence of such material loss or damage that Seller either (a) elects to promptly restore, replace or repair the damaged assets to their previous condition at Seller’s sole cost and expense (a “Restoration Election”) or (b) makes an offer to reduce the Purchase Price to reflect Seller’s estimate of the reduction in value caused by such material loss or damage (“Reduction Offer”). Within ten (10) business days after receiving Seller’s notice (or if Seller fails to provide the notice required in the second sentence of this Section 13.1), Buyer shall have the right to (x) terminate this Agreement, (y) accept the Reduction Offer, in which case the Purchase Price shall be so reduced and the Closing shall proceed as set forth in this Agreement, or (z) if Seller make a Restoration Election, defer the Closing Date until such restorations, replacements or repairs are made (provided that no such deferral shall affect the rights of the Parties to terminate this Agreement pursuant to Section 15.1). If Buyer defers the Closing Date and (i) if, on the date that would have been the Closing Date if no loss or damage had occurred or within thirty (30) days after the date that would have been the Closing Date (if, but only if, such loss or damage occurs within thirty (30) days prior to such date that would have been the Closing Date), Seller have not commenced, or made arrangements for, restoration, replacement or repair, or (ii) if, one hundred twenty (120) days after the event of such loss or damage, such restoration, replacement or repair is not completed, Buyer may, at its sole option, terminate this Agreement by written notice to Seller.

13.2 **Material Loss or Damage.** For purposes of this Section 13 only, loss or damage shall be deemed “material” if the cost to repair, replace, or restore the lost or damaged Assets exceeds Twenty-Five Thousand Dollars (\$25,000) or if it would prevent the Station from operating at its full licensed parameters for longer than 48 hours. In the event of a loss or damage to the Assets prior to the Closing that does not qualify as material hereunder, unless such loss or damage has been repaired, restored, or replaced prior to the Closing, the Purchase Price shall be reduced by the Seller’s reasonable estimate of the cost to repair, replace or restore the lost or damaged Assets; provided however, that nothing in this Section 13 shall affect Buyer’s rights under Section 15.1.

13.3 **Dispute.** If the Parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section 13, the disagreement shall be referred to a qualified member of the Association of Federal Communications Consulting Engineers mutually acceptable to Seller and Buyer whose decision shall be final, and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer.

14. **INDEMNIFICATION.**

14.1 **Indemnification by Seller.** Following the Closing, Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("*Damages*") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing, including the Retained Liabilities and with respect to the Excluded Assets. Seller's liability for all damages is capped at Two Million and no 00/100 Dollars (\$2,000,000.00), and Seller shall have no liability until Buyer's aggregate Damages exceed an amount equal to Seventy-Five Thousand and no 00/100 Dollars (\$75,000.00). Seller shall have no liability to Buyer for any Damages unless Buyer delivers a written claim for such Damages to Seller by the date that is eighteen (18) months after the Closing Date.

14.2 **Indemnification by Buyer.** Following the Closing, Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations or warranties, that survive Closing or failure by Buyer to perform any of their covenants, conditions or agreements set forth in this Agreement that survive Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station, as conducted by Buyer, subsequent to the Closing. Buyer's liability for all damages is capped at Two Million and no 00/100 Dollars (\$2,000,000.00) and Buyer shall have no liability until Seller's aggregate Damages exceed an amount equal to Seventy-Five Thousand and no 00/100 Dollars (\$75,000.00). Buyer shall have no liability to Seller for any Damages unless Seller delivers a written claim for such Damages to Buyer by the date that is eighteen (18) months after the Closing Date.

14.3 **Conditions of Indemnification.** If either party hereto (the "*Indemnitee*") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "*Indemnifying Party*") may be obligated to indemnify the Indemnitee under this Section 14, then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee for costs of defense following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its

prior written consent. The Indemnifying Party shall not, without the Indemnitee's written consent, settle or compromise any claim or consent to entry of any judgment which does not include the giving by the claimant to the Indemnitee of a release from all liability in respect of such claim.

14.4 **Survival of Representations and Warranties.** The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is twelve (12) months after the Closing Date.

14.5 **Sole Recourse.** Buyer and Seller acknowledge and agree that the indemnification provisions of this Section 14 shall be the sole and exclusive post-closing remedies of Buyer and Seller for any breach of the representations or warranties or nonperformance of or default under any covenants or agreements of Buyer or Seller contained in this Agreement or any related document.

15. **TERMINATION.**

15.1 **Termination.** This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party (or seven (7) days in the case of a payment default), provided however that such opportunity to cure shall not apply to the failure of a party to perform its obligations set forth in Sections 2.3 or 2.4 hereof; or (b) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (c) if the Closing has not occurred within four (4) months after the date hereof.

15.2 **Seller's Remedies.** Upon a termination of this Agreement due to a breach by Buyer of any of their material obligations under this Agreement or due to denial or designation for hearing of the Assignment Application based on Buyer's actions or inactions or issues related to Buyer's qualifications Seller's sole remedy shall be the previous payment by Buyer to Seller of the Deposit ("*Liquidated Damages*"). The delivery of the Liquidated Damages amount to Seller shall be considered liquidated damages and not a penalty and shall be the recipient's sole remedy at law or in equity for a breach hereunder if closing does not occur. Buyer and Seller each acknowledge and agree that this liquidated damages amount is reasonable in light of the anticipated harm which will be caused by a breach of this agreement, the difficulty of proof of loss, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transaction to be consummated hereunder.

15.3 **Buyer's Remedies.** Upon a termination of this Agreement due to a breach by Seller of any of its material obligations under this Agreement or due to denial or designation for hearing of the Assignment Application based on Seller's actions or inactions or issues related to Seller's qualifications, Buyer shall be entitled to seek all rights and remedies that it may have in equity or at law, including but not limited to specific performance as described in Section 16.

15.4 **Notice.** If any party believes the other to be in default hereunder, the non-defaulting party shall provide the other with written notice specifying in reasonable detail the

nature of such default. If the default is not curable or has not been cured within thirty (30) days after delivery of notice (or seven (7) days in the case of a payment default), then the party giving such notice may take such action as set forth in Sections 15.2 or 15.3, as applicable.

16. SPECIFIC PERFORMANCE. Seller acknowledges that the Assets to be sold and delivered to Buyer is a unique asset not readily obtainable on the open market and that, in the event that Seller fail to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for their injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transactions contemplated hereby, Buyer shall be entitled, (in addition to any other rights and remedies on account of such failure if such relief is granted), to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby.

17. FURTHER ASSURANCES. Each of the Parties agrees that it will, at any time, prior to, at or after Closing, take or cause to be taken such further actions, and execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and obtain such consents, as may reasonably be necessary or reasonably requested in connection with the consummation of the purchase and sale contemplated by this Agreement or in order to fully effectuate the purposes, terms and conditions of this Agreement. In the event that Buyer receives any correspondence, checks or other remittances on or after the Closing Date in respect of the Excluded Assets, Buyer shall promptly deliver over to Seller all such correspondence, checks and other remittances. In the event that Seller receive any correspondence, checks or other remittances on or after the Closing Date in respect of Buyer's operation of the Station or the Assets, Seller shall promptly deliver over to Buyer all such correspondence, checks and other remittances.

18. CONFIDENTIALITY

18.1 General. Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution.

18.2 Required Disclosure. If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral

questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 18.1. If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 18.1, the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

19. PUBLIC ANNOUNCEMENTS. On and after the date hereof and through the Closing Date, the Parties shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby, and neither Party shall issue any press release or make any public statement prior to obtaining the other Party's written approval, which approval shall not be unreasonably withheld, except that no such approval shall be necessary in connection with the FCC Application or to the extent disclosure may be required by applicable law or regulation or any securities exchange listing agreement.

20. EXPENSES. Each Party shall pay its own expenses incurred in connection with this Agreement and in the preparation for and consummation of the transactions provided for herein. Seller and Buyer shall share equally (i) any fees assessed by the FCC in connection with the filings contemplated by this transaction; provided that Seller shall pay all such fees (the "*Seller's FCC Fees*") to the FCC and Buyer shall reimburse Seller for such fees by adding one-half of such fees to the Purchase Price payment to be delivered by Buyer to Seller at Closing pursuant to Section 11.2(a) (and if the Closing does not occur due solely to the fault of Buyer, Buyer will reimburse Seller for the full amount of the Seller's FCC Fees) and (ii) all state and local sales or use, stamp or transfer, grant and other similar taxes payable in connection with the consummation of the transactions contemplated by this Agreement. Seller and Buyer will cooperate with each other to minimize such taxes.

21. SCHEDULES AND EXHIBITS. Any item set forth on or in any Schedule to this Agreement shall be incorporated by reference into this Agreement. Any information disclosed in any Schedule shall be deemed to have been disclosed pursuant to all other Schedules to this Agreement.

22. NOTICES. All notices, demands and requests required or permitted to be given under the provisions of this Agreement will be (a) in writing, (b) delivered to the recipient in person or sent by commercial delivery service or registered or certified mail, postage prepaid and return receipt requested, (a) deemed to have been given on the date received by the recipient (if delivered in person) on the date set forth in the records of the delivery service (if delivered by commercial delivery service) or on the date of receipt (if delivered by certified mail) and (d) addressed as follows:

If to Seller, to:

Mr. Brandon Wong CFO/EVP
Multicultural Radio Broadcasting License, LLC

40 Exchange Place
Suite 1010
New York, New York 10005
(Tel): 212-431-4300
(E-mail):

with a copy (which shall not constitute notice) to:

Mark N. Lipp, Esq.
Fletcher, Heald & Hildreth, PLC
1300 North 17th Street
Suite 1100
Arlington, VA 22209
(Tel): 703-812-0445
(E-mail): lipp@fhhlaw.com

If to Buyer, to:

Mr. Tavis Smiley
Smiley Radio Properties, Inc.
7610 Beverly Boulevard
Suite #48154
Los Angeles, CA 90048
(Tel): 323-290-4690
(E-mail): tsmiley@tavistalks.com

with a copy (which shall not constitute notice) to:

David G. O'Neil, Esq.
Rini O'Neil, PC
2101 L Street, NW
Suite 300
Washington, DC 20037
(Tel): 202-955-3931
(E-mail): doneil@rinioneil.com

23. WAIVER. Except as otherwise provided in this Agreement, no delay or failure on the part of any Party in exercising any right, power or privilege under this Agreement or under any other instrument or document given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of any such right, power or privilege, or the exercise of any other right, power, or privilege. No waiver shall be valid against any Party unless made in writing and signed by the Party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

24. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof. Venue shall be in Los Angeles County, California.

25. PARTIAL INVALIDITY. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

26. ASSIGNMENT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, Buyer may assign its interests to an affiliate without any consent required and further provided that Buyer shall remain fully liable under this Agreement and such assignment shall not materially delay grant of the FCC Consent or the Closing.

27. ENTIRE AGREEMENT. This Agreement and the exhibits attached hereto supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

28. 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.

29. HEADINGS. The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope of the sections and subsections.

30. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument and exchanged via mail, overnight delivery or as a .PDF sent via email, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, with with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a .PDF or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a .PDF or electronic mail as a defense to the formation of a contract and each such party forever waives any such defense.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

SELLER:

**MULTICULTURAL RADIO BROADCASTING
LICENSEE, LLC**

By: 

Brandon Wong
CFO / EVP

BUYER:

SMILEY RADIO PROPERTIES, INC.

By: _____
Tavis Smiley
President

IN WITNESS WHEREOF, the Parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

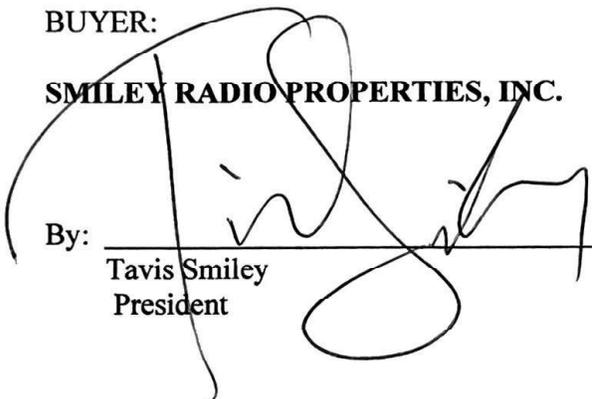
SELLER:

**MULTICULTURAL RADIO BROADCASTING
LICENSEE, LLC**

By: _____
Young C. Kim (Sean)
Title:

BUYER:
SMILEY RADIO PROPERTIES, INC.

By: _____
Tavis Smiley
President



Schedules and Exhibits

Schedule 1.1(a)	Tangible Personal Property
Schedule 1.1(b)	FCC Licenses
Schedule 1.1(c)	Contracts
Schedule 1.1(d)	Intangible Property
Schedule 1.3	Excluded Assets
Schedule 2.5	Allocation of Purchase Price
Schedule 5.5	Pending Litigation
Exhibit A	Tower License Agreement
Exhibit B	Noncompete Agreement