

ASSET PURCHASE AGREEMENT

THIS **ASSET PURCHASE AGREEMENT** (this “Agreement”) is made and entered into as of September 30, 2019, by and among Jackson Radio Works, Inc., a Michigan corporation (“Seller”), and McKibbin Media Group, Inc., a Michigan corporation (“Buyer”).

WITNESSETH:

WHEREAS, Seller owns the following radio stations (collectively, “Stations”) pursuant to licenses, permits and authorizations issued by the Federal Communications Commission (“FCC”):

WIBM(AM), Jackson, MI (Facility No. 9248)
WKHM(AM), Jackson, MI (Facility No. 9246)
WKHM-FM, Brooklyn, MI (Facility No. 9247)
FM Translator W240DG, Jackson, MI (Facility No. 146888)
FM Translator W268CA, Jackson, MI (Facility No. 147722)
FM Translator W270CJ, Jackson, MI (Facility No. 143034)

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire the assets as set forth in this Agreement owned or leased by Seller and used or held for use in connection with the operation of the Stations.

WHEREAS, concurrently herewith, Buyer’s affiliate, McKibbin Properties, LLC, Seller, and Seller’s affiliate, Jackson Radio Towers, LLC, have executed a Real Estate Purchase Agreement which governs the purchase by McKibbin Properties, LLC of certain real estate owned by Seller and Seller’s affiliate, Jackson Radio Towers, LLC (the “Real Estate Purchase Agreement-Jackson Radio Towers”).

WHEREAS, concurrently herewith, Buyer’s affiliate, McKibbin Properties, LLC, and Seller have executed a Real Estate Purchase Agreement, which governs the purchase by McKibbin Properties, LLC, of certain real estate owned by Seller (the “Real Estate Purchase Agreement-Jackson Radio Works”).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1 PURCHASE OF ASSETS

1.1 Assets Purchased. On the Closing Date (as hereinafter defined), subject to the provisions hereof, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and assume from Seller, all of the assets, rights and interests of every conceivable kind or character whatsoever, whether tangible or intangible, that on the Closing Date are owned by Seller or in which Seller has an interest of any kind (collectively, the “Purchased Assets”), except those assets specifically identified on Schedule 1.2. The Purchased Assets include, without limitation, the

following:

(a) All licenses, permits and other authorizations, including pending applications with respect thereto, relating to the Stations issued to Seller by the FCC on or prior to the Closing Date, as identified on Schedule 1.1(a) (“FCC Licenses”);

(b) All equipment (as defined in the Uniform Commercial Code of the State of Michigan, Act No. 174 of Michigan Public Acts of 1962, MCL 440.1101 et seq., as amended (the “UCC”)), including but not limited to equipment located at the Stations’ studio/office and tower sites, used by Seller in the operation of the Stations, together with any additions thereto or replacements thereof made between the date hereof and the Closing Date, and less any retirements or dispositions of old or obsolete assets made between the date hereof and the Closing Date including, without limitation, the items listed on Schedule 1.1(b) (“Tangible Personal Property”);

(c) Seller’s right, title and interest in and to all contracts, leases, commitments, agreements, commitments and other arrangement, and any amendments or modifications, associated with the operation of Stations, including, but not limited to, those listed on Schedule 1.1(c) (“Station Contracts”);

(d) All of Seller’s right, title and interest in and to all intellectual property and intellectual property rights created, controlled, owned, or licensed by Seller in any form or medium (tangible, intangible, oral, written, electronic, observational, or other), including, but not limited to, all trade names, trademarks, service marks, copyrights, patents, jingles, slogans, symbols, logos, the applicable call letters, internet websites and domain names, inventions, and any other proprietary material, process, trade secret or trade right, used by Seller in the operation of the Stations including, but not limited to, those items described on Schedule 1.1(d) hereto (“Intellectual Property”);

(e) Subject to **Section 1.5**, all outstanding receivables of the Seller associated with the Stations, which are the result of bona fide sales, and which are due and owing to Seller as of the Closing Date (“Receivables”);

(f) All records, documents, and lists that pertain directly or indirectly, in whole or in part, to any one or more of the following: any of the Purchased Assets, any of the Assumed Liabilities, or Seller’s customers, suppliers, advertising, promotional material, sales, services, delivery, internal organization, employees, and/or operations; and

(g) All other tangible or intangible assets, properties or rights of any kind or nature not otherwise described above in this Section 1.1, used by Seller in the operation of the Stations, including all goodwill associated with the Stations, telephone and FAX numbers, domain names and email addresses and Seller’s right to use the name Jackson Radio Works (the “Name”), and all related names and derivations thereof. For the avoidance of doubt, any transfer of any of the Purchased Assets to Buyer will not include any debt, liability, contingency, or obligation relating to the Purchased Assets except only as expressly assumed by Buyer pursuant to **Section 2.1**.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the Purchased Assets shall not include the following assets along with all right, title and interest therein (“Excluded Assets”):

(a) All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in financial institutions;

(b) Seller's corporate seal, minute books, charter documents, corporate stock record books and such other books and records relating to the organization, existence or capitalization of Seller;

(c) Contracts of insurance and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;

(d) Any and all claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof, except claims with respect to obligations to be assumed by Buyer pursuant to **Section 2.1** hereof;

(e) All pension, profit sharing plans and trusts and the assets thereof and any employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

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

(g) The items specifically referenced on Schedule 1.2.

1.3 Allocation. The Purchase Price shall be allocated among the Purchased Assets in accordance with Schedule 1.3. Seller and Buyer agree to execute and deliver at the Closing duplicate IRS Forms 8594, with an allocation of the Purchase Price in accordance with Schedule 1.3 and otherwise acceptable to Buyer and Seller, and to file all other returns and reports in a manner consistent with the allocations in this Section.

1.4 No Liens. The Purchased Assets shall be transferred to Buyer free and clear of all liens, encumbrances, debts, security interests, mortgages, trusts, claims, pledges, charges, covenants, conditions, defects in title or restrictions of any kind ("Liens"), except for liens for taxes not yet due and payable; and (ii) easements, restrictions, zoning limitations, and other similar matters which will not materially affect the use of the Stations' transmitter sites in the ordinary course of business (collectively, "Permitted Liens").

1.5 Accounts Receivable. As of the Closing Date, in addition to the Purchase Price, Buyer shall remit to Seller a sum equal to seventy five percent (75%) of the Receivables.

ARTICLE 2 ASSUMPTION OF OBLIGATIONS

2.1 Assumption of Obligations. Subject to **Section 2.2**, on the Closing Date, Buyer shall assume and undertake to pay, satisfy and discharge all of the liabilities and obligations of Seller arising or to be performed on or after the Closing Date under the Station Contracts, together with all obligations incurred by Buyer in the operation of the Stations on or after the Closing Date. All of the foregoing assumed liabilities and obligations shall be referred to herein collectively as

the “Assumed Liabilities.” Other than the Assumed Liabilities, Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of Seller.

2.2 Retained Liabilities. Except as set forth in **Section 2.1**, Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liability, obligation, commitment, undertaking, expense or agreement of Seller of any nature whatsoever, mortgage or other agreement for borrowed money, whether known or unknown or absolute or contingent. All of such liabilities and obligations shall be referred to herein collectively as the “Retained Liabilities.”

ARTICLE 3 CONSIDERATION

3.1 Purchase Price. The purchase price for the sale, assignment, transfer and conveyance of the Purchased Assets shall be Three Million Eight Hundred Thousand U.S. Dollars (\$3,800,000.00) (“Purchase Price”), payable as follows:

(a) Seller shall retain certain deferred compensation that is owed to Buyer’s principal, Mr. Jamie McKibbin, which the parties estimate shall equal Twenty-five Thousand Dollars (\$25,000.00) as of the Closing Date (defined below). The amount referenced in the previous sentence shall hereinafter be referred to as the “Deposit.”

(b) At the Closing (defined below), Seller shall credit the amount of the Deposit towards the Purchase Price.

(c) At the Closing, Buyer shall deliver to Seller Three Million Two Hundred Seventy-Five Thousand and 00/100 Dollars (\$3,275,000.00), by wire transfer or other immediately available funds, subject to any adjustments as set forth herein or as may be agreed to by Seller and Buyer;

(d) At the Closing, Buyer shall deliver to Seller a Promissory Note, in a form substantially similar as set forth on **Exhibit A** hereto, in the amount of Five Hundred Thousand Dollars (\$500,000) (“Promissory Note”);

3.2 Proration of Income and Expenses. Except as otherwise provided herein, all pre-paid expenses constituting Purchased Assets that would be classified as assets in accordance with GAAP, and all Assumed Liabilities that would be classified as liabilities in accordance with GAAP (including accrued but unpaid commissions to employees of Seller hired by Buyer at the Closing), shall, except as provided in this **Section 3.2**, be prorated between Buyer and Seller as of 12:01 a.m., Eastern time, on the Closing Date (“Adjustment Time”), on the basis that all income and expenses which accrue prior to the Adjustment Time are for the account of Seller, and all income and expenses which accrue after the Adjustment Time are for the account of Buyer. Such prorations shall include, without limitation, all rent, utility charges, business and license fees, music and other license fees currently paid by Seller, FCC regulatory fees, accrued but unpaid commissions and similar prepaid and deferred items attributable to the ownership of the Stations or the Purchased Assets. All revenues, expenses, costs and liabilities earned or incurred in connection with particular programs and announcements shall be allocated to the time of performance of such programs and announcements without regard to the date of payment therefor.

It is understood and agreed that all salaries, wages, sales commissions, fringe benefit accruals and termination or severance pay for employees of Seller who are not hired by Buyer shall be the sole responsibility of Seller.

3.3 Preliminary Report. At least ten (10) business days prior to the Closing, Seller shall deliver to Buyer a report (“Preliminary Report”) showing in reasonable detail the preliminary determination of the adjustments referred to in **Section 3.2**, each of which shall be calculated as of the Adjustment Time. Within two (2) business days after Buyer’s receipt of such Preliminary Report, Buyer shall provide to Seller any material objections, if any, that it may have with respect to Seller’s version of the Preliminary Report and provide an alternative Preliminary Report. The Preliminary Report (Seller’s or, if delivered, Buyer’s version) shall serve as the basis of any adjustments to the Purchase Price. Within sixty (60) days after the Closing Date, Buyer shall deliver to Seller a report (“Final Report”) showing in reasonable detail (a) Buyer’s final determination of the proposed adjustments to the Purchase Price, (b) all adjustments to the Purchase Price that were not calculated as of the Adjustment Time, and (c) any corrections to any of the estimated adjustments contained in the Preliminary Report, together with appropriate documents substantiating the calculations, determinations and adjustments proposed in the Final Report. Any resulting payment shall be made to the party entitled thereto within thirty (30) days after notice of such determination thereof has been given to Buyer or Seller, as the case may be. In the event of any disputes between the parties as to adjustments in the Final Report, the amounts not in dispute shall nonetheless be paid at the time provided in this Section and such disputes shall be determined by an independent CPA. The CPA’s resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. The fees and expenses of such CPA shall be paid one-half by Seller and one-half by Buyer.

ARTICLE 4 FCC CONSENT

4.1 FCC Consent. The transactions contemplated hereby are expressly conditioned on and subject to the prior consent and approval of the FCC to an application seeking consent to the assignment of the FCC Licenses from Seller to Buyer (“FCC Application”) without the imposition of any conditions on the assignment of the FCC Licenses which would reasonably be expected to have a material adverse effect on the results of operations of Buyer or the Stations (“FCC Consent”).

4.2 FCC Application.

(a) Within five (5) business days after the date of this Agreement, each party shall prepare, execute and submit its respective portion of the FCC Application and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such FCC Application. Each party further agrees expeditiously to prepare amendments to the FCC Application whenever such amendments are required by the Communications Act of 1934, as amended, and the rules and published policies of the FCC promulgated thereunder (collectively, “Communications Laws”). Each party shall submit its portion of the FCC Application to the FCC electronically, consistent with the FCC’s procedures. The parties shall prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to

obtain the grant of the FCC Application as expeditiously as reasonably practicable (but no party shall have any obligation to satisfy complainants or the FCC by taking any steps that would have a material adverse effect on the results of operations of a party or any affiliated entity, unless a failure to take such action would constitute or perpetuate a breach of such party's representations, warranties or covenants herein). Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the FCC Application, however, the fee to be paid to the FCC in conjunction with the filing of the FCC Application ("FCC Fee") will be shared equally by Buyer and Seller.

(b) Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the issuance of the FCC Consent. Each party agrees to comply with any condition imposed on it by the FCC; provided, however, that no party shall be required hereunder to comply with any condition that would have a material adverse effect on the results of operations of such party or any affiliated entity, unless the absence of such compliance would constitute or perpetuate a breach of such party's representations, warranties or covenants herein. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, such party shall not be required to take any action that would have a material adverse effect on the results of operations of such party or any affiliated entity.

(c) Either party at its option may terminate this Agreement upon five (5) business days' prior written notice to the other party, and without liability to the other party, if the FCC has not granted the FCC Application by the twelve (12) month anniversary of the date hereof, provided that the failure to obtain the FCC Consent shall not have been due to the action or inaction of the party seeking to exercise such termination right. In addition, either party may at its option terminate this Agreement upon five (5) business days' prior written notice to the other party in the event that the FCC should designate a hearing regarding the transaction proposed herein, and such termination shall be without liability to the other party unless the designation of such hearing is the result of the breach of any representation, warranty or covenant contained herein by the terminating party. In the event of termination pursuant to this **Section 4.2(c)**, each party shall bear its own expenses. Nothing in this **Section 4.2(c)** shall be construed to limit a party's right to terminate this Agreement pursuant to Article 13 hereof.

ARTICLE 5 CLOSING

5.1 Closing Date. Except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the transactions contemplated herein ("Closing" and the date on which such Closing is held, "Closing Date") shall occur within ten (10) business days after the date of the initial FCC Consent, provided all conditions precedent to the obligations of Buyer and Seller have been met or properly waived. All actions taken at the Closing will be considered as having been taken simultaneously and no such actions will be considered to be completed until all such actions have been completed.

5.2 Closing Location. The Closing shall be held at such location as shall be mutually agreed upon by Seller and Buyer. At the election of Buyer and Seller, mutually agreed in writing,

the Closing may be performed by mail, electronically (*i.e.*, via e-mail and/or telephonic facsimile) and/or courier service.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby makes the following representations and warranties to Buyer, as of the date hereof and on each day until the completion of the Closing:

6.1 Organization and Qualification. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction in which the Purchased Assets are located. Seller has all necessary corporate power to carry on its business as it is now being conducted.

6.2 Authority.

(a) Seller has all necessary power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Seller (collectively, "Seller Documents"), to perform each of its obligations thereunder, and to consummate the transactions contemplated thereby, and the person executing this Agreement on behalf of Seller has been duly authorized by all requisite corporate action of Seller. Each of the Seller Documents has been, or at or prior to the Closing will be, as the case may be, duly executed and delivered by Seller and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Seller, enforceable against Seller in accordance with its respective terms.

(b) The execution and delivery by Seller of the Seller Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of Seller's organizational documents; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any contract, or any other material agreement, indenture, covenant, instrument, license or permit by which Seller is bound; (iii) create any Lien, other than Permitted Liens, upon any of the Purchased Assets; or (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Seller or any of the Purchased Assets.

6.3 FCC Licenses.

(a) Schedule 1.1(a) hereto contains a true and complete list of the FCC Licenses (which Schedule shall be updated as of the Closing Date, and the following representations of **Section 6.3** shall then apply to all such FCC Licenses). Seller is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect, unimpaired by any act or omission of Seller. The FCC Licenses are all of the licenses, permits or other authorizations issued by the FCC necessary to operate the Station in the manner as such operations currently are conducted and there are no conditions upon the FCC Licenses except those conditions stated thereon or generally applicable to broadcast stations comparable to the Stations. No proceedings are pending or to Seller's knowledge, threatened (other than proceedings applicable to the radio industry as a whole)

nor, to Seller's knowledge, do any facts exist which may reasonably result in the revocation, materially adverse modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending material applications related to the FCC Licenses, or, in any material respect, the issuance of any cease and desist order related to the FCC Licenses, the imposition of any administrative actions by the FCC with respect to the FCC Licenses or which as of the Closing Date may affect Buyer's ability to operate the Stations in accordance with the provisions of the Communications Laws. To Seller's knowledge, no facts, events or circumstances exist or have occurred with respect to Seller or the Stations that would reasonably be likely to cause the FCC not to renew the FCC Licenses in the ordinary course and without undue delay, adverse condition or modification. Seller is not delinquent on any fees owed to the FCC and its status under the FCC's "red light" system is "green."

(b) Except as disclosed on Schedule 1.1(a) hereof, each Station is operating in material compliance with their respective FCC Licenses and the Communications Laws. Seller has filed with the FCC all material reports or applications with respect to the FCC Licenses and the Stations.

6.4 Financial Statements. Seller have delivered to Buyer the financial statements listed in Schedule 6.4 (covering the years ended 2017 and 2018) and Seller shall deliver, before the Closing, copies of all financial statements Seller has prepared for each full month before the Closing (the "Financial Statements"). The Financial Statements have been and will be prepared in accordance with GAAP, do and will fairly and accurately present Seller's financial position as of the dates indicated and the results of its operations as of the dates indicated and for the periods covered by the Financial Statements, and are and will be true and correct in all material respects. All inventories reflected in the Financial Statements have been valued at the lower of cost or market value, with cost determined using the last-in, first-out method; adequate provision has been and will be timely made in the Financial Statements for doubtful accounts or other receivables; sales are stated in the Financial Statements net of discounts, returns, and allowances; all Taxes (as defined in **Section 6.10**) due or paid are and will be timely reflected in the Financial Statements; and all Taxes not yet due and payable are and will be fully accrued or otherwise provided for. Any items of income or expense that are unusual or of a nonrecurring nature during the indicated periods or at any balance sheet dates are and will be separately disclosed in the Financial Statements. Except as otherwise disclosed on Schedule 6.4, Seller's books, records, and work papers are complete and correct; have been maintained on an accrual basis in accordance with GAAP; and accurately reflect, and will accurately reflect, the basis for the financial condition and the results of Seller's operations that are set forth in the Financial Statements.

6.5 No Undisclosed Liabilities. Except as otherwise disclosed on Schedule 6.5 or in the Financial Statements, Seller does not have any debts, liabilities, contingencies, or obligations of any kind or character whatsoever, whether accrued, absolute, contingent, matured, not matured, known, unknown, or otherwise, and whether or not of a character as would be required to be reflected in a balance sheet of Seller prepared in accordance with GAAP.

6.6 Tangible Personal Property. Seller (a) is the owner of all of the Tangible Personal Property it purports to own, (b) to Seller's knowledge, has a valid leasehold interest in the Tangible Personal Property it purports to lease, and (c) has a valid license right (whether as a licensor or licensee) in the Tangible Personal Property it purports to license, in all cases free and clear of any

Liens, except for Permitted Liens. The Tangible Personal Property is in good condition and working order and is fit and suitable for its intended purposes in the ordinary course of business.

6.7 Station Contracts. The Station Contracts requiring the consent of a third party to assignment are identified on Schedule 6.7. Seller is not in violation or breach of, nor has Seller received in writing any claim or threat that it has breached any of the terms and conditions of, any Station Contract. Seller has performed its obligations under each of the Station Contracts in all material respects, and Seller 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. True and complete copies of the Station Contracts have been delivered to Buyer.

6.8 Litigation. To Seller's knowledge: (a) Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting any Station or the Purchased Assets; (b) there is no third party claim, litigation, proceeding or investigation pending or, to Seller's knowledge, threatened against Seller with respect to any Station in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes; (c) there is no third party claim, litigation, proceeding or investigation pending or, to the best of Seller's knowledge, threatened against Seller with respect to any Station, which is reasonably likely to have a material adverse effect upon the business, assets or condition, financial or otherwise, of such Station or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

6.9 No Other Agreements to Sell the Stations. Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the Purchased Assets (whether through a merger, reorganization or sale of stock or otherwise) or to enter into any agreement with respect thereto.

6.10 Taxes. For the purposes of this Agreement, "Taxes" shall mean all federal, state, county, local, foreign, and other taxes (including, without limitation, income taxes; premium taxes; business taxes; excise taxes; sales taxes; use taxes; value-added taxes; gross receipts taxes; franchise taxes; ad valorem taxes; real estate taxes; severance taxes; capital levy taxes; transfer taxes; stamp taxes; employment, unemployment, and payroll-related taxes; withholding taxes; and governmental charges and assessments), and include interest, additions to tax, and penalties. Seller represents and warrants to Buyer that: (a) Seller has paid all Taxes required to be paid with respect to the Stations; (b) there are no pending or, to the knowledge of Seller, threatened, investigations or claims against Seller for or relating to any liability in respect of Taxes and, to the best knowledge of Seller, no facts or circumstances exist which indicate that any such investigations or claims in respect of Taxes may be brought or are under discussion with any governmental authorities; and (c) all Taxes required to be withheld by Seller on or before the date hereof have been withheld and paid when due to the appropriate agency or authority.

6.11 No Adverse Changes. Except as otherwise disclosed in Schedule 6.11, since March 31, 2019, there has not been any occurrence, condition, or development that has adversely affected, or is likely to adversely affect, Seller, its prospects, condition (financial or otherwise), its operations, the Stations, the Purchased Assets, or the Assumed Liabilities, except for any effect, change, condition, fact, development, occurrence or event (collectively, "Changes") resulting from: (a) Changes that impact, or would reasonably be expected to impact, the commercial

broadcast radio industry in the United States generally; (b) conditions in the economy of the United States generally, including changes in the United States or foreign credit, debt, capital or financial markets (including changes in interest or exchange rates) or the economy of any town, city or region in which any Station conducts business; (c) the execution and delivery of this Agreement, the announcement of this Agreement and the transactions contemplated hereby, the consummation of the transactions contemplated hereby, the compliance with the terms of this Agreement or the taking of any action required by this Agreement or consented to by Buyer; (d) earthquakes, hurricanes, tornadoes, natural disasters or global, national or regional political conditions, including hostilities, military actions, political instability, acts of terrorism or war or any escalation or material worsening of any such hostilities, military actions, political instability, acts of terrorism or war existing or underway as of the date hereof, except to the extent the Stations' business is disproportionately affected relative to commercial broadcast radio stations in the United States generally; (e) any failure, in and of itself, by Seller or any Station to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement; (f) any breach by Buyer of its obligations under this Agreement; or (g) changes in applicable law or GAAP or the interpretation thereof.

6.12 Employees. There is not now, nor has there been at any time during the past five years, any strike, lockout, grievance, other labor dispute, or trouble of any nature pending or threatened against Seller or that in any manner affects Seller. Seller is and has been in compliance with all rules regulating employee wages and hours. On or before the Closing Date, Seller shall have paid all its accrued obligations relating to employees (whether arising by operation of law, by contract, or by past service) or payments to trusts or other funds, to any governmental agency, or to any individual employee (or his or her legal representatives) regarding unemployment compensation benefits, profit sharing, retirement benefits, other plans, or Social Security benefits. Seller has complied with all requirements of the U.S. Immigration and Nationality Act, as amended, including without limitation all employment verification and antidiscrimination provisions applicable to current and former employees of Seller.

6.13 Receivables. The Receivables are the result of bona fide sales or other transactions. Seller knows of no reason why the Receivables will not be paid in full as they come due, except to the extent that a reserve against the possible uncollectibility of the Receivables has been established and is reflected on the Financial Statements.

6.14 Sufficiency of Purchased Assets. The Purchased Assets constitute all the property and assets, real, personal, and mixed, tangible and intangible (including, without limitation, contract rights), that are used or are useful in, or are necessary for the conduct of, the Stations in accordance with present practices, and the Purchased Assets are sufficient for Buyer to continue to operate the Stations in the ordinary course of business after the Closing.

6.15 Compliance with Laws. At all times before the Closing Date, Seller has complied with all laws, order, regulations, rules, decrees, and ordinances affecting to any extent or in any manner any aspects of the Stations or the Purchased Assets.

6.16 Employee Benefit Plans.

(a) Schedule 6.16 contains a true and complete list of all plans, contracts, programs, and arrangements (including, but not limited to, collective bargaining agreements, executive compensation, bonus, equity purchase or other equity rights, deferred compensation, profit sharing, severance, hospitalization, life insurance, disability, sick leave, salary continuation, vacation, holiday, and other benefit plans, programs, practices, understandings, or arrangements, whether written or unwritten) maintained currently or at any time in the past by Seller or under which Seller has had any obligations regarding an employee, manager, member of Seller (the “Plans”).

(b) True, correct, and complete copies of the following documents, regarding each of the Plans, if applicable, have been made available or delivered to the Buyer: (i) any plans and related trust documents and amendments; (ii) the three most recent Forms 5500, including all schedules and the opinions of independent accountants; (iii) all Internal Revenue Service (IRS) determination, advisory, and opinion letters, as applicable, regarding the Plans; (iv) summary plan descriptions, summaries of material modifications, employee handbooks, and other written communications regarding the Plans; (v) regarding any Plan that is maintained under a collective bargaining agreement, all collective bargaining agreements pursuant to which contributions are being made or obligations are owed to the Plan; and (vi) all contracts with third-party administrators, actuaries, investment managers, consultants, and other independent contractors that relate to any Plan.

(c) Except as specifically set forth in Schedule 6.16, (i) Seller has performed all obligations required to be performed by it under the Plans (including, but not limited to, the making of all contributions) and is not in default under and has no knowledge of any default by any other party to the Plans; (ii) each Plan is in material compliance as to form and operation, in accordance with all applicable provisions of the Code and ERISA and any other applicable federal and state laws (including rules and regulations), and each Plan has been operated in compliance with the laws and written Plan documents; (iii) neither Seller nor, to Seller’s knowledge, any other “disqualified person or party in interest,” within the meaning of IRC 4.9.7.5 or Section 3(14) of ERISA, 29 USC 1002(14), has engaged in any “prohibited transaction,” as this term is defined in IRC 4.9.7.5 or Section 406 of ERISA, 29 USC 1106, that could, following the Closing Date, subject any Plan (or its related trust), Buyer or Seller or any officer, director, manager, or employee of Buyer or Seller to any tax or penalty imposed under the Code or ERISA; (iv) there are no actions or claims pending (other than routine claims for benefits) or, to Seller’s knowledge, threatened against any Plan or against the assets of any Plan; (v) no Plan is subject to Part 3 of Title I of ERISA, IRC 412, or Title IV of ERISA; (vi) each Plan’s “plan official,” as defined in Section 412 of ERISA, 29 USC 1112, is bonded to the extent Section 412 requires; (vii) no proceeding has been initiated to terminate any Plan, and any termination will not subject Seller or Buyer to liability to any person; (viii) no Plan is a “multiemployer plan,” as defined in Section 3(37) of ERISA, 29 USC 1002(37); (ix) no retiree benefits are payable under any Plan that is an “employee welfare benefit plan” (“Welfare Plan”), as this term is defined in Section 3(1) of ERISA, 29 USC 1002(1); and (x) each Welfare Plan that is a “group health plan” within the meaning of IRC 5000 complies with and in each case has complied with the applicable requirements of Sections 601 through 608 of ERISA, 29 USC 1161-1168, and IRC 4.980B.

(d) Seller has not incurred or will not incur with respect to any Plan that is an “employee benefit plan,” as defined in Section (3)(3) of ERISA, 29 USC 1002(3), any actual or

contingent liability, including, but not limited to, liability under Section 601 through 608 or ERISA, 29 USC 116101168, and IRC 4.980B, any withdrawal liability from any multiemployer pension plan, any termination or withdrawal liability under Sections 4062, 4063, or 4064 of ERISA, 29 USC 1362, 1363, or 1362, any “accumulated funding deficiency,” as that term is defined in Section 302 of ERISA, 29 USC 1084, and IRC 412 (whether or not waived), any requirement to make any contributions to any multiemployer plan, solely as a result of Seller being a member of a controlled group of corporations, or treated as a single employer with any other entity within the meaning of IRC 414(b), 414(c), 414(m), or 414(n) arising from or incurred with respect to any period before the Closing Date.

(e) All premiums, contributions, and other payments required to be made to the Plans under their terms and provisions and applicable law as of the Closing Date have been timely made.

(f) Neither the execution and delivery of this Agreement nor the consummation or performance of the transactions contemplated under this Agreement will, directly or indirectly (with or without notice or lapse of time), (i) trigger any payment becoming due to any current or former officer, employee, manager, or consultant of Seller (or dependents of those persons) or (ii) accelerate the time of payment or besting or increase the amount of compensation due to any current or former officer, employee, manager, or consultant of Seller (or dependents of those persons).

(g) Each Plan that is a “nonqualified deferred compensation plan,” as defined under IRC 409A(d).(1), has been operated and administered at all times in compliance with IRC 409A and the Treasury Regulations promulgated under the Code.

6.17 Bankruptcy. No insolvency proceedings in the nature of bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, by or against Seller or the Purchased Assets, are pending or threatened, and Seller has not made any assignment for the benefit of creditors or taken any action in contemplation or in furtherance of the institution of such insolvency proceedings.

6.18 Insurance. Seller maintains insurance policies with respect to the Stations and the Purchased Assets in commercially reasonable amounts.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby makes the following representations and warranties to Seller, as of the date hereof and on each day until the completion of the Closing:

7.1 Organization, Standing and Power. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction in which the Purchased Assets are located. Buyer has all necessary corporate power to carry on its business as it is now being conducted.

7.2 Authority.

(a) Buyer has all necessary power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Buyer (collectively, "Buyer Documents"), to perform its obligations thereunder and to consummate the transactions contemplated thereby, and the person executing this Agreement on behalf of Buyer has been duly authorized by all requisite corporate action of Buyer. Each of the Buyer Documents has been, or will be at the Closing, as the case may be, duly executed and delivered by Buyer and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its respective terms.

(b) The execution and delivery by Buyer of the Buyer Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of Buyer's organizational documents; (ii) constitute or result in a breach or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any contract, or any other material agreement, indenture, covenant, instrument, license or permit by which Buyer is bound; or (iii) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Buyer.

(c) Other than the FCC Consent, no consent, approval, order or authorization of, notice to, or registration, declaration or filing with, any governmental entity is necessary in connection with the execution and delivery of any of the Buyer Documents by Buyer or the consummation by Buyer of the transactions contemplated thereby, except filings with the FCC.

7.3 Litigation. Except for administrative rule makings or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint before the FCC, other governmental body or court of any nature, including, without limitation, a grievance, arbitration or insolvency or bankruptcy proceeding, pending or, to Buyer's knowledge, threatened against or affecting Buyer which would restrain or enjoin the Closing or the consummation of the transactions contemplated hereby.

7.4 Qualification. To Buyer's knowledge, there is no fact that would, under present law, including the Communications Laws: (a) disqualify Buyer from being the assignee of the Purchased Assets or owner of the Station; (b) reasonably be expected to cause any delay in the processing of the FCC Application by the FCC; or (c) reasonably be expected to cause any delay to the issuance of the FCC Consent. Should Buyer become aware of any such fact, it will so inform Seller and will use its best efforts to remove any such impediment or disqualification. Buyer will not take, or fail to take, any action that Buyer knows, or has reason to believe, would result in such impediment or disqualification.

7.5 No Insolvency. No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer are pending or, to the knowledge of Buyer, threatened, and Buyer has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings. As of the Closing Date, Buyer will have readily available funds in the amount of the Purchase Price in the form of cash on deposit or a loan from a conventional lender.

ARTICLE 8 COVENANTS

Seller and Buyer, as applicable, covenant and agree that, from the date hereof until the completion of the Closing:

8.1 Operations of the Business.

(a) Before the Closing Date, Seller shall not, without the prior written consent of Buyer:

(i) Sell, lease or transfer or agree to sell, lease or transfer, any Asset except for incidental sales or leases, in the ordinary course of business, or Purchased Assets which are being replaced by assets of comparable or superior kind, condition and value, or create, assume or permit to exist any Liens upon the Purchased Assets, except for Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(ii) Make any change in any Station's buildings, leasehold improvements or fixtures except in the ordinary course of business;

(iii) Make or attempt to make any change in the FCC Licenses, other than to keep the FCC Licenses in full force and effect;

(iv) Enter into any contract, lease or commitment relating to the Stations or the Purchased Assets or incur any other obligation with respect to the Stations or the Purchased Assets, except for: (A) new time sales agreements and other contracts made in the ordinary course of business that are terminable on ninety (90) days' notice or less without penalty; and (B) other contracts made with Buyer's prior consent;

(v) Take any action that would make the consummation of this transaction contrary to the Communications Laws or require a waiver of the Communications Laws; or

(vi) Authorize or permit any officer, director or employee of Seller, or any investment banker, attorney, accountant or other advisor or representative retained by Seller to, solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, any of the Stations.

(b) Before the Closing Date, Seller shall:

(i) Maintain and preserve Seller's rights under the FCC Licenses and operate the Stations in the ordinary course of business, in accordance with past practice and in all material respects in accordance with the Communications Laws and with all other applicable laws, regulations, rules and orders and good engineering practices;

(ii) Use commercially reasonable efforts to maintain the Tangible

Personal Property in the ordinary course of business;

(iii) Maintain in full force and effect policies of liability and casualty insurance of the same type, character and coverage as the policies currently carried with respect to the business, operations and assets of the Stations;

(iv) Use commercially reasonable efforts to provide Buyer with (and Buyer shall use commercially reasonable efforts to assist Seller to obtain) all necessary consents of the applicable parties identified on Schedule 6.7 that are necessary for assignment to Buyer of such agreements at the Closing.

8.2 Notice of Proceedings. Either party will promptly notify the other party in writing on: (a) receiving notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

8.3 Publicity. Except insofar as required to comply with the Communications Laws or other law or legal process, neither Seller nor Buyer, nor any of their respective affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless the other party shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by such party.

8.4 Access to Information. From the date hereof to the Closing Date, Seller shall afford, and shall cause its officers, directors, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer reasonable access at all reasonable times to the Stations, provided, however, that all such access shall require the express consent of Seller.

8.5 Confidentiality.

(a) Each party shall hold, and shall exercise its commercially reasonable efforts to 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 non-confidential 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 non-confidential basis prior to its disclosure to such party hereunder, as evidenced by written records. 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 hereof and shall continue to preserve, and shall use its reasonable efforts to cause its officers, employees, agents and representatives to continue to preserve, the confidentiality of all such information. All information concerning the Purchased Assets or operations of the Stations obtained by Buyer or its affiliates pursuant to or in connection with negotiation of this Agreement will be used by Buyer and its affiliates solely for purposes related to this Agreement and, in the case of nonpublic information, will be kept in strict confidence by Buyer and its affiliates and will not be disclosed except as provided for above.

(b) 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 8.5(a)**. If such protective order or other remedy is not obtained, or if the applicable party waives compliance with **Section 8.5(a)**, 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

8.6 Notification of Certain Matters. Seller shall give prompt notice to Buyer, and Buyer shall give prompt notice to Seller, of: (i) any oral or written communication from the FCC concerning the FCC Application; (ii) any material inaccuracy in any representation or warranty made by such party, or (iii) any failure of the party to comply with or satisfy any material covenant, condition or agreement to be complied with or satisfied by such party under this Agreement; provided, however, that no such notification or failure to give notice shall affect the representations or warranties or covenants or agreements of the parties or the conditions to the obligations of the parties hereunder.

8.7 News Releases. Any news releases pertaining to the transactions contemplated hereby shall be reviewed and approved by Buyer and Seller, or their respective representatives, and shall be reasonably acceptable to them prior to the dissemination thereof.

8.8 Control of Stations. Between the date of this Agreement and the Closing Date, Buyer shall not control, manage or supervise the operation of the Stations or conduct of its business, all of which shall remain the sole responsibility and under the control of Seller. This provision shall not prevent Jamie McKibbin from working as Station Manager of the Stations between the date of this Agreement and the Closing Date.

8.9 Employee Matters. Buyer shall have no obligation to hire any of Seller's employees, provided, however, that Buyer shall be free to negotiate with and hire any of Seller's employees, and Seller shall cooperate and encourage those employees to accept employment with Buyer. Seller shall be responsible and liable for any salary, wages, bonuses, commissions, severance, accrued vacations, or sick-leave time; profit sharing or pension benefits; and any other compensation or benefits, as well as any actions or causes of action, including, but not limited to, unemployment compensation claims and worker's compensation claims and claims for race, age,

and sex discrimination and sexual harassment, that any of its employees assert. Seller shall further be responsible for all rights of Seller's employees under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). At the election of any of Seller's employees that Buyer has hired, Seller shall fully cooperate with Buyer in rolling over the account balances of Seller's Profit Sharing and 401(k) Plan into Buyer's comparable plan.

8.10 Actions. After Closing, Buyer shall reasonably cooperate with Seller, at Seller's sole cost and expense, in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to any Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request.

ARTICLE 9 CONDITIONS

9.1 Conditions Precedent to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Buyer shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement or changes that are not materially adverse to the Stations or the Purchased Assets taken as a whole.

(b) Seller shall have performed and complied in all material respects with all covenants, agreements, representations, warranties and undertakings required by this Agreement to be performed or complied with by Seller prior to the Closing.

(c) No governmental or judicial authority shall have enacted, enforced, issued or entered any law, rule, regulation or order, including in connection with any action or proceeding brought by a third party (not subsequently dismissed, settled or otherwise terminated), which prohibits or invalidates the transactions contemplated by this Agreement or any other Seller Document or prevents, limits, restricts or impairs the ownership, use or operation of the Purchased Assets by Buyer, other than an action or proceeding instituted by Buyer.

(d) Seller shall have delivered to Buyer all of the documents required by **Section 10.1** hereof.

(e) The FCC Consent shall have been issued by the FCC without any condition materially adverse to Buyer.

(f) All Liens, other than Permitted Liens, shall have been released, as evidenced by payoff letters from any party holding a Lien to be released at the Closing, and releases or UCC-3 termination statements sufficient to terminate Liens on the Purchased Assets acquired at such Closing.

(g) The Closing of the transaction set forth in the Real Estate Purchase Agreement – Jackson Radio Towers shall have occurred.

(h) The Closing of the transaction set forth in the Real Estate Purchase Agreement – Jackson Radio Works shall have occurred.

9.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Seller shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement or changes that are not materially adverse to Seller.

(b) Buyer shall have performed and complied in all material respects with all covenants, agreements, representations, warranties and undertakings required by this Agreement to be performed or complied with by it prior to the Closing.

(c) No governmental or judicial authority shall have enacted, enforced, issued or entered any law, rule, regulation or order, including in connection with any action or proceeding brought by a third party, (not subsequently dismissed, settled, or otherwise terminated) which prohibits or invalidates the transactions contemplated by this Agreement or any other Buyer Document, other than an action or proceeding instituted by Seller.

(d) The FCC Consent shall have been issued by the FCC without any condition materially adverse to Seller.

(e) Buyer shall have delivered to Seller all of the documents required by **Section 10.2** hereof and Seller shall have received payment of the Purchase Price with the form of payment set forth in **Section 3.1**.

(f) The Closing of the transaction set forth in the Real Estate Purchase Agreement – Jackson Radio Towers shall have occurred.

(g) The Closing of the transaction set forth in the Real Estate Purchase Agreement – Jackson Radio Works shall have occurred.

ARTICLE 10 CLOSING DELIVERIES

10.1 Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered the following:

- (a) a Bill of Sale for the Tangible Personal Property and Intangible Property;
- (b) an Assignment and Assumption of the FCC Licenses;
- (c) an Assignment and Assumption of Station Contracts;
- (d) A certificate of an officer of Seller certifying that the representations and warranties set forth in **Sections 9.1(a) and 9.1(b)** are true and correct as of the Closing Date;
- (e) updated Schedules to the Agreement reflecting any changes necessary to render the certification contained in such certificate true and accurate on the Closing Date;
- (f) a Consulting Agreement, substantially in the form set forth at **Exhibit B** ("Consulting Agreement");
- (g) a Subordination Agreement, substantially in the form set forth at **Exhibit C** ("Subordination Agreement");
- (h) a Security Agreement, substantially in the form set forth at **Exhibit D** ("Security Agreement");
- (i) a Noncompetition Agreement, signed by Seller, Bruce Goldsen, and Sue Goldsen, substantially in the form set forth at **Exhibit E** ("Noncompetition Agreement");
- (j) a Limited Recourse Guaranty and Pledge Agreement, substantially in the form set forth at **Exhibit F** ("Guaranty Agreement");
- (k) the deed(s) and/or mortgage(s) and related documents associated with the closing pursuant to the Real Estate Purchase Agreement-Jackson Radio Works and Real Estate Purchase Agreement-Jackson Radio Towers; and
- (l) such other documents to be delivered by Seller hereunder as are reasonably necessary for Buyer to effectuate, document, and receive the benefit of the transactions contemplated hereby.

10.2 Buyer's Deliveries. At the Closing, Buyer shall deliver or cause to be delivered the following:

- (a) an Assignment and Assumption of the FCC Licenses;
- (b) an Assignment and Assumption of Station Contracts;
- (c) A certificate of and officer of Buyer certifying that the representations and warranties set forth in **Sections 9.2(a) and 9.2(b)** are true and correct as of the Closing Date;
- (d) The Promissory Note, the Consulting Agreement, the Subordination Agreement, the Security Agreement, and the Guaranty Agreement;
- (e) The Purchase Price;

(f) the documents associated with the closing pursuant to the Real Estate Purchase Agreement-Jackson Radio Works and Real Estate Purchase Agreement-Jackson Radio Towers; and

(g) such other documents to be delivered by Buyer hereunder as are reasonably necessary for Seller to effectuate, document, and receive the benefit of the transactions contemplated hereby.

ARTICLE 11 FEES AND EXPENSES

11.1 Expenses. Each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation and preparation of the Agreement and the transactions contemplated thereby.

11.2 Transfer Taxes and Similar Charges; FCC Fees. Except as set forth below, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation and preparation of this Agreement and the transactions contemplated thereby. Seller and Buyer shall each pay one-half of all fees for recordation, transfer, stamp and documentary taxes, and any excise, sales or use taxes imposed by reason of the transfer of the Purchased Assets in accordance with this Agreement. If any amount paid by Seller or Buyer on account of the fees and expenses pursuant to this **Section 11.2** is in excess of one-half thereof, the party that paid such excess amount shall be entitled to prompt reimbursement of such amount (plus all reasonable and documented attorneys' fees and expenses incurred in connection with enforcing this provision in the event of a dispute between Seller and Buyer, if any) from the other. Any FCC filing or grant fees imposed by any governmental authority shall be borne equally by Buyer and Seller.

ARTICLE 12 SURVIVAL AND INDEMNIFICATION

12.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement shall survive the Closing for a period of eighteen (18) months from the Closing Date, except (a) those under **Sections 6.1** and **6.2** (Seller Organization and Authority), and **Section 6.10** (Taxes), all of which shall survive until the expiration of any applicable statute of limitations; (b) those with respect to title to the Purchased Assets, which shall survive indefinitely, and (c) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The right of any party to recover Damages (as hereinafter defined) on any Claim (as hereinafter defined) shall not be affected by the termination of any representations and warranties as set forth above, provided that notice of the existence of such claim has been given by the Indemnified Party (as hereinafter defined) to the Indemnifying Party (as hereinafter defined) prior to such termination. The term "Claim" means any demand, suit, claim or assertion of liability by the Parties or a third party that is subject to indemnification by the indemnifying party under this Agreement. Notwithstanding anything contained herein to the contrary, **Sections 8.5** (Confidentiality) and **13.2** (relating to expenses) shall survive any

termination of this Agreement.

12.2 Indemnification.

(a) Subject to **Section 12.2(b)**, from and after Closing, Seller shall indemnify and hold harmless Buyer and its shareholders, officers, managers, agents, employees and affiliates (hereafter collectively “Agents”) from and against any liability, loss, cost, expense, judgment, order, settlement, obligation, deficiency, claim, suit, proceeding (whether formal or informal), investigation, Lien or other damage, including reasonable attorney’s fees and expenses (all of the foregoing items for purposes of this Agreement are referred to as “Damages” and are not limited to matters asserted by third-parties against a party, but includes Damages incurred or sustained by a party caused by breach or default by the other party), resulting from, arising out of or incurred with respect to:

(i) a breach of any warranty, representation of Seller contained in this Agreement or in any certificate or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(ii) a breach of any covenant or agreement of Seller contained in this Agreement;

(iii) operation of any Station by Seller prior to the Closing;

(iv) any Retained Liabilities;

(v) Noncompliance by Seller with the provisions of the Bulk Sales Act and similar laws of any state or jurisdiction, if applicable, in connection with the transactions contemplated hereby; or

(vi) any and all actions, suits or proceedings incident to any of the foregoing.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under **Section 12.2(a)(i)** except to the extent Buyer’s aggregate Damages exceed Fifty Thousand and 00/100 Dollars (\$50,000.00), and (ii) the maximum aggregate liability of Seller under **Section 12.2(a)** shall be an amount equal to fifty percent (50%) of the Purchase Price.

(c) Subject to **Section 12.2(d)**, from and after Closing, Buyer shall indemnify and hold Seller and its Agents harmless from and against any Damages resulting from, arising out of, or incurred with respect to:

(i) a breach of any warranty, representation of Buyer contained in this Agreement or in any certificate or other instrument furnished to Seller pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(ii) a breach of any covenant or agreement of Buyer contained in this Agreement;

(iii) any Assumed Liabilities;

(iv) operation of any Station by Buyer after the Closing; or

(v) any and all actions, suits or proceedings incident to any of the foregoing.

(d) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Buyer shall have no liability to Seller under **Section 12.2(c)(i)** except to the extent Seller's aggregate Damages exceed Fifty Thousand and 00/100 Dollars (\$50,000.00), and (ii) the maximum aggregate liability of Buyer under **Section 12.2(c)** shall be an amount equal to fifty percent (50%) of the Purchase Price.

12.3 Procedures.

(a) Promptly after the receipt by Buyer, Seller or any of their respective Agents ("Indemnified Party") of notice of (a) any Claim or (b) the commencement of any action or proceeding which may entitle such party to indemnification under this Section, such Indemnified Party shall give the other party hereto, as applicable ("Indemnifying Party"), written notice of such Claim or the commencement of such action or proceeding and shall permit the Indemnifying Party to assume the defense of any such Claim, or any litigation or proceeding resulting from such Claim. The failure to give the Indemnifying Party timely notice under this subsection shall not preclude the Indemnified Party from seeking indemnification from the Indemnifying Party unless, and then only to the extent, such failure has materially prejudiced the Indemnifying Party's ability to defend the Claim, litigation or proceeding. Notwithstanding the foregoing, notice must be given to the Indemnifying Party within the applicable survival period specified in **Section 12.1** for the Indemnified Party to be entitled to indemnification. Failure by the Indemnifying Party to notify an Indemnified Party of its election to defend any such claim, litigation or proceeding by a third party within thirty (30) days after notice thereof shall have been given to the Indemnifying Party shall be deemed a waiver by the Indemnifying Party of its rights to defend such Claim, litigation or proceeding.

(b) If the Indemnifying Party assumes the defense of any such Claim, litigation or proceeding resulting therefrom, the Indemnifying Party shall take all steps necessary in the defense or settlement of such Claim, litigation or proceeding resulting therefrom and hold the Indemnified Party harmless from and against any Damages caused by or arising out of any settlement approved by the Indemnifying Party or any judgment in connection with such Claim, litigation or proceeding resulting therefrom; however, the Indemnified Party may participate, at its own cost and expense, in the defense of such Claim, litigation or proceeding provided that the Indemnifying Party shall direct and control the defense of such Claim, litigation or proceeding. The Indemnified Party shall cooperate and make available all books and records reasonably necessary and useful in connection with the defense. Except with the prior written consent of the Indemnified Party, the Indemnifying Party shall not, in the defense of such Claim, or any litigation or proceeding resulting therefrom, consent to the entry of any judgment (other than a judgment of dismissal on the merits without cost) or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all Damages in respect of such Claim, litigation or proceeding.

(c) If the Indemnifying Party shall not assume the defense of any such Claim, litigation or proceeding resulting therefrom, the Indemnified Party may, but shall have no obligation to, defend against such Claim, litigation or proceeding in such manner as it may deem appropriate, and the Indemnified Party; provided, however, that the Indemnified Party may not compromise or settle such Claim, litigation or proceeding without the Indemnifying Party's prior written consent.

(d) Except as provided to the contrary in this Agreement, after the Closing the right to indemnification pursuant to Article 12 shall be the sole and exclusive remedy of each party in connection with any breach or other violation by the other party of its representations, warranties, or covenants contained in this Agreement.

(e) After Closing, all claims for breach of representations or warranties under this Agreement shall be subject to the limitations set forth in **Sections 12.2(b) and 12.2(d)**.

ARTICLE 13 TERMINATION RIGHTS

13.1 Termination. In addition to any termination rights provided for in other sections of this Agreement, this Agreement may be terminated, by written notice given by any party (provided such party is not then in material breach of any of its representations, warranties, covenants or duties hereunder) to the other party hereto, at any time prior to the Closing Date as follows:

(a) By mutual written consent of the parties;

(b) By either Buyer or Seller if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become a "Final Order." For purposes of this Agreement, the term "Final Order" shall mean an order of the Commission (including action duly taken by the Commission's staff, pursuant to delegated authority) which is not reversed, stayed, enjoined or set aside, and with respect to which no timely application for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition, or notice of appeal or for review by the Commission, and for any reconsideration, stay or setting aside by the Commission on its own motion or initiative has expired;

(c) By either Buyer or Seller, as specifically provided in **Section 4.2(c)** hereof;

(d) By Buyer, if Seller fails to perform in any material respect or materially breaches any of its material representations, warranties, covenants or duties under this Agreement, and Seller has not cured such failure to perform or breach within thirty (30) days after delivery of written notice from Buyer (a "Seller's Breach"), and there also is not a Buyer's Breach (defined below) at the time of the purported termination by Buyer;

(e) By Seller, if Buyer fails to perform in any material respect or materially

breaches any of its material obligations, representations, warranties, covenants or duties under this Agreement, and Buyer has not cured such failure to perform or breach within thirty (30) days after delivery of written notice from Seller, (a “Buyer’s Breach”), and there also is not a Seller’s Breach at the time of the purported termination by Seller;

(f) By Buyer (provided it is not in default hereunder), if the conditions set forth in **Section 9.1** have not been satisfied by a date that is six (6) months from the date of the FCC Consent, provided that Buyer’s right to terminate this Agreement under this **Section 13.1(f)** shall not apply if Seller’s inability to fulfill all of the conditions set forth in **Section 9.1** are due to the action or inaction of Buyer; or

(g) By Seller (provided it is not in default hereunder), if the conditions set forth in **Section 9.2** have not been satisfied by a date that is six (6) months from the date of the FCC Consent, provided that Seller’s right to terminate this Agreement under this **Section 13.1(g)** shall not apply if Buyer’s inability to fulfill all of the conditions set forth in **Section 9.2** are due to the action or inaction of Seller.

13.2 Effect of Termination. Upon termination of this Agreement, neither Buyer nor Seller shall have any liability to the other party, and this Agreement in its entirety shall be deemed null, void, and of no further force and effect, except as provided in **Section 12.1** and this **Section 13.2**. In the event of termination of this Agreement, each party shall bear its own expenses. Upon a termination of this Agreement by Seller pursuant to **Section 13.1(e)**, Seller’s sole remedy for a breach by Buyer shall be to retain the Deposit as liquidated damages. Seller and Buyer each acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer’s breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty. In the event of termination of this Agreement for any reason other than by Seller pursuant to **Section 13.1(e)**, Buyer shall be entitled a refund of the Deposit (i.e. Buyer’s principal, Mr. Jamie McKibbin, shall be entitled to receive deferred compensation owed to him by Seller).

13.3 Specific Performance as Remedy for Seller’s Breach. Seller acknowledges and agrees that the Purchased Assets are unique assets not readily available on the open market, and in the event Seller shall fail to perform its obligations to consummate the transactions contemplated hereby, Seller acknowledges that money damages alone may not adequately compensate Buyer for its injury and therefore Buyer, in addition to other remedies available to Buyer at law and in equity, shall be entitled to the remedy of specific performance for Seller’s failure to perform its obligations to consummate the transactions contemplated hereby.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 Risk of Loss. The risk of loss to any of the Purchased Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Purchased Assets. In the event that any Asset suffers damage prior to the Closing Date and such Asset is not repaired or replaced by Seller prior to the Closing Date, Buyer shall have the option (i) to consummate this transaction on the Closing Date and Seller shall assign to Buyer all proceeds of insurance it receives covering the damaged Asset(s) (less all

reasonable costs and expenses, including without limitation attorneys' fees, incurred by Seller to collect such amounts) not previously expended by Seller to repair or replace the damaged Asset(s), and Buyer shall accept the damaged Asset(s) in their damaged condition, or (ii) if such damage or destruction materially disrupts the operations of any Station, then Buyer may postpone Closing until the date five (5) business days after operations are restored in all material respects, subject to **Section 13.1**.

14.2 Assignment. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by Buyer and Seller and their respective proper successors and assigns. This Agreement (and any rights, obligations or liabilities hereunder) may not be assigned or delegated in whole or in part by any party without the prior written consent of the other party; provided, however, that Buyer may assign its rights under this Agreement to an entity under common control with Buyer.

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

14.4 Governing Law; Jurisdiction; Venue. This Agreement and the rights of the parties hereto shall be governed, construed and interpreted in accordance with the internal laws of the State of Michigan, without giving effect to the choice of law principles thereof. Jurisdiction and venue for any action arising from or in relation to this Agreement or any provision hereof shall be exclusively in a federal or local court located in Jackson County, Michigan, and each party hereby submits to the jurisdiction of and venue in any such court as the agreed exclusive jurisdiction and venue for any such action.

14.5 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

14.6 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

14.7 Neutral Construction. The language used in this Agreement will be deemed to be language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

14.8 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

14.9 Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing. Assuming that the contents of a notice meet the requirements of the

specific Section of this Agreement which mandates the giving of that notice, a notice shall be validly given or made to another party if served either personally or if transmitted by facsimile or electronic mail or if sent by overnight courier service, and if addressed to the applicable party as set forth below. If such notice, demand or other communication is served personally, service shall be conclusively deemed given at the time of such personal service. If such notice, demand or other communication is delivered to FedEx (Federal Express), or any other nationally recognized overnight delivery service for next morning delivery or when dispatched by facsimile transmission (with the facsimile transmission confirmation being deemed conclusive evidence of such dispatch), or sent by electronic mail with such notice attached in Portable Document Format (PDF) provided that no automatic response relating to the addressee's absence is received and that such notice is also sent by mail with requests for delivery and read receipts, the return of such receipts being deemed conclusive evidence of such dispatch, in each case addressed to the persons, parties or entities as follows:

if to Seller: Jackson Radio Works, Inc.
1700 Glenshire Drive
Jackson, Michigan 49201
Attention: Bruce Goldsen, President
BGoldsen@rocketmail.com

With a copy (which shall not constitute notice) to: Mark Denbo, Esq.
Smithwick & Belendiuk, P.C.
5028 Wisconsin Avenue, N.W., Suite 301
Washington, DC 20016
mdenbo@fccworld.com

if to Buyer: McKibbin Media Group, Inc.
3336 N. Dearing Road
Parma, Michigan 49269
Attention: Jamie McKibbin
E-mail: djmckibbin1@yahoo.com

With a copy (which shall not constitute notice) to: Brendon R. Beer, Esq.
Abbott, Thomson, Mauldin, Parker, Beer & Rick, PLC
405 S. Jackson Street
Jackson, Michigan 49201
bbeer@atbplclaw.com

Any party hereto may change its or his address for the purpose of receiving notices, demands and other communications as herein provided, by a written notice given in the aforesaid manner to the other parties hereto. If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a federal legal holiday or legal holiday by law in the State of Michigan, the last day for such notification, communication or action shall be extended to the first date thereafter which is not a Saturday, Sunday or such legal holiday.

14.10 Entire Agreement. This Agreement, the Schedules attached hereto, and the

ancillary documents provided for herein, constitute the entire agreement and understanding of the parties hereto relating to the matters provided for herein and supersede any and all prior agreements, arrangements, negotiations, discussions and understandings relating to the matters provided for herein. All Schedules attached hereto or to be delivered in connection herewith are incorporated herein by this reference.

14.11 Waivers. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

14.12 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

14.13 Counterparts. This Agreement and any ancillary document hereto may be executed in counterpart signature pages, and each such counterpart signature page shall constitute one and the same original signature page.

14.14 Explication. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular and to the singular include the plural, references to any gender include any other gender, the part includes the whole, the term “including” is not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Article, section, subsection, clause, schedule and schedule references are to this Agreement, unless otherwise specified. Any reference in or to this Agreement or any of the ancillary agreements includes any and all permitted alterations, amendments, changes, extensions, modifications, renewals, or supplements thereto or thereof, as applicable.

14.15 Unwind. The parties herein agree to close the transaction following the initial grant of the FCC’s consent without allowing such consent to become a Final Order. If following Closing, the FCC Consent is reversed on reconsideration, review or appeal or otherwise overturned on its own motion and such reversal becomes a Final Order, the parties agree to cooperate and to take all necessary and advisable actions to unwind the transaction and to return the parties to the *status quo ante* within ninety (90) days thereof.

14.16 Bulk Sales. Buyer hereby waives compliance by Seller with the provisions of the Bulk Sales Act and similar laws of any state or jurisdiction, if applicable. Seller shall, in accordance with Article 14, indemnify and hold Buyer harmless from and against any and all claims made against Buyer by reason of such non-compliance.


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

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

SELLER

JACKSON RADIO WORKS, INC.

By:

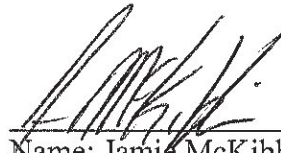


Name: Bruce Goldsen
Title: President

BUYER

MCKIBBIN MEDIA GROUP, INC.

By:



Name: Jamie McKibbin
Title: President