

## AGREEMENT

THIS AGREEMENT, made this 6th day of January, 2004, by and between Williamsport Communications, Inc., a Pennsylvania corporation, referred to as Seller), and James R. McKowne on behalf of a corporation to be formed and controlled by him (hereinafter referred to as Buyer):

### WITNESSETH:

WHEREAS, Seller is the holder of the license and other authorizations issued by the Federal Communications Commission (hereinafter referred to as "FCC"), for radio station WLYC(AM), Williamsport, Pennsylvania, (hereinafter "Station"); and

WHEREAS, Seller is desirous of selling Station and related assets to Buyer under the terms and conditions stated herein; and

WHEREAS, Buyer is desirous of acquiring said Station and related assets, under the terms and conditions stated herein: and

WHEREAS, the consummation of this Agreement is subject to the prior approval of the FCC;

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is hereby agreed as follows:

#### 1.

Subject to the prior approval of the FCC, which shall be obtained by its grant of an appropriate application, Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer agrees to buy, free and clear of all liens, (1) the FCC licenses for the Station and the associated studio-transmitter link; (2) all broadcast studio and transmission equipment, office furnishings, station files and related items owned by Seller and used or useful in the operation of Station as listed in Exhibit A hereto, all contracts as listed herein in Exhibit B (which Buyer agrees to assume), and all good will and rights which Seller has in frequencies, licenses and call letters of Station. All debts of Seller shall remain the debts of Seller and are not being assumed by Buyer. All accounts receivable of Seller shall remain property of Seller. In consideration thereof, Buyer agrees to pay to Seller the total consideration shown in Paragraph 2 below.

#### 2.

In consideration for the assets to be conveyed to Buyer, Buyer shall pay to Seller a total of

FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00). Buyer shall pay the total consideration thus:

Buyer has previously deposited with Fletcher Heald & Hildreth, PLC the sum of Ten Thousand Dollars (\$10,000.00) as a down payment which shall be nonrefundable unless the FCC shall refuse to approve the transaction contemplated herein due to the fault of Seller. The down payment may be used by Seller to satisfy certain outstanding obligations of Station prior to FCC approval.

At Closing, Buyer shall pay Seller the sum of Forty-Five Thousand Dollars (\$45,000.00) by certified or cashier's check or by wire transfer.

Should this transaction not be consummated due to Buyer's default, The previously paid down payment shall be considered Seller's liquidated damages. Should this transaction not be consummated due to Seller's default, Buyer shall have the option to either (1) terminate this Agreement and obtain the return of its down payment or (2) seek specific performance and other available remedies in an appropriate Pennsylvania court.

3.

Seller hereby warrants as follows:

(a) That it holds valid authorization(s) from the FCC to operate Station and there are no outstanding unsatisfied FCC citations or cease and desist orders against Station and any such subsequently issued shall be satisfied prior to closing.

(b) That it is aware of no ongoing investigation of Station by the FCC or by any other federal or state governmental agency, or any conditions at Station which are violative of any FCC rule or policy;

(c) That it is aware of no litigation, proceeding or investigation whatsoever pending or threatened against or relating to Seller, its business, or the property to be transferred hereunder and that it knows of no reason why the FCC would not find it qualified to assign its license;

(d) That, as of the Closing Date, Station's physical assets shall be in the same condition as at the date hereof, wear and tear and ordinary usage excepted; any physical asset which is damaged or removed between the date hereof and the Closing Date shall be repaired or replaced by Seller at its own expense;

(e) That it has good marketable title to all assets being sold herein, other than those liens or

claims disclosed to Buyer on Exhibits A and B hereto;

(f) That all leases and contracts shown in Exhibit C hereto are in full force and effect;

(g) That it will deliver Station at closing free and clear of all debts, liens and other encumbrances other than those disclosed in Exhibits A and B hereto. Seller shall pay in full all obligations to Brown Bear Irrevocable Common Law Trust ("Brown Bear") at or prior to Closing, and shall provide Buyer with a copy of Brown Bear's release of all claims against Seller and the Station.

(h) That at present and on the closing date, Seller will have full power and authority to enter into and perform this Agreement, that the execution and delivery of this Agreement and the performance of all obligations hereunder shall have been duly authorized, and that this Agreement will constitute a valid and binding agreement of the Seller, enforceable in accordance with its terms;

(i) Seller is a corporation in good standing in the Commonwealth of Pennsylvania, and Seller has paid all taxes and fees due to the United States, the Commonwealth of Pennsylvania, and other government bodies;

(j) To the best of Seller's knowledge, Seller has filed all forms and reports with the FCC which are required to be filed, and has placed in its public and political files all documents which are required to be there.

(k) Seller will hold Buyer harmless from any and all claims of trade creditors, judgment creditors, lien holders, purported owners, or any other person making a claim by or through Seller or asserting any claim on the assets purchased, other than those liens disclosed herein, or having to do with Buyer's operation of the Station subsequent to the Closing date.

Should any such claims as described in this paragraph be made against Buyer, Seller further agrees to fully indemnify and hold Buyer harmless for the value of such claims, plus any and all costs, attorney's fees, expense, court costs, arbitration fees, or any other costs incurred by the Buyer in the handling or processing of any such claims that may be made.

#### 4.

Buyer hereby warrants as follows:

(a) That at the time set for Closing of the transactions contemplated herein, it will be legally, fi-

nancially and otherwise qualified to become the licensee of the Station. Buyer knows of no reason why the FCC would not approve its acquisition of the Station licenses.

(b) That at present and on the closing date, Buyer will have full power and authority to enter into and perform this Agreement, that the execution and delivery of this Agreement and the performance of all obligations hereunder shall have been duly authorized, and that this Agreement will constitute a valid and binding agreement of the Buyer, enforceable in accordance with its terms;

(c) Buyer will hold Seller harmless from any and all claims of having to do Buyer's operation of the Station subsequent to the Closing date.

Buyer further agrees to fully indemnify and hold Seller harmless for the value of such claims described in this paragraph, plus any and all costs, attorney's fees, expense, court costs, arbitration fees, or any other costs incurred by the Buyer in the handling or processing of any such claim that may be made.

5.

In connection with preparing and filing of assignment applications with FCC, the parties shall bear their respective legal costs. All FCC fees in connection with the assignment application shall be divided equally between Seller and Buyer.

6.

Both parties hereto agree to join in an application to FCC for assignment of Station's license to Buyer within five (5) days from the date of this Agreement, and to cooperate fully and diligently in seeking FCC's consent to assignment of Station from Seller to Buyer.

7.

Taxes, insurance, and prepaid expenses shall be pro-rated as of the date of closing.

8.

Time is of the essence of this Agreement. If the FCC has refused or failed to grant its written consent to assignment of all of Station's license within twelve (12) months of the date hereof, either party may cancel this agreement by giving the other party two (2) weeks prior written notice of such intent, by certified mail or overnight delivery service in which a written receipt of delivery is obtained; provided that the FCC has not granted its consent to the Station's license assignment during that two-week interim period,

and provided further that the party seeking cancellation is not in material breach of this Agreement.

9.

Closing shall take place at the main studio of Station, or at another mutually agreed location, or via an exchange of documents by overnight courier and a wire transfer of funds within five (5) business days subsequent to the date of grant of FCC consent, provided that such consent shall not have been rescinded, or a petition for reconsideration of the grant filed, in the interim.

At closing, Seller will furnish Buyer instruments of conveyance satisfactory to Buyer's counsel to properly transfer the licenses, real property, personal property and intangible assets to Buyer. Seller will furnish all other documents reasonably required by Buyer's counsel at Closing.

10.

Prior to closing, Seller shall have complete control over the property and operation of the Station. However, Buyer shall have the right to reasonable access to Station logs and papers prior to closing, and to inspect Station property. Upon closing and transfer as contemplated herein, Buyer shall have complete control Station. Seller shall have no reversionary interest in the license of Station.

Buyer shall have the right, but not the obligation, to begin providing programming to the station pursuant to a local marketing agreement, prior to the Closing, upon fifteen days' notice to Seller. Should Buyer give Seller notice of its intent to provide Station's programming, the parties shall enter into a Local Marketing Agreement for the period until the transactions contemplated herein are closed, or this Agreement is terminated, whichever shall occur first. Buyer shall reimburse Seller's operating expenses, now estimated at \$3,368.00 per month, which will be full consideration for the broadcasting of Buyer's programming on the Station.

11.

Buyer shall have the right to file any necessary change of ownership forms with the Internal Revenue Service of the United States of America and shall further have the right to determine the allocation of the purchase price as to the various assets purchased, and will complete the tax schedule for the acquisition of the assets being purchased.

12.

Notices which are to be sent to either party to the other under or pursuant to the terms of this Agreement, shall be sent by United States Certified Mail, return receipt request, as follows:  
If to Seller:

Cindy R. Roesgen  
460 Market Street  
Suite 109  
Williamsport, PA 17701

Copy to:

Harry Martin  
Fletcher, Heald & Hildreth  
1300 N.17th Street  
11th Floor  
Arlington, VA 22209-0486

If to Buyer:

James R. McKowne  
725 Trevitt Circle  
Cleveland, Ohio 44143

Copy to:

Jerrold Miller, Esq.  
Miller and Neely, PC  
6900 Wisconsin Ave.  
Suite 704  
Bethesda, MD 20818

13.

This document is the entire agreement between the parties hereto and shall not be modified except in writing and with the consent of all parties hereto. This document shall be binding on the heirs, successors and assigns of the parties hereto and shall be construed by the laws of the Commonwealth of Pennsylvania. This Agreement may be executed in counterpart copies. When exchanged, such executed counterpart copies shall have the same force and effect as a single executed Agreement.

FROM :

FAX NO. :216 531 5648

Jan. 06 2004 01:31PM P1

01/06/2004 14:14 3019864162

MILLER NEELY

PAGE 01

If to Buyer:

James R. McKowne  
725 Trevitt Circle  
Cleveland, Ohio 44143

Copy to:

Jerrold Miller, Esq.  
Miller and Neely, PC  
6900 Wisconsin Ave.  
Suite 704  
Bethesda, MD 20818

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This document is the entire agreement between the parties hereto and shall not be modified except in writing and with the consent of all parties hereto. This document shall be binding on the heirs, successors and assigns of the parties hereto and shall be construed by the laws of the Commonwealth of Pennsylvania. This Agreement may be executed in counterpart copies. When exchanged, such executed counterpart copies shall have the same force and effect as a single executed Agreement.

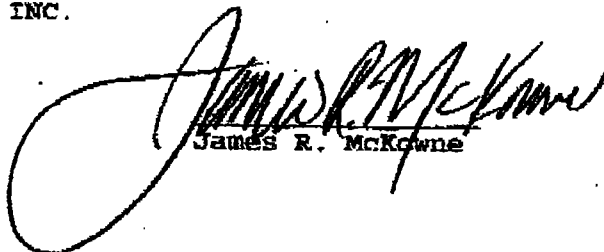
IN WITNESS WHEREOF, we have hereunto set our hands and seals on the date written above.

SellerBUYER

WILLIAMSPORT COMMUNICATIONS, INC.

By

Cindy R. Roegen,  
President



James R. McKowne

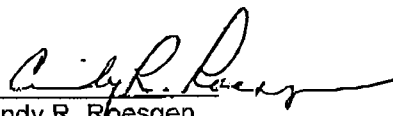
IN WITNESS WHEREOF, we have hereunto set our hands and seals on the date written above.

Seller

BUYER

WILLIAMSPORT COMMUNICATIONS, INC.

By



Cindy R. Roesgen,  
President

James R. McKowne



**Exhibit A**

**Equipment and Furnishings**

(See Attached)

**FCC Licenses**

WLYC(AM), 1050 kHz, Williamsport, Pennsylvania

WPWJ276, 948.000 mHz (STL), Williamsport, Pennsylvania

Equipment  
Newly painted tower (11/02)  
Isocoupler  
Processor  
Amplifier  
Equipment rack (studio)  
2 antennas and mounting brackets (STL)  
Modulation monitor  
4 telephones  
Broadcast Software  
Music 1700 selections  
Beacon flasher  
Dual cassette deck  
On air Computer  
Production Computer  
4 A-1000 tubes for transmitter  
studio table  
7 Microphones  
Insulating foam on walls in studio  
Hafler monitors  
Mic stands  
2 Mia Sound Cards  
Aphex Compeller  
Audio Studio Console  
Mic riser, headphones mic cables  
File cabinets (2)  
Book cases  
Antivirus software  
Symetrix  
Chairs  
Computers (2)  
Scanner  
Microphone mixer  
3 desks, 6 chairs, office supplies, fax machine  
New 30 amp night transmitter  
EAS (Gorman Redlich)  
Printer  
Sine system  
2.5 Kilowatt transmitter (CSI)  
220 ft. tower on 10 acres, cinder block shelter,

**Contracts and Leases**

1. Lease Agreement, December 27, 2002, by and between Brian J. McCarthy as landlord, and Williamsport Communications, Inc., as tenant.
2. Member Agreement for Radio, April 11, 2003 by and between The Associated Press, Inc. and Williamsport Communications, Inc.

Williamsport Communications, Inc. has a month-to-month tenancy arrangement for use of its current studio facilities and has no leasehold interest to assign. Buyer will be responsible for negotiating a separate lease for studio facilities at the existing facility or at another location.

**Exhibit C**

**Contracts and Leases**

(See Exhibit B)