

A G R E E M E N T

THIS AGREEMENT, made this ____th day of May, 2002, by and between Brown Bear Irrevocable Common Law Trust, a Pennsylvania trust, (hereinafter referred to as "Seller"), and Williamsport Broadcasting, Inc., a Pennsylvania corporation (hereinafter referred to as "Buyer"):

W I T N E S S E T H:

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 WYLC(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, all broadcast studio and transmission equipment, office furnishings, and related items owned by Seller and used or useful in the operation of Station as listed in Exhibit A hereto, all real property used or useful in the operation of Station as listed in Exhibit B hereto, all contracts as listed herein in Exhibit C (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, except as otherwise provided herein. All accounts receivable of Seller shall remain property of Seller. However, any moneys received by Buyer after Closing toward payment of Seller's accounts receivable shall be remitted to Seller each thirty (30) days after Closing for a period of ninety (90) days after Closing. Buyer shall have no obligation to collect Seller's accounts receivable. 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 ONE HUNDRED FIVE THOUSAND DOLLARS (\$105,000.00). Buyer shall pay the total consideration thus:

Buyer has previously paid a nonrefundable deposit of Five Thousand Dollars (\$5,000.00) which shall be applied to the purchase price at Closing.

Buyer shall assume an existing note on the station and its assets for approximately \$35,000.00 payable to Brian McCarthy. Buyer is responsible for securing release of the licensee from terms of the note and any related security interest.

At Closing, Buyer will pay \$45,000 to Seller in cash, by cashiers check or via wire transfer, and will execute a note in favor of Seller for the remaining balance of approximately \$20,000, with interest at the rate of eight percent (8%) per annum, payable monthly over a period of 60 months, with each payment in the approximate amount of \$405.53. Said note shall be secured by a lien on the WYLC transmitter. The first payment shall be due thirty (30) days from Closing.

Within 30 days of the date hereon, Buyer will show evidence of the secured funds to complete this transaction, by depositing the sum of \$45,000.00 into an escrow account of Buyer's choosing.

3.

If Buyer fails to place the sum of \$45,000.00 into escrow with by the 30th day, the Buyer will be considered to be in material default hereunder, and the Seller shall have the right to immediately terminate this Agreement without liability.

Alternatively, Seller may, at the request of Buyer and at its own discretion, extend the thirty-day period, as a matter of good faith in the interests of both parties to

complete this transaction. Any such extension shall be in writing and signed by the Seller.

4.

Should this transaction not be consummated due to Buyer's default, Seller shall be entitled to keep the \$5,000 deposit as liquidated damages. Should this transaction not be consummated due to Seller's default, Buyer shall have the right to seek specific performance and other available remedies in an appropriate court.

5.

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 deteriorates further 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;

(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 trust in good standing in the Commonwealth of Pennsylvania, and Seller has paid all taxes and fees due to 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.

6.

Buyer hereby warrants as follows:

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

7.

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 paid by Buyer.

Both parties hereto agree to join in an application to FCC for assignment of Station's license to Buyer within ten (10) 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.

8.

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

9.

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 nine (9)

months of the date of filing of the application for assignment thereof, 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.

10.

Closing shall take place at the main studio of Station, or at another mutually agreed location, subsequent to the date on which grant of FCC consent has occurred, provided such grant has not been set aside, upon ten (10) days' notice from Buyer to Seller, but not more than ninety (90) days from the date of the FCC consent.

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. Real Property shall be conveyed via a warranty deed typical for such deeds in the area. Seller will furnish all other documents reasonably required by Buyer's counsel at Closing.

11.

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.

12.

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.

13.

The following shall, after the expiration of the applicable cure periods, constitute Events of Default under this Agreement:

Any material representation or warranty herein made by Buyer or Seller to the other or in any certificate or document furnished by Buyer or Seller to the other pursuant to the provisions hereof, shall prove to be false or misleading in any material respect as of the time made or furnished.

Unless otherwise provided herein, an Event of Default shall not be deemed to have occurred until twenty (20) business days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default, except for Events of Default as otherwise

provided herein, and specifying the actions necessary to cure within said period. This period may be extended for a reasonable period of time if the defaulting party is acting in good faith to cure and such delay is not materially adverse to the non-defaulting party.

In the event that a dispute arises under this provision and litigation ensues, the prevailing party in said litigation shall be entitled to recover reasonable attorney's fees and the parties agree that Pennsylvania law shall govern in any such dispute.

14.

No modification or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing, and then such waiver and consent shall be effective only in the specific instance for the purpose of which given.

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

This Agreement shall be construed in accordance with

the laws of the Commonwealth of Pennsylvania, and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulation now or hereafter in force and to the regulations of the Commission and all other governmental bodies or authorities presently or hereafter to be constituted.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the original or the same counterpart.

15.

Any notice required shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, by Federal Express, or mailed by certified mail, postage prepaid, with return receipt requested, and addressed as follows:

If to Licensee:

Brown Bear Irrevocable Common Law Trust
12 Carroll Street
Westminster, MD

If to Buyer:

Samuel F. Jordan JR
18 Rosecrans Lane
Loganton, PA 17747-9811

Copy to:

Miller & Miller, P.C.
P.O. Box 33003
Washington, DC 20033

Copy To:

William C. Doerner
PO Box 18400
Corpus Christi, TX 78480

16.

This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like written instrument. 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 the event that any of the provisions contained in this Agreement are held to be invalid, illegal or unenforceable, that shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

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

BROWN BEAR IRREVOCABLE
INC. COMMON LAW TRUST

WILLIAMSPORT BROADCASTING,

By _____

By _____
William Doerner