

**ASSET PURCHASE AGREEMENT**

**BETWEEN**

**WJZT COMMUNICATIONS, LLC**

**AND**

**97.9 WJZT FM, INC.**

**FOR**

**RADIO STATION WJZT (FM)**

**WOODVILLE, FLORIDA**

**APRIL 1, 2006**

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## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made and entered into this 1st day of April, 2006, between 97.9 WJZT FM, Inc. ("Seller") and WJZT Communications, LLC ("Buyer").

### RECITALS

WHEREAS, Seller is the permittee of radio broadcast station WJZT (FM), Woodville, Florida (the "Station") which is currently operating in accordance with all applicable FCC regulations; and

WHEREAS, Buyer desires to acquire the licenses and permits issued by the Federal Communications Commission (the "FCC") for the operation of the Station ("FCC Licenses") as well as certain tangible and intangible personal property and other property and rights of Seller used or intended to be used in the operation of the Station. Seller desires to sell, transfer and assign same to Buyer; and

WHEREAS, the FCC Licenses may not be assigned to Buyer without the prior written consent of the FCC; and

NOW, THEREFORE, for good and valuable consideration receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

"Assets" shall have the meaning assigned thereto in Section 2

"Assignment Application" means the application which is to be filed with the FCC requesting its unconditional written consent to the assignment of the FCC Licenses from Seller to Buyer.

"Buyer" shall have the meaning assigned thereto in the preamble.

"Closing" means the consummation of the purchase and sale of the Station pursuant to the terms hereof.

"Closing Date" means (i) if Buyer elects to close prior to a Final Order, 10:00 a.m. local time on the fifth business day after the day on which the Commission Order becomes effective; or (ii) 10:00 a.m. local time on the fifth business day after the day on which the Commission Order becomes a Final Order. The Closing Date may also be such other date as the parties may mutually agree to in writing.

"Closing Place" means the office of Buyer, 1600 South US #1, Fort Pierce, Florida, or such other place as the parties shall mutually agree.

"Commission Order" means an order of the FCC consenting to the assignment of the FCC Licenses to Buyer.

"Contracts" shall have the meaning assigned thereto in Section 2(c).

"Event of Default" shall have the meaning assigned thereto in Section 22.

"FCC" shall have the meaning assigned thereto in the second whereas clause.

"FCC Licenses" shall have the meaning assigned thereto in the first whereas clause.

"Final Order" means a Commission Order which is no longer subject to administrative or judicial reconsideration, review or rehearing.

"FM Site" means the Station's antenna site at the location described in the Tower Lease, upon which the Station's antenna and transmitter are located.

"Indemnified Party" shall have the meaning assigned thereto in Section 19(c)

"Indemnifying Party" shall have the meaning assigned thereto in Section 19(c).

"LMA" means that certain Local Marketing Agreement, dated April 1, 2006, between Buyer and Seller.

"Personal Tangible Assets" shall have the meaning assigned thereto in Section 2(b).

"Promissory Note" means the promissory note in the form of Exhibit A attached hereto.

"Purchase Price" shall have the meaning assigned thereto in Section 5(a).

"Seller" shall have the meaning assigned thereto in the preamble

"Station" shall have the meaning assigned thereto in the first whereas clause

2. **Assets to be Conveyed.** On the Closing Date at the Closing Place, Seller will sell, assign, convey, transfer and deliver to Buyer, by appropriate instruments of conveyance in form reasonably satisfactory to Buyer, the following assets, properties and rights of the Station (the "Assets"):

(a) The FCC Licenses as listed in Schedule 1 attached hereto, including Seller's right to the call letters "WJZT (FM)";

(b) All of the fixed and tangible personal property including accounts accruable, physical assets and equipment, leasehold improvements, music formats, music libraries, programs and program production material and related assets used or intended to be used in the operation of the Station including, but not limited to, the assets and equipment listed on Schedule 2 and any additions thereto or substitutions therefor made between the date hereof and the Closing Date, less any retirements made in the usual and ordinary course of business as permitted hereunder ("Personal Tangible Assets"), free and clear of all liens, charges, claims, pledges, security interests and other encumbrances whatsoever;

(c) The contracts, leases and agreements (i) listed in Schedule 3 which are in effect on the Closing Date, and (ii) those contracts entered into between the date hereof and the Closing Date in the usual and ordinary course of business and which have been consented to by Buyer in writing (collectively the "Contracts").

(d) Such business files, records and logs pertaining to the operation of the Station as Buyer shall reasonably require; and

(e) All of Seller's right, title and interest in and to all intangible assets, goodwill, going concern value and like items of the Station.

3. **Excluded Assets.** The assets being sold to Buyer do not include:

(a) Any cash on hand or in banks, cash equivalents, investments, securities, and deposits;

(b) All claims of Seller with respect to operations and transactions of the Station occurring prior to 11:59 p.m. on the Closing Date including, without limitation, claims for tax refunds or other refunds of monies paid any governmental agency and refunds of any kind from third parties for costs incurred by Seller; and

(c) The minutes, seals, membership books, books of account or any other records of Seller; provided, however, that copies shall be available for Seller's review at any time.

4. Excluded Liabilities and Contracts. Seller shall be solely responsible for, and there shall be no assumption by Buyer of, any liabilities of Seller or Station except as explicitly set forth in this Agreement. It is expressly agreed that Buyer shall not assume any liability for the following:

(a) Liabilities of Seller except as otherwise set forth herein;

(b) All agreements, executed or executory, relating to the exchange of time on the Station for goods, wares, services, advertising, promotions, merchandising or anything other than cash, unless specifically consented to by Buyer in writing;

(c) Contracts, agreements or leases except those specified in Section 2(c) above;

(d) Liabilities, duties or obligations arising out of any plan or contract for insurance, pension, retirement, profit sharing or employee benefits; and

(e) Any litigation, proceeding or claim by any person or entity relating to the business or operation of the Station prior to the Closing, whether or not any such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date.

5. Purchase Price and Method of Payment.

(a) Purchase Price. The aggregate purchase price to be paid to Seller by Buyer shall be Two Million Three Hundred Thousand Dollars (\$2,300,000.00) (the "Purchase Price").

(b) Initial Payment. Buyer shall pay Seller Five Hundred Seventy Five Thousand Dollars (\$575,000.00) in cash on the Closing Date.

(c) Method of Payment. The remainder of the Purchase Price shall be paid as follows:

(i) Payment of Principal. The Purchase Price balance of the One Million Seven Hundred Twenty Five Thousand Dollars (\$1,725,000.00) shall be paid on January 31, 2007.

(ii) Interest. Interest shall accrue on the unpaid amount of the Purchase Price at a rate per annum equal to prime minus ½%.

6. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer as follows:

(a) Organization and Standing. Seller is now and on the Closing Date will be a corporation duly incorporated, validly existing and in good standing under the laws of its state of incorporation, and has all necessary power and authority to carry on the Station's business as now being conducted and to enter into and perform this Agreement.

(b) Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly approved by Seller's board of directors and this Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms, except as limited by bankruptcy, moratorium, reorganization and insolvency laws and similar laws of general application affecting creditors' rights or contractual obligations generally or by the availability of equitable remedies.

(c) No Conflicts. The execution, delivery and performance of this Agreement by Seller, and the consummation of the transactions contemplated hereby do not, and as of the Closing Date, will not (i) violate, conflict with or constitute a default under any law, regulation, ordinance, judgment, decree, arbitral award, governmental license, permit or other authorization, or any contract, agreement or other instrument to which Seller is a party, and (ii) require the consent of any third party, except as has been previously disclosed to Buyer.

(d) FCC Licenses. Seller is now and on the Closing Date will be the holder of the FCC Licenses. The FCC Licenses constitute all of the licenses and authorizations required for and/or used in the operation of the Station as now operated, and the FCC Licenses are now and on the Closing Date will be in full force and effect and unimpaired by any act or omission of Seller, its officers, directors, stockholders, employees or agents. There is not now pending or, to the best knowledge of Seller, threatened, any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew in the ordinary course any of the FCC Licenses, and there is not now pending, issued or outstanding, or to the best knowledge of Seller threatened, any Order to Show Cause, Notice of Violation, Notice of Apparent Liability or of Forfeiture or material complaint against the Station. In the event of any such action, or the filing or issuance of any such order, notice or complaint or knowledge of the threat thereof, Seller shall notify Buyer of same in writing within five days, shall respond to the action, order, notice or complaint, shall take measures to correct and satisfy fully any complaints or violations cited or to contest same in good faith, shall implement procedures to insure that the complaints or violations will not recur, and shall pay any sanctions imposed. The Station is now and on the Closing Date will be operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. Seller is now and on the Closing Date will be qualified to sell the Station and to assign the FCC Licenses in compliance with the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC.

(e) **Property.** All of the Personal Tangible Assets used or intended to be used in the operation of the Station are listed on Schedule 2. On the Closing Date, Seller will have, and will convey to Buyer, subject to the provisions of Section 2(c), good and valid title to such properties, equipment and assets and any other properties, equipment and assets acquired by it subsequent to the date hereof and used in the business or operation of the Station, free of any and all liens, charges, assessments, taxes, mortgages, pledges, conditional sales agreements, security interests and encumbrances of any kind whatsoever.

(f) **Condition of Equipment.** Broadcast equipment to be transferred to Buyer hereunder is, and will be as of the Closing Date, in good repair and working condition and in full compliance with all current FCC requirements. Non-broadcast equipment being transferred to Buyer hereunder is, and as of the Closing Date will be, in working condition.

(g) **Litigation.** No judgment is issued or outstanding against Station or Seller which would have a material adverse effect on Seller or Station. No litigation, action, suit, judgment, proceeding or investigation is now pending or outstanding before any forum, court, or governmental body, department or agency of any kind, or to the knowledge of Seller threatened, to which Seller or the Station is a party, which (i) might result in any material adverse change in the condition of the Station, or any of the material Personal Tangible Assets, (ii) has the stated purpose or the probable effect of enjoining or preventing the consummation of this Agreement or the transactions contemplated hereby or to recover damages by reasons thereof, or (iii) questions the validity of any action taken or to be taken pursuant to or in connection with this Agreement, and Seller does not know of any dispute which would form the basis for such claim, litigation, proceeding or investigation.

(h) **Contracts.** Schedule 3 is a true and complete list of all contracts, agreements, leases and understandings of the Station to be assigned to Buyer hereunder. True and complete copies of all written contracts listed in Schedule 3 have been delivered to Buyer. Seller is not now and on the Closing Date will not be (i) in default under any of the Contracts, or (ii) in breach of any material provision of, and is not in default in any material respect under the terms of any other contract, agreement or lease, or any plan, license, insurance policy or other instrument concerning or affecting the Assets or to which any of the Assets are subject, a breach of which, or default under which under (i) or (ii) above, would have a material adverse effect on the business and financial condition of the Station.

(i) **Taxes.** With respect to all taxes the nonpayment of which could affect any of the Assets or the operation of the Station within the times and in the manner prescribed by law, Seller has filed all federal, state, and local tax returns required by law and has paid all taxes, estimated taxes, interest, assessments, and penalties due and payable. All returns and forms which have been filed have been true and correct in all material respects and no tax or other amount other than as shown on such returns and forms are required to be paid. There are no present disputes as to taxes of any nature payable by Seller which in any event could materially

affect any of the Assets or the operation of the Station.

(j) Personnel. Seller is now and on the Closing Date will be in material compliance with all federal, state and local laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and is not and on the Closing Date will not be engaged in any unfair labor practice. There are no claims or complaints pending or to Seller's best knowledge threatened against Seller before any court or governmental agency involving allegedly unlawful employment practices. Seller is not now and on the Closing Date will not be a party to any deferred compensation, retirement, stock purchase, stock option, severance, hospitalization or insurance plans, pension plans, bonus profit sharing plans, contracts, programs, or arrangements, including without limitation employment agreements, collective bargaining or other employee or labor agreements for which Buyer will be obligated on or after the Closing Date. There is no labor strike, or other employee or labor controversies or disputes pending (including without limitation any organizational drive) or, to the best knowledge of Seller, threatened which may materially adversely affect the operations of the Station.

(k) Logs and Business Records. All logs and business records of every type and nature relating to the operation of the Station including, but not limited to, political and public record files, program operating and maintenance logs, equipment performance measurements, policies or evidence of insurance, licenses, payroll, social security and withholding tax returns, operator agreements and other records pertaining to the day to day and normal operations of the Station have been retained for not less than the lesser of (i) the prescribed holding periods therefore or (ii) the period of operation of the Station. Such logs and business records are presently in the possession of Seller, and at Closing will be in the possession of Seller and, except for original financial records and books of account (copies of which shall at all times be available to Buyer) shall be conveyed to Buyer.

(l) Insolvency. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of its assets or Properties are now or on the Closing Date will be pending or, to the best knowledge of Seller threatened; or shall Seller have made any assignment for the benefit of creditors, or have taken any action in contemplation or, or which would constitute the basis for, the institution of any such insolvency proceedings.

(m) Title to Call Letters. Seller has and on the Closing Date Seller will have, and will convey to Buyer, good and valid title to use the call letters "WJZT (FM)".

(n) Accuracy of Warranties. To the best knowledge of Seller, no covenant, representation or warranty by Seller and no written statement, certificate, appendix or schedule furnished or to be furnished by it pursuant hereto or in connection with the transactions contemplated hereby contains or will contain at the time of which it speaks any untrue statement of a material fact or omits or will omit to state at the time as of which it speaks any material fact

necessary to make the statements contained therein not misleading.

(o) Compliance with Applicable Laws. All of the Personal Tangible Assets are in compliance in all material respects, and Seller has constructed the Station in compliance in all material respects with all laws, ordinances, regulations, rules and orders. Seller now has all requisite power and all necessary permits, certificates, licenses, approvals, consents and other authorizations required to carry on and conduct the business of the Station and to own, lease, use and initiate operations of the Station at the places and in the manner in which its business is conducted.

7. Affirmative Covenants of Seller. Between the date hereof and the Closing Date, except as contemplated by this Agreement or as may be waived in writing by Buyer, Seller shall:

(a) Operate the Station consistent with the LMA (i) in good faith with due diligence in the usual and ordinary course of business consistent with past practices; (ii) in conformity in all material respects with the FCC Licenses, the Communications Act of 1934, as amended, and the rules and regulations of the FCC; and (iii) in conformity in all material respects with all other material applicable laws, ordinances, regulations, rules and order; and

(b) Upon reasonable prior notice provide Buyer and representatives of Buyer with reasonable access during normal business hours to the properties, titles, contracts, books, files, logs, records and affairs of the Station, and furnish such additional information concerning the Station as Buyer may from time to time reasonably request.

8. Negative Covenants of Seller. Between the date hereof and the Closing Date, except as contemplated by this Agreement, Seller will not, without the prior consent of Buyer:

(a) With respect to employees of the Station, enter into, renew or renegotiate any agreements with employees not cancelable upon 30 days notice or such other notice as may be required by law in Florida, or, except in accordance with existing employment policies consistent with past practices, increase the compensation or bonuses payable to or to become payable by Seller to any of the employees;

(b) Renew, renegotiate, modify, amend or terminate any agreements listed in Schedule 3;

(c) Enter into any new contracts, agreements or understandings for the Station except in the usual and ordinary course of business, all of which shall be cancelable by Buyer on not more than 30 days notice without penalty or premium;

(d) Violate any material rules, regulations, policies of the FCC, or cause or permit the FCC Licenses to lapse, to be modified in any material respect, or otherwise to become impaired in any manner; and

(e) Change the Station's call letters, modify the Station's broadcasting facilities or apply for any construction permits with the FCC which would do so.

9. **Buyer's Covenants, Representations and Warranties.** Buyer covenants, represents and warrants to Seller as follows:

(a) **Organization and Standing.** Buyer is now and on the Closing Date will be a limited liability company, validly existing and in good standing under the laws of its state of incorporation, and has all necessary power and authority to carry on its business as now being conducted and to enter into and perform this Agreement.

(b) **Authorization.** The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly approved by the members of Buyer and this Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms, except as limited by bankruptcy, moratorium, reorganization and insolvency laws and similar laws of general application affecting creditors' rights or contractual obligations generally or by the availability of equitable remedies.

(c) **No Conflicts.** The execution, delivery and performance of this Agreement by Buyer, and the consummation of the transactions contemplated hereby do not, and as of the Closing Date, will not (i) violate, conflict with or constitute a default under any law, regulation, ordinance, judgment, decree, arbitral award, governmental license, permit or other authorization, or any contract, agreement or other instrument to which Buyer is a party, and (ii) require the consent of any third party, except as has been previously disclosed to Seller.

(d) **Assignment of Licenses.** Buyer knows of no reason why the FCC would not approve an application for the assignment of the FCC Licenses to it and, pending Closing, Buyer will not take any actions which might impair its ability to become the assignee of the FCC Licenses.

(e) **Financial Qualification.** On the Closing Date, Buyer will be financially qualified to undertake the performance of the obligations set forth herein, and Buyer will establish its financial qualifications to the satisfaction of the FCC, so that the application for FCC consent to this transaction shall not be delayed and shall be routinely granted.

10. **Risk of Loss.** The risk of loss, damage or destruction to any of the property or assets to be transferred to Buyer hereunder from fire or other casualty or cause shall be borne by Seller at all times up to the Closing on the Closing Date, and it shall be the responsibility of Seller to repair or cause to be repaired and to restore the property to its condition prior to any such loss, damage, or destruction out of its insurance proceeds. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss payable under any insurance policy with respect thereto shall be used to repair, replace or restore any such property to its former condition

subject to the conditions stated below. It is expressly understood and agreed that in the event of any loss, damage or destruction to any of the property or assets to be transferred hereunder from fire, casualty or other causes prior to the Closing on the Closing Date, Seller shall notify Buyer of same in writing immediately. Such notice shall specify with particularity the loss, damage or destruction incurred, the cause thereof, if known or reasonably ascertainable, and the insurance coverage. In the event that the property is not completely repaired, replaced or restored on or before the Closing on the Closing Date, Buyer, at its sole option may (a) postpone the Closing until such time as the property has been completely repaired, replaced or restored and Seller and Buyer shall join in a request to the FCC to extend for such period the time for consummation of the assignment of the Station's license to Buyer, if such a request is necessary for restoration of the Station's normal operations but in no event later than 30 days after notice has been delivered; or (b) consummate the Closing and accept the property in its then condition, in which event Seller shall assign Buyer all proceeds of insurance covering the property involved.

11. Assignment Applications. Seller and Buyer shall join in and file the Assignment Application within 10 days from the date hereof. The parties hereto shall take all steps as may be reasonably necessary or proper to expeditiously and diligently prosecute the Assignment Application to a favorable conclusion. Buyer shall bear all expenses in connection with the preparation of the applicable sections of said applications and in connection with the prosecution thereof. In the event that the Closing Date is after the conclusion of the effective period of the FCC's consent to the Assignment Application, the parties shall join, file and prosecute all necessary requests for appropriate extensions of the effective period of the FCC's consent.

12. Termination Rights. If the FCC has failed or refused to grant its written consent to the Assignment Application and/or any other transactions contemplated to be consummated hereunder within nine months from the date the Assignment Application is accepted for filing by the FCC, or if the FCC orders an evidentiary hearing upon such application, whichever of these two events occurs first, Buyer or Seller, each at its option, may terminate this Agreement upon ten days' prior written notice to the other, in which event this Agreement shall have no further force or effect if the terminating party is not in default; if the delay in the FCC's action is due to the refusal or failure of either party to supply the FCC with information requested by the FCC, only the party free from fault shall have the option of terminating this Agreement. In the event of an FCC designation for hearing of the application for assignment, only the party whose qualifications are not in issue shall have the option of terminating this Agreement.

13. Control of the Station. Between the date hereof and the Closing, Buyer, its employees and agents shall not directly or indirectly control, supervise or direct the operation of the Station, but such operation shall be the sole responsibility of and in the complete discretion of Seller; subject to the provisions of the LMA.

14. Conditions Precedent to Seller's Obligations. The obligation of Seller to consummate the transaction contemplated hereby is subject to satisfaction on or prior to the Closing Date of the following:

(a) FCC Approval. The FCC shall have issued the Commission Order without conditions which would have a material adverse affect on the Station or Seller and such consent shall have become a Final Order;

(b) Payments. All payments which are due and payable by Buyer on or before the Closing Date shall have been paid in accordance with the terms of this Agreement and the LMA, and Buyer shall have executed and delivered all of the documents required of it herein;

(c) Performance. Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement; and

(d) Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement shall be true and correct, except insofar as they expressly are limited to a given date, and the obligations of Buyer to be performed or complied with on or prior to the Closing Date hereunder, pursuant to the terms of this Agreement, shall have been duly performed, and Buyer shall have delivered to Seller certificates dated as of the Closing Date, signed by a duly authorized officer of Buyer to this effect.

15. Conditions Precedent to Buyer's Obligations. The obligation of Buyer to consummate the transaction contemplated hereby is subject to the satisfaction on or prior to the Closing Date of the following:

(a) FCC Approval. The FCC shall have issued the Commission Order without conditions which would have a material adverse affect on the Station or Buyer and such consent shall have become a Final Order;

(b) FCC Licenses. On the Closing Date, Seller will be the holder of the FCC Licenses or regular renewals thereof and such FCC Licenses shall be in full force and effect;

(c) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall be true and correct, except insofar as they expressly are limited to a given date, and the obligations of Seller to be performed or complied with on or prior to the Closing Date hereunder, pursuant to the terms of this Agreement, shall have been duly performed, and Seller shall have delivered to Buyer certificates dated as of the Closing Date, signed by a duly authorized officer of Seller to this effect;

(d) Consent of Third Parties. On the Closing Date, each person, firm, association or corporation, the consent of which to the assignment of the material contracts, leases and agreements listed in Schedule 3 to be assigned to and assumed by Buyer hereunder is required, shall have duly consented in writing, except insofar as such consent shall have been waived by Buyer;

(e) Performance. Seller shall have performed and complied in all material respects with all material covenants, agreements and conditions required by this Agreement; and

(f) No Adverse Change. Between the date hereof and the Closing Date there shall have been no material adverse change in the property, assets, financial condition or business of the Station.

16. Bulk Transfer Statutes. Buyer hereby waives compliance with the provisions of any applicable bulk transfer laws, and Seller covenants that all debts, obligations and liabilities relating to the Station that are not assumed by Buyer under this Agreement will be promptly paid and discharged by Seller as and when they become due and payable. Seller further agrees to indemnify and hold Buyer harmless from all claims made by creditors with respect to non-compliance with any bulk transfer law, except to the extent that such claim or claims result from liabilities assumed by Buyer hereunder or under the LMA.

17. Closing Documents.

(a) Seller's Performance on the Closing Date. On the Closing Date at the Closing Place Seller shall execute and/or deliver or cause to be delivered to Buyer all in form and substance reasonably satisfactory to Buyer:

(i) One or more bills of sale and other instruments of assignment and transfer in recordable form conveying to Buyer all of the Personal Tangible Assets to be acquired by Buyer hereunder;

(ii) An assignment assigning to Buyer the FCC Licenses;

(iii) An assignment assigning to Buyer the Contracts, together with any necessary consents thereto;

(iv) An executed copy of an agreement cancelling the LMA;

(v) The files, records and logs referred to in Section 2(d) above;

(vi) Certified copies of resolutions of the board of directors of Seller authorizing the execution of this Agreement and the consummation of the transactions described herein;

(vii) A certificate signed by a duly authorized officer of Seller, dated as of the Closing Date, to the effect that all of Seller's representations and warranties set forth in this Agreement are true and correct on the Closing Date, except insofar as they are expressly limited to a given date and that, to the extent of Seller's knowledge, no event of default shall have occurred and be continuing as of the Closing Date which, with lapse of time or the giving of

notice, or both, would constitute a default by Seller under this Agreement; and

(viii) Such other documents or instruments as may be reasonably required by Buyer to effectuate the transaction contemplated hereby.

(b) **Buyer's Performance on the Closing Date.** On the Closing Date at the Closing Place Buyer shall execute and/or deliver or cause to be delivered to Seller all in form and substance reasonably satisfactory to Seller:

(i) A check or money order in the amount of \$575,000.00;

(ii) A check for all amounts due under the LMA up to and including the Closing Date;

(iii) An executed copy of the Promissory Note;

(iv) Certified copies of resolutions of the board of directors of Buyer authorizing the execution of this Agreement and the consummation of the transactions described herein;

(v) A certificate signed by a duly authorized officer of Buyer, dated as of the Closing Date, to the effect that all of Buyer's representations and warranties set forth in this Agreement are true and correct on the Closing Date, except insofar as they are expressly limited to a given date and that, to the extent of Buyer's knowledge, no event of default shall have occurred and be continuing as of the Closing Date which, with lapse of time or the giving of notice, or both, would constitute a default by Buyer under this Agreement;

(vi) An executed assumption of the Contracts;

(vii) An executed copy of an agreement cancelling the LMA;

(viii) An executed copy of an agreement cancelling the Tower Lease; and

(ix) An executed copy of an agreement cancelling the Studio Lease; and

(x) Such other documents or instruments as may be reasonably required by Seller to effectuate the transaction contemplated hereby.

18. **Adjustments.** All expenses and obligations arising from operation of the Station on or before the Closing Date shall be for the account of Seller, subject to the terms and provisions of the LMA Agreement, and all such expenses and obligations shall be for the account of Buyer after the Closing Date. The parties shall make an allocation of such expenses and liabilities between themselves in accordance with generally accepted accounting principles. Such

allocation shall be made, to the extent feasible on the Closing Date. The balance of such expenses and obligations shall be settled between the parties 90 days after the Closing Date (the "Settlement Date"). Buyer shall deliver to Seller 20 days prior to the Settlement Date, a schedule showing the computation of the net payment owing to or by Seller after taking into account payments due to Seller under the LMA. On the Settlement Date, the party obligated to make payment pursuant thereto shall make the payments determined to be due and owing. In the event of a dispute between the parties as to any such allocation, the dispute shall be referred to an accounting firm with which neither party has a professional relationship. The decision of such accounting firm shall be final. The fees and expenses of such accounting firm shall be shared equally by both parties.

19. Indemnification.

(a) Indemnification by Seller. Seller hereby agrees to indemnify, defend and hold harmless Buyer, its successors and assigns, from and against:

(i) Any and all claims, demands, liabilities, obligations, actions, suits, proceedings losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, of every kind and description, contingent or otherwise (the foregoing hereinafter collectively referred to as "Damages"), occasioned by or arising out of or resulting from the operation of the Station prior to Closing, except as assumed by Buyer under this Agreement or under the LMA; and

(ii) Any and all Damages occasioned by arising out of or resulting from any misrepresentations, breach of warranty or covenant, or default or nonfulfillment of any agreement on the part of Seller under this Agreement, or from any certificate, agreement, appendix, schedule or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(b) Indemnification by Buyer. Buyer hereby agrees to indemnify, defend and hold harmless Seller, its successors and assigns from and against:

(i) Any and all Damages occasioned by, arising out of or resulting from the operation of the Station subsequent to Closing on the Closing Date (to the extent the same are not based upon matters arising out of or resulting from the operation of the Station prior to Closing on the Closing Date, except as assumed by Buyer under the LMA), including but not limited to, any and all claims, liabilities and obligations arising or required to be performed subsequent to 11:59 p.m. on the Closing Date under any obligation, contract, agreement or lease assumed by Buyer hereunder; and

(ii) Any and all Damages occasioned by, arising out of or resulting from any misrepresentation, breach of warranty or covenant, or default of nonfulfillment of any agreement on the part of Buyer under this Agreement, or from any certificate, agreement,

appendix, schedule or other instrument furnished to Seller pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(c) **Indemnification Procedure.** In the event of third party claims, each party ("Indemnified Party") shall notify the other party ("Indemnifying Party") in writing as soon as practicable but in no event later than 15 days after receipt of such claims. The Indemnified Party's failure to so notify the Indemnifying Party shall not preclude the Indemnified Party from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such a claim. The Indemnifying Party shall promptly defend such claim by counsel of its own choosing and the Indemnified Party shall cooperate with the Indemnifying Party in the defense of such claim including the settlement of the matter on the basis stipulated by the Indemnifying Party (with the Indemnifying Party being responsible for all costs and expenses of such settlement). If the Indemnifying Party within a reasonable time after notice of a claim fails to defend the Indemnified Party, the Indemnified Party shall be entitled to undertake the defense, compromise or settlement of such claim at the expense and for the account and risk of the Indemnifying Party. Upon the assumption of the defense of such claim, the Indemnifying Party may settle, compromise or defend as it sees fit, provided, however, that:

(i) If there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party, the Indemnified Party shall have the right, at its own cost and expense, to defend, compromise or settle such claim against it;

(ii) If the facts giving rise to indemnification hereunder shall involve a possible claim by the Indemnified Party against a third party, the Indemnified Party shall have the right, at its own cost and expense, to undertake the prosecution, compromise and settlement of such claim; and

(iii) The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any claim or consent to any entry of judgment 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 liability in respect to such claim.

20. **Access to Books and Records.** After the Closing Date, Buyer and Seller shall each allow the other reasonable access during normal business hours upon reasonable prior notice to their respective books and records pertaining to the operation of the Station prior to closing on the Closing Date and shall maintain such records for a period of not less than seven years after the Closing Date.

21. **Expenses.** Any sales or transfer taxes incurred in connection with this transaction shall be the responsibility of Buyer. All other expenses incurred in connection with this transaction shall be borne by the party incurring same.

22. **Events of Default.** The following shall, after expiration of the applicable cure period,

constitute an event of default ("Event of Default"):

(a) Inaccuracy of Representations and Warranties. Any of the material covenants, representations or warranties of a party contained herein are inaccurate in any material respect;

(b) Failure to Perform Material Obligation. Any material obligation to be performed by a party hereto has not been substantially performed during the period specified herein for performance; or

(c) Failure to Satisfy Material Condition. Any material condition to the obligation to complete the transaction provided for herein by a party hereto has not been substantially satisfied or complied with by the Closing Date.

(d) Cure Period. In the event of any occurrence described in 22(a) - (c) above, the party in default shall have a 30 day period after written notice of such deficiency to cure such default. Where practicable, a default may be cured by the payment of a sum of money.

23. Remedies. In addition to all other remedies which may be available at law or in equity, upon the occurrence of an Event of Default and after the lapse of all applicable cure periods, the non-breaching party may (provided that it is not also in default):

(a) Terminate this Agreement. Upon termination, the non-breaching party shall be entitled to commence an action for damages sustained by reason of such breach.

(b) Seek specific performance. The parties recognize that if Seller breaches this agreement and refuses to perform under the provisions of this Agreement, monetary damages alone would not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Agreement. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law. The parties further recognize that if Buyer breaches this agreement and refuses to perform under the provisions of this Agreement, monetary damages alone would not be adequate to compensate Seller for its injury. Seller shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Agreement. If any action is brought by Seller to enforce this Agreement, Buyer shall waive the defense that there is an adequate remedy at law.

24. Survival of Covenants, Representations and Warranties. All representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing Date for the period of one year; provided, however, that if (i) written notice of an alleged breach of any covenant, representation, warranty, agreement, obligation or undertaking shall have been given by one party hereto to the other prior to the expiration of such one year period; and (ii) such alleged breach shall not have been finally determined, then, to the extent of the breach specified

in such notice, that particular covenant, representation, warranty, agreement, obligation or undertaking shall continue in full force and effect until there is a final determination of the alleged breach thereof.

25. Assignments. Neither party may assign its rights or obligations under this Agreement to a third party without the express written consent of the other party. This Agreement shall be binding on the parties' successors and assigns. This Agreement does not create a joint venture or partnership and Seller and Buyer shall not be deemed to be partners or joint venturers of each other.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed as original, but all of which together shall constitute one and the same instrument.

27. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements, and understandings relating to such subject matter. No amendment, waiver of compliance with any provision or consideration hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the parties.

28. Headings. The headings herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.

29. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the state of North Dakota and the rules, regulations and policies of the FCC.

30. Notices. Any notice, consent, waiver or other communication hereunder shall be sent by certified or registered mail, return receipt requested, postage prepaid, or USPS Express mail service, overnight air courier service or same day delivery service, to the address specified below (or at such other address which a party shall specify to the other party in accordance herewith):

If to Seller, to:

Ernest Petrone  
1309 Green Cove Road  
Winter Park, FL 32789  
(407) 740-7943

If to Buyer, to:

Vernon D. Smith  
1600 S US #1  
Ft. Pierce, FL 34954  
(772) 462-5056

Notice shall be deemed to have been given three business days after mailing if sent by registered or certified mail, or on the next business day if sent by USPS express mail, overnight courier or same day delivery service.

32. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law.

33. Confidentiality and Public Disclosure. Seller and Buyer agree that, subject only to legal process or as otherwise required by law, including, but not limited to, the rules, regulations and policies of the FCC, including FCC filing and public file disclosure requirements, no disclosure of the terms of this Agreement or any of the information and documents exchanged by the parties hereto shall be made public or disclosed to third parties without the consent of both parties hereto. Seller and Buyer shall cooperate to coordinate the timing and consent of all public statements or press releases, if any, regarding the subject matter of this Agreement.

34. Waiver. All rights and remedies of any party under this Agreement are cumulative and are not exclusive of any other right or remedy provided by law. No delay or failure by any party in the exercise of any right or remedy arising from a breach of this Agreement shall operate as a waiver of any subsequent right or remedy arising from a subsequent breach of this Agreement. The consent of any party hereto required hereunder to any act or occurrence shall not be deemed to be a consent to any other act or occurrence.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**Seller:**  
**97.9 WJZT FM, INC.**

**BY:**   
**Its: President**

**Buyer:**  
**WJZT COMMUNICATIONS, LLC**

**BY:**   
**Its: MANAGING MEMBER**