

ASSET PURCHASE AGREEMENT

by and between

CORNERSTONE COMMUNITY RADIO, INC.

and

GOOD NEWS RADIO, INC..

for the Sale, Assignment and Purchase of

**Radio Stations WLUI, WLWJ, WRLJ, WJWR, WLLM-AM-FM, WHPA and
Associated FM Translator Stations**

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of this 19th day of November 2019, by and between Cornerstone Community Radio, Inc., a **non-profit** corporation organized under the laws of the State of Florida ("Seller"), and Good News Radio, Inc., a non-profit corporation organized under the laws of the State of Illinois ("Buyer").

WITNESSETH:

WHEREAS, Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "Commission") for the operation of the radio stations listed in Schedule 1.1 of this Agreement (the "Stations");

WHEREAS, Seller owns or leases and desires to sell and/or assign, and Buyer desires to purchase and/or assume substantially all of the assets, property, real and personal, tangible and intangible, used or useful, rights and business used in the operation of the Stations;

NOW, THEREFORE, the parties agree as follows:

SECTION 1: ASSETS TO BE SOLD SECTION 1.1

Included Assets. On the Closing Date, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and/or accept assignment of all of the assets, properties, interests and rights of Seller which are identified in this Agreement and the schedules thereto (hereinafter collectively the "Assets").

1.1.1 **Authorizations.** All licenses, permits and authorizations issued or granted by the Commission (hereinafter, the "Commission Authorizations") or other governmental authority ("Other Authorizations") together with renewals and modifications thereof, as listed in Schedule 1.1.1.

1.1.2 **Tangible Personal Property.** All of Seller's rights in and to the fixed and tangible personal property used in the operation of the Stations, including the physical assets and equipment, listed in Schedule 1.1.2, together with replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date (hereinafter collectively the "Tangible Personal Property").

1.1.3 **Agreements.** All Seller's rights to and in the contracts, leases and agreements to which Seller or the Stations are a party listed in Schedule 1.1.3 (hereinafter collectively "Contracts").

1.1.4 **Intangibles .** All right, title and interest of Seller in and to the call letters used in connection with the Stations together with the domain name, "wluj.org," Seller's Internet web site (including the source codes and other codes necessary to the proper operation of the web site), and other intangible property of Seller used or useful in the operation of or otherwise pertaining to the Stations as set forth on Schedule 1.1.4 attached hereto and made a part hereof (hereinafter collectively the "Intangibles").

1.1.5 **Business Records.** Engineering records, underwriting agreements, contributor and member lists, computing software, ledger sheets, and business and personnel records relating solely to the business or operation of the Stations (hereinafter collectively "Business Records") or to assets or agreements purchased by Buyer.

1.2 **Excluded Assets.** The Assets shall not include the following assets (the "Excluded Assets"):

1.2.1 All cash, cash equivalents or similar type investments of the Stations such as certificates of deposit, money market accounts, Treasury bills and other marketable

securities on hand and/or in banks, EXCEPT for the funds in the WLUI General Checking Account, which shall have, on the Closing Date, a balance of not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). (All funds received from fundraising efforts before Closing will go into the WLUI General Checking account)

1.2.2 All tangible and intangible personal property disposed of or consumed in the ordinary course of business between the date of this Agreement and the Closing Date, or as permitted under the terms hereof;

1.2.3 All agreements that have terminated or expired on or prior to the Closing Date in the ordinary course of business and as permitted hereunder;

1.2.4 Seller's minute books, charter documents, stock record books and such other books and records as pertain to the organization, existence or share capitalization of Seller and duplicate copies of such records as are necessary to enable Seller to file its tax returns and reports as well as any other records or materials relating to Seller generally and not involving specific aspects of the Stations' operation;

1.2.5 Contracts of insurance, including the cash surrender value thereof, 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;

1.2.6 Any and all other claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof to the extent a Station has been made whole for any loss or damage it or its assets may have suffered or incurred as a result of the item, event or occurrence giving rise to such claim.

SECTION 2: PURCHASE PRICE

2.1 **Purchase Price.** The total purchase price (the "Purchase Price") to be paid by Buyer shall be the sum of ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000.00).

2.2 **Payment of Purchase Price.** The Purchase Price shall be paid to Seller as follows:

(a) On or within 3 days of the execution and delivery of this Agreement, Buyer shall deliver, via check, the sum of TEN THOUSAND DOLLARS (\$10,000.00) (the "Down Payment"), which shall be held by Seller pending consummation of this transaction on the Closing. All interest on the Down Payment shall accrue to the benefit of Seller. At Closing, the Down Payment shall be fully vested in Seller as part of the Purchase Price.

(b) At the Closing Date, Buyer will pay to Seller, by wire transfer to a bank designated by Seller, in addition to the Deposit, an amount equal to NINETY THOUSAND DOLLARS (\$90,000.00), as adjusted to reflect any Adjustments made at Closing pursuant to

Section 3. (c) The balance of the Purchase Price shall be delivered at Closing in the form of a Promissory Note in the amount of ONE MILLION DOLLARS (\$1,000,000.00), in substantially the form of Exhibit A attached hereto, to be paid in 120 monthly installments each in the amount of EIGHT THOUSAND THREE HUNDRED DOLLARS \$8,300.00 except for a final installment of FOUR THOUSAND DOLLARS (\$4,000.00). Except with the consent of Seller, in writing, none of the Stations or the real property conveyed to Buyer (the WLUI Studio Building located at 600 W. Mason Street, the Storage House located at 528 Mason Street, both in Springfield, Illinois, and the three radio broadcasting towers) shall be sold, nor shall the facilities

of any of the Stations as currently authorized by the FCC or any physical structure to be conveyed by Seller to Buyer be modified in any significant way, until the Promissory Note is paid in full. Should Buyer at any time prior to payment of the Purchase Price in full intend to sell any of the Stations or the Studio, Buyer shall grant Seller a 90-day option to re-purchase, subject to prior approval of the FCC, the asset it intends to sell at the price listed in Schedule 2.2 to this Agreement. (the Station or Studio to include basically the same equipment that was originally received from Seller)

SECTION 3: ADJUSTMENTS

3.1 **Adjustment Time.** The "Adjustment Time" as used herein shall be 12:00 A.M. current local time the date following the Closing Date.

3.2 **Adjustment Items.** The following items (the "Adjustment Items") shall be prorated as of the Adjustment Time, assuming a 365-day year or a 30-day or 31-day month, as appropriate, and monies shall be paid at Closing or in accordance with Section 3.3 below, it being the intention of the parties that all operations and the business of the Station prior to the Adjustment Time shall be for the account of Seller, and all operations and business of the Station after the Adjustment Time shall be for the account of Buyer.

3.2.1 Rentals or other charges, payable or paid in respect of leasehold interests or tenancies, or leased transmitter sites, studios, offices or other Real Property or equipment under any lease or tenancy of Real Property, and any and all equipment leases described in Schedule 1.1.2.

3.2.2 Real and personal property taxes and assessments (including sewerage assessments and fees), levied or assessed against or otherwise paid or payable with respect to any

of the Assets. If the amount of any real or personal property tax to be prorated is not known on the Closing Date, such tax shall be apportioned on the basis of the most recent tax assessment.

3.2.3 Transferrable license, permit, and registration fees, and like items.

3.2.4 Underwriting agreements paid in installments, “share” or similar agreements with suppliers of programming broadcast by the Stations reflecting contributions from listeners, and all other income and expenses attributable to the ownership and operation of the Station.

3.2.5 Charges for utilities (including but not limited to electricity, fuel, water, basic monthly telephone charges, Internet access charges, long distance telephone calls, and sanitation and garbage disposal) furnished to or in connection with the Station.

3.2.6 Unpaid obligations of Seller with respect to any lease, contract, or agreement which Buyer assumes. Security Deposits, if any, shall be refunded by Buyer to Seller.

3.2.7 All wages and salaries of employees prior to the Adjustment Time.

3.2.8 Any gifts of \$1,000 or more to WLUI which are procured by Buyer’s President prior to the Closing shall be credited to Buyer on the Closing Date.

3.3 **Adjustments After Closing Date.** If the amount of any items to be adjusted cannot be readily ascertained or agreed upon on the Closing Date, proration of such items shall be determined within thirty (30) days after the Closing Date and payment therefor 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, 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 certified public accountant

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mutually acceptable to the parties. The accountant's resolution of the dispute shall be final and binding on the parties. The fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. All donations received through Buyer's participation in Seller's fundraising campaign(s) will be deposited in Seller's General Checking Account, the balance of which will be transferred to Buyer at the Closing."

SECTION 4: APPLICATION TO AND CONSENT BY COMMISSION

4.1 **Commission Consent.** Consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission grant, without any condition materially adverse to Buyer or Seller, to the assignment of all of the Commission Authorizations to Buyer.

4.2 **Application For Commission Consent**

(a) Within thirty (30) business days from the execution of this Agreement, Seller and Buyer shall jointly file an application with the Commission for consent to the assignment of the licenses for the Stations to Seller (the "Assignment Application"). Each party agrees to file with the Commission all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such Assignment Application. Each party further agrees expeditiously to prepare and co-ordinate the filing of amendments to the Assignment Application whenever such amendments are required by the Commission or its rules.

(b) Seller and Buyer shall share equally the expenses incurred in the preparation, filing and prosecution of the Assignment Application. Any filing fees and grant fees imposed by the Commission shall be paid one-half (1/2) each by Seller and Buyer. (As of the date of this Agreement no such fees are provided for in the Commission's rules.)

(c) Each party agrees to comply with any condition imposed on it by the Commission, except that no party shall be required to comply with a condition that would have a material adverse effect upon it unless the condition was imposed as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the Commission of the assignment application (but nothing in this Section shall limit any party's right to terminate this Agreement pursuant to Section 17 of this Agreement).

(d) Either party at its option may terminate this Agreement by five (5) days' prior written notice to the other party, and without liability to the other party, at any time after April 30, 2020, if the Commission has not granted the Assignment Application within that time. In the event of such termination, each party shall bear its own expenses, and Seller shall return the Down Payment, exclusive of any accrued interest, to Buyer.

SECTION 5: LIABILITIES SECTION The Assets shall be sold and conveyed to Buyer free and clear of all liabilities (absolute or contingent), obligations, liens (including tax, mechanics' and materialmen's liens), pledges, conditional sales agreements, charges, mortgages, security interests, encumbrances and restrictions of any type or amount (collectively, "Liens") created or suffered by Seller on or prior to the Closing Date, whether existing now or in the future. The Buyer shall not assume any liability of the Seller unless specifically provided for in the agreement.

SECTION 6: REPRESENTATIONS AND WARRANTIES OF THE SELLER

6.1 Organization and Standing.

6.1.1 Seller is now and on the Closing Date will be a corporation validly existing and in good standing under the laws of the State of Florida. Seller has the full power to own the assets and to carry on the business of the Station as it now is being conducted and is qualified and in good standing in the State of Illinois.

6.1.2 Seller has the full power and authority to enter into this Agreement and all of Seller's Closing Documents that require Seller's signature. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Seller's Closing Documents (on the Closing Date) are or will be authorized by all necessary action of the Seller.

6.2 **Real and Tangible Personal Property.**

6.2.1 **Real Property.** Schedule 1.1.3 attached hereto lists and describes the interests in Real Property leased or otherwise held or used by the Stations in connection with their operation and comprises all real property interests necessary to conduct the business or operations of the Stations as currently conducted.

6.2.2 **Tangible Personal Property.** Schedule 1.1.2 attached hereto lists the material Tangible Personal Property owned, leased, or otherwise held by the Stations and/or Seller which is intended to be conveyed hereunder.

6.2.3 **Condition of Property.** The Tangible Personal Property listed in Schedule 1.1.2 used for the routine operation of the Stations (the "Operating Equipment") is in operating condition satisfactory for the operation of the Stations as heretofore conducted by Seller. To Seller's knowledge the Operating Equipment is free from defects in materials and

workmanship; notwithstanding, Seller covenants to replace the WLLM-FM and WRLJ transmitters and the WRLJ equipment enclosure with equipment in good working order prior to the Closing Date. Many pieces of equipment listed on Schedule 1.1.2 is in storage for possible future use and its exact condition may be unknown.

6.3 **Contracts.** Schedule 1.1.3 lists agreements, leases and other contracts with respect to the Station to be conveyed.

6.4 **Authorizations.** Seller is the authorized legal holder of all licenses, permits, and authorizations necessary to operate the business of the Stations lawfully and as they are now being conducted, including all Commission Authorizations listed in Schedule 1.1.1.

6.5 **Litigation and Insurance.**

6.5.1 **Compliance With Law.** To the best knowledge of Seller, the Stations are in compliance in all material respects with all applicable federal, state and local laws, ordinances and regulations, including compliance with the Communications Act and all rules and regulations issued thereunder. Other than proceedings affecting the broadcasting industry in general, there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending, or to Seller's knowledge, threatened, against the Stations, Seller, or any of the Assets being sold or transferred to Buyer.

6.5.2 **Insurance.** The Tangible Personal Property listed in Schedule 1.1.2 is insured against loss or damage due to fire, flood or other casualty to the full extent and in the manner customary for properties and assets of that nature.

6.6 **Employees and Labor Relations.**

6.6.1 Other than as disclosed in the schedules, Seller has not promulgated any policy or entered into any agreement relating to the payment of pensions, profit sharing, or bonuses to any of its employees whose employment, if terminated or suspended, for which Buyer will be liable; and (c) to Seller's knowledge, has not committed any unfair labor practices.

6.6.2 Seller has complied in all material respects with applicable laws, rules and regulations relating to the employment of labor, including those relating to rates, hours, equal employment opportunity, collective bargaining, and the withholding and payment of taxes and contributions and has withheld all amounts required by law or agreement to be withheld from the wages or salaries of the Station's employees and is not liable to the employees or any government body for arrears of wages or for any tax or penalty for failure to comply with the foregoing.

6.6.3 Buyer agrees to retain, for a period of one year from the Closing Date, the employment of Howard Fouks, Joey Krol and John Swinford. However, any employee may be terminated at any time if they violate company policy.

6.7 **Taxes and Other Matters.**

6.7.1 **Payment of Taxes.** All returns and reports concerning, unemployment insurance, withholding and payroll taxes, sales taxes, personal property taxes, license taxes, social security taxes, and other reports required to have been filed by the Seller relating to the Assets, the Stations, and/or its operation pursuant to any law or regulation have been duly filed, and all taxes, interest, assessments, and penalties which are due to any taxing

authority, federal, state, or local, with respect to any tax period ending on or prior to the making of this warranty have been duly paid.

6.7.2 **Insolvency Proceedings.**

No insolvency proceedings of any kind, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

6.8 **Environmental Matters.**

To the best of Seller's knowledge, Seller has complied in all material respects with laws, rules and regulations of all federal, state, and local governments concerning the environment, public health and safety ("Environmental Laws"), and employee health and safety, and no charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand, or notice has been filed or commenced against Seller alleging any failure to comply with any such law, rule or regulation. As to the Environmental Laws, generally, Buyer has had reasonable opportunities to inspect all of the properties and facilities associated with the Stations and in light of Buyer's inspection(s) all of the Assets are sold herewith "as is and where is." For a period of 20 days from the date of execution of this Agreement, Buyer shall have the right to conduct a "Phase I" environmental audit and, upon completion of said audit to cancel this Agreement, in which case the Down Payment, except for any accrued interest, shall be returned to Buyer.

6.9 **No Untrue Statements or Omission.** No representation or warranty made by Seller in this Agreement or any schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished by Seller, or on its behalf, to Buyer and pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statements contained therein not misleading. All representations and warranties of Seller set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

SECTION 7: WARRANTIES, & REPRESENTATIONS OF BUYER

Buyer covenants, represents, and warrants as follows:

7.1 **Organization and Standing.** Buyer is a corporation duly organized validly existing and in good standing under the laws of the State of Illinois, and now is and as of the Closing Date shall be duly qualified to do business and be in good standing in the Illinois.

7.2 **Authorization and Binding Obligation.** Buyer has all necessary power and authority to enter into this Agreement and all of Seller's Closing Documents that require Buyer's signature. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Seller's Closing Documents (on the Closing Date) are or will be authorized by all necessary officers of Buyer. This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with

the terms of this Agreement. Upon execution, the Seller's Closing Documents will constitute valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms.

7.3 **No Contravention.** The execution, delivery and performance of this Agreement does not violate any provision of the Articles of Incorporation or By-Laws of Buyer, or any contract provision or other commitment to which Buyer or any of its officers or directors is bound, or any judgment or order.

7.4 **Litigation.** Except for administrative rule making or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint, before the Commission, other governmental body, or court, of any nature pending or, to the best of Buyer's knowledge, threatened against or affecting it which would affect Buyer's authority or ability to carry out this Agreement.

7.5 **Information Held in Confidence.** Except with respect to Buyer's prospective lenders, if any, from the date hereof until the Closing Date, Buyer and other representatives of Buyer will hold in strict confidence, and will not disclose to any third party, any data and information obtained in connection with this transaction with respect to the business of Seller, except insofar as any of such data and information may be required by law to be publicly disclosed or submitted to the Commission. If the transactions contemplated by this Agreement are not consummated, Buyer will return to Seller all such data and information, including but not limited to all documents, copies of documents and memoranda or other materials prepared by Buyer which incorporate data or information obtained from Seller and all other data and

information made available to Buyer in connection with this transaction, except that which may be required to be submitted to the Commission.

7.6 **Buyer's Qualifications.** To Buyer's knowledge, there is no fact that would, under present law (including the Communications Act of 1934, as amended) and the present rules and regulations of the Commission, disqualify Buyer from being the assignee of the Station or that would delay Commission approval of the Assignment Application. Should Buyer become aware of any such fact, it will so inform Seller and will use its best efforts to remove any such disqualification. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification.

7.7 **No Untrue Statements or Omission.** No representation or warranty made by Buyer in this Agreement or any schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished to Seller and pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statement contained therein not misleading.

7.8 **Reliance.** Neither Buyer nor any person acting as Buyer's representative or on Buyer's behalf has relied on any representation or statement of Seller or any other person except as expressly set forth in this Agreement. Buyer acknowledges that it has been given full opportunity to examine, to its satisfaction, the Contracts listed or described in Schedule 1.1.3.

SECTION 8: SELLERS'S CONDUCT OF BUSINESS PRIOR TO CLOSING AND BUYER'S ACCESS TO INFORMATION

8.1 **Affirmative Covenants of Seller.** From the date of this Agreement until the Closing Date, Seller shall have complete control and supervision of and sole responsibility for the Stations and their operation, and during such period, Seller shall:

8.1.1 Operate the Stations in good faith and in a manner consistent with the normal and prudent operation of non-commercial educational broadcast stations and in accordance with the rules and regulations of the Commission and the Commission Authorizations.

8.1.2 Maintain all of the Tangible Personal Property, as specified in Schedule 1.1.2, so that when the same are delivered to Buyer they shall be in substantially the condition described herein, subject to reasonable wear and tear.

8.1.3 Use reasonable efforts to obtain prior to the Closing Date consents to the assignment to or assumption by Buyer of all Agreements and leases, which require the consent of any third party by reason of the transactions provided for in this Agreement.

8.1.4 At the reasonable request of Buyer, Seller shall from time to time give or cause to be given to the officers, employees, accountants, counsel and accredited representatives of Buyer (i) full access during normal business hours to all facilities, property, equipment, instruments and records related to the Stations, and (ii) all such other information concerning the affairs of the Stations as Buyer may reasonably request.

8.2 **Restrictions on Buyer.** Nothing contained in this Agreement shall give Buyer any right to control the programming or operations of the Stations prior to the Closing Date and Seller shall have complete control of the programming and operation of the Station between the

date hereof and the Closing Date and shall operate the Stations in conformity with the public interest, convenience and necessity and with all other requirements of law and this Agreement.

8.3 **Buyer's Covenants.** From the date of this Agreement through the Closing Date, Buyer covenants that it will take no action, or fail to take any action, that would disqualify it from becoming the licensee of the Stations or delay the grant of the Assignment Application by the Commission. Furthermore, Buyer shall give prompt notice to Seller of any occurrence that comes to Buyer's attention that may constitute a misrepresentation, breach of warranty or nonfulfillment of any covenant or condition on the part of Buyer or Seller contained in this Agreement. Consistent with the Buyer's obligation under the rules, regulations and policies of the Commission to provide a program service responsive to the issues of public concern facing the Stations' community of license and service areas, Buyer covenants that it will use its best efforts to reserve the reputation of the Stations by continuing, substantially, their current programming for a period of at least one year following the Closing Date.

SECTION 9: CONDITIONS FOR CLOSING

9.1 **Closing.** The closing (the "*Closing*") of the transactions contemplated by this Agreement shall occur on a date mutually agreed upon by Buyer and Seller within ten (10) days following the date on which the FCC Consent becomes a Final Order, provided, however, that Buyer may elect, in its sole discretion, to proceed to Closing upon written notice to Seller upon the release of public notice of the grant of the FCC Consent, in which event the Closing shall be held on the fifth (5th) business day after the date of Buyer's notice to Seller. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to the assignment application which is not reversed, stayed, enjoined, set aside, annulled or suspended,

and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired.

9.2 **Conditions Precedent to Obligations of Buyer.** The obligations of the Buyer under this Agreement are subject to the satisfaction of each of the following express conditions precedent (provided that Buyer may, at its election, waive any of such conditions on the Closing Date, notwithstanding that such condition is not fulfilled) on the Closing Date:

9.2.1 Seller shall have delivered to Buyer the Seller's Closing Documents as described in Section 10.1 below.

9.2.2 Each of the Seller's representations and warranties contained in this Agreement or in any Schedule, certificate, or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, 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 were made at and as of such time.

9.2.3 Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

9.3 **Conditions Precedent to Obligations of Seller.** The performance of the obligations of the Seller under this Agreement is subject to the satisfaction of each of the following express conditions precedent, provided that Seller may, at its election, waive any of

such conditions at Closing, notwithstanding that such condition is not fulfilled on the Closing Date:

9.3.1 Buyer shall have delivered to Seller the Buyer's Closing Documents (as defined in Section 10.2 below).

9.3.2 Each of Buyer's representations and warranties contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, shall be true in all material respects at and as of Closing Date, as though 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.

9.3.3 Buyer shall perform all of the obligations set forth in Section 2.2 of this Agreement with respect to the payment of the Purchase Price.

9.3.4 Buyer shall have agreed in form reasonably acceptable to Seller to assume all obligations under the Contracts assigned to Buyer arising on or after the Closing Date.

SECTION 10: OBLIGATIONS AT CLOSING

10.1 **Closing Documents to be Delivered by Seller.** At the Closing, Seller shall deliver to Buyer the following ("Seller's Closing Documents"):

10.1.1 An executed Bill of Sale in form and substance reasonably satisfactory to Buyer transferring to Buyer all Tangible Personal Property to be transferred hereunder.

10.1.2 An executed Assignment and Assumption Agreement in form and substance reasonably satisfactory to Buyer assigning to Buyer the Contracts to be assigned

hereunder, together with written consents to the assignment of any of the Contracts required by the terms thereof.

10.1.3 An executed Assignment and Transfer in form and substance reasonably satisfactory to Buyer assigning and transferring to Buyer all of the Commission Authorizations and the Intangibles.

10.1.4 Within 90 days after Closing, the Seller shall provide Warranty Deeds and Title Insurance for the real estate being transferred.

10.1.5 Certified copies of the resolutions of Seller authorizing the execution, delivery and performance of this Agreement by the Seller and the consummation of the transactions provided for herein, executed by the officers and all directors and attested to by the Secretary of Seller, with signature being witnessed by Notary Public.

10.2 **Closing Documents to be Delivered by Buyer.** At the Closing, Buyer and shall deliver to Seller the following ("Buyer's Closing Documents"):

10.2.1 The Purchase Price as provided in Section 2.2.

10.2.2 A certificate executed by Buyer's chief executive officer stating that; (a) all of the representations and warranties of Buyer set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Buyer on or prior to the Closing Date have been performed in all material respects.

10.2.3 The Assignment and Assumption Agreement, executed by Buyer.

10.2.4 Certified copies of the resolutions of Buyer authorizing the execution, delivery and performance of this Agreement by the Buyer and the consummation of the transactions provided for herein, executed by the officers and all directors and attested to by the Secretary of Buyer, with signature being witnessed by Notary Public.

10.2.5 The Promissory Note (Exhibit A), the Security Agreement (Exhibit B), and a Mortgage document acceptable to the Seller, executed by the Buyer.

SECTION 11: BROKERAGE

Seller and Buyer each represent and warrant to the other that it knows of no broker, finder, or intermediary who has been involved in the transactions provided for in this Agreement. Buyer and Seller hereby agree to indemnify each other from and against any claim of any such obligation or liability by any person, and any expense incurred in defending against any such claim, including reasonable attorneys' fees, that shall have resulted from any conduct, activity, or action taken, or allegedly taken, by the indemnifying party.

SECTION 12: INDEMNIFICATIONS

12.1 Breach of Seller's Agreements, Representations, and Warranties. Seller shall reimburse Buyer for, and indemnify and hold harmless Buyer from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense contingent or otherwise, whether incurred or asserted prior to or after the Closing Date, arising out of or sustained by Buyer by reason of :any breach of any warranty, representation, or agreement of Seller contained under 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;

12.2 Breach of Buyer's Agreements, Representations and Warranties.

Buyer shall reimburse Seller for, and indemnify and hold harmless Seller from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense contingent or otherwise, arising out of or sustained by Seller by reason of any breach of any warranty, representation, or agreement of Buyer contained under this Agreement or any certificate or other instrument furnished by Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

12.3 Sole Remedy. Except as provided to the contrary in this Section, the right to indemnification pursuant to this Section 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.

SECTION 13: RISK OF LOSS

The risk of any loss or damage to the Assets by fire, theft, breakage, explosion, earthquake, accident, flood, rain, storm, riot, act-of-God, or public enemy, or any other casualty or cause, reasonable wear and tear excepted, prior to the Closing Date, is assumed and shall be borne by the Seller at all times before the Closing Date. If any such loss or damage occurs, Seller shall give prompt written notice of the loss or damage to Buyer and shall promptly take all steps to rebuild, replace, restore or repair any such damaged property at its own cost and expense. In the event that Seller does not fully replace or restore any such lost or damaged Asset or Assets

by the time the Closing otherwise would be held, Buyer may, at its option, upon written notice to Seller, either (i) terminate this Agreement, or (ii) elect to close without restoration, in which event Seller will deliver all insurance proceeds paid or payable by reason of the loss or damage to Buyer. If Buyer terminates this Agreement under this Section, each party shall bear its own expenses, and the Seller shall deliver to Buyer the Down Payment, not including any accrued interest. Buyer's option to terminate this Agreement under this Section 13 shall arise only if such damage to the Station or Stations is so substantial that it prevents an affected Station from operating in its normal and customary manner for a period of five (5) consecutive days.

SECTION 14: FEES AND EXPENSES

Seller and Buyer shall share equally the expenses incurred in the preparation, filing and prosecution of the FCC Assignment Application. All other expenses incurred in connection with this transaction shall be borne by the party incurring same unless otherwise specifically provided for herein.

SECTION 15: BULK SALES LAW

The parties do not believe that any bulk sales or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyer therefore waives compliance by Seller with the requirements of any such statutes, and Seller agrees to indemnify and hold Buyer harmless against any claim made against Buyer by any creditor of Seller as a result of a failure to comply with any such statute. Note: If "clearance letters" are available from the Illinois Department of Revenue or the Illinois Department of Employment Security, the Seller will obtain them and provide them to the Buyer prior to Closing.

SECTION 16: DEFAULT AND TERMINATION

16.1 **Termination.** This Agreement may be terminated, by written notice given by either party (provided such party is not in breach of its obligations, representations and warranties or duties hereunder) to the other party, at any time prior to the Closing Date, as follows, and in no other manner:

16.1.1 By mutual written consent of the parties;

16.1.2 By either party, if the Commission denies the Assignment Application;

16.1.3 By either party, if the Commission shall not have given its approval to the Assignment Application by the close of business April 30, 2020;

16.1.4 By Buyer, if Seller is in Default under this Agreement, as such term is defined herein, all in accordance with Section 16.4 hereof;

16.1.5 By Seller, if Buyer is in Default under this Agreement, as such term is defined herein, all in accordance with Section 16.5 hereof.

16.2 **Default.** A party shall "default" under this Agreement if it materially breaches or fails to perform any of its representations, warranties, or covenants contained in this Agreement. Non-material breaches or failures shall not be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

16.3 **Notice of Default; Opportunity to Cure.** If either party believes the other to be in default hereunder, the non-defaulting party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default is not curable or has not been cured within thirty (30) days after delivery of that notice (or such additional reasonable time

as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such thirty (30) days period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement. .

16.4 **Seller's Default.** If the Seller defaults in the performance of its obligations under this Agreement to complete the sale to Buyer as herein set forth, as and when herein set forth, and Buyer shall not be in material breach, Buyer may terminate this Agreement upon giving written notice to Seller and Buyer shall be entitled to the return of the Down Payment and all interest earned thereon, in which event the payment shall terminate any further liability of Seller to the Buyer.

16.5 **Buyer's Default.** In the event Buyer defaults in the performance of its obligations under this Agreement to complete the purchase from Seller as herein set forth, as and when herein set forth, and Seller shall not be in material breach, Seller may terminate this Agreement upon notice in writing to Buyer and Seller shall be entitled to retain the Deposit, together with all interest thereon as liquidated damages, in which event the payment of liquidated damages shall terminate any further liability of Buyer to Seller.

SECTION 17: SURVIVAL OF WARRANTIES

17.1 All representations and warranties made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect, for a period of twelve (12) months beyond the Closing Date.

SECTION 18: NOTICES

All notices, requests, demands, waivers, consents and other communications required or permitted hereunder shall be in writing and be deemed to have been duly given when delivered to the party to be notified at the address set out below when sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the party to be notified, as follows:

If to Seller: Richard L. Van Zandt
 194 Godfrey Road
 Edgewater, Florida 32141

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

J. Geoffrey Bentley
BENTLEY LAW OFFICE
2700 Copper Creek Road
Oak Hill, Virginia 20171

If to Buyer: Mark Burns
 P.O. BOX 550
 Fisher, IL 61843

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

Mike McCormick
ERWIN, MARTINKUS, & COLE, LTD.
411 W. University Avenue
Champaign, IL 61820

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as provided in this Section shall be invalid and shall have no force or effect.

SECTION 19: MISCELLANEOUS

19.1 **Headings.** The headings of the Sections of this Agreement are for convenience of reference only, and do not form a part thereof, and do not in any way modify, interpret or construe the meaning of the sections themselves or the intentions of the parties.

19.2 **Entire Agreement.** This Agreement and any other agreements entered into contemporaneously herewith set forth the entire agreement of the parties and are intended to supersede all prior negotiations, understandings, and agreements and cannot be altered, amended, changed or modified in any respect or particular unless each such alteration, amendment, change or modification shall have been agreed to by each of the parties hereto and reduced to writing in its entirety and signed and delivered by each party. No provision, condition or covenant of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

19.3 **Binding Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer on any person other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

19.4 **Additional Documents.** The parties hereto agree to execute, acknowledge and deliver, at or after the Closing Date, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement, the

effective vesting in Buyer of title to the Assets, and/or the successful processing by the Commission of the application to be filed with it, as provided in Section 4.

19.5 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall comprise one and the same instrument.

19.6 **Legal Actions; Venue.** Any legal action or lawsuit initiated by either Buyer or Seller against the other involving this Agreement shall be brought only in a state or federal court with jurisdiction in Sangamon County, Illinois. The prevailing party in such an action shall be entitled to receive reimbursement from the other party for all reasonable attorney fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in such proceeding. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law.

19.7 **Governing Law.** The parties agree that this Agreement and the transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of Illinois.

19.8 **Counsel.** Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

19.9 **Time is of the Essence.** Time shall be of the essence in this Agreement and the performance of each and every provision hereof.

19.10 **Severability.** If any term or provision of this Agreement or its application shall, to any extent, is declared to be invalid or unenforceable, the remaining terms and provisions shall not be affected and shall remain in full force and effect and to such extent are severable; provided, however, neither party shall have any obligation to consummate the transactions contemplated by this Agreement if it is adversely affected in any respect whatsoever and regardless of immateriality by a determination that any term or provision of this Agreement or its application shall, to any extent, be invalid or unenforceable.

19.11 **Publicity.** Seller and Buyer agree that all public announcements relating to this agreement or the transactions contemplated hereby, including announcements to employees, will be made only as may be agreed upon by both parties, which consent shall not be unreasonably withheld.

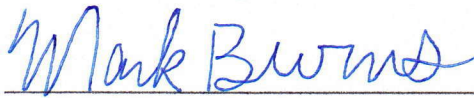
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper officers thereunto duly authorized as of the day and year first above written.

Signatures on the following page:

SELLER: CORNERSTONE COMMUNITY RADIO, INC..

By: 
Richard L. Van Zandt, President

BUYER: GOOD NEWS RADIO, INC.

By: 
Mark Burns, President