

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this "Agreement") is dated as of June 19, 2017, by and between **WGAY, LLC**, a limited liability company organized under the laws of the State of Florida ("Seller"), and **MAGNUM BROADCASTING, INC.**, a corporation organized under the laws of the Commonwealth of Pennsylvania ("Buyer").

W I T N E S S E T H:

WHEREAS, Seller is the licensee of FM Station WGAY(FM), Sugarloaf Key, Florida, Facility ID No. 190443 (the "Station"), pursuant to an authorization issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, Seller desires to sell, transfer, assign, convey, and deliver to Buyer, and Buyer desires to acquire from Seller, certain of the assets owned and held by Seller and used or useful solely in connection with the operation of the Station.

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

1. Sale of Assets

(a) **Assets to be Transferred.** On the Closing Date (as hereinafter defined), Seller agrees to sell, transfer, assign, convey, and deliver to Buyer all of the right, title, and interest of Seller in and to those certain assets and properties of Seller owned or held by Seller and used or useful solely in connection with the operation of the Station (the "Assets"), which are limited to the following:

(i) all FCC licenses, permits, and authorizations to operate the Station (the "FCC Authorizations") together with all licenses, permits, and authorizations issued by any other governmental authority in connection with the operation of the Station, as set forth on Schedule 1.

(ii) all engineering records and the public inspection file associated with the Station;

(iii) all good will associated with the Station; and

(iv) all equipment listed on Schedule 2.

(b) **Excluded Assets.** Any asset not specifically identified in this Agreement to be conveyed to Buyer shall be excluded from this transaction and retained by Seller.

2. **Purchase Price.** The total consideration to be paid by Buyer to Seller pursuant to this Agreement is One Hundred and Fifty Thousand Dollars (\$150,000.00) (the "Purchase Price"), which Buyer shall pay as follows:

(a) Twenty Five Thousand Dollars (\$25,000.00) deposit (the "Deposit") paid to Hadden & Associates Escrow account upon the signing of this Agreement.

(b) Fifty Thousand Dollars (\$50,000.00) to be paid to Seller at Closing.

(c) A Promissory Note (the "Note"), in the form attached hereto as Attachment A, which shall commence 12 months following the closing, in the amount of Seventy Five Thousand Dollars (\$75,000.00) amortized over a 24-month term at 4% interest per annum, which shall be personally guaranteed by Michael Stapleford.

3. **Authorizations.** Schedule 1 hereto contains a true and complete list of the FCC Licenses and Permits. The FCC Licenses are in full force and effect, and are unimpaired by any act or omission of Seller, except that the Station currently is silent and must resume operations no later than September 20, 2017. The FCC Licenses are all of the licenses, permits, or other authorization from federal government and regulatory authorities necessary for the operation of the Station and there are no conditions upon the FCC Licenses or Permits except those conditions stated on the face thereof. Other than the requirement for the Station to resume operations by September 20, 2017, no proceedings are threatened or pending nor do any facts exist which may result in the revocation, modification, non-renewal, or suspension of any of the FCC Licenses or Permits, the denial of any pending applications related to the FCC Licenses or Permits, the issuance of any cease and desist order related to the FCC Licenses or Permits, the imposition of any administrative actions by the FCC with respect to the FCC Licenses or Permits, or which may affect the Buyer's ability to operate the Station in accordance with the FCC Licenses or Permits and the existing rules, regulations, and policies of the FCC.

4. **Seller's Remedies.** The parties acknowledge that Buyer shall forfeit the Deposit if Buyer materially defaults on this Agreement and that this shall constitute liquidated damages as the sole and exclusive remedy of Seller against Buyer.

5. **Buyer's Remedies.** The parties mutually understand and agree that the assets and property to be transferred pursuant to this Agreement are unique and cannot readily be purchased on the open market. For that reason, in the event Seller fails to consummate this Agreement, and such failure is by reason of a default of Seller in material breach of Seller's obligations under this Agreement, the rights of Buyer under this Agreement, as well as the obligations of Seller, shall be enforceable by decree of specific performance, subject to Commission consent. Should such Commission consent not be granted, then the Deposit shall be released to Buyer.

6. **FCC Consent; Assignment Application.** It is specifically understood and agreed by Seller and Buyer that the assignment of the FCC Authorizations is subject to the prior consent of the FCC ("FCC Consent"). Within five (5) business days of the execution of this Agreement, Seller and Buyer shall jointly file with the FCC an application for assignment of the FCC

Authorizations (the "Assignment Application") from Seller to Buyer. Seller and Buyer shall thereafter prosecute the Assignment Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the Assignment Application as expeditiously as practicable. Buyer shall be solely responsible for payment of the FCC application filing fee, if any, associated with the Assignment Application.

7. **Closing Date.** The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on a date mutually agreed upon by Buyer and Seller within thirty (30) days after the FCC provides notice that it has approved and granted the assignment of the Station; *provided, however*, that in the event any petition to deny or informal objection is filed prior to the grant of the Application, either Seller or Buyer shall have the option to extend the Closing Date to a date not later than the tenth (10th) business day after the Commission's consent and approval has become a Final Order, as defined below. 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.

8. **Seller's Representations, Warranties and Other Obligations.** Seller represents and warrants that:

(a) Seller is a limited liability corporation duly formed under the laws of the State of Florida, and is validly existing and in good standing. Seller has the right, power, and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement. Seller knows of no reason why execution and performance of this Agreement would constitute a violation, breach, or default under any law, regulation, agreement, or other obligation to which Buyer is or will become subject.

(b) At Closing, Seller will be the authorized legal holder of the FCC Authorizations and the other licenses, permits, and authorizations.

(c) The FCC Authorizations are in full force and effect and have not been modified, revoked, canceled or rescinded.

(d) At Closing, Buyer shall receive clear and unencumbered title to the Assets.

(e) No representation or warranty made by Seller in this Agreement or in any certificate, document, or other instrument furnished or to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact and required to make any statement made herein or therein not misleading.

(f) There is no action, suit, or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station that might subject Buyer to liability or which might affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction, or decree relating to the Station or the

Station Assets of any court or governmental authority which might have a material adverse effect on the condition of the Station or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

9. **Buyer's Representations and Warranties.** Buyer represents and warrants that Buyer is a corporation duly organized and validly existing under the laws of the Commonwealth of Pennsylvania. Buyer has the right, power, and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement. The execution and performance of this Agreement does not constitute a violation, breach, or default under any law, regulation, agreement, or other obligation to which Buyer is or will become subject. Buyer is legally, financially, and otherwise qualified under the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC, to become the licensee of the Station and to consummate the transactions contemplated herein. This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms of this Agreement. 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 transaction 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.

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

11. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date;

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iv) The FCC Consent shall have been issued without any condition that would have a material adverse effect upon Seller; and

(v) Buyer shall have delivered to Seller on the Closing Date the Purchase Price as provided for in Section 2, herein.

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Seller prior to or as of the Closing Date;

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date; and

(iii) The FCC Consent shall have been issued without any condition that would have a material adverse effect upon Buyer unless the condition was imposed as the result of circumstances which constitutes a breach by Buyer of any of its representations, warranties, or covenants in this Agreement.

12. **Closing Deliveries.** At the Closing, Seller shall deliver to Buyer such documents, instruments, and agreements as Buyer shall request and as shall be reasonably necessary to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to counsel for Buyer.

13. **Termination.** This Agreement may be terminated prior to Closing (a) by mutual written consent of Buyer and Seller; or (b) in the event either party is in material uncured default of this Agreement, by the non-defaulting party, provided that the defaulting party has not cured such breach within thirty (30) days after receipt of written notice by the non-defaulting party. In the event of termination of this Agreement pursuant to this Section this Agreement shall forthwith become void and the parties shall be released for any further obligation hereunder except for those remedies provided by Sections 4 and 5 of this Agreement.

14. **Transfer Fees and Taxes.** Buyer shall be solely responsible for any and all bulk transfer fees, transfer taxes, sales taxes, or other taxes, assessments, associated with the purchase of the Station.

15. **Broker.** Buyer and Seller recognize Doyle Hadden of Hadden & Associates, Inc. with a business address of 147 Eastpark Drive, Celebration, Florida 34747 as exclusive broker in this transaction (the "Broker"). Seller agrees to solely pay Broker a brokerage commission/fee as agreed between Seller and Broker in a separate agreement. Seller will hold Buyer harmless from any and all obligations relative to Broker.

16. **Conduct of Business Pending Closing.** At such time as the Station resumes operations, Seller shall continue to operate the Station in a substantially similar manner in accordance with its past practices and shall not transfer the FCC Licenses or Permits, incur liabilities or take other actions except in the ordinary course of business. Seller shall not entertain any other offers or enter into any material agreement, including any option or agreement to sell, assign or transfer the Station, its FCC Licenses or Permits, with any other party as long as this Agreement is in effect.

17. **Miscellaneous.**

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their heirs, successors, executors, legal representatives, and assigns, *provided, however*, that neither party hereto may voluntarily assign this Agreement without the express written consent of the other party and provided that the party assigning its rights and obligations under this Agreement shall remain jointly and severally liable to perform such obligations.

(b) Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

(c) The construction and performance of this Agreement shall be governed by the laws and courts of the State of Florida.

(d) This Agreement embodies the entire agreement and understanding of the parties hereto relating to the matter provided for herein, and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

(e) No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension, or discharge is sought.

(f) Except as otherwise provided for in this Agreement, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation, and performance of and compliance with the terms of this Agreement. Buyer shall be solely responsible for all FCC application fees and charges applicable to any requests for the FCC Consent.

(g) Each party has had the opportunity to be 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 reinterpreted or construed against the party who drafted that provision.

(h) Time shall be of the essence in this Agreement and the performance of each and every provision hereof.

(i) No party shall be deemed the drafter of this Agreement, and this Agreement shall not be construed against either party as the drafter of the Agreement.

18. **Notices.** All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery or five (5) business days after deposit with the U.S. Post Office, by registered or

certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Buyer to:

Michael Stapleford, President
Magnum Broadcasting, Inc.
P.O. Box 436
State College, PA 16804

If to Seller to:

Jhonson Napoleon, President
WGAY, LLC
1525 North West 167th St.
Miami Gardens, FL 33169

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

Dan J. Alpert, Esq.
The Law Office of Dan J. Alpert
2120 N. 21st Rd.
Arlington, VA 22201

19. **Counterparts.** This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

20. **Mutual Right of Indemnification.**

(a) Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities, and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the closing; and (ii) any and all claims, liabilities, and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Assets and the Station as conducted by Seller prior to the Closing.

(b) Buyer shall indemnify, defend, and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions, or

agreements set forth in the Agreement; and (ii) any and all claims, liabilities, and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Assets and the Station as conducted by Buyer subsequent to the Closing and/or with respect to any contingent applications pertaining to the Station proposed, prepared, filed, and/or prosecuted by Buyer or on Buyer's behalf prior to the Closing.

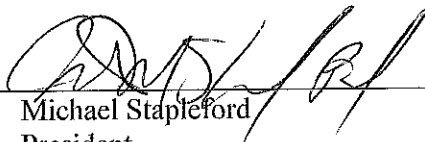
(c) If either party hereto (the "Indemnitee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnitee under this Section, then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided that such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The right to indemnification hereunder shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties, or covenants, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which either party may otherwise be entitled as a result of any such breach by the other party. Notwithstanding any other provision of this Agreement, the liability of Seller or Buyer shall not exceed Fifty Thousand Dollars (\$50,000.00).

19. **Construction Status.** Buyer is acquiring the license for the Station and FCC Authorizations including authorization for a modification of the Station as provided in Construction Permit BPH-20150803AFG. Seller hereby agrees to facilitate and prosecute any application to the FCC that the Seller deems necessary to complete the construction of the construction permit with all expenses borne by the Buyer. Seller is under no obligation whatsoever to acquire or convey any Station transmitter, equipment, or tower site to Buyer or to otherwise complete construction of the Station at any time prior or subsequent to Closing.

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

MAGNUM BROADCASTING, INC.

By: 
Michael Stapleford
President

WGAY, LLC

By: _____
Jhonson Napoleon
President

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

MAGNUM BROADCASTING, INC.

By: _____
Michael Stapleford
President

WGAY, LLC

By: _____
Jhonson Napoleon
President

SCHEDULE 1

FCC Authorizations

WGAY
Facility ID No. 190443

Construction Permit File No.: BPH-20150803AFG

ATTACHMENT A

NEGOTIABLE PROMISSORY NOTE

_____, 2017

\$75,000.00

For Value Received, Magnum Broadcasting, Inc., a Pennsylvania corporation (“Maker”) promise to pay to the order of WGAY, LLC, a Florida limited liability company (“Holder”) the principal amount of Seventy-Five Thousand Dollars (\$75,000.00), together with interest, if any, thereon.

Payment shall be made shall commence 12 months following the date of this Note and shall be amortized over a 24-month term at 4% interest per annum. If any required payment is late by more than ten calendar days, a late fee of Two Hundred and Fifty Dollars (\$250.00) shall be due from Maker.

1. Events of Default. Upon the occurrence of one or more defaults that have not been timely cured, as defined below, the Holder shall have the option of declaring immediately due and payable the entire unpaid principal of this Note plus accrued interest thereon. The following shall be events of default:

(a) If the Maker shall default in any payment of principal or interest and such default shall continue for a period of thirty (30) days after written notice of such default shall have been given to the Maker;

(b) If a receiver, conservator, custodian, liquidator, or trustee of Maker, or of all or any substantial part of Maker's assets, is appointed by court order and such order remains in effect for more than 60 days; or an order for relief is entered under the federal bankruptcy laws with respect to Maker; or any of the material amount of Maker's assets is sequestered by court order and such order remains in effect for more than 60 days; or a petition is filed against Maker under the bankruptcy reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing;

(c) If Maker files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment or debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against Maker under any such law, and such remains in effect for more than 60 days;

(d) If Maker makes an assignment for the benefit of its creditors, or admits in writing its inability to pay, or in fact does not pay, its debts generally as they become due, or consents to the appointment of a receiver, conservator, custodian, liquidator or trustee of Maker, or of all or any substantial part of its assets;

(e) If any material warranty, representation, or statement made or furnished to Holder by or on behalf of Maker shall be or prove to have been materially false when made or furnished;

(f) Any loss or theft or any substantial damage or destruction of any substantial part of broadcast Station WGAY(FM), Facility No. 190443, Sugarloaf Key, Florida (the "Station") that is not repaired or replaced reasonably promptly, or the voluntary or involuntary transfer of any of the Station's substantial assets by way of judicial sale, attachment, levy, garnishment or other judicial process;

(g) Designation for hearing by the FCC or its delegated authority seeking denial of the renewal of the main license of the Station;

(h) Commencement of revocation proceedings by the FCC with respect to the main licenses of the Station; or

(i) Maker's sale or abandonment of the licenses or business of operating the Station.

2. Covenants of the Maker of this Note. As long as this Note shall remain outstanding, the Maker of this Note warrants, covenants, and agrees as follows:

(a) That following Closing, Maker shall; be the licensee of the Station, and shall own the assets used in the operation of the Station, free from any lien, encumbrance, or security interest of greater or equal seniority to that of Holder, and that Maker will defend the Station and its current or future assets against all claims and demands of all persons at any time claiming the same or any interest therein.

(b) That Maker will not sell or otherwise transfer any of the material assets used in the operation of the Station or any interest therein other than in the ordinary course of business unless such assets are replaced by property of at least equal value.

(c) That Maker shall promptly pay when due all taxes and assessments that may be levied against the Station's property and that Maker is not contesting in good faith. If Maker fails to do so, Holder has the option, but is not obligated, to make payments at Maker's expense.

(d) Holder has the option, but is not obligated, to pay and discharge other liens, encumbrances or security interests upon the Station's property.

3. Notices. All notices and other communications to be delivered hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, at the following respective addresses, or at such other respective addresses as may be furnished by the respective parties:

If to the Maker of the Note:

Michael Stapleford, President
Magnum Broadcasting, Inc.
P.O. Box 436
State College, PA 16804

If to the Holder of this Note:

Jhonson Napoleon, President
WGAY, LLC
1525 North West 167th St.
Miami Gardens, FL 33169

4. Default Remedies. If an event of Default shall occur that has not been timely cured, the Holder may exercise any right, power, or remedy permitted to such holder by law, and shall have, in particular, without limiting the generality of the foregoing, the right to declare the entire principal and all interest accrued on this Note to be, and the Note shall forthwith become, due and payable, without any presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived and the holder of the Note may proceed (subject to the rules and regulations of the FCC) to protect and enforce its rights either by suit or in equity and/or by action at law or proceed to obtain judgment or any other relief whatsoever appropriate to the action or proceeding, or proceed to enforce any other legal or equitable right of any holder of the Note. The Holder of this Note shall be entitled to recover the costs and expenses including, but not limited to, reasonable attorneys' fees actually incurred by such holder in collecting any sums due under the Note or in otherwise enforcing any of its rights and the costs and expenses incurred by such holder pursuant to Paragraph 2(c) and (d) hereof. In addition to the foregoing remedies, all overdue payments shall bear interest at the lesser of twelve percent (12%) per annum or the maximum rate allowable under law, which amounts shall be added to the outstanding balance hereof.

Maker hereby grants to Holder a continuing security interest in the Collateral (as defined below) to secure prompt payment and performance by Maker. The term Collateral means and includes:

- (a) All accounts, accounts receivable, contract right, and general intangibles, all other forms of payment, all present and future incomes, rents, revenues, contributions, issues and profits, goodwill, licenses and license rights (subject to subsection (c) below) bailment or leasehold interests of the Station, whether as lessor or lessee;
- (b) All tangible personal property used in conjunction with the operation of the Station; and
- (c) To the maximum extent permitted by below, and subject to FCC approval were necessary: (i) all rights incident or appurtenant to the FCC Authorizations, including the Station; (ii) excluding any authorization to the extent, if any, that

such security interest is prohibited or not permitted by the Act and the rules, regulations, and policies of the FCC, but including any proceeds, products, offspring, accessions, rents, profits, income, or benefits associated with the sale of the FCC Authorizations (unless such proceeds, products, offspring, accessions, rents, profits, income, or benefits would constitute an FCC Authorization to the extent that any law applicable thereto, including the Act and the rules, regulations and policies of the FCC prohibits the creation of a security interest therein); and (iii) the rights to receive the proceeds necessary to satisfy the monies owed by Maker to Holder derived from or in connection with the sale, assignment, or transfer of such FCC Authorizations, subject to FCC approval.

Notwithstanding the forgoing, upon the occurrence of a Default that is not cured pursuant to the time periods set forth above, Holder also shall have the right to:

- (a) Collect the Collateral (upon notification, if so required) and apply the Collateral, including proceeds, against the outstanding amount owed (crediting Maker for any amounts previously paid to Holder pursuant to this Promissory Note or the Purchase Agreement, including any payments of principal paid pursuant to this Note);
- (b) Retain a broker for the purpose of listing the Assets to be marketed to members of the public. Maker shall cooperate in any necessary marketing of the Assets, including but not limited to allowing prospective buyers to have reasonable access to the Station's facilities, books and records at mutually-convenient times. Maker also shall cooperate as necessary with the preparation and filing of any application at the FCC for the assignment of the FCC Authorizations to any party;
- (c) Collect from Maker on demand any deficiency remaining after exercise of the above remedies. Any monies remaining in excess of the amounts owed to Holder under this Promissory Note or the Purchase Agreement shall be credited exclusively to Maker.

Holder and Maker agree not to take any action that would constitute or result in an assignment or transfer of control of such Authorization if such assignment or transfer of control would require under then-existing laws (including FCC rules) the prior approval of the FCC, without first obtaining such approval of the FCC.

5. Prepayment and Application of Payments Made. Prepayment of this Note may be made at any time without prior written consent of the Holder without premium or penalty. All payments received in any given month will be applied first to interest accrued that is imposed on account of delinquent payments. All payments received in any given month in excess of the payment due will be applied to a reduction of the outstanding balance.

6. Miscellaneous. Maker hereby waives all notices, presentment for payment, demand, protest, notice of protest, and notice of dishonor and agrees to remain bound until the

principal and any interest are paid in full, notwithstanding any extension of time for payment that may be granted even though the period or periods of extension be indefinite and notwithstanding any inaction by, or failure to assert any legal rights available to, the Holder of this Note. Time is of the essence in the performance of this Note.

7. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Florida.

ATTEST:

MAGNUM BROADCASTING, INC.

By: _____

Michael Stapleford
President

It is agreed that Note is personally guaranteed by the following:

Personal Guarantee:

Michael Stapleford