

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of May 6, 2013, by and between **CONVERGENCE ENTERTAINMENT & COMMUNICATIONS, LLC**, a New York limited liability company ("Seller") and **SOUND COMMUNICATIONS, LLC**, a Delaware limited liability company ("Buyer").

### WITNESSETH

**WHEREAS**, Seller is the licensee of Class A television station W17CI, Claremont, New Hampshire (Facility ID No. 48413) (the "Station") pursuant to certain licenses, permits, authorizations and approvals (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

**WHEREAS**, Seller desires to assign the FCC Authorizations to Buyer and Buyer desires to acquire the FCC Authorizations; and

**WHEREAS**, Seller is willing to sell to Buyer and Buyer is willing to purchase from Seller substantially all of the assets, business and rights of Seller related to the Station, on the terms and subject to the conditions set forth in this Agreement;

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

### ARTICLE I SALE AND PURCHASE

Section 1.1 Station Assets. Subject to and in reliance upon the representations, warranties and agreements set forth in this Agreement, and subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined), and Buyer shall purchase and accept from Seller, all interests of Seller in the properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, described in this **Section 1.1**, including assets listed in Schedules 1.1(a), 1.1(b), 1.1(c), 1.1(d) and 1.1(e) hereto, along with the business and goodwill of the Station (but not including Excluded Assets as defined in **Section 1.2**) (collectively, the "Station Assets"). Without limiting the foregoing, the Station Assets shall include the following:

(a) Licenses and Authorizations. All of the FCC Authorizations issued with respect to the Station including all of the FCC Authorizations listed and described on Schedule 1.1(a) attached hereto, and all applications therefor, together with any renewals or extensions thereof and additions thereto.

(b) Tangible Personal Property. All interests of Seller as of the date of this Agreement in all personal property listed and described on Schedule 1.1(b) attached hereto (collectively, the "Tangible Personal Property").

(c) Intellectual Property. All of Seller's right, title and interest in and to the Station's call letters and all trademarks, trade names, service marks, internet domain names, urls, internet website content, copyrights, programs and programming material, franchises, copyrights, jingles, logos, slogans, technology and other intangible property used in the conduct of the business and operation of the Station and either owned by Seller or licensed to Seller on the date hereof, together with any associated goodwill, registrations and applications for registration of any of them and any additions thereto between the date hereof and the Closing Date, including but not limited to those described on Schedule 1.1(c) attached hereto (collectively, the "Intellectual Property").

(d) Contracts. Seller's right, title and interest in and to the Seller's contracts and agreements relating to the operation of the Station as described on Schedule 1.1(d) hereto, together with all contracts and agreements entered into or acquired by Seller between the date hereof and the Closing Date, consistent with the provisions of **Section 6.1** herein (collectively, the "Assumed Contracts");

(e) Seller's right, title and interest in and to the real property that is leased, subleased or licensed to Seller (the "Real Property Leases") associated with the Station and described on Schedule 1.1(e) and all agreements concerning the Real Property entered into or acquired by Seller between the date hereof and the Closing Date, consistent with the provisions of **Section 6.1** herein.

(f) Station Records. All files, records, and books of account relating to the Station, including, without limitation, technical information and engineering data, lists of advertisers, promotional materials, filings with the FCC, copies of all written contracts to be assigned hereunder, logs, the public inspection files and copies of all software programs used in connection with the operation of the Station.

**Section 1.2** Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

(a) All cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments.

(b) All deposits and prepaid expenses.

(c) Seller's right, title and interest in and to the Seller's contracts, agreements and operating leases, including, but not limited, to those relating to the operation of the Station, which will not be assigned to Buyer.

(d) Seller's internal corporate records and financial records not related to the Station; and

(e) All contracts or agreements to which Seller is a party that (i) have been terminated in accordance herewith, (ii) have expired prior to the Closing Date in the ordinary course of

business, or (iii) are not listed on Schedule 1.1(d) or as provided in **Section 1.1(d)** hereof as Assumed Contracts.

Section 1.3 Liabilities. The Station Assets shall be sold and conveyed to Buyer free and clear of all liabilities, debts, mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, "Liens"), except for liens disclosed in Schedule 1.1(b) attached hereto (collectively, "Permitted Liens"). Buyer shall not assume any of Seller's obligations of any kind, absolute or contingent, known or unknown, unless specifically noted in this Agreement. Buyer shall not assume any of Seller's obligations, including without limitation any obligations incurred by Seller as a result of any report, order or similar instrument issued by the FCC, unless specifically noted in this Agreement.

Section 1.4 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place at a date, time and place as Buyer and Seller shall mutually agree and shall occur no later than ten (10) calendar days after the date the FCC Consent (as defined in **Section 3.1**) for the Application (as defined in **Section 3.1**) becomes "Final," subject to the satisfaction or waiver of the conditions set forth in Articles VII and VIII below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing). For purposes of this Agreement, the term "Final" shall mean an FCC Consent which has not been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, *certiorari* or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated. Buyer has the right to waive Final FCC Consent, in which case the Closing shall take place on the tenth (10th) business day after FCC public notice of the FCC Consent, or such other time and place as the parties may mutually agree. Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the "Closing Date."

## **ARTICLE II**

### **PURCHASE PRICE**

Section 2.1 Purchase Price. The consideration for the sale of the Station Assets shall be Thirty Thousand U.S. Dollars (\$30,000.00) (the "Purchase Price"), which shall be paid in cash at the Closing, subject to the credits set forth in this **Section 2.1** and any prorations as set forth in **Section 2.2**; and provided further that all conditions to Closing have been satisfied. Concurrent with the execution of this Agreement, Buyer shall deposit with Seller the amount of Six Thousand Dollars (\$6,000) (the "Deposit"). The Deposit and the Attorney Amount, as such term is defined in that certain Letter of Intent between the parties, dated as of November 21, 2012 (the "Letter of Intent"), shall be credited towards the Purchase Price to be paid by Buyer at the Closing.

Section 2.2 Prorations. The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 11:59 p.m. local time in Claremont, New Hampshire on the day preceding the Closing Date. On the Closing Date, the

prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within sixty (60) days after the Closing Date.

### **ARTICLE III**

#### **FCC CONSENT**

Section 3.1 Application for FCC Consent. As soon as possible (but in no event later than ten (10) calendar days after the date of this Agreement), Seller and Buyer shall file an application with the FCC (the “Application”) requesting the FCC’s written consent to the assignment of the Station’s FCC Authorizations to Buyer. The FCC filing fee for the Application shall be advanced by Buyer; provided, however, that one-half of the amount of such fee shall be applied as a credit to the Purchase Price at the Closing. Seller and Buyer shall each diligently take all reasonable steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion, provided, however, that neither party will be required to participate in a trial-type hearing or a judicial appeal of an adverse FCC decision. Seller and Buyer shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the Application. The FCC’s initial written consent or “staff grant” of the Application is referred to herein as the “FCC Consent.”

### **ARTICLE IV**

#### **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer as follows:

Section 4.1 Status. Seller is a New York corporation in good standing, and Seller has the capacity to enter into and complete the transactions contemplated by this Agreement (the “Subject Transaction”).

Section 4.2 Authority. This Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as may be limited by bankruptcy laws and general principles of equity.

Section 4.3 No Conflict. The execution, delivery and performance of this Agreement by Seller and the consummation of the Subject Transaction by Seller will not conflict with or violate or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any contract to which Seller is a party or by which it is bound, or by which the Station or the Station Assets may be affected, or result in the creation of any Lien upon the Station Assets; or violate any judgment, decree, order, statute, law, ordinance, rule or regulation applicable to Seller, the Station or the Station Assets.

Section 4.4 Licenses. Seller is the holder of the respective FCC Authorizations listed and described on Schedule 1.1(a). Such FCC Authorizations constitute all of the licenses, authorizations and approvals required under the Communications Act of 1934, as amended (the “Communications Act”), and the rules and published policies of the FCC for, and used in the operation of, the Station as currently operated. (The Communications Act and the FCC’s rules and published policies are referred to collectively herein as the “Communications Laws.”) The

FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not now pending or, to the Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew the FCC Authorizations.

Section 4.5 Additional FCC Matters. With respect to the Station, Seller is operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and Seller is meeting the conditions of each such FCC Authorization. The Station is not, to Seller's knowledge, causing any interference to or receiving interference from any other station beyond what is permitted under the Communications Laws. Seller has operated the Station in all material respects accordance with all Communications Laws, including, without limitation those Communications Laws necessary to maintain the Station's status as a "Class A" television station, as defined by the FCC. All material reports and filings required to be filed with the FCC by Seller with respect to the Station, including those reports and filings necessary to maintain the Station's Class A status pursuant to the Communications Laws, have been timely filed. Seller has maintained an appropriate public inspection file at the Station as required by the Communications Laws.

Section 4.6 Certain Station Assets. The Station Assets constitute all of the assets, with the exception of capital and the Excluded Assets, necessary to conduct the present operations of the Station as currently operated. Seller has good, valid and marketable title to all of the Station Assets, and such title will be delivered free and clear of all Liens at the Closing. Schedule 1.1(b) contains a description of all material items of Tangible Personal Property. Schedule 1.1(c) contains a description of all material items of Intellectual Property.

Section 4.7 Contracts. Schedule 1.1(d) hereto contains a true and complete list of all Assumed Contracts. Seller is not in violation or breach of, nor has Seller received in writing any claim or threat that it has breached any of the terms and conditions of, any Assumed Contract. Neither Seller nor, to Seller's knowledge, any other party to any Assumed Contract is in material default thereunder or material breach thereof. Seller has delivered to Buyer a true, accurate and complete copy of each Assumed Contract, including all amendments, supplements or modifications thereto or waivers thereunder. Except as set forth on Schedule 1.1(d), neither the execution and delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated under this Agreement requires the consent of any party to an Assumed Contract or any other agreement or obligation of Seller, whether or not such agreement or obligation is to be assigned to or assumed by Buyer, and any material Assumed Contract requiring consent to assignment by a third party is identified on Schedule 1.1(d) with an asterisk.

Section 4.8 Real Property Leases. Schedule 1.1(e) includes a description of each Real Property Lease, and true, correct and complete copies of such Real Property Leases, together with any amendments thereto, have been made available to Buyer. Each of the Real Property Leases required to be listed on Schedule 1.1(e) is in full force and effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Seller has performed its material obligations under each of the Real Property Leases required to be listed on

Schedule 1.1(e) and is not in default thereunder, and to Seller's knowledge, no other party to any of the Real Property Leases required to be listed on Schedule 1.1(e) is in default thereunder. Seller has not received notice that it is currently in breach, violation or default under any Real Property Lease required to be listed on Schedule 1.1(e). Seller has good and valid title to the leasehold estate under each Real Property Lease free and clear of all Liens other than Permitted Liens.

Section 4.9 Brokers. Other than Burt Sherwood & Associates (the "Broker"), there is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the Subject Transaction as a result of any agreement of, or action taken by, Seller. The fees of Broker shall be paid exclusively by Seller.

Section 4.10 Disclosure. No provision of this Agreement (including the Schedules attached hereto), or any document or agreement delivered or made pursuant to the terms of this Agreement, relating to Seller, the Station or the Station Assets, knowingly contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading.

Section 4.11 Absence of Litigation; Taxes. Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the Station or the Station Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or to the best of Seller's knowledge, threatened against Seller which relates to the Station or could affect any of the Station Assets. Seller has paid all taxes, of any kind whatsoever, required to be paid by Seller.

Section 4.12 No Other Agreements to Sell the Station; No Undisclosed Liabilities. Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the Station Assets (whether through a merger, reorganization or sale of stock or otherwise) or to enter into any agreement with respect thereto. To the knowledge of the Seller, there are no liabilities or obligations of Seller with respect to the Station that will be binding upon Buyer after the Closing Date.

## **ARTICLE V**

### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

Section 5.1 Status. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware and authorized to conduct business in the State of New York. Buyer has the requisite corporate power to enter into and complete the Subject Transaction.

Section 5.2 Authority. All corporate actions necessary to be taken by or on the part of Seller in connection with the Subject Transaction have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in

accordance with its terms, except as may be limited by bankruptcy laws and general principles of equity.

Section 5.3 No Conflict. The execution, delivery and performance of this Agreement by Seller and the consummation of the Subject Transaction by Buyer will not (a) conflict with or violate the organizational documents of Buyer; (b) conflict with or violate or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any contract to which Buyer is a party or by which it is bound or (c) violate any judgment, decree, order, statute, law, ordinance, rule or regulation applicable to Buyer.

Section 5.4 Qualifications. Buyer is legally, financially and otherwise qualified to be the licensee of, own and operate a broadcast station under the Communications Laws, without any waiver of the Communications Laws. There are no facts that would, under existing law, including the Communications Laws, disqualify Buyer as licensee, owner and operator of a station or require such a waiver. There is no action, suit or proceeding pending or threatened against Buyer which questions the legality of the Subject Transaction or could adversely affect the ability of Buyer to perform its obligations hereunder.

Section 5.5 Brokers. There is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the Subject Transaction as a result of any agreement of, or action taken by, Buyer.

## **ARTICLE VI**

### **COVENANTS OF SELLER**

Seller covenants and agrees that from the date hereof until the completion of the Closing:

#### Section 6.1 Operation of the Business.

(a) Seller shall operate the Station in accordance with the terms of the FCC Authorizations and in compliance in all material respects with all applicable laws, including the Communications Laws. Seller shall maintain the FCC Authorizations in full force and effect and shall timely file and prosecute any necessary applications for renewal of the FCC Authorizations. Seller will deliver to Buyer, within ten (10) business days after filing, copies of any reports, applications or responses to the FCC related to the Station which are filed after the date hereof until the Closing Date.

(b) Seller shall not, by any act or omission, knowingly cause any of the representations and warranties set forth in Article IV to become untrue or incorrect in any material respect, and Seller shall use commercially reasonable efforts to cause the conditions to Closing set forth in Article VIII to be satisfied, and ensure that the Subject Transaction shall be consummated as set forth herein.

(c) Seller will continue to operate the Station in accordance with all Communications Laws, including, without limitation those necessary to maintain the Station's status as a Class A television station, as such term is defined by the FCC. Seller will not take any action that would reasonably be expected to impair the FCC Authorizations or the Seller's qualifications as the

licensee of a Class A television station. All reports and filings required to be filed with the FCC by Seller with respect to the Station will be timely filed. Seller will continue to maintain an appropriate public inspection file at the Station as required by the Communications Laws.

Section 6.2 Representations and Warranties. Seller shall give written notice in reasonable detail to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a material breach, or that would have caused a material breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement.

Section 6.3 Consummation of Agreement. Seller shall not take any action that would make the consummation of the Subject Transaction contrary to the Communications Laws or require a waiver of the Communications Laws.

Section 6.4 Insurance. Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the Station Assets.

Section 6.5 Access. Seller shall provide Buyer with access to the Station, upon reasonable notice and during normal business hours, for Buyer's inspection and assessment of the Station Assets.

Section 6.6 Contracts. Seller will not enter into any new contracts pertaining to the Station, other than those necessary in the ordinary course of business and contracts terminable on the Closing Date with no liability or obligation on the part of Buyer.

Section 6.7 No Other Bids. Seller shall not, and shall not authorize or permit any officer, director or employee of Seller, or any investment banker, attorney, accountant or other advisor or representative retained by Seller to, solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, the Station.

Section 6.8 Consents and Approvals. Seller shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Assumed Contract or Real Property Lease (which shall not require any payment to any such third party), and (ii) estoppel certificates reasonably acceptable to Buyer from lessors under any Real Property Leases requiring consent to assignment (if any), but no such third party consents or estoppel certificates are conditions to Closing except for those required consents marked with an asterisk (\*) on Schedule 1.1(d) or Schedule 1.1(e) (collectively, the "Required Consents"). To the extent that any Assumed Contract or Real Property Lease may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Assumed Contract or Real Property Lease; *provided, however*, with respect to each such Assumed Contract and Real Property Lease, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Assumed Contract or Real Property Lease from and after Closing,



Buyer shall pay and perform Seller's obligations arising under the Assumed Contract and Real Property Lease from and after Closing in accordance with its terms.

## **ARTICLE VII**

### **COVENANTS OF BUYER**

Section 7.1 Buyer shall give written notice in reasonable detail to Seller promptly upon learning of the occurrence of any event that would cause or constitute a material breach, or that would have caused a material breach had such event occurred or been known to Buyer prior to the date hereof, of any of Buyer's representations or warranties contained in this Agreement.

Section 7.2 Buyer shall not take any action that would make the consummation of the Subject Transaction contrary to the Communications Laws or require a waiver of the Communications Laws.

## **ARTICLE VIII**

### **CONDITIONS TO THE OBLIGATIONS OF SELLER**

The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

#### Section 8.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects.

(b) Buyer shall have performed, and complied with, in all material respects each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

#### Section 8.2 Proceedings.

(a) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Subject Transaction.

(b) In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Seller pursuant to this **Section 8.2** prior to the Closing Date, but the Closing shall be delayed during such period. Seller shall take all commercially reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

Section 8.3 FCC Consent. The FCC Consent shall have been issued without any condition materially adverse to Seller, and shall have become Final, unless such condition shall have been waived by Buyer.

Section 8.4 Deliveries. Buyer shall have complied with each and every one of its obligations set forth in **Section 10.2**.

Section 8.5 Liens. There shall not be any Liens on the Station Assets or any financing statements of record with respect to the Station Assets except those to be released at the Closing.

## **ARTICLE IX**

### **CONDITIONS TO THE OBLIGATIONS OF BUYER**

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

#### Section 9.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Seller contained in this Agreement shall have been true and correct in all material respects as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects.

(b) Seller shall have performed, and complied with, in all material respects, each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

#### Section 9.2 Proceedings.

(a) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Subject Transaction.

(b) In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Buyer pursuant to this **Section 9.2** prior to the Closing Date, but the Closing shall be delayed during such period. Buyer shall take all commercially reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

(c) The Station shall be a licensed Class A television station and shall have all of the rights and responsibilities of Class A television stations as conferred upon such stations by the Communications Laws.

(d) There shall be no pending or non-Final: (i) Orders, Orders to Show Cause or similar letters from the FCC or any of its Bureaus or Offices; or (ii) FCC or Bureau proceedings affecting the broadcast television industry generally that, in either case, have a material adverse impact on the ability of the Station to operate as a Class A low power television station.

(e) The FCC's Media Bureau or the full FCC shall have rescinded, reconsidered, terminated or overruled by an Order that is Final that certain Order to Show Cause, dated October 24, 2012.

Section 9.3 FCC Authorization. The FCC Consent shall have been issued without any condition materially adverse to Buyer, and shall have become Final, unless such condition shall have been waived by Buyer.

Section 9.4 Deliveries. Seller shall have complied with each and every one of its obligations set forth in **Section 10.1**.

Section 9.5 No Liens. There shall not be any Liens on the Station Assets (other than Permitted Liens) or any financing statements of record with respect to the Station Assets except those to be released at the Closing. Seller shall deliver to Buyer a lien search report (the “Lien Search”) dated no earlier than ten (10) days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of New Hampshire or agree to pay for Buyer to conduct such a search.

Section 9.6 No Material Adverse Effect. Since the date of this Agreement, there shall have not occurred a Material Adverse Effect. For purposes of this Agreement, “Material Adverse Effect” means any event, state of facts, circumstance, development, change, effect or occurrence (an “Effect”) that, individually or in the aggregate with any other Effect, has had or could reasonably be expected to have a materially adverse effect on the business, properties, assets, financial condition or results of operations of the Station, taken as a whole, or on the ability of Seller to consummate the transactions contemplated hereby.

## **ARTICLE X**

### **ITEMS TO BE DELIVERED AT THE CLOSING**

Section 10.1 Seller’s Closing Deliveries. At the Closing, Seller will deliver to Buyer the following, each of which shall be in form and substance satisfactory to Buyer and its counsel:

(a) A Bill of Sale, and other instruments of transfer and conveyance, dated the Closing Date, in form and substance reasonably satisfactory to Buyer and its counsel so as to effectively and legally transfer and assign to Buyer the Tangible Personal Property and effectively vest in Buyer good and marketable title to the Tangible Personal Property.

(b) An Assignment and Assumption of the Station’s FCC Authorizations.

(c) An Assignment and Assumption of Assumed Contracts.

(d) An Assignment and Assumption of Real Estate Leases.

(e) An opinion, from Seller’s counsel, certifying the veracity of the items set forth at **Sections 9.2(c), (d) and (e)** to this Agreement.

(f) Executed copies of the Required Consents.

(g) A certificate, executed by an officer of Seller certifying to the fulfillment or satisfaction of the conditions set forth in **Sections 9.1(a) and (b)**.

(h) The Lien Search, documenting that the Station Assets are being delivered free and clear of all Liens, other than Permitted Liens.

(i) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Buyer shall reasonably request, each in form and substance reasonably satisfactory to Buyer and its counsel.

Section 10.2 Buyer's Closing Deliveries. At the Closing, Buyer will deliver to Seller the following, each of which shall be in form and substance reasonably satisfactory to Seller and its counsel:

- (a) The payment to be made pursuant to **Section 2.1** hereof.
- (b) An Assignment and Assumption of the Station's FCC Authorizations.
- (c) An Assignment and Assumption of Assumed Contracts.
- (d) An Assignment and Assumption of Real Estate Leases.

(e) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Seller shall reasonably request, each in form and substance reasonably satisfactory to Seller and its counsel.

## **ARTICLE XI**

### **INDEMNIFICATION**

Section 11.1 Seller Indemnification. Following the Closing 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 attorney's fees and costs) ("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; (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station as conducted by Seller prior to the Closing; and (iii) any and all claims, liability and obligations of any nature, absolute or contingent relating to the Excluded Assets.

Section 11.2 Buyer Indemnification. Following the Closing 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 this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station as conducted by Buyer subsequent to the Closing.

Section 11.3 Indemnification Procedures. If either party hereto (the "Indemnatee") 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 Indemnatee under this

Article IX, then the Indemnatee 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 Indemnatee 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 such counsel is reasonably satisfactory to the Indemnatee. If the Indemnifying Party elects to assume the defense of such matter, (i) the Indemnatee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (ii) the Indemnifying Party shall keep the Indemnatee informed of all material developments and events relating to such matter, and (iii) the Indemnatee shall have the right to participate, at its own expense, in the defense of such matter, except where counsel reasonably conclude that common representation of Seller and Buyer is inadvisable or inappropriate, in which case the cost of separate representation of the Indemnatee shall be borne by the Indemnifying Party. 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; nor shall the Indemnatee be required to participate in or agree to a settlement unless the settlement involves no payment on the Indemnatee's part and includes a general release in favor of Indemnatee.

Section 11.4 Term. All representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is one (1) year after the Closing Date.

## **ARTICLE XII**

### **MISCELLANEOUS**

Section 12.1 Termination. This Agreement may be terminated at any time prior to Closing, subject to the last sentence of this **Section 12.1**: (a) by the mutual consent of Seller and Buyer; (b) by Buyer or Seller, if the FCC has denied or dismissed the approvals contemplated by this Agreement in an order which has become Final, provided the terminating party has not, through breach of a representation, warranty or covenant, prevented or impeded the Closing from occurring on or before such date; (c) by Buyer or Seller, if the Closing has not taken place within 270 days of the date of this Agreement (the "Final Closing Date") for reasons other than through the failure of the party seeking to terminate this Agreement to comply in all material respects with its obligations under this Agreement; (d) by Buyer, if within the time period prescribed in **Section 1.4**, Seller has failed to satisfy the conditions set forth herein; (e) by Buyer, if Seller has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement by the earlier of (x) the time period prescribed in **Section 1.4**, or (y) fifteen (15) business days after it receives notice from Buyer of such breach; (f) by Seller, if within the time period prescribed in **Section 1.4**, Buyer has failed to satisfy the conditions set forth herein; or (g) by Seller, if Buyer has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement by the earlier of (x) the time period prescribed in **Section 1.4**, or (y) within fifteen (15) business days after it receives notice from Seller of such breach. Any termination pursuant to any provision of this **Section 12.1** shall not relieve any party of any liability it would otherwise have for a breach of this Agreement occurring prior to termination.

Section 12.2 Effect of Termination. If this Agreement is terminated, Seller shall, within one hundred and twenty (120) days following the effective date of such termination, either: (a)

return the Deposit to Buyer; or (b) enable Buyer to enforce its rights as a lienholder of the items set forth on *Schedule 12.2*.

Section 12.3 Buyer's Remedy of Specific Performance; Seller's Remedy. The parties acknowledge that the Station is of a special, unique and extraordinary character, and that damages are an inadequate remedy for a breach of this Agreement. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement. In any action to enforce the provisions of this Agreement, Seller shall waive the defense that there is an adequate remedy at law or equity and agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to provide actual damages, post bond or furnish other security. As a condition to seeking specific performance, Buyer shall not be required to have tendered the consideration specified in this Agreement, but shall be ready, willing and able to do so. In the event of failure to close because of Buyer's default hereunder, Seller shall be entitled, as its sole remedy, to the Deposit as liquidated damages. In addition, either party shall be entitled to obtain from the other party court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder.

Section 12.4 Expenses. Except as otherwise stated in this Agreement, each party hereto shall bear all of its expenses incurred in connection with the Subject Transaction, including, without limitation, accounting and legal fees incurred in connection herewith. Any transfer taxes, sales taxes, or other governmental fees applicable to, imposed upon or arising out of the Subject Transaction shall be paid by Buyer.

Section 12.5 Risk of Loss. The risk of loss to any of the Station Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Assets, provided, however, that in the event that such repair or replacement has not occurred as of the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Seller repairs or replaces such Station Assets, or (ii) elect to close with the Station Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Station Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Station Assets, or (iii) terminate this Agreement without penalty on written notice to Seller.

Section 12.6 Further Assurances. From time to time prior to, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and the Subject Transaction, including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the Subject Transaction. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

### **ARTICLE XIII**

#### **GENERAL PROVISIONS**

Section 13.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, heirs, successors and assigns. Neither party may assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the others; provided however, Buyer may assign its rights and obligations under this Agreement to another entity under common control, provided that such assignment will not relieve Buyer of its obligations hereunder to the extent not performed by its assignee.

Section 13.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance or against which enforcement of an amendment is sought. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

Section 13.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly made and received when personally served, or on the first business day of attempted delivery by Federal Express or a similar overnight courier service, expenses prepaid, addressed as set forth below:

(a) if to Seller, then to:

Mr. Jeffrey Loper, Managing Member  
Convergence Entertainment & Communications, LLC  
68 Grigware Road  
Plattsburgh, NY 12901

(b) if to Buyer, then to:

Mrs. Paige Christian  
Vice President and Secretary  
Sound Communications, LLC  
21 East Market Street, Suite 101  
Corning, NY 14830

with copies to (which shall not constitute notice):

Drinker Biddle & Reath LLP  
1500 K Street, N.W., Suite 1100  
Washington, DC 20005  
Attention: Mark B. Denbo, Esq.

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

Section 13.4 Captions; References. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement. References to an “Article” or “Section” when used without further attribution shall refer to the particular article or section of this Agreement.

Section 13.5 Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the Communications Laws and otherwise in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws.

Section 13.6 Entire Agreement. This Agreement, together with all Schedules attached hereto and the Letter of Intent, constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

Section 13.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Section 13.8 Litigation Expenses. If a formal legal proceeding is instituted by a party to enforce that party’s rights under this Agreement, the prevailing party in the proceeding shall be reimbursed by the other party for all reasonable costs incurred thereby, including but not limited to reasonable attorney’s fees and costs.

Section 13.9 Neutral Construction. Buyer and Seller agree that this Agreement was negotiated at arm’s-length and that the final terms hereof are the product of the parties’ negotiations. This Agreement shall be deemed to have been jointly and equally drafted by Buyer and Seller, and the provisions hereof should not be construed against a party on the grounds that the party drafted or was more responsible for drafting the provision.

Section 13.10 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such



provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would unreasonably deprive a party of its intended benefits hereunder or impose significant additional burdens on a party.

Section 13.11 Announcements. Prior to filing the Application with the FCC except as may be required by the Communications Laws, neither party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement. Any press release or public announcement will be coordinated by both parties prior to release.

[Remainder of page intentionally left blank. Signature page follows.]

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[Remainder of page intentionally left blank. Signature page follows.]

**SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT**

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement as of the date first above written.

**CONVERGENCE ENTERTAINMENT  
& COMMUNICATIONS, LLC**  
(Seller)

By:

\_\_\_\_\_  
Jeffrey Loper  
Managing Member

5/6/2013

**SOUND COMMUNICATIONS, LLC**  
(Buyer)

**SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT**

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

**CONVERGENCE ENTERTAINMENT &  
COMMUNICATIONS, LLC  
(Seller)**

By: \_\_\_\_\_  
Jeffrey Loper, Managing Member

**Sound Communications, LLC  
(Buyer)**

By: Paige Christian  
Paige Christian  
Vice President