

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made and entered into this ____ day of April, 2006, by and between **1270 AM, Inc.**, a Florida corporation ("Seller") and **Wilkins Communications Network, Inc.**, a South Carolina corporation, or its permitted assignee ("Buyer").

W I T N E S S E T H :

WHEREAS, Seller is the licensee and operator of radio broadcast station WIJD(AM), 1270 kHz, Pritchard, Alabama (the "Station"); and

WHEREAS, Seller desires to sell and assign, and Buyer desires to purchase and acquire, the Station as an on-going business, including the Station's licenses and substantially all of the property and assets of Seller used or held for use in the operation of the Station; and

WHEREAS, the licenses issued by the Federal Communications Commission ("Commission" or "FCC") for the operation of the Station may not be assigned to Buyer without the prior written consent of the Commission; and

WHEREAS, Buyer and Seller further desire to enter into a time brokerage agreement pending consummation or termination of this Agreement, whereby Buyer (as Programmer) is to provide programming to Seller (as Licensee) for broadcast over the Station during substantially all of the Station's hours of operation (the "TBA");

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the parties do hereby agree as follows:

1. SALE OF ASSETS AND ASSIGNMENT OF LICENSES

At the Closing, and subject to the provisions of Paragraph 2 hereof, Seller shall sell, assign and transfer to Buyer and Buyer shall purchase from Seller all of Seller's assets used or held for use in the operation of the Station or the conduct of its business, including but not limited to the following ("Assets"), free and clear of liens, encumbrances, and other security interests except as specifically provided herein:

A. **Tangible Personalty**: All the fixed and tangible personal property used or intended for use in the operation of the Station including but not limited to that listed in Exhibit A hereto, less any property consumed, depleted or otherwise disposed of in the ordinary course of business, and all similar tangible property acquired by Seller in the ordinary course of business prior to the Closing Date (the "Tangible Personalty").

B. **Licenses and Authorizations**: All licenses, permits, permissions and other authorizations (including without limitation those listed in Exhibit B hereto, together with the use of the Station's call letters) which are issued by the Commission and other governmental agencies and that are associated with the operation of the Station, and all applications for

modification, extension or renewal thereof pending on the Closing Date (the "Licenses").

C. **Agreements, Leases and Contracts:** The rights of Seller under (1) the agreement providing for lease of the Station's transmitter tower, appurtenances and related equipment, buildings and ground system, together with the real property upon which they are located (the "Transmitter Site"), a copy of which lease is attached as part of Exhibit C hereto, (2) the agreement providing for lease of the Station's studios and offices (the "Studios" and together with the Transmitter Site, the "Real Property"), a copy of which lease is attached as part of Exhibit C hereto, (3) the program agreements listed in Exhibit C hereto which Buyer shall have assumed pursuant to the TBA, and (4) all contracts entered into by Seller between the date hereof and the Closing Date, to the extent expressly permitted hereunder (collectively, the "Contracts").

D. **Real Property Fixtures:** All transmitters, cables, associated equipment and appurtenances owned by Seller and located on the Real Property (collectively, the "Fixtures"), all as listed in Exhibit D and either a permanent easement for access to the foregoing facilities, or title to the present access roads.

E. **Intangible Personal Property:** All trademarks, service marks, copyrights, trade names, common law property rights, intellectual property, good will and all other intangible personal property owned by Seller and used by it in connection with the operation of the Station (the "Intangible Property").

F. **Records:** All public files required to be maintained by the FCC, together with such of Seller's files, logs and other records relating to the operation of the Station as Buyer may reasonably require (the "Records").

2. **ASSETS EXCLUDED**

It is understood and agreed that the Assets purchased pursuant to this Agreement shall not include (a) cash on hand, cash equivalents, securities and similar type investments; (b) Seller's accounts receivable; (c) books and records that pertain solely to the organization, existence, capitalization and taxation of Seller; (d) Seller's employee pension and other benefit plans in effect on the date hereof or the Closing Date; (e) all agreements, contracts and other obligations and liabilities of Seller or the Station as Buyer has not expressly agreed to assume herein; and (f) any assets listed on Exhibit E hereto.

3. **PURCHASE PRICE AND TERMS**

The purchase price for the Assets is Four Hundred Fifty Thousand Dollars (\$450,000), subject to the adjustments set forth in Paragraph 4 hereof (the "Purchase Price"). The Purchase Price is to be allocated among the Assets in the manner set forth in Exhibit F hereto. The Purchase Price shall be payable at the Closing in such immediately available funds as Seller may reasonably request.

4. **PRORATIONS AND ADJUSTMENTS**

A. **Generally.** Subject to the TBA, all personal property and employment taxes, deposits (including lease deposits), utility charges, contracts to be assigned to and assumed by Buyer, and income and operating expenses of the Station shall be prorated between Buyer and Seller as of the Closing Date. Insofar as feasible, prorations under this paragraph shall be determined and paid on the Closing Date, with a final accounting of prorated items, and the sum due from one party to another pursuant to this proration paid, within sixty (60) days after the Closing Date. If the parties are unable to agree on the prorations, the matter shall be referred to a firm of independent certified public accountants mutually acceptable to Buyer and Seller whose decision shall be final and whose fees shall be paid one-half by each of Buyer and Seller. If the amount of any tax to be prorated is not known as of the Closing Date, such tax shall be apportioned on the basis of the most recent tax assessment; as soon as the new tax rate and valuation can be ascertained, there shall be a reapportionment and adjustment with respect to such actual tax.

B. **Employee Compensation.** Seller shall pay all compensation owed to Station employees up to the Closing Date. Buyer may, after Closing, employ those of Seller's employees as Buyer may elect on terms and conditions determined by Buyer in Buyer's sole discretion. With respect to any Licensee employees employed by Programmer, accrued vacation time, sick leave and other employee benefits shall be pro-rated pursuant to Paragraph 4.A. Seller shall remain solely responsible for all severance pay, and accrued vacation time, sick leave and other benefits of Seller's employees as of the Closing Date who are not hired by Programmer.

5. **EXPENSES**

Except as otherwise provided herein, each party shall bear its own legal, engineering and accounting fees and other costs and expenses with respect to the transaction. Recording and filing fees, documentary stamp and other taxes, and all other similar charges on conveyances from Seller to Buyer or with respect to any other aspect of the transactions contemplated herein will be paid according to prevailing custom in the State of Alabama. The FCC fee for filing the application described in Paragraph 8 hereof shall be advanced and paid by Buyer, one-half of which shall be reimbursed by Seller as a proration at Closing.

6. **ASSUMPTION OF CERTAIN LIABILITIES**

At the Closing Buyer shall assume all of the Contracts which by the terms thereof require the payment of money or the performance of other obligations after 12:01 a.m., Alabama time, on the Closing Date. Buyer specifically does not assume responsibility for (a) any of Seller's liens, taxes, debts, accounts payable or contracts other than the Contracts and (b) any employment

contracts to which the Seller or the Station may be a party, severance pay, retirement plans, or similar obligations. With respect to Contracts that require the consent of third parties for assignment but for which the consent of such third parties has not been obtained as of the Closing Date, Buyer shall assume Seller's obligations to be performed under those Contracts only for the period after Closing during which Buyer receives the benefits to which Seller is currently entitled under such Contracts.

7. **FILING OF FCC APPLICATION**

Buyer and Seller agree to proceed no later than ten (10) days from execution hereof to file an application requesting FCC consent to the transactions herein set forth (the "Application"). The parties agree to prosecute the Application, defend it against challenges and file any amendments or additional information requested by the FCC, all in good faith and with due diligence, such that it may be granted, and such grant may become a Final Order as expeditiously as possible. A "Final Order" shall mean an FCC grant that is no longer subject to review, reconsideration or appeal by the FCC or any court of competent jurisdiction.

8. **TERMINATION**

This Agreement may be terminated as follows:

A. If the Closing hereunder shall not have occurred within twelve (12) months of the execution date of this Agreement, either Buyer or Seller may terminate this entire Agreement upon written notice to the other, provided that the party seeking to terminate is not in default hereunder.

B. If the Commission designates the Application for hearing, either party shall have the option of terminating this Agreement by notice to the other party prior to the commencement of the hearing, provided, however, that the hearing is not a proximate result of the failure of the party seeking to terminate to have prosecuted the Application diligently and in good faith or to have satisfied a Commission request for additional information.

C. Either party may terminate this Agreement if the other shall be in material breach hereof and if the said breach shall not have been cured within ten (10) days of written notice thereof by the party seeking to terminate.

D. Buyer may terminate this Agreement pursuant to Paragraph 13 hereof.

9. **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties, all of which have been relied upon by Buyer in entering into this Agreement and, except as specifically otherwise provided,

all of which shall be true and correct on the Closing Date:

A. **Organization:** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has full power and authority to enter into and perform this Agreement.

B. **Authorization:** The execution, delivery and performance of this Agreement have been duly authorized by all of the directors and shareholders of Seller and constitutes a valid and binding agreement of each of Seller, enforceable in accordance with its terms.

C. **No Contravention; Citizenship:** The execution, delivery and performance of this Agreement by Seller will not conflict with, result in the breach of, constitute a default under, or violate any provision of its articles of incorporation or by-laws or any agreement, other instrument, judgment, decree, order, law, rule or regulation to which Seller or any of its principals is a party or by which any of them or any of the Assets is bound or affected. Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code. On the Closing Date Seller shall deliver to Buyer an affidavit to that effect, which shall also set forth Seller's name, address, taxpayer identification number, and such additional information as may be required to exempt this transaction from the withholding provisions of Section 1445 of the Internal Revenue Code. Buyer shall have the right to file copies of Seller's affidavits with the IRS.

D. **Real Property:** The Real Property is all of the real property required to operate the Station (a) in the manner in which it is currently operated and (b) as authorized by the Licenses. To the best of Seller's knowledge, none of the Real Property is subject to any contract, option or commitment for sale or lease to any party other than Buyer nor to any lien or encumbrance of any kind that will materially impair Buyer's occupancy and full use thereof to the same extent and manner as it is currently occupied and used by Seller. To the best of Seller's knowledge, all Real Property, as well as the present use thereof, conforms with all restrictive covenants and with all zoning, environmental, building and other laws and regulations of all governmental authorities having jurisdiction thereof, except as is disclosed in Exhibit D. Without limiting the generality of the foregoing, Seller has not, and has no knowledge that others have, stored or disposed of nor used any hazardous substance in a manner inconsistent with the requirements of any law or regulation of any kind applicable to the Real Property or the business of the Station or which could reasonably be expected to create liability for or have an adverse impact upon Buyer. The buildings, tower, guys, and other fixtures used in the operation of the Station are suitable for their intended use, are in a good state of maintenance and repair, and to that best of Seller's knowledge are free of structural defects, are contained entirely within the bounds of the Real Property and do not encroach upon any property, the title or use of which will not be conveyed to Buyer hereunder. All utilities necessary for Buyer's use of the Real Property are installed and in working order and are subject to valid easements. To the best of Seller's knowledge, no condemnation proceedings have been instituted or threatened against the Real Property.

E. **Licenses:** Exhibit B hereto contains a complete list of all the licenses, permits, and other authorizations issued by the Commission and other governmental authorities, together with any applications therefor pending before such agencies, needed for Seller's operation of the Station. Except as set forth in Exhibit B, the Licenses are in full force and effect and are free and clear of any restrictions which might limit the full operation of the Station as presently authorized or operated. There are no investigations, proceedings, or material complaints pending or, to the best of Seller's knowledge after due inquiry, threatened, at the Commission or any other governmental authority which might adversely affect the business or operations of the Station, other than proceedings of a rule making nature intended to affect substantial segments of the radio industry generally. All reports and fees required to be filed or paid by Seller with the Commission or any other governmental authority, which if not paid and filed could subject Buyer to any liability or adversely affect Buyer's use or title to the Assets, have been timely filed and paid and all such reports are materially accurate. The Station is operating in full compliance with the Licenses and all applicable requirements of the FCC and all other governmental authorities.

F. **Tangible Personalty and Intangible Property:** Seller has good and marketable title to each item of Tangible Personalty, Intangible Property and the Fixtures, free and clear of all mortgages, liens, charges or encumbrances. The assets listed in Exhibit A and the Fixtures listed in Exhibit D are all of the material tangible property used to conduct the business and to operate the Station in the same manner as at present and in the manner authorized by the Licenses. The Tangible Personalty and the Fixtures are suitable for their intended purposes, and are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, and permit the Station to operate in its customary manner and in accordance with the Licenses and the Rules and Regulations of the Commission and all other governmental authorities having jurisdiction thereof. If within sixty (60) days after the Commencement Date under the TBA, Buyer gives Seller written notice of any defects in the Station's technical facilities which existed on the Commencement Date and which constituted a material breach of Seller's representations set forth in the this paragraph, Buyer shall have the right to require Seller to make such repairs and/or adjustments as may be necessary to bring the Station's technical facilities into substantial compliance with such representations or, in the alternative, to make whatever repairs and/or adjustments or to replace any equipment at Seller's expense as may be necessary to correct such defects; provided, however, that Seller will be given reasonable opportunity, within thirty (30) days of the day of the mailing of written notice from Buyer to Seller, to effect such repairs, replacements or adjustments at Seller's cost.

The Intangible Property includes all of the intellectual property rights currently used to promote or identify the Station or otherwise needed for or used in its business or operation, and all of which are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of the Intangible Property, including without limitation the use of any call sign, slogan or logo by any broadcast station or cable system in the Station's service area that may be confusingly similar to the call signs, slogans and logos used by the Station. No one has asserted to Seller that the operation of the Station has infringed any copyright, patent, trademark, trade name, service mark or other similar right of any third party.

G. **Employee Relations:** In the conduct of the Station's affairs, Seller has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor including those relating to collective bargaining and other unfair labor practices, wages, hours, discrimination, and the withholding and payment of social security and similar taxes and is not liable for any arrears or penalties relating thereto which would have a material adverse effect on the operations of the Station or which could result in liability to the Buyer following the Closing. Seller shall be solely responsible for, and hold Buyer harmless from, any and all employment compensation, personnel benefits, accrued benefits and bonuses up to 12:01 a.m. on the Closing Date with respect to the operation of the Station. No labor union is certified, or otherwise recognized, as the collective bargaining representative for any of the Station's employees; Seller has no knowledge of any labor strike, union organizing efforts, equal employment opportunity or discrimination allegation or other employee or labor controversy or dispute pending which could affect Buyer's operation of the Station. Seller has not promised to any employee of the Station that Buyer will be hiring any such employee or otherwise made any offer of employment on behalf of Buyer and Buyer shall have no obligation to employ any employee of the Station. Seller shall be fully responsible for all severance and other obligations owing to any of Seller's employees who are not hired by Buyer at the Closing. Seller has delivered to Buyer an accurate list of all current employees of the Station together with a description of the dates of commencement of their respective employment, their positions and areas of responsibility, compensation history, and current compensation arrangements as of the date of this Agreement.

H. **Contracts:** Exhibit C includes all contracts, agreements and commitments (except for cash advertising contracts on customary terms) which are necessary to or used in the operation of the Station. All Contracts are valid, binding, and enforceable by Seller in accordance with their terms. Neither Seller nor, to Seller's knowledge, any other party to such Contracts is in material breach or default on any of the Contracts, there is no claim of breach or default by Seller or, to Seller's knowledge, by any other party thereto, and Seller has no knowledge of any act or omission which has occurred or which has been threatened which could result in any party to such contract being in breach or default thereof. Seller will use its reasonable best efforts to procure the written consent of all contracting parties to the assignment of the Contracts if such consent is required by the terms of such Contracts and shall continue to use its best efforts to obtain consents following the Closing, subject to the final sentence of paragraph 6 for the period between Closing and the date such consents are obtained and the Contracts assigned to and assumed by Buyer.

I. **Compliance with Laws; Litigation:** The Station is in compliance with all applicable federal, state and local laws, which if not complied with by Seller could expose Buyer to claims or liability following the Closing. There is no judgment outstanding and no litigation, proceeding or investigation of any nature (other than legislation intended to affect substantial segments of the industry as a whole) pending or, to the knowledge of Seller, threatened which might materially and adversely affect the operation of the Station or the enjoyment and use by Buyer of the Assets to be purchased hereunder. Should any finding, order, complaint, citation or notice

allege that any aspect of the Assets or the Station violates any rule or regulation of the Commission or any other governmental agency prior to Closing, Seller shall promptly notify Buyer and use its best efforts to remove or correct such violation and be responsible for all costs associated therewith, including payment of any fines that may be assessed.

J. **Insolvency; Payment of Taxes:** No insolvency proceedings of any character, 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. As of the Closing Date, Seller will have paid and discharged (or made adequate provision for) all taxes, assessments, excises and levies (including all FCC regulatory fees) which, if not paid, would interfere with Buyer's full enjoyment of the Assets to be conveyed hereunder.

K. **Absence of Liabilities:** The Assets are not subject to any liability, commitment, indebtedness or obligation of any kind whatsoever, whether absolute, accrued, contingent, known or unknown, matured or unmatured, other than those evidenced by documents that have been provided to Buyer.

L. **Accuracy of Information and Disclosures:** No representation or warranty made by Seller in this Agreement or any information furnished or to be furnished to Buyer or any principal of Buyer in connection with the transactions contemplated herein contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make the information therein not misleading.

10. **COVENANTS OF SELLER**

A. **Negative:** Between the date hereof and the Closing Date or earlier termination of this Agreement, Seller will not do any of the following without the written consent of Buyer:

(i) Enter into any contract or commitment in relation to the Station's business or employees to which the Buyer will be bound or which will materially adversely affect Buyer's operation of the Station following Closing hereunder;

(ii) Increase the salary, benefits or other compensation payable to any Station employee except to the extent consistent with existing practice;

(iii) Create or assume any mortgage upon or pledge or subject to lien or encumbrance any of the Assets, whether now or hereafter acquired;

(iv) Sell, assign, lease, convey, or otherwise transfer or dispose of any of the Assets, whether now owned or hereafter acquired other than in the ordinary course of business, unless, in the case of the Tangible Personalty, the same are replaced in the normal course of business by assets of at least equal quality and usefulness; or

(v) Directly or indirectly attempt to sell, offer to sell, advertise for sale, entertain offers for sale, or otherwise take any steps toward a possible sale of the Station or a significant portion of the Assets to any person other than Buyer or an assignee of Buyer, as permitted hereunder.

B. **Affirmative:** Pending the Closing Date, Seller will:

(i) Give to Buyer, its counsel, engineers, accountants and other authorized representatives, reasonable access during normal business hours to all of the properties, premises, books and records pertaining to the operations of the Station for the purposes of inspection, and to such other properties, premises, books and records of Seller as are necessary to complete such inspections and audits; provided, however, that all such access shall be scheduled in advance and conducted with due regard for the need of Station personnel to maintain broadcast operations without unreasonable interference; and provided, further, that no such inspection or audit, nor Buyer's failure to make any such inspection or audit, shall affect Seller's representations, warranties or covenants hereunder or be deemed to constitute a waiver of any such representation, warranty or covenant.

(ii) Cooperate with Buyer to enable Buyer to enjoy the full benefits contemplated under the TBA, such cooperation to include, but not be limited to, timely applying for, prosecuting and obtaining all necessary FCC and other governmental authorizations therefor and operating the Station in accordance with the TBA and consistent with the rules, regulations and policies of the Commission and other governmental authorities.

(iii) Perform all of the Contracts according to their terms and, if necessary, renew the same, provided, however, that at Buyer's request, Seller will give protective notices of cancellation with respect to all contracts which Buyer is not to assume;

(iv) Subject to Buyer complying with its obligations under

the TBA to reimburse Seller for certain operating costs, maintain the Tangible Personalty and Fixtures or replacements thereof in their present condition, ordinary wear and tear excepted, maintain all inventories of supplies and spare parts at levels at least equivalent to those existing on the date hereof;

(v) Maintain its books, records and accounts in the usual, regular and ordinary manner, on a basis consistent with past periods and discharge and pay in full all of its accounts payable throughout the Closing Date;

(vi) Remove any and all violations of Commission Rules and Regulations which come to its attention or assume responsibility for the costs of removing same, including the payment of any fines that may be assessed for any such violation;

(vii) Consent to Buyer filing in Buyer's name on such applications as Buyer may wish to file to upgrade the facilities of the Station, provided, however, that the grant of any such applications shall not be a condition of this Agreement; and

(ix) Extend reasonable cooperation with Buyer, Buyer's lenders and potential lenders and their respective agents and representatives to satisfy such parties' requirements to enable Buyer to consummate this transaction.

11. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER**

Buyer makes the following representations, warranties and covenants, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct as of Closing (and which shall apply as of Closing to any assignee of Buyer permitted hereunder).

A. **Organization:** Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of South Carolina, has full power and authority to enter into and perform this Agreement, and prior to the Closing will have authority to conduct business in the State of Alabama.

B. **Authorization:** The execution and delivery of this Agreement has been duly authorized by all of the shareholders of Buyer, and constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms.

C. **No Contravention:** The execution, delivery and performance of this Agreement by Buyer will not violate any provision of its articles of incorporation or by-laws nor will result in a breach of, or constitute a default under, the provisions of any agreement or other instrument to which Buyer is a party or by which it is bound or affected.

D. **Qualification:** Buyer knows of no reason under current law why it would not be found fully qualified by the FCC to become licensee of the Station and to consummate the transactions contemplated by this Agreement. Buyer knowingly shall take no action or engage in any conduct which would materially impair its ability to consummate this transaction.

12. **CONTROL OF STATION**

Nothing contained in this Agreement shall be construed as giving Buyer any right to directly or indirectly supervise or direct the operation of the Station prior to the Closing. Except to the limited extent permitted by the TBA, such operation, including complete control and supervision of all programming, shall be the sole responsibility of Seller. Buyer shall, however, be entitled to reasonable inspection of the property, books and records of the Station, as provided in Section 11.B(i) hereof. Effective on the Closing Date and thereafter, Seller shall have no control over, nor right to intervene or participate in, the operation of the Station.

13. **RISK OF LOSS - DAMAGE TO FACILITIES**

A. The risk of loss or damage to any of the Assets shall be upon Seller prior to the Closing, and thereafter upon Buyer. In the event of such loss or damage prior to the Closing, the proceeds of, or any claim for any loss payable under, any insurance policy with respect thereto shall be used by Seller to repair, replace, or restore such lost or damaged assets to their former condition as soon as reasonably practicable. In the event such loss or damage or any other reason prevents the broadcast transmission by the Station in the normal and usual manner, Seller shall give prompt written notice thereof to Buyer.

B. If between the date hereof and the Closing Date the Station does not operate substantially in its normal and usual manner for an aggregate total of 48 hours in any calendar month, provided that periods of inoperation due to a public utility power failure shall not be counted towards the 48 hour total, or if on the Closing Date there exists loss or damage that would entail in excess of Five Thousand Dollars (\$5,000) to repair, restore or replace, then Buyer may at its sole option: (a) consummate the Closing in which event Seller shall pay to Buyer the amount necessary to restore the lost or damaged property to its former condition and against such obligation shall assign to Buyer all of Seller's rights under any applicable insurance policies, or (b) terminate this Agreement, or (c) postpone the Closing for up to 90 days, at the conclusion of which period of postponement Buyer may terminate the Agreement if the loss or damage responsible for such deficient operation has not been fully repaired or restored.

C. If the parties are unable to agree upon the extent of any loss or damage, the

cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement or restoration of any lost or damaged property, or any other matter arising under this section, the disagreement shall be referred to a qualified consulting communications engineer mutually acceptable to Buyer and Seller who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half by each of Buyer and Seller.

14. **CONFIDENTIALITY OF MATERIAL**

Pending the Closing Date, each of Buyer and Seller and their respective employees, representatives and agents will maintain the confidentiality of the information and materials delivered to them or made available for their inspection by the other party pursuant to this Agreement, except where such information or materials is legally available from non-confidential sources or where such information, schedules, and other documentation are required to be filed with the Commission in connection with the Application. If for any reason the transaction is not consummated and does not close, each of Buyer and Seller will cause their respective employees, representatives and agents to return to the other party all such materials in their possession and will continue to preserve the confidentiality of all such information.

15. **CLOSING DATE AND METHOD**

The Closing Date and time shall be fixed by Buyer by giving at least five (5) days' written notice thereof to Seller. Unless extended by mutual written consent of Buyer and Seller, the date of Closing shall no more than ten (10) days after FCC grant of the Application becomes a Final Order. The Closing shall be accomplished on the Closing Date by exchanging the closing documents required by this Agreement and such other closing documents as the parties may reasonably require in person, by mail or air courier and Buyer delivering the Purchase Price, as adjusted, to Seller by wire transfer.

16. **CONDITIONS OF CLOSING - SELLER'S OBLIGATIONS**

The obligations of Buyer under this Agreement are, at Buyer's option, subject to compliance by Seller with each of the following terms and conditions at or prior to the Closing Date:

A. **Status of Station and Business:** The Station shall be operating in compliance with all parameters listed on the Licenses, and, subject to the TBA, Seller shall have paid in full all of its accounts payable with respect to Station operations;

B. **Commission Consent:** The Commission shall have granted the Application and such approval shall have become a Final Order;

C. **Consents:** Seller shall have obtained required written consents to all

Contracts designated as material in Exhibit C and delivered such consents to Buyer along with true copies of all said Agreements;

D. **Absence of Litigation or Material Adverse Changes:** As of the Closing Date, no action, suit or proceeding seeking to enjoin, restrain or prohibit the consummation of the transactions contemplated by this Agreement or otherwise having a material adverse effect upon the operations of the Station or any material Assets shall be pending before any court, the Commission or any other governmental body or authority.

E. **Environmental Assessment:** There shall be no environmental condition that would materially impair the use of the Assets (including the Real Property) for the operation of the Station, require remedial action to comply with applicable environmental law or otherwise constitute an environmental hazard. In the event of such a condition, it shall be reported promptly to Buyer and either Seller shall have remediated such condition at Seller's expense or Buyer shall have the option of terminating this Agreement.

F. **Documents Relating to the Real Property:** Seller shall have obtained and delivered to Buyer an estoppel certificate of each lessor with respect to the Real Property in form reasonably acceptable to Buyer. The estoppel certificate for the Transmitter Site shall include provisions enabling Buyer to procure its own insurance and to undertake needed repair should the lessor fail to do so within a reasonable period. Seller shall fully cooperate in obtaining a title insurance policy reasonably satisfactory to Buyer and Buyer's lender insuring Buyer's leasehold interest in the Real Property and, if required for such policy, surveys of the Real Property, the cost of which surveys shall be borne equally by Buyer and Seller.

G. **Lien Search:** Seller shall deliver to Buyer a report dated no earlier than fifteen days prior to Closing, prepared by a firm reasonably acceptable to Buyer, showing the results of searches in the recording offices of all counties in which any Assets are situated and in the office of the Secretary of State of Alabama demonstrating that the Assets are free of UCC financing statements, tax liens, lawsuit and judgment liens, collateral assignments, security interests and encumbrances whatsoever.

H. **Instruments of Conveyance:** Seller shall have delivered to Buyer the following instruments, all of which shall be in form customary in the State of Alabama and reasonably satisfactory to counsel for Buyer:

(i) Bills of sale and other instruments of assignment and transfer, covering all the Tangible Personalty, Fixtures, Intangible Property and Records;

(ii) Assignments and other appropriate instruments assigning the Licenses and other authorizations of the Station and the Contracts to be assumed by Buyer;

(iii) An opinion of Seller's counsel as to the matters set forth in Exhibit H hereto;

(iv) The affidavit of citizenship referred to in paragraph 9.C;
and

(v) Such other documents as Buyer shall reasonably request and which are necessary to place Buyer in actual possession and operating control of Station and the Assets being transferred hereunder.

I. **Accuracy of Representations – Compliance with Covenants**

The representations, warranties and covenants of Seller contained in Paragraph 9 hereof shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, and Seller shall have complied with all the covenants contained in Paragraph 10. Seller shall provide Buyer with the certificate of its President so stating under oath.

J. **Other Acts**: Seller shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

17. **CONDITIONS OF CLOSING - BUYER'S OBLIGATIONS**

The obligations of Seller under this Agreement are, at Seller's option, subject to compliance by Buyer with each of the following terms and conditions at or prior to the Closing Date:

A. **Commission Consent**: The Commission shall have granted the Application.

B. **Payment of Purchase Price**: Buyer shall have paid to Seller the Purchase Price.

C. **Assumption of Agreements**: Buyer shall have delivered to Seller a document, in form and substance reasonably satisfactory to Seller, whereby Buyer assumes those liabilities and obligations of Seller under the agreements to be assumed pursuant to Paragraph 6 hereof.

D. **Accuracy of Representations**: The representations, warranties and covenants of Buyer contained in Paragraph 11 hereof shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, and Buyer shall deliver to Seller the certificate of its President so stating under oath.

E. **Other Acts:** Buyer shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

18. **REMEDIES UPON TERMINATION OR DEFAULT**

If this Agreement is terminated due to no fault of either Buyer or Seller, then neither party shall have any liability to the other. If Buyer has the right to terminate this Agreement due to a material default of Seller then, in addition to any other remedies to which it may be entitled, Buyer may seek a decree of specific performance, it being agreed by both Buyer and Seller that the Assets to be conveyed hereunder are unique and irreplaceable, and that monetary damages alone may not suffice to compensate Buyer for the loss of an opportunity to acquire the Station on the terms set forth herein. If this Agreement is terminated due to Buyer's material default hereunder, and such default shall not have been proximately caused by an action or inaction of Seller, then Buyer shall pay Seller the amount of Thirty Thousand Dollars (\$30,000) as and for liquidated damages, and not as a penalty, it being agreed that actual damages would be difficult to calculate and that the sum of \$30,000 is a reasonable estimate of Seller's damages.

19. **INDEMNIFICATION**

Seller shall indemnify, defend, and hold Buyer harmless against all claims, demands and legal actions and will reimburse Buyer for any damages (including legal fees incurred with respect to same) resulting from, or arising out of (a) the operation of the Station prior to Closing (other than such matters for which Buyer is responsible under the TBA), (b) the material breach by Seller of any of its representations, warranties or covenants set forth herein, (c) all liabilities of Seller other than to the extent Buyer expressly agrees to assume such liabilities pursuant to the terms hereof, or (d) all liens, charges or encumbrances on any of the Assets that are not expressly permitted by this Agreement. Buyer shall indemnify, defend and hold Seller harmless against all claims, demands and legal actions, and will reimburse Seller for any damages (including legal fees incurred with respect to same) resulting from, or arising out of (a) the operation of the Station after Closing, (b) the material breach by Buyer of any of its representations, warranties or covenants set forth herein or (c) all obligations which Buyer expressly assumes herein. Should any claims covered by the foregoing provisions be asserted against either party, the party being charged shall notify the other promptly and give it an opportunity to defend the same; the parties shall extend reasonable cooperation to each other in connection with such defense.

20. **ENFORCEMENT OF REMEDIES; DISPUTES.**

Except for the right of Buyer to seek specific performance of this Agreement which shall be pursued in an appropriate court and the right of either party to enforce the provisions of or any determination made pursuant to this section, the parties agree to resolve any disputes arising out of or in connection with this Agreement as provided in this section.

A. **Appointment of Dispute Panel.** If any dispute is not resolved in the time

permitted by this Agreement or, if no time is specified, within five (5) days of the date either party gives the other notice that it intends to invoke the provisions of this section, each party will immediately name one arbitrator who shall be a person with one of the following qualifications (a) substantial experience in radio ownership or management, (b) an accountant with experience in radio broadcasting, or (c) a radio broadcasting consultant, and, within five (5) days of their appointment, the two arbitrators so selected shall select a third arbitrator with similar qualifications (the "Dispute Panel"). In the event one party names an arbitrator within the time period specified herein and the other party fails to do so, the Dispute Panel shall be comprised of the sole arbitrator who was timely named who shall have the full power and authority to resolve the dispute pursuant to the provisions of this Article 20.

B. Decision Process. Each party may submit such materials as it may elect to the Dispute Panel provided that a copy of such material is delivered by hand or overnight courier to the other party. Neither party will contact any member of the Dispute Panel to discuss the dispute unless the other party is present in person or by conference telephone call or the other party consents. The Dispute Panel will request and review such information as its members deem necessary to resolve the dispute. The Dispute Panel and each party will treat all information received by it as confidential and will destroy such information when the dispute is resolved. The Dispute Panel will resolve the matters presented to it so as to give each Party the benefit of its bargain by applying the provisions of this Agreement and, to the extent the Agreement is not dispositive, the customs and practices which, in the view of Dispute Panel, are common to transactions of this nature. The Dispute Panel will render its decision as soon as possible, but in any event, within thirty (30) days of the appointment of the third expert. The decision will be in writing and signed by each member of the dispute panel. The decision may include an award of damages as permitted by this agreement. Any third party may rely upon an original copy of the written decision or a copy of the decision certified by any member of the Dispute Panel as evidence of the decision.

C. Venue. Unless the parties agree otherwise, the venue for any formal proceedings before the Dispute Panel shall be Pritchard, Alabama.

D. Binding Effect. The decision of a majority of the members of the Dispute Panel will be binding and final with respect to both parties and may be enforced by seeking preliminary and permanent injunctive relief or entry of a judgment by a court of competent jurisdiction.

E. Costs and Fees. Each party will bear the costs and fees of the expert appointed by it plus half of the costs and expenses of the third expert. If the Dispute Panel determines by majority decision that the position of a party lacks substantial merit or was taken primarily to delay or otherwise impair the business efforts of the other party, then that party will pay the costs and fees of all the members of the panel plus the other party's reasonable attorney's fees. Notwithstanding the provisions of this Section 20, either party brings a suit to enforce the provisions of this Agreement and such suit is not dismissed based upon the parties' agreement to

resolve disputes pursuant to this Section 20, the prevailing party shall be entitled to receive such attorney's fees and costs as a court may adjudge reasonable in addition to any other relief permitted by applicable law, an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law.

21. **PRESERVATION OF BOOKS AND RECORDS**

For three (3) years after the Closing, (a) Buyer will preserve the books and records of Seller delivered pursuant to Paragraph 1.F. hereof, and will allow Seller reasonable access to them and (b) Seller will preserve all other books and records relating to the Seller and the Station and will allow Buyer reasonable access to them.

22. **SURVIVAL**

Except for the Seller's representations and warranties regarding the condition of the Tangible Property which shall expire sixty (60) days after the Commencement Date of the TBA, the representations, warranties, covenants, and agreements contained herein and in any certificate or other instrument delivered pursuant hereto shall be deemed and construed to be continuous and shall survive the Closing hereunder and the payment of the purchase price for a period of one (1) year.

23. **BROKER/FINDER**

Buyer and Seller hereby mutually represent that there are no finders, consultants or brokers involved in this transaction and that neither Seller nor Buyer has agreed to pay any brokers', finders' or consultants' fees in connection with this transaction. In the event any consultant, broker or finder asserts a claim in connection with this transaction, the party who is alleged to have engaged or retained such consultant, broker or finder shall indemnify and hold harmless the other party, if such claim is asserted against such other party by said consultant, broker or finder.

24. **NOTICES**

All necessary notices, demands and requests shall be deemed duly given (i) if mailed by registered or certified mail, postage prepaid, (ii) if sent by an overnight courier providing written confirmation of receipt, or (iii) if sent via electronic mail providing confirmation of receipt, addressed as follows:

Seller: 1270 AM, Inc.
2070 N. Palafox
Pensacola, Florida 32501
Email: Mglin@aol.com
Attn: Michael B. Gliner, President

Copy to: David Tillotson, Esquire

4606 Charleston Terrace, NW
Washington, DC 20007
Email: dtlaw@starpower.net

Buyer: Wilkins Communications Network, Inc.
7924 Lasley Forest Road
Lewisville, North Carolina 27023
Attn: Robert Wilkins, President
Email: bob@wilkinsradio.com

Copy to: Peter Gutmann, Esquire
Womble Carlyle Sandridge & Rice, PLLC
1401 I Street, N.W., Seventh Floor
Washington, D.C. 20005
Email: PGutmann@wcsr.com

25. **CONSTRUCTION; JURISDICTION; VENUE; SERVICE**

This Agreement shall be construed and enforced in accordance with the laws of the State of Alabama. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and to this end only the provisions of this Agreement are declared severable. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and consequently waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement including, but not limited to, construing any provision against a party whose counsel drafted that provision. Any action or proceeding permitted hereunder and seeking to enforce any provision of or based upon any right arising out of this Agreement may be brought against a party hereto in the courts of the State of Alabama, Mobile County, or, if it has or can acquire jurisdiction, in the US District Court for the district of Alabama in which Pritchard is located, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process of any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

26. **ASSIGNMENT AND BENEFIT**

This Agreement is not assignable by either Buyer or Seller without written consent of the other, except by Buyer to an entity under common control with Buyer or the principals of Buyer. This Agreement and all of the obligations set forth herein shall be binding upon the parties and their respective heirs, assigns and successors.

27. **COOPERATION**

Each party hereto agrees to perform such further acts and to execute and deliver such further documents as may be necessary or desirable to effectuate the purposes of this Agreement.

28. **TIME OF ESSENCE**

Time is of the essence with respect to every provision of this Agreement.

29. **WAIVER**

No waiver of any right pursuant hereto or waiver of a breach hereof shall be effective unless in writing and signed by the parties waiving such right or breach. No waiver of any right or waiver of any breach shall constitute a waiver of any other or similar right or breach; and no failure to enforce any right hereunder shall preclude or affect the later enforcement of such right.

30. **ENTIRE AGREEMENT**

This Agreement and the TBA embody the entire agreement among the parties and supersede all prior agreements and understandings among the parties. No attempted change, termination or waiver of any of the provisions hereof shall be binding except by a written instrument signed by the party against which the same is sought to be enforced.

31. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

-- THE NEXT PAGE IS THE SIGNATURE PAGE --

EXECUTED on the day first above written.

ATTEST: **1270 AM, INC.**

_____ By _____
Michael B. Gliner, President

ATTEST: **WILKINS COMMUNICATIONS NETWORK, INC.**

_____ By _____
Robert Wilkins, President

EXHIBIT H

OPINION OF SELLER'S COUNSEL

(substantive provisions – subject to standard qualifications)

(a) 1270 AM, Inc. ("Seller") is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite corporate power and authority to carry on its business as presently being conducted and to execute, deliver and perform the Agreement and consummate the transactions contemplated thereby.

(b) This Agreement and the other documents and instruments delivered by Seller at Closing constitute the legal, valid, and binding obligations of Seller, enforceable in accordance with their respective terms except as enforceability may be limited by bankruptcy, insolvency, moratorium, and other laws relating to or affecting creditor's rights generally and by the exercise of judicial discretion in accordance with general equitable principles.

(c) None of (i) the execution and delivery of this Agreement, (ii) the consummation of the transactions contemplated by this Agreement, or (iii) compliance with the terms of this Agreement will conflict with, breach the terms and conditions of, constitute a default under, or violate Seller's articles of incorporation or bylaws, or, to counsel's knowledge, any judgment, decree, order, agreement, lease or other instrument known to counsel to which Seller is a party or by which Seller is legally bound.

(d) To the knowledge of counsel there is no outstanding judgment, or any suit, action or claim pending, threatened or reasonably deemed by Seller to be probable of assertion, or any governmental proceeding or investigation in progress (other than proceedings affecting radio broadcasters generally) that could reasonably have an adverse effect upon the Assets or upon the business or operations of the Station after Closing.

(e) Seller validly holds the FCC licenses, permits and authorizations listed on Exhibit B (the "FCC Licenses").

(f) The FCC Licenses are in full force and effect.

(g) The FCC Licenses include all the licenses, permits and authorizations necessary to operate the station with the facilities specified in the FCC Licenses.

(h) To the knowledge of counsel, the FCC Licenses are not subject to any conditions not stated in the licenses.

(i) To the knowledge of counsel, the FCC has granted its consent to

the assignment of the FCC licenses to Buyer without the imposition of conditions not stated in the written action granting such consent.

(j) Such FCC consent is in full force and effect.

(k) The Order of the FCC granting its consent is final in the sense that it is no longer subject to administrative or judicial reconsideration or review.

(l) The FCC consent constitutes all necessary consents, approvals and authorizations required under the Act for the assignment of the FCC Licenses to Buyer.

(m) Based upon a review of counsel's firm files and the records of the FCC pertaining to the Station which are accessible through the FCC's CDBS public access website,:

(1) there is no unsatisfied adverse FCC order, decree or ruling outstanding against Seller with respect to the Station or any of the FCC Licenses; and

(2) Seller is not a party to any complaint, suit, proceeding, investigation action or other proceeding at the FCC or in any court or before any governmental authority that, if adversely determined, is reasonably likely to have a material adverse impact upon the Station or the Assets.