

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement"), dated as of April 4, 2016 (the "Effective Date"), is by and between CORNERSTONE COMMUNITY RADIO, INC. ("Seller"), a Florida corporation, and WTIS-AM, INC, a Florida corporation ("Buyer").

### **WITNESSETH:**

WHEREAS, Seller is the holder of a construction permit (FCC File Number BMPFT-20160217ABJ) (the "License") issued by the Federal Communications Commission ("FCC") for FM translator station W266CW, (FCC Facility ID Number 156390) (the "Station"), effective March 15, 2016 (the "Permit"), authorizing the location, construction and operation of the Station to serve St. Petersburg, Florida, to rebroadcast Buyer's AM broadcast station WTIS (Facility ID No. 74088), Tampa, Florida; and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire the Permit for the Station and any and all files and engineering documentation pertaining to the Station owned by Seller and useful in connection with the future operation of the Station.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### **1. Sale of Assets.**

On the Closing Date (as defined in Paragraph 4 hereof), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the following assets and rights of Seller used or held for use in connection with the future operation of the Station: (i) the Permit for the Station; (ii) engineering files and documentation; and (iii) any of Seller's intangible property held exclusively for use in the future operation of the Station, free and clear of all liens, liabilities and encumbrances of every kind and nature (the "Assets").

#### **2. Consideration.**

The purchase price for the Assets shall be One Hundred Twenty-Five Thousand Dollars (\$125,000.00) (the "Purchase Price"), to be paid as follows:

- a. Within three (3) business days from the execution of this Agreement, Buyer shall deliver to Seller, by cash, wire transfer, certified check or otherwise immediately available funds, the amount of Fifteen Thousand Dollars (\$15,000.00) (the "Deposit"), to be held by Seller in a separate account, not co-mingled with any other funds belonging to Seller. Upon the Closing, or upon termination by Buyer pursuant to Paragraph 9(a)(iii) of this Agreement, or by Buyer pursuant to Paragraph 9(b), the Deposit shall be released to Seller and free of any restrictions or obligations whatsoever.

Within five (5) business days after the execution of this Agreement, Buyer and Seller shall file and prosecute an application with the FCC (the "Assignment Application") requesting the agency's consent to the assignment of the Permit for the Station from Seller to Buyer (the "FCC Consent").

Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the Assignment Application and/or the Translator Relocation Application.

#### **4. Closing Date; Closing Place.**

The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on the fifth business day following the date on which the grant of FCC Consent to the Assignment Application becomes a Final Order (the "Closing Date"), unless (a) Buyer, at its election waives a Final Order, in which case the parties may then hold the Closing on a mutually agreed upon earlier date after the FCC Consent has been granted, or (b) prior to the FCC's consent no third party shall have filed an objection, petition to deny or other opposition with the FCC asking that the Assignment Application not be approved, in which case both parties agree to waive a Final Order and to hold the Closing within 14 days after the effective date of the FCC Consent. As used herein, a Final Order is one no longer subject to administrative or judicial review, reconsideration or appeal. All acts required to take place at the Closing may be conducted by mail, facsimile, electronic mail or wire transfer, as appropriate and as the Parties may agree.

#### **5. Representations and Warranties.**

(a) Seller hereby makes the following representations and warranties to Buyer:

(i) Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The entry into and performance of this Agreement does not violate any contract, agreement, judgment, writ, injunction or other legal obligation of Seller. Seller knows of no reason this transaction cannot be performed and consummated in the manner set out herein.

(ii) Seller is the FCC-authorized holder of the Permit. The Permit are in full force and effect, unimpaired by any act or omission of Seller. There is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, or modify the Permit.

(iii) There is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Seller; and,

(iv) Seller has good and marketable title to all of the Assets, free and clear of any and all liens and encumbrances whatsoever.

(b) Buyer hereby makes the following representations and warranties to Seller:

(i) Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Buyer knows of no reason this transaction cannot be performed and consummated in the manner set out herein. Buyer possesses all legal, financial and other qualifications deemed necessary by the FCC to be the holder of the Permit.

(ii) There is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Buyer.

**6. Covenants.**

(a) Seller covenants with Buyer that, between the date hereof and the Closing Date, Seller shall act in accordance with the following:

(i) Seller shall take all actions necessary to keep the Permit valid and in full force and effect.

(ii) Seller shall prosecute the Assignment Application with commercially reasonable diligence, and shall otherwise cooperate with Buyer in achieving the goals of this Agreement.

(b) Buyer shall cooperate with Seller in the prosecution of the Assignment Application and shall otherwise cooperate with Seller in achieving the goals of this Agreement.

**7. Conditions Precedent to Obligations to Close.**

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

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

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

(iii) FCC Consent to the Assignment Application shall have been granted;

(iv) The Buyer shall have delivered to Seller the Purchase Price required by Section 2 hereof.

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

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

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

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

(iii) The Permit shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, or a modify the Permit in a manner material adverse to Buyer; and

(iv) FCC Consent to the Assignment Application shall have been granted.

#### **8. Closing Deliveries.**

(a) At the Closing, Seller shall deliver duly executed instruments or documents sufficient to convey to Buyer all of Seller's right, title and interest in and to the Assets, including an Assignment and Assumption of the Permit.

(b) At the Closing, Buyer shall deliver to Seller the Purchase Price, as provided in Section 2 hereof, and an executed Assignment and Assumption of the Permit.

#### **9. Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in breach of any of its material obligations under this Agreement, upon written notice to the other of any of the following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or fifteen (15) days after receipt of the notice of breach from the non-breaching party (the "Cure Deadline"); (ii) if the Assignment Application is denied by the FCC and such denial shall have become a Final Order, or (iii) if the Closing Date, as defined in Paragraph 4, and the Closing shall not have occurred within nine (9) months from the date on which the Assignment Application shall have been filed with the FCC, unless the Closing Date is extended in writing by an instrument executed by both Seller and Buyer.

(b) If this Agreement is terminated by Seller due to a material breach by Buyer, which is not cured by Buyer by the Cure Deadline, the Deposit (Fifteen Thousand Dollars (\$15,000.00)) shall be forfeited, and released to Seller, free from any restrictions whatsoever, as liquidated damages. The parties stipulate that this amount represents a reasonable measure of the damages of the Seller due to Buyer's breach. Except for the payment of

(c) If Seller defaults in the performance of its obligations hereunder, the parties agree that specific performance is an appropriate remedy for any breach, as the property to be conveyed hereunder is unique and a breach cannot be remedied by money damages alone. Notwithstanding the availability of the remedy of specific performance Buyer may nonetheless require the return of the Deposit and, in such event and upon return of the Deposit, Seller shall have no further liability or obligation to Buyer.

(d) If this Agreement is terminated because the FCC denies the Assignment Application for reasons unrelated to Buyer, the Deposit shall be returned to Buyer. If this Agreement is terminated by Buyer pursuant to Paragraph 9(a)(iii) hereof, the Deposit shall be released to Seller, free from any restrictions whatsoever and neither party shall thereafter have any liability to the other by reason of or arising out of this Agreement. If this Agreement is terminated by Seller pursuant to subparagraph (a)(iii) hereof, the Deposit shall be returned to Buyer.

(e) In addition to any other remedies to which they may be entitled hereunder, in the event of litigation over the provisions of this Agreement, the prevailing party shall be entitled to receive its reasonable costs of enforcing its rights, including reasonable attorney's fees.

#### 10. Notices

All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, or by electronic mail, with confirmation of receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

If to Seller, to:

Richard L. Van Zandt, President  
Cornerstone Community Radio, Inc.  
194 Godfrey Road  
Edgewater, FL 32141

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

J. Geoffrey Bentley, Esq.  
BENTLEY LAW OFFICE  
2700 Copper Creek Road  
Herndon, VA 20171

If to Buyer, to:

Ronald Roseman  
WTIS-AM, Inc.  
311 112<sup>th</sup> Ave., NE  
St. Petersburg, FL 33716

With copy (which shall not constitute) to:

**11. Governing Law; Venue.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Florida, without giving effect to the choice of law principles thereof.

**12. Counterparts; Execution.**

This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement shall become operative when each Party has executed at least one counterpart hereof. Facsimile and electronically transmitted signatures will be deemed acceptable for the purpose of executing this Agreement.

**13. Expenses.**

The filing fee for the Assignment Application shall be divided equally between Seller and Buyer. Unless otherwise provided in this Agreement, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

**14. Assignment.**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign its interest or delegate its duties under this Agreement without the prior written consent of the other party.

**15. Entire Agreement.**

This Agreement, and the schedules attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

16. Authority to Sign.

By their signatures the signatories hereto certify that each of them has full power and authority to execute, deliver and perform this Agreement on behalf of their respective parties and that such authority will continue, now and through the Closing, to be in full force and effect.

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

Seller:

**CORNERSTONE COMMUNITY RADIO, INC.**

By:   
Richard L. Van Zandt  
President

Buyer:

**WTIS-AM, INC.**

By:   
Name:  
Title: