

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “**Agreement**”), dated as of June 19, 2019 (the “**Execution Date**”), is by and among **BACKYARD BROADCASTING PA, LLC**, a Pennsylvania limited liability company (“**Seller**”) and **BACKYARD BROADCASTING OF PENNSYLVANIA, LLC**, a Pennsylvania limited liability company (“**Buyer**”).

### **WITNESSETH:**

**WHEREAS**, Seller is the licensee of radio stations: (1) WILQ-FM, Williamsport, Pennsylvania (Channel 286B, 105.1 MHz) FIN #52192; (2) WZXR-FM, South Williamsport, Pennsylvania (Channel 257A, 99.3 MHz) FIN #61180; (3) , WBZD-FM, Muncy, Pennsylvania (Channel 227B1, 93.3 MHz) FIN #72793; (4) WWPA-AM, Williamsport, Pennsylvania (1340 kHz) FIN #58315; (5) WLMY-FM, Williamsport, Pennsylvania (Channel 300A, 107.9 MHz) FIN #3633; (6) WCXR-FM, Lewisburg, Pennsylvania (Channel 279A, 103.7 MHz) FIN #15187; and (7) W267BJ, Williamsport, Pennsylvania (FM Translator, 101.3 MHz) FIN #106674 (each a “**Station**,” and collectively, the “**Stations**”), pursuant to licenses, permits and other authorizations issued by the Federal Communications Commission (the “**FCC**”) (all such licenses, permits and other authorizations issued by the FCC being hereinafter referred to as the “**FCC Authorizations**”); and

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire certain of the assets owned or leased by Seller and used in connection with the operation of the Stations.

**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.**

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the assets, properties, interests and rights of Seller of whatsoever kind and nature, which are owned, or in which Seller holds an otherwise valid possessory or use right, by Seller and used, held for use or useful in connection with the operation of the Stations which are specifically described below (the “**Assets**”) (but excluding the Excluded Assets described in Section 1(d) below):

(i) Equipment, machinery, furniture, furnishings, fixtures, office materials, and other tangible personal property owned by Seller that is used or held for use in the conduct of the operations of the Stations (the “**Tangible Personal Property**”), together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date, including, without limitation, the property set forth on Schedule 1 hereto;

(ii) All of the licenses, permits, applications and other authorizations, including the FCC Authorizations (collectively, the “**Licenses**”), issued by the FCC, the Federal Aviation Administration (the “**FAA**”), and any other federal, state or local governmental

authorities to Seller in connection with the conduct of the business and the on-air operations of the Stations, including without limitation, those set forth on Schedule 2 hereto;

(iii) All of Seller's right, title and interest in and to all of the real property and interests in real property (including without limitation fee simple titles, leaseholds, easements, licenses and options), and all buildings, structures and improvements thereon used or held for use in the operation of the Stations (the "**Real Property**"), the legal descriptions of which are set forth on Schedule 3 hereto, which schedule identifies (i) all parcels of Real Property (the "**Parcels of Real Property**") as either "*Fee Simple Parcels*," or "*Leasehold Parcels*," and (ii) each Station that uses such parcels of Real Property in the business and operations of such Station;

(iv) All rights of Seller for the benefit of the Stations under any or all of the following which are binding upon Seller immediately prior to the Closing Date: (i) all agreements, contracts and leases which are described on Schedule 6 hereto (the "**Scheduled Contracts**"); (ii) all contracts for the sale of advertising time on the Stations (the "**Advertising Contracts**"); (iii) the Immaterial Barter Agreements (as hereinafter defined); and (iv) such other agreements, contracts and leases as may be entered into by Seller after the date hereof with the consent of Buyer or in compliance with the terms of this Agreement (the "**Approved Contracts**"). The Scheduled Contracts, the Advertising Contracts, the Immaterial Barter Agreements and the Approved Contracts are sometimes hereinafter collectively referred to as the "Contracts";

(v) All of Seller's right, title and interest in and to any and all deposits and prepaid expenses (provided that Seller shall be given credit for such deposits and prepaid expenses pursuant to Section 2(c) hereof);

(vi) All of Seller's logs, books, files, data, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the on-air broadcast operations of the Stations, including without limitation all electronic data processing files and systems, FCC filings and all presently existing records required by the FCC to be kept by the Stations; and

(vii) Seller's right, title and interest in and to all copyrights, licenses, patents, trademarks, service marks, logos and trade names (including the Stations call letters and any variation thereof) used or held for use in connection with the operation of the Stations and all goodwill associated therewith, including registrations and applications for registration of any of the foregoing, and other similar intangible rights and interests as set forth in Schedule 7 (to be assigned pursuant to an Intellectual Property Assignment).

(b) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("**Liens**"), other than for taxes not yet due and payable and any other Lien agreed upon between the parties as set forth on Schedule 11 (the "**Permitted Liens**"). Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume, and that Seller shall retain and satisfy, (i) any liability or obligation of Seller to Seller's employees under any existing policy, program or plan of, or written or oral agreements with, Seller, including any such liability or obligation in respect of wages, salaries, bonuses (other than the Employee Trade Bonus Obligations (as defined

herein)), accrued vacation or sick pay or any other matter (“**Employee Contracts**”), or (ii) any liability arising out of any termination by Seller of the employment of any of the Station Employees (as defined herein) or any liability for, or under, any employee benefit plan or arrangement of Seller for the Station Employees (including, without limitation, any liability under any Employee Plan or Compensation Arrangement (as such terms are hereinafter defined)).

(c) Buyer acknowledges and agrees that Seller has received and will continue to receive up to the Closing certain barter contract benefits under (i) the barter and trade agreements listed or summarized in Schedule 6, (ii) barter or trade agreements entered into by Seller in the ordinary course of business following the Execution Date and prior to the Closing and having an individual value of any advertising time to be run by the Stations pursuant thereto of \$2,000.00 or less and a term of less than one (1) year (the “**Immaterial Barter Agreements**”), and (iii) such other barter and trade agreements having an individual value of any advertising time to be run by the Stations pursuant thereto in excess of \$2,000.00 or with a term of greater than one (1) year, which have been approved and consented to in advance by Buyer, and entered into by Seller in the ordinary course of business following the Execution Date and prior to the Closing (the “**Approved Barter Agreements**” and, collectively with the barter and trade agreements described in the preceding clauses (i) and (ii), the “**Barter Agreements**”). As of the Closing Date, Seller shall assign to Buyer all right, title, and interest in and to such Barter Agreements including, but not limited to, all the remaining benefits to be received thereunder, and Buyer shall, at the Closing, assume and agree to perform and discharge all of Seller’s obligations and liabilities under such Barter Agreements on or after the Closing Date including, without limitation, Seller’s obligation to provide barter advertising thereunder, on, and after the Closing Date. In addition, Buyer shall, at the Closing, assume Seller’s accrued obligations for trade payments to Station Employees set forth in Schedule 5 (the “**Employee Trade Bonus Obligations**”). Seller represents and warrants that Schedule 6 lists or summarizes all Barter Agreements (other than the Immaterial Barter Agreements) in effect on the Execution Date and will (subject to Section 7(k)) summarize all of such Barter Agreements (other than Immaterial Barter Agreements) at Closing, copies of which have been or will be provided by Seller to Buyer. The Purchase Price (as defined herein) shall be subject to a downward adjustment equal to the amount, if any, by which the aggregate value of any advertising time to be run by the Stations in respect of the Barter Agreements (excluding the Approved Barter Agreements) as of the Closing is Fifty Thousand Dollars (\$50,000) or more than the value of the goods and services to be received by the Stations in respect thereof as of the Closing, all as determined in accordance with generally accepted accounting principles consistently applied.

(d) In addition to the assumption of liabilities and obligations under the Barter Agreements as set forth in Section 1(c), Buyer will, at the Closing, assume all obligations and liabilities first arising or accruing on or after the Closing Date under the Contracts. Notwithstanding the foregoing, if any Contract requires the consent of a third party for assignment to Buyer, but such consent has not been obtained as of the Closing, then Buyer shall assume only Seller’s obligations under such Contract to the extent that, and for the period after Closing during which, Buyer receives the benefits to which Seller is currently entitled under such Contract (and Seller shall use commercially reasonable efforts to make such benefits available to Buyer). Buyer shall assume only those obligations and liabilities of Seller that are expressly described in Section 1(c) or this Section 1(d) (the “**Assumed Obligations**”). Buyer may also, in its sole and absolute discretion, elect to assume obligations and liabilities of Seller for accrued vacation and sick pay

owed to Station Employees that Buyer elects to hire after the Closing (and who, in fact, commence employment with Buyer), in which case the term "Assumed Obligations" shall be deemed to include such accrued vacation pay (and only such accrued vacation pay) which Buyer has so elected to assume and for which Buyer obtains a credit pursuant to the Prorations Statement (as hereinafter defined). Seller shall retain, pay and perform all obligations and liabilities of Seller other than the Assumed Obligations.

(e) Notwithstanding anything to the contrary herein, the following assets and obligations relating to the business of the Stations shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer (the "**Excluded Assets**");

- (i) Cash on hand and in banks (or their equivalents);
- (ii) All rights of Seller under all (A) contracts, leases, and agreements not constituting Contracts, and (B) contracts of insurance and insurance proceeds of settlement and insurance claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;
- (iii) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;
- (iv) All prepaid taxes;
- (v) Seller's limited liability company records
- (vi) The Accounts Receivable (as defined herein), and
- (vii) Any other assets set forth in Schedule 4 hereto.

(f) Notwithstanding anything to the contrary herein, even though all of Seller's outstanding cash accounts receivables generated through the operation of the Stations (the "**Accounts Receivable**," which, for the sake of clarity, do not include any trade receivables under the Barter Agreements) are Excluded Assets, following the Closing, Buyer shall be responsible for collecting the outstanding balance thereof and the proceeds thereof shall be treated as follows:

(i) Within two (2) business days prior to the Closing, Seller shall furnish to Buyer a list of the Accounts Receivable. For the period beginning on the Closing Date and thereafter for one hundred and eighty (180) days (the "**Post-Closing Collection Period**"), Buyer, as Seller's agent, shall, without compensation, collect the Accounts Receivable for Seller (all amounts so collected during the Post-Closing Collection Period being, the "**Post-Closing AR Collections**"). On or before the tenth (10<sup>th</sup>) day of the calendar month immediately following the month in which the first ninety (90) days of the Post-Closing Collection Period are completed and continuing on the tenth (10<sup>th</sup>) day of each subsequent calendar month until the end of the Post-Closing Collection Period (and then on the first (1<sup>st</sup>) business day following the end of the Post-Closing Collection Period), Buyer shall pay Seller in cash, at the place designated for notice in this Agreement, the full amount of the Post-Closing AR Collections during the preceding month(s) or any partial month (if applicable). Buyer shall, by the tenth (10<sup>th</sup>) day of each calendar month during the Post-Closing Collection Period and concurrently with the final payment of Post-Closing

AR Collections, provide Seller with a written report detailing the Post-Closing AR Collections during the preceding full or partial calendar month, such report to be provided together with an updated Accounts Receivable aging report. Buyer shall furnish Seller with such records and other information as Seller may reasonably require to verify the amounts collected by Buyer with respect to the Accounts Receivable.

(ii) For the purpose of determining amounts collected by Buyer with respect to the Accounts Receivable, all payments by an account debtor shall first be applied to the oldest Accounts Receivable that are due from the account debtor, unless (A) the account debtor indicates that an Account Receivable is subject to an unresolved dispute (any notice regarding a dispute of such Accounts Receivable shall be promptly provided to Seller), or (B) the account debtor specifically directs that a payment be applied to accounts receivable other than the Accounts Receivable for such account debtor (in which case Buyer shall be permitted to apply amounts collected as specifically directed by the account debtor).

(iii) Buyer shall take all actions in its ordinary course of business to collect any of the Accounts Receivable (provided that Buyer shall not be obligated to institute suit to collect any of the Accounts Receivable). Buyer shall not compromise, settle, or adjust the amount of any of the Accounts Receivable without the prior written consent of Seller.

(iv) The Accounts Receivable shall remain the property of Seller, and at the end of the Post-Closing Collection Period, Buyer shall return to Seller all written materials in Buyer's possession concerning the collection or attempt to collect the Accounts Receivable, together with a report detailing all applicable invoices and legible copies of all such invoices. After the expiration of the Post-Closing Collection Period, Buyer shall have no further obligation hereunder with respect to Accounts Receivable other than (A) to use reasonable efforts to promptly cause all payments, correspondence, and other communications in respect of or relating to the Accounts Receivable to be delivered or directed to Seller, and (B) to promptly remit directly to Seller any payments with respect to any of the Accounts Receivable that Buyer subsequently receives.

(v) Seller and Buyer will cooperate in all matters reasonably necessary or appropriate to carry out fully the purposes and intent of this Section 1(f). Without limiting the generality or effect of the preceding sentence, (A) Seller hereby authorizes Buyer to collect and receive all payments in respect of the Accounts Receivable after the Closing Date for the benefit of Seller and to receive and open all mail and other communications relating to the Stations received by Buyer for the benefit of Seller, and (B) Seller hereby authorizes Buyer, after the Closing Date, to endorse, without recourse, the name of Seller, as appropriate, on any check or other evidence of payment received by Buyer on account of any of the Accounts Receivable. Following completion of the Post-Closing Collection Period, Seller will notify Buyer of any Accounts Receivable placed in suit or with third-party collection agencies.

## **2. Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of Five Million Nine Hundred Thousand Dollars (\$5,900,000) (the "**Purchase**

**Price**”). The Purchase Price shall be payable to Seller at Closing by wire transfer of immediately available funds:

(b) Concurrently with the execution of this Agreement, Buyer has delivered to Kalil & Co., Inc. (the “**Escrow Agent**”) the sum of One Hundred Fifty Thousand Dollars (\$150,000) to be held as an earnest money deposit (the “**Earnest Money Deposit**”) pursuant to an Escrow Agreement (the “**Escrow Agreement**”) of even date herewith, in a form as set forth as Exhibit A hereto. The Earnest Money Deposit shall be paid to Buyer at Closing, or shall otherwise be made available to Seller or released to Buyer in accordance with the provisions of the Escrow Agreement or this Agreement.

(c) The parties agree to prorate all expenses arising out of the operation of the Stations which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing Date. Not later than five (5) business days prior to the Closing Date, an accounting cutoff shall be made and Seller shall cause to be prepared and delivered to Buyer a statement (the “**Proration Statement**”) setting forth Seller’s good faith estimate of prorated income and expenses between the parties. If the prorations and adjustments set forth in the Proration Statement have been agreed upon in writing by Buyer and Seller prior to the Closing Date, resulting adjustments to the Purchase Price shall be made at Closing to prorate to the Closing Date, estimates of all ordinary and necessary material operating expenses of the Stations and all expenses associated with the Assets, including, without limitation, maintenance expenses, property and equipment rentals, utility charges, sales and service charges, business and license fees, real and personal property taxes and assessments, and security deposits made by Seller and held by landlords under leases for which Seller is the tenant, in each case, as set forth in the Proration Statement and to reflect a credit to Buyer for all prepaid advertising contracts and other agreements under which the Seller have been prepaid by the respective counterparties thereto. The parties acknowledge that in the Commonwealth of Pennsylvania real property taxes for the current calendar year are/were due and payable in March and July for either the calendar year beginning January 1, 2019 or in some cases the fiscal year beginning on July 1, 2019. If, on the Closing Date, the real property taxes for the calendar year of the Closing Date are not then available, the parties shall assume that the real property taxes for the calendar year of the Closing Date will be the same as those for the prior calendar year. If Buyer objects in good faith to the Proration Statement, Buyer and Seller shall use commercially reasonable efforts to resolve such objection prior to the Closing Date, and all adjustments and prorations which Buyer and Seller agree are undisputed shall be used in calculating the amount of proration adjustment to the Purchase Price. As promptly as practicable, but in any event no later than one hundred twenty (120) days after the Closing Date, Buyer may deliver to Seller, or Seller may deliver to Buyer, its, or their, calculation of any corrected or additional prorations or adjustments determined in accordance with this Section 2(c) (an “**Updated Prorations Notice**”). Any good faith disagreement between Buyer and Seller with respect to the calculation of the prorations and adjustments set forth in an Updated Prorations Notice shall be set forth in a notice (the “**Notice of Disagreement**”) which shall be delivered by Buyer or Seller, as the case may be, to the other no later than thirty (30) days after its receipt of an Updated Prorations Notice. If the Final Purchase Price (as hereinafter defined) exceeds the Purchase Price, Buyer shall pay, by wire transfer of immediately available funds, to Seller, no later than the later of (i) five (5) business days after the determination of the Final Purchase Price, and (ii) the Closing Date, an amount equal to the excess of the Final Purchase Price over the Purchase Price; *provided*, that if such later date is the Closing Date such payment shall be made as an increase in the cash portion

of the Purchase Price payable at Closing pursuant to Section 2(a)(ii) hereof. If the Purchase Price exceeds the Final Purchase Price, Seller shall pay, by wire transfer of immediately available funds, to Buyer, no later than the later of (x) five (5) business days after the determination of the Final Purchase Price, and (y) the Closing Date, an amount equal to the excess of the Purchase Price over the Final Purchase Price; *provided*, that if such later date is the Closing Date such payment shall be made as a decrease in the cash portion of the Purchase Price payable at Closing pursuant to Section 2(a)(ii) hereof. For purposes hereof, the “**Final Purchase Price**” means the Purchase Price, adjusted for prorations and adjustments determined by agreement of the parties in accordance with this Section 2(c), after accounting for any corrected or additional prorations or adjustments identified in an Updated Prorations Notice timely delivered and any objections thereto identified in a Notice of Disagreement timely delivered (but any additional prorations or adjustments not identified in an Updated Prorations Notice delivered within the time period set forth in this Section 2(c) and any objections not identified in a Notice of Disagreement delivered within the time period set forth in this Section 2(c) shall be disregarded).

(d) No later than forty-five (45) days following the Closing Date, Seller and Buyer shall mutually determine an allocation of the Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended (the “**Purchase Price Allocation**”). Each party agrees to complete and timely file Internal Revenue Service Form 8594 (or any successor form) and to file all income tax returns in accordance the Purchase Price Allocation.

3. **FCC Consent; Assignment Application.** Buyer and Seller shall execute, file and diligently prosecute an application with the FCC (the “**Assignment Application**”) requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Stations (without any material adverse conditions other than those of general applicability) (the “**FCC Consent**”) at a date not later than ten (10) days after the Execution Date. Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full. Each party shall be responsible for all of its own costs with respect thereto. The Assignment Application filing fee will be shared equally between Buyer and Seller.

4. **Closing Date; Closing Place.** The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall occur no later than ten (10) days following the date on which, at Buyer’s option, the FCC Consent shall have been initially granted or shall have become a Final Order (as hereinafter defined) (as applicable, the “**Closing Date**”) and the other conditions to closing set forth in Section 8 have either been waived or satisfied. For purposes of this Agreement, the term “*Final Order*” means action by the FCC consenting to an application that is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by mail, electronic mail or as the Parties may agree.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer, except as set forth in the section of the disclosure schedules attached hereto that corresponds to the representations and warranties set forth below (provided, however, that matters disclosed in one section of the Schedules attached hereto shall be

deemed disclosed in all other sections of such Schedules as to which the relevance of such matters is clear based upon an ordinary reading of the Schedules and the relevant sections of this Agreement), as of the Execution and Closing Dates:

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Seller and no other proceedings on the part of either are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of each enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with its limited liability company agreement or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Stations and to which Seller or any of the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) arising from failure to obtain any consents required for the assignment of Contracts to Buyer, (iii) subject to receipt of the FCC Consent, violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party (except as herein set forth) other than the FCC Consent.

(c) Schedule 1 hereto contains a list of the Tangible Personal Property owned by Seller that shall be transferred to Buyer. Seller owns and has, and will have on the Closing Date (and will on the Closing Date convey to Buyer), good and marketable title to each item of Tangible Personal Property. Each material item of Tangible Personal Property (i) is in good condition and repair, ordinary wear and tear excepted, and (ii) is operating in substantial compliance with the FCC Authorizations and rules and regulations of the FCC and FAA. The Tangible Personal Property constitutes all of the material tangible personal property that is presently used or held for use in connection with the business of the Stations. For purposes of this Section, material Tangible Property shall be such property valued at One Thousand Dollars (\$1,000) or more.

(d) Schedule 2 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Stations in the manner and to the full extent it is presently operated. The Licenses are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the FCC Authorizations and other licenses, permits and authorizations listed on Schedule 2, none of which is subject to any restrictions or conditions that would limit in any material respect the operations



of the Stations. There is not pending or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against any of the Stations or against Seller with respect to any of the Stations. Except as set forth in Schedule 2, Seller is operating the Stations in all material respects in accordance with the FCC Authorizations, the Communications Act of 1934, as amended, all rules, regulations and policies of the FCC (the "**Communications Laws**") and the rules and regulations of the FAA. Seller maintains a public inspection file for the Stations and such file complies with the Communications Laws in all material respects.

(e) Schedule 3 contains a complete and accurate description of all Real Property and Seller's interests therein used to conduct the business and operations of the Stations as it is now conducted by Seller. Seller has good and marketable fee simple title to the Fee Simple Parcels (including the improvements thereon) insurable (for title insurance purposes) at standard rates, and a valid leasehold in each Leasehold Parcel. None of the Real Property is subject to any Liens, except for Permitted Liens. Each leasehold interest included in the Real Property is in full force and effect. Seller has delivered to Buyer true and complete copies of all deeds and leases pertaining to the Real Property and copies of all title insurance policies and surveys in its possession pertaining to the Fee Simple Parcels. With respect to the Leasehold Parcels, Seller has delivered to Buyer true and complete copies of all leases in which Seller is a party. Seller is in compliance with all of the material terms and conditions of all leases pertaining to the Leasehold Parcels. All buildings and other improvements on the Real Property are in good condition and repair (reasonable wear and tear excepted) and are available for immediate use in the conduct of the business and operations of the Stations. All buildings and other improvements, including, without limitation, any towers and guy anchors, located on any Parcel of Real Property are within the boundaries of the Parcel of Real Property and do not encroach upon any other parcels of real estate. To Seller's knowledge, no buildings or other improvements located on any adjacent parcels of real estate encroach upon any Parcel of Real Property. If required, all towers and other antenna support structures owned by Seller on the Real Property are painted, lighted and registered in accordance with the requirements of the FCC Licenses, the FCC, the FAA and all other applicable requirements of federal, state and local law in all material respects.

(f) Schedule 5 contains a complete and correct list of the names and positions of all employees engaged by Seller in connection with the Stations (the "**Station Employees**"), including each of their job titles, dates of hire and rates of pay. Schedule 5 contains an accurate and complete list of all Employee Plans and Compensation Arrangements providing benefits to Station Employees and copies of any such plans or arrangements together with any employee handbook or related documents have been made available to Buyer. For purposes of this Agreement, (i) the term "**Employee Plan**" means any employee benefit plan as defined in Section 3(3) of ERISA to which Seller or any of its affiliates contributes or has any obligation to contribute or to which Seller or any of its affiliates sponsors, maintains or otherwise has liability; and (ii) the term "**Compensation Arrangement**" means any plan or compensation arrangement, other than an Employee Plan whether written or unwritten, which provides Station Employees any compensation or other benefits, whether deferred or not, in excess of base salary, wages or commissions and excluding overtime pay, including, but not limited to, any equity or equity-based compensation arrangement. Each Employee Plan and Compensation Arrangement has been

established, maintained, operated and administered in all material respects in accordance with its own terms and, where applicable, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Internal Revenue Code of 1986, as amended, and any other applicable legal requirement. Neither Seller nor any entity required to be combined with Seller under Code Section 414 (an “ERISA Affiliate”) is contributing to, is required to contribute to, or has contributed within the last six (6) years to, any multiemployer plan (as defined in ERISA Section 3(37)), and neither Seller nor any ERISA Affiliate has incurred within the last six (6) years, or reasonably expects to incur, any “*withdrawal liability*,” as defined under Section 4201 *et seq.* of ERISA. Seller is not aware of the existence of any governmental inspection, investigation, audit or examination of any Employee Plan or Compensation Arrangement or of any facts which would lead them to believe that any such governmental inspection, investigation, audit or examination is pending or threatened. There exists no action, suit or claim (other than routine claims for benefits) with respect to any Employee Plan or Compensation Arrangement pending or, to the knowledge of Seller, threatened against any of such plan or arrangement, and Seller possesses no knowledge of any facts which could give rise to any such action, suit or claim. The consummation of the transactions contemplated by this Agreement will not result in any liability to Buyer for contributions, taxes, penalties, interest or other amounts resulting from any Employee Plan or Compensation Arrangement.

(g) Schedule 6 is a true and complete list of all contracts, non-governmental licenses, leases, agreements, and options to which Seller is a party or bound or by which the Assets are bound and a summary of Seller’s rights and obligations as of the date hereof under all trade and barter agreements relating to the Stations, except Advertising Contracts. Seller has delivered to Buyer true and complete copies of all Scheduled Contracts as well as all other written Contracts, other than Advertising Contracts, and true and complete memoranda summarizing all oral Contracts, other than oral contracts that do not involve payments by or to Seller in excess of One Thousand Dollars (\$1,000) per year and do not have a term in excess of one year (including any amendments and other modifications to such Contracts). Other than the Scheduled Contracts and the Advertising Contracts, Seller requires no Contract or other agreement to enable it to carry on the business of the Stations as now conducted. All of the Contracts are in full force and effect, and are valid, binding, and enforceable in accordance with their terms in all material respects, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles. There has not occurred as to any Scheduled Contract any continuing material default by Seller or any event that, with the lapse of time or otherwise, would become a material default by Seller. To the knowledge of Seller, there has not occurred as to any Scheduled Contract any continuing material default by any other party thereto or any event that, with the lapse of time or at the election of any person other than Seller, would become a material default by such party. Except for the Scheduled Contracts which are indicated on Schedule 6 as requiring consent of the other party thereto to permit assignment to Buyer, Seller has full legal power and authority to assign its rights under the Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability, or continuation of any assignable Contract.

(h) Schedule 7 attached hereto contains a true and complete list of all material trademarks, trade names, service marks, service names, franchises, copyrights, patents, patent applications, call letters, Station specific internet domain names, permits, know-how, jingles, computer programs and program rights (collectively, “IP”) currently used in the operation of the

Stations. Seller has delivered to Buyer copies of all documents establishing all material IP rights currently used in the operation of the Stations. Seller's use of the IP does not infringe on the valid rights of others. Seller has (and, upon Closing, Buyer will possess) good and valid title to IP, free and clear of all Liens other than Permitted Liens. Assuming that Buyer obtains from Barry Drake the authorization letter contemplated by Section 9(a)(xvi) hereof, Seller is aware of no reason why Buyer may not legally adopt the name "Backyard Broadcasting" and conduct the business of the Stations under such name.

(i) The unaudited balance sheet of the Stations for the year ending December 31, 2018, the unaudited statement of income of the Stations for the year then ended and the unaudited balance sheet and income statements for the Stations for first four (4) months of 2019 have previously been delivered to Buyer (collectively, the "**Financial Statements**"). The Financial Statements fairly present the financial position and results of operations of the Stations as of such dates, and for the periods then ended. The Financial Statements have been prepared from the books and records of Seller and accurately reflect the books, records and accounts of the Stations (which books, records and accounts are complete and correct). Subject to the absence of footnotes and subject to year-end adjustments which are not material in the aggregate, none of the Financial Statements understates the true costs and expenses of conducting the business or operations of the Stations, fails to disclose any material contingent liabilities, or inflates the revenues of the Stations. Except as may have been incurred in the ordinary course of business since the date of the most recent Financial Statements, there are no material obligations or liabilities of the Stations which are not reflected or reserved against therein.

(j) Other than Kalil & Co, Inc., whose fee shall be paid by Seller, 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.

(k) Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Stations or the 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 Seller or the Stations or could negatively affect any of the Assets or the Stations. Seller has complied in all material respects with all applicable laws, regulations, orders or decrees applicable to the Assets, the Stations or the business and operations of the Stations. The present uses by Seller of the Assets do not violate any such laws, regulations, orders and decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(l) Seller has duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid for all periods ended on or before the date hereof (and, as of the Closing Date, for all periods ended on or before the Closing Date), including, without limitation, any and all taxes, assessments, excises, interest, penalties, deficiencies and losses that might constitute a lien on, or otherwise have any adverse impact on, the Stations or the Assets or their transfer to Buyer.

(m) Except as disclosed on Schedule 8, there is no bankruptcy or insolvency proceeding, or any action, suit, other proceeding or litigation, judgment, decree, restraining order, temporary or permanent injunction or order of any court or governmental or regulatory authority pending or in effect, against Seller or any of its properties or assets or questioning the legality of the transactions contemplated hereby, or otherwise seeking to restrain or prevent the consummation of the transactions contemplated hereby or with respect to its ownership or operation of the Stations or otherwise relating to the Assets, the Stations or the business or operations of the Stations.

(n) Neither Seller nor, to Seller's knowledge, any other owners, previous owners, tenants, subtenants, occupants or users of any of the Parcels of Real Property or any other persons, have conducted their respective business, operations and activities upon such Real Property in violation of any Environmental Requirements (including, without limitation, requirements in any way involving the handling, manufacture, treatment, storage, use, generation, release, discharge, refining, dumping or disposal of any Hazardous Materials, the clean-up or removal of which is required, the maintenance of which is prohibited or penalized or for which corrective action of any kind is required) to an extent that creates any material liability with respect to such Parcels of Real Property, which has not been fully paid or settled prior to the date hereof without further liability in respect thereof. No Hazardous Material is currently located in, on, under or about any of the Real Property, whether originating from an on-site location or activity, in a manner that violates any Environmental Requirement or that requires clean-up or corrective action of any kind. All aboveground and underground storage tanks (including the piping and servicing of same) containing a Hazardous Material and located on or serving the Real Property are in material compliance with Environmental Requirements and are not leaking or otherwise discharging Hazardous Materials therefrom, all such storage tanks being listed on Schedule 9. Seller has not received any notice of violation, complaint, suit, order or other notice or communications from any regulatory agency or other third party, whether in the form of a letter, complaint, verbal communication, administrative enforcement action or other notice mechanism, of alleged violation of any Environmental Requirement ("**Environmental Notice**") with respect to the Real Property, which has not been fully satisfied and complied with without further liability in respect thereof. Seller has all material permits and licenses required under any Environmental Requirement to be issued to it by any governmental authority on account of any or all of its activities on any of the Real Property and is in material compliance with the terms and conditions of such permits and licenses. Any and all such permits and licenses are in full force and effect. To Seller's knowledge, no material change in facts or circumstances reported or assumed in the application for or granting of such permits or licenses exists that would impair the validity or effectiveness thereof. As used herein "**Environmental Requirements**" shall mean all now existing applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, authorizations and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation, the Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), Emergency Planning and Community Right to Know Act, Federal Water Pollution Control Act, National Historic Preservation Act, Occupational Safety and Health Act, Oil Pollution Act, Pollution Prevention Act, Resource Conservation and Recovery Act ("**RCRA**"), Safe Drinking Water Act, and the Toxic Substance Control Act ("**TOSCA**"), all as

amended from time to time. As used herein "**Hazardous Materials**" shall mean any flammable explosives, radioactive materials, hazardous waste, toxic substances or related materials, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde, radon, and any substance defined as or included in the definition of (i) any "*hazardous waste*" as defined pursuant to RCRA; (ii) any "*hazardous substance*" as defined by CERCLA; (iii) any "toxic substance" as defined pursuant to TOSCA; (d) any oil or other petroleum product; (iv) any other substance, pollutant, contaminant, chemical or industrial toxic or hazardous substance or waste, including, without limitation, hazardous materials, within the meaning of any other applicable Environmental Requirement. Seller has provided Buyer with copies of all environmental studies in Seller's possession relating to any Real Property.

(o) Except as set forth in Schedule 10, Seller has not been involved in any business arrangement or relationship relating to the Stations with any affiliate of Seller, and no affiliate of Seller owns any property or right, tangible or intangible, which is used in the business of the Stations, including, without limitation, any corporate, administrative or similar services provided by the parent companies of Seller to Seller or the Stations

(p) No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer to the best of Seller's knowledge.

**6. Representations and Warranties of Buyer.** Buyer hereby makes the following representations and warranties to Seller as of the Execution and Closing Dates:

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and has the requisite power and authority to own, lease and operate its properties and to carry on the business of the Stations as now being conducted.

(b) Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) The execution, delivery and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or Operating Agreement of Buyer, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation, relating to its own

business, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) subject to receipt of the FCC Consent, violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(d) Buyer is legally, financially and technically qualified to acquire and become the licensee of the Stations.

(e) There is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer including without limitation, any voluntary or involuntary petition under Federal bankruptcy law or any state receivership or similar proceedings, that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement, nor does Buyer know of, or have any reasonable ground to know of, in view of its present situation or action it now contemplates taking, any basis for such litigation, proceeding or investigation.

(f) 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 transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

(g) No representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller to the best of Buyer's knowledge.

7. **Covenants.** Seller covenants with Buyer, and Buyer covenants with Seller, as the context so indicates, as follows:

(a) Between the Execution Date and the Closing Date, Seller will not do any of the following without the prior consent of Buyer: (i) sell, assign, lease or otherwise transfer or dispose of any of the Assets, except for the sale and use of promotional items, supplies and the like in the ordinary course of business and sales, assignments and transfers pursuant to this Agreement or in connection with the acquisition of replacement property of equivalent or greater utility and value; (ii) create, incur, assume or permit to exist any Liens, other than Permitted Liens, affecting any of the Assets; (iii) cancel, terminate, modify, amend, in any way impair or waive any material rights relating to any of the Stations, any of the Assets or under any of the Contracts, other than the termination of any Contract at the end of its current term in accordance therewith; (iv) enter into new contracts, leases or agreements (other than Advertising Contracts); (v) cause or allow the cancellation, termination, modification, amendment, revocation, expiration, suspension or impairment of any Licenses, or take or fail to take any action that could reasonably be expected to cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or adverse modification of any Licenses; or (vi) increase or otherwise change the rate or

nature of the compensation (including wages, salaries and bonuses) that is paid or payable to any Station Employee, other than as currently budgeted or otherwise in the ordinary course of business, or materially modify any Compensation Arrangement or Employee Benefit Plan for the benefit of Station Employees.

(b) Between the Execution Date and the Closing Date, Seller will: (i) continue to operate and maintain the Stations in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations and past operating practices; (ii) give Buyer, and its authorized representatives, reasonable access during normal business hours to all properties (including, without limitation, the Assets), books, records, contracts, documents and personnel of or relating to the Stations, to the extent such access does not unreasonably interfere with the normal operations of the Stations; (iii) comply in all material respects with all applicable laws, rules, regulations, ordinances, orders and requirements to which Seller or any of the Assets or Stations is subject; and (iv) maintain in force the insurance in effect as of the date hereof (or replacements thereof) with respect to the business and operations of the Stations, (v) use commercially reasonable efforts to preserve the organization and goodwill of the Stations and to maintain the business of the Stations and the Stations' present relationships with advertisers, suppliers, customers and others having business relationships with the Stations; (vi) use commercially reasonable efforts to retain the Station Employees; (vii) notify Buyer of any material problems at the Stations, any material change in any information previously disclosed by Seller to Buyer, any material inaccuracy contained in Seller's representations and warranties contained in Section 5 of this Agreement or (subject to Section 7(k)) the schedules attached hereto, in each case, to the extent Seller becomes aware thereof; (viii) obtain any consents required to assign to Buyer the Scheduled Contracts and Leasehold Parcels described on Schedule 12 hereto (the "Material Contracts"); and (ix) maintain the books and records relating to the Stations in accordance with past practices.

(c) Effective as of 11:59:59 pm on the day prior to the Closing Date, all Station Employees shall be terminated by Seller. Buyer may offer to hire some or all of the Station Employees. Seller agrees to cooperate with Buyer in its efforts to obtain the employment of any and all Station Employees, which Buyer, in its sole discretion, shall decide to offer employment with Buyer. Buyer covenants and agrees to notify Seller in writing not later than ten business days prior to the Closing Date if Buyer will not be offering full-time employment (with substantially similar compensation as is currently being provided by Seller) to any full-time Station Employees effective as of the Closing Date. Seller agrees to reasonably permit Buyer to evaluate the Station Employees in making Buyer's hiring decisions, and to interview the Station Employees during normal working hours, so long as such interviews do not unreasonably interfere with the operations of the Stations. Seller shall retain liability for all obligations and liabilities of Seller to the Station Employees incurred or arising on or prior to the Closing Date (including, without limitation, all liability under Compensation Arrangements and Employee Plans), and Seller shall cause such obligations and liabilities to be discharged and satisfied in full in a timely manner. Nothing in this Agreement express or implied shall be deemed to make any employee of Seller a third party beneficiary of this Agreement.

(d) Notwithstanding anything contained herein to the contrary the Closing shall not be consummated prior to the grant by the FCC of the FCC Consent. Seller and Buyer acknowledge and agree that at all times commencing on the date hereof and ending on the Closing



Date, neither Buyer nor any of its employees, agents or representatives, directly or indirectly, shall, or have any right to, control, direct or otherwise supervise, or attempt to control, direct or otherwise supervise any of the management or operations of the Stations, it being understood that the operation, management, control and supervision of all programs, equipment, operations and other activities of the Stations shall be the sole responsibility, and at all times prior to the Closing Date remain within the complete control and discretion, of Seller.

(e) Each of Seller and Buyer agrees with respect to non-public information furnished to it or about which it becomes aware, including, without limitation, transaction negotiating terms, in connection with the transactions contemplated by this Agreement by any other party to keep such information confidential and not to disclose such information, in any manner whatsoever (other than to its agents, representatives, employees, equity and debt financing sources, advisors and affiliates), in whole or in part, and to use the degree of care that it uses with respect to its own confidential information for such information and to use commercially reasonable efforts to prevent disclosure of such information by its agents, representatives, employees, equity and debt financing sources, advisors and affiliates, in any manner whatsoever, in whole or in part, except that each party shall be permitted to disclose such information: (i) to those of its agents, representatives, employees, equity and debt financing sources, advisors and affiliates which need to be familiar with such information in connection with such transactions;. (ii) to the extent required by law, including federal or state securities laws or regulations, or by the rules and regulations of any stock exchange or association on which securities of such party or any of its affiliates are traded, so long as such party shall have first afforded the disclosing party with a reasonable opportunity to contest the necessity of disclosing such information; (iii) to the extent necessary for the enforcement of any right or the performance of any obligation of such party arising under this Agreement; (iv) that is or becomes generally available to the public, other than as a result of a disclosure by such party, its agents, representatives, employees, equity and debt financing sources, advisors and affiliates in breach hereof; and (v) that becomes available to such party on a non-confidential basis from a source (other than the disclosing party, or its respective agents, representatives, employees, equity and debt financing sources, advisors and affiliates) that such party believes is not prohibited from disclosing such information to such party by a legal, contractual or fiduciary obligation to the disclosing party.

(f) Buyer and Seller shall cooperate with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Seller shall execute, deliver and/or file such other documents and shall take such other actions, in each case, as may reasonably be necessary and desirable to the implementation and consummation of this Agreement including, without limitation, the satisfaction of the conditions set forth in Section 8, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations under this Agreement.

(g) With respect to any Fee Simple Parcels, Buyer shall obtain as soon as practicable, and in any event, at least thirty (30) days prior to Closing, an ALTA Owner's title insurance commitment and any improvements thereon, proposing to insure title to such Parcel in the name of Buyer as of the Closing, subject only to defects in title that are Permitted Liens or otherwise do not adversely affect the title, use or value of such Fee Simple Parcels. Seller shall provide Buyer or Buyer's title company with an owner's affidavit and similar affidavits executed



by Seller. Seller and Buyer shall share equally the costs of obtaining the title insurance commitments required hereunder with respect to the Fee Simple Parcels. Buyer shall bear the sole cost of obtaining the title insurance commitments required hereunder and all related policies of title insurance required hereunder with respect to those Leasehold Parcels for which Buyer requests title insurance. If any survey of, or title commitments with respect to, any Fee Simple Parcels reveals a state of facts or conditions that constitutes a breach of any representation or warranty set forth in Section 5(e) hereof (interpreted without regard to knowledge qualifiers set forth therein), or, in the case of the Fee Simple Parcels, any easements, encumbrances or restrictions other than those shown in the title report previously delivered by Seller to Buyer (excluding any encumbrances described therein relating to indebtedness of Seller), then Buyer shall provide Seller with written notice thereof. If Seller is unable or unwilling to remedy or remove such state of facts or conditions within a period of thirty (30) days after receiving notice from Buyer, Buyer may terminate this Agreement pursuant to Section 11(c) hereof.

(h) Prior to the Closing, Seller shall obtain (i) landlord estoppel certificates in the form as set in Exhibit B to this Agreement for each of the Leasehold Parcels, (ii) any other reasonable and typical certificates requested by Buyer with respect to the transfer of the Real Property, and (iii) consents of the other parties to the Material Contracts (in form reasonably acceptable to Buyer) to permit the assignment of all such Material Contracts to Buyer at Closing.

(i) Buyer shall have the right, at its sole cost and expense, to undertake as it so determines surveys, mechanical, foundation, electrical and environmental inspections (“**Inspections**”) of the Real Property. All such inspections shall be completed no more than thirty (30) days following the Execution Date. Seller shall make the Real Property reasonably available to Buyer and its agents for these purposes and reasonably cooperate with Buyer in this regard. If the Inspections reveal conditions, defects or deficiencies constituting breaches of representations or warranties set forth in either of Sections 5(e) or 5(n) (interpreted without regard to knowledge qualifiers set forth therein), then Buyer shall provide Seller with written notice thereof. Seller shall thereupon remedy and repair such conditions, defects or deficiencies (and the Closing may be postponed for up to sixty (60) days to permit Seller to complete such remedy and repair), provided, however, that if the cost of completing such remedy and repair is reasonably expected to exceed \$500,000 (and provided that Buyer has not elected in its sole discretion to bear cost in excess of such amount), Seller may elect by written notice to Buyer to terminate this Agreement, in which case Buyer shall be entitled to the return of the Earnest Money Deposit, including all interest earned thereon, and thereafter neither party shall have any further obligation to the other under this Agreement.

(j) Buyer and Seller shall each bear one-half of any sales or use taxes that arise from the consummation of the transaction contemplated by this Agreement.

(k) On or before the Closing Date, Seller shall furnish to Buyer revised schedules to this Agreement as may be necessary to render such schedules accurate and complete as of such date. At all times prior to the Closing Date, Seller shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach had such event occurred or been known to Seller prior to the Closing Date, of any of Seller’s representations or warranties contained in this Agreement or in any schedule hereto. At all times

prior to the Closing Date, Seller shall promptly, upon it becoming aware thereof, disclose to Buyer any problems or developments which materially and adversely affect the Stations or the Assets. At all times prior to the Closing Date, Seller shall give written notice to Buyer if the Assets shall have suffered damage on account of fire, explosion or other cause of any nature that is sufficient to prevent operation of the Stations promptly upon it becoming aware thereof. Seller's compliance with the terms of this Section 7(k) (whether by furnishing updated schedules or providing notice or disclosure) shall not cure any breach of, or modify, any representation or warranty set forth in Section 5 hereof (provided, however, that changes in, or updates to, the schedules which describe ordinary course events occurring between the date of this Agreement and the Closing Date which are not, individually or in the aggregate, material shall be deemed to modify such schedules and the related representation or warranty).

**8. Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by Seller, and Buyer covenants in furtherance of Section 7(f), to use its commercially reasonable efforts to cause each of the following conditions precedent to be satisfied as soon as reasonably practicable after the Execution Date:

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

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

(iii) The FCC Consent contemplated by this Agreement shall have been granted;

(iv) Buyer shall have delivered to Seller, on the Closing Date, the documents required to be delivered pursuant to Section 9(b);

(v) Buyer shall not be subject to any voluntary or involuntary petition under Federal bankruptcy law, or any state receivership or similar proceeding;

(vi) The cost to remediate deficiencies and defects, as set forth in the Inspections, is less than Five Hundred Thousand Dollars (\$500,000) (unless Buyer, in its sole discretion, by written election, determines to remediate deficiencies having a greater cost); and

(vii) There shall be in effect no law, ordinance, regulation, rule, code, statute, regulation, order, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by any governmental authority or court of competent jurisdiction making illegal or otherwise prohibiting or restraining the consummation of the transactions contemplated by this Agreement.

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent, and Seller covenants in furtherance of Section 7(f), to use its commercially reasonable efforts to cause each of the following conditions precedent to be satisfied as soon as reasonably practicable after the Execution Date:

(i) The representations and warranties of Seller set forth in this Agreement (without regard to any updated schedules, notices or disclosures provided pursuant to Section 7(k) hereof) 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) The FCC Consent contemplated by this Agreement shall have become a Final Order (unless Buyer in its sole discretion elects to consummate the Closing following the grant of the FCC Consent but prior to such FCC Consent becoming a Final Order).

(iii) The Licenses shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such Licenses, and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Stations or Seller which contemplates revocation, cancellation, rescission, modification or non-renewal of such Licenses;

(iv) Subject to Section 19, as of the Closing Date, the Assets shall not have suffered damage that shall cause a material adverse effect upon the Stations or the Assets taken as a whole on account of fire, explosion or other cause of any nature which shall not have been repaired as of the Closing Date; provided that, subject to Section 19, if such damage shall have occurred prior to the Closing Date, Seller shall be afforded a reasonable opportunity to repair and restore such damaged assets to their prior condition or, at Seller's election, to replace such damaged assets with assets of comparable quality and utility; and provided, further, that, subject to Section 19, if Buyer elects to waive the condition set forth in this Section 8(b)(iv) and consummate the Closing, then Buyer shall be entitled to collect and receive the proceeds of any insurance payable to Seller on account of such damages which have not been applied to the repair thereof;

(v) Other than those presently existing Liens that are to be satisfied at Closing by Seller out of the cash proceeds of this transaction, there shall not be any Liens on the Assets or any financing statements of record other than those created by Buyer in favor of Seller or Permitted Liens;

(vi) Seller shall have obtained the consents to the assignment of the Material Contracts as referenced in Section 7(b)(viii) above;

(vii) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B)

questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby;

(viii) Seller shall have remedied or removed all defects, deficiencies or conditions disclosed in (A) surveys or title commitments as provided in Section 7(h) hereof, or (B) Inspections as provided in Section (i) hereof;

(ix) Neither the Assets nor the Stations, taken as a whole, shall have suffered a material adverse change since the date of the most recent of the Financial Statements in the business, operations, prospects, condition (financial or otherwise), assets or liabilities of the Assets or the Stations, which change is, in any such case, attributable to acts of God, acts of terrorism, acts of war, changes in laws or governmental regulation, or regional or national economic events or conditions;

(x) Seller shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a).

#### **9. Closing Deliveries.**

(a) 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:

(i) A Bill of Sale, and other instruments of transfer and conveyance, dated the Closing Date, in form and substance 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 such component of the Assets;

(ii) An Assignment and Assumption of the Stations' FCC Licenses in a form as set forth in Exhibit C hereto;

(iii) An Assignment and Assumption of Leases in a form as set forth in Exhibit D hereto;

(iv) An Assignment and Assumption of Contracts in a form as set forth in Exhibit E hereto;

(v) An Assignment and Assumption of IP Rights in a form as set forth in Exhibit F hereto;

(vi) Estoppel certificates and third party consents referenced in Sections 7(b)(viii) and 7(h) of this Agreement;

(vii) Certified copies of the resolutions of the governing body of Seller authorizing and approving the execution and delivery of this Agreement and each of the other documents to be delivered in connection herewith and authorizing the consummation of the transactions contemplated hereby and thereby;

(viii) A certificate, dated the Closing Date, executed by the President or Vice President/CFO of Seller, certifying the fulfillment of the conditions set forth in Sections 8(b)(i) hereof;

(ix) A certificate of existence or good standing for Seller from the Secretary of the Commonwealth of Pennsylvania;

(x) A joint notice to the Escrow Agent;

(xi) A certificate of Seller certifying as to its non-foreign status and which complies with the requirements of Section 1445(b)(2) of the Internal Revenue Code and the Treasury Regulations thereunder;

(xii) Valid certificates or other instruments of title for each automobile or other motor vehicle included in the Assets, with executed assignments or endorsements in blank;

(xiii) Payoff letters and UCC-3 termination statements with respect to any Liens on the Assets;

(xiv) An agreement executed by Daniel Farr in the form of Exhibit G setting forth his agreements to (i) provide certain consulting services following the Closing Date and (ii) not directly or indirectly engage in the business of owning or operating radio stations competing with the Stations for a period of three (3) years following the Closing Date;

(xv) a special warranty deed executed by Seller and conveying to Buyer good and marketable title to the Fee Simple Parcel owned by Seller;

(xvi) an affidavit executed by Seller with respect to the Fee Simple Parcel in a form customarily required by title insurance companies insuring title to real properties in the area of the Fee Simple Parcel; and

(xvii) 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 satisfactory to Buyer and its counsel.

(b) Prior to or at the Closing, Buyer will deliver to Seller the following, each of which shall be in form and substance satisfactory to Seller and its counsel:

(i) The payments to be made pursuant to Section 2(a) hereof;

(ii) An Assignment and Assumption of the Stations' FCC Licenses;

(iii) An Assignment and Assumption of Leases;

(iv) An Assignment and Assumption of Contracts;

(v) An Assignment and Assumption of IP Rights;

(vi) A joint notice to Escrow Agent;

(vii) Certified copies of the resolutions of the Members of Buyer authorizing and approving the execution and delivery of this Agreement and each of the other documents to be delivered in connection herewith and authorizing the consummation of the transactions contemplated hereby and thereby;

(viii) A certificate, dated the Closing Date, executed by the President of Buyer, certifying the fulfillment of the conditions set forth in Section 8(a)(i) and (ii) hereof;

(ix) A certificate of existence or good standing for Buyer from the Secretary of the Commonwealth of Pennsylvania; and

(x) 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 satisfactory to Seller and their counsel.

#### 10. **Indemnification.**

(a) The representations and warranties of the parties made in this Agreement shall be ongoing and survive the Closing for a period of twelve (12) months and no action for breach of the representations and warranties contained herein may be brought more than twelve (12) months following the Closing; provided, however, that (a) claims arising out of a breach of the representations and warranties contained in Section 5(i) shall survive the Closing for a period of eighteen (18) months, (b) claims arising out of breaches of the representations and warranties contained in Sections 5(a), 5(b)(i), 5(b)(iii), 5(c) (second sentence only), 5(f), 5(j), 5(l) and 5(n) of this Agreement (collectively, the “**Fundamental Representations**”), shall survive the Closing until the expiration of the statute of limitations period applicable to the underlying subject matter being warranted and represented to therein, and (c) any representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence if a timely written notice of a claim for indemnification with respect thereto shall have been given in accordance with the provisions of this Section 10 in good faith to the party against whom such indemnification may be sought prior to such time.

(b) Subject to Sections 10(a) and 10(g) through 10(i) of this Agreement, from and after the Closing, Seller agrees to indemnify, defend, and hold Buyer harmless from and against and with respect to, and shall reimburse Buyer for, all demands, claims, causes of action, suits, proceedings, losses, damages, installments, liabilities, costs, and expenses, including reasonable attorneys’ fees, disbursements, and costs (collectively “**Losses**”): (i) resulting from a breach by Seller of any representation or warranty contained in this Agreement (which, for purposes of this Section 10(b) shall be interpreted without regard to any materiality qualifications set forth therein), (ii) resulting from the non-fulfillment by Seller of any covenant required to be performed by Seller after the Closing that is contained in this Agreement, (iii) resulting from any and all liabilities and obligations of Seller not assumed by Buyer pursuant to the express terms of this Agreement, (iv) subject to Section 19 hereof, resulting from any and all losses, liabilities, or damages resulting from the operation or ownership of the Assets or the Stations prior to the Closing Date, and (v) resulting from and including any fees or commissions payable to any finder, broker,

advisor, or similar person retained by or on behalf of Seller in connection with the transactions contemplated by this Agreement.

(c) Subject to Sections 10(a) and 10(g) ) through 10(i) of this Agreement, from and after the Closing, Buyer agrees to indemnify, defend, and hold Seller harmless from and against and with respect to, and shall reimburse Seller for, all Losses: (i) resulting from a breach by Buyer of any representation or warranty contained in this Agreement, (ii) resulting from the non-fulfillment by Buyer of any covenant required to be performed by Buyer after the Closing that is contained in this Agreement, (iii) resulting from any and all liabilities and obligations of Sellers assumed by Buyer pursuant to the express terms of this Agreement upon Closing, (iv) subject to Section 19 hereof, resulting from any and all losses, liabilities, or damages resulting from the operation and/or ownership of the Assets and/or Stations on and after the Closing Date, and resulting from and including any fees or commissions payable to any finder, broker, advisor, or similar person retained by or on behalf of the Buyer in connection with the transactions contemplated by this Agreement.

(d) The party claiming indemnification (the “**Claimant**”) shall give notice to the party from which indemnification is claimed (the “**Indemnifying Party**”) of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim and the Claimant’s best estimate of the amount of the Losses and the resulting indemnification that is being or may be sought. The Claimant shall give such notice to the Indemnifying Party within thirty (30) business days after the Claimant becomes aware of facts giving rise to a claim of indemnification, or, if the claim relates to an action, suit, or proceeding filed by a third party against Claimant, within twenty (20) business days after written notice of such action, suit, or proceeding was given to Claimant.

(e) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have twenty (20) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of the twenty (20) day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim and to the obligation of the Indemnifying Party to indemnify the Claimant with respect thereto in accordance with this Section 10, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within the twenty (20) day period (or any mutually agreed upon extension thereof), the Claimant may seek an appropriate remedy at law or in equity.

(f) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right, at its own expense, to assume control of the defense of such claim with counsel reasonably acceptable to Claimant, if the Indemnifying Party delivers written notice to Claimant within ten (10) days following its receipt of notice of the claim acknowledging its obligations to indemnify Claimant with respect to such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out of pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the

defense of any third party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnifying Party does not elect to assume control of the defense of any third party claim after written notice has been provided to the Indemnifying Party by Claimant as set forth in this Section 10(f), then the Indemnifying Party shall be bound by the results obtained by the Claimant with respect to such claim; provided, however, that, except in respect of matters as to which the Claimant is not entitled to and shall not seek indemnification, the Claimant shall not enter into a settlement of any claim without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed as long as such settlement provides the Indemnifying Party with a full release from such claim without admission of any wrongdoing on the part of the Indemnifying Party.

(g) Buyer shall not be entitled to recover any indemnification for breach of the representations, warranties, covenants or other agreements of the Sellers contained herein (i) unless and until the Buyer's aggregate claims therefor exceed \$25,000.00, at which time Buyer shall be entitled to recover for all such Losses in excess thereof, or (ii) in an aggregate amount in excess of the amount of the Purchase Price; provided, that the aggregate limit in clause (ii) for claims arising from breaches of representations and warranties, covenants and other agreements of Seller contained herein that are not breaches of Fundamental Representations shall be equal to ten percent (10%) of the Purchase Price; provided further, that none of the limits in this Section 10(g) shall apply to matters resulting from the Seller's fraud.

(h) Except for injunctive action or other equitable remedies, the remedies provided in this Section 10 shall be exclusive remedies of the parties after the Closing in respect of any matter arising out of or in connection with this Agreement.

(i) In no event shall any Indemnifying Party be liable to any Claimant for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement.

## **11. Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement upon written notice to the other upon the occurrence 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 thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if the Assignment Application is denied by the FCC and such denial shall have become a Final Order; (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement, or (iv) if the Closing has not occurred within nine (9) months after the date hereof.

(b) Upon a termination of this Agreement by Seller due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole monetary remedy shall be delivery of the Earnest Money Deposit, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer each acknowledge and agree that these liquidated monetary damages are reasonable in light of the anticipated harm which would be caused by



Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty. Notwithstanding the foregoing, in the event that Seller is required to commence suit to obtain the Earnest Money Deposit (and in the event that Seller prevails in obtaining such Earnest Money Deposit), Buyer shall reimburse Seller for Seller's reasonable lawyers' fees in respect to any suit to collect the liquidated monetary damages set forth in this Section 11(b), and this measure of monetary damage shall not otherwise interfere with Seller's pursuit of equitable remedies.

(c) Upon a termination of this Agreement due to a breach by Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the release and return of the Earnest Money Deposit, including all interest earned thereon, and Buyer may seek all rights and remedies that it may have in equity or at law.

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, Buyer shall be entitled to the release and return of the Earnest Money Deposit, including all interest earned thereon, and thereafter neither party shall have any further obligation to the other under this Agreement.

12. **Specific Performance.** Seller acknowledges that the Stations are a unique asset not readily obtainable or saleable on the open market and that, in the event that either party fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate the other party for its injury. Therefore, Seller agrees and acknowledges that in the event of its failure to perform its obligation to consummate the transaction contemplated hereby, the Buyer shall be entitled to specific performance of the terms of this Agreement and of the non-performing party's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, the Seller shall waive the defense that there is an adequate remedy at law, and the Buyer shall be entitled to receive from Seller all court costs, attorney's fees and other out-of-pocket expenses incurred by the claiming party in enforcing its rights under this provision.

13. **Confidentiality.**

(e) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such

confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the Execution Date. Buyer may disclose the terms of this Agreement to perspective lenders and investors.

(f) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 13(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 13(a), the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller, to:

Daniel Farr  
830 Oak Tree Lane  
Montoursville, PA 17754

with a copy (which shall not constitute notice)

Cohn Birnbaum & Shea P.C.  
100 Pearl Street, 12<sup>th</sup> Floor  
Hartford, CT 06103  
Attention: Michael F. Mulpeter, Esq.

If to Buyer, to:

Backyard Broadcasting of Pennsylvania, LLC  
4537 Muncy Exchange Road,  
Turbotville, PA 17772

Van A. Michael - president

Gammon & Grange, P.C.  
Suite 140  
8280 Greensboro Dr  
McLean, VA 22102  
Attn: A. Wray Fitch, III

15. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the choice of law principles thereof. Buyer and Seller each waives any objection and agrees to submit itself to the jurisdiction of and venue in either the Federal or State courts sitting in the Commonwealth of Pennsylvania in connection with any litigation arising out of this Agreement.

16. **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 be unreasonable.

17. **Counterparts.** 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 may be executed and exchanged by facsimile transmission or electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation of a contract and each such party forever waives any such defense.

18. **Expenses.** Except as otherwise set forth herein, each party hereto 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. All federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid according to local law and custom.

19. **Risk of Loss.** The risk of loss to any of the 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 Assets, provided, however, that in the event that the Assets with a value of greater than Five Hundred Thousand Dollars (\$500,000) are damaged or lost on the Closing Date, Buyer may, at its option, either (a) postpone the Closing Date for a period of up to sixty (60) days while Seller repairs or replaces such Assets, or (b) elect to close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Assets. Seller shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Five Hundred Thousand Dollars (\$500,000), provided, however, that

should Seller advise Buyer within five (5) days after being requested to do so that Seller will not repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller.

20. **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 voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party.

21. **Entire Agreement.** This Agreement, and the exhibits 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.

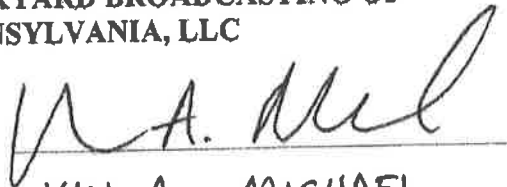
*[Signatures on Following Page]*

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

**BUYER**

**BACKYARD BROADCASTING OF  
PENNSYLVANIA, LLC**

By:

A handwritten signature in black ink, appearing to read "V.A. Michael", written over a horizontal line.

**VAN A. MICHAEL  
PRESIDENT / CEO**

**SELLER**

**BACKYARD BROADCASTING PA, LLC**

By:

Daniel Farr, President/CEO

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

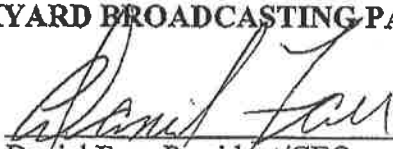
BUYER

**BACKYARD BROADCASTING OF  
PENNSYLVANIA, LLC**

By: \_\_\_\_\_

SELLER

**BACKYARD BROADCASTING PA, LLC**

By:  \_\_\_\_\_  
Daniel Farr, President/CEO

### List of Exhibits

Exhibit A	Escrow Agreement
Exhibit B	Form of Estoppel Certificate
Exhibit C	Assignment and Assumption of FCC Licenses
Exhibit D	Assignment and Assumption of Leases
Exhibit E	Assignment and Assumption of Contracts
Exhibit F	Assignment and Assumption of IP Rights
Exhibit G	Consulting and Noncompete Agreement