

ASSET
PURCHASE
AGREEMENT

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THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of April 30, 2012, by and between DOUBLE O SOUTH CAROLINA CORPORATION, a Delaware corporation ("Seller"), and HOMETOWN COLUMBIA, LLC, a Delaware limited liability company ("Buyer").

Recitals

A. Seller owns and operates radio broadcast stations WWNU (FM), Irmo, South Carolina, and WWNQ (FM), Forest Acres, South Carolina (collectively, the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC").

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

AGREEMENT

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

ARTICLE 1

PURCHASE OF ASSETS

1.1 **Station Assets.** On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in **Section 1.2**, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets and properties of Seller, real and personal, tangible and intangible, that are used in the operation of the Stations (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations, including without limitation those listed on **Schedule 1.1(a)** (the "FCC Licenses"), together with all assignable licenses, permits, rights and other authorizations issued to Seller by any other governmental or regulatory authority with respect to the conduct of the business or operations of the Stations, including in each case any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations, including without limitation, those items listed on **Schedule 1.1(b)**, together with such modifications, replacements, improvements and additional items made or acquired between the date hereof and the Effective Time (the "Tangible Personal Property");

(c) Seller's leased real property used in the operation of the Stations (including any appurtenant easements and improvements located thereon), including without limitation, such real

property listed on **Schedule 1.1(c)**, together with any additions thereto between the date hereof and the Effective Time (collectively the "Real Property");

(d) all agreements for the sale of advertising time on the Stations, and all other contracts, agreements and leases relating to the operation of the Stations, including, without limitation, those listed on **Schedule 1.1(d)**, together with all contracts, leases and other agreements made between the date hereof and Closing in accordance with **Section 4.1**(the "Station Contracts");

(e) all prepaid expenses and deposits with respect to the Stations held by third parties in the Seller's name paid by Seller;

(f) all of Seller's rights in and to the Stations' call letters and Seller's rights in and to the trademarks, trade names, service marks, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, all telephone numbers and listings, "visitors" e-mail databases, website addresses, and other intangible property which are used in the operation of the Stations, including, without limitation, those listed on **Schedule 1.1(f)** (the "Intangible Property");

(g) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations' local public files, programming information and studies, technical information and engineering data, consulting reports, traffic systems and traffic systems data used by Seller in connection with the operation of the Stations and, to the extent in existence and already provided to Buyer by Seller, advertising studies, copies of personnel records, copies of tax returns, marketing and demographic data, sales correspondence, lists of advertisers, promotional materials, credit and sales reports, filings with the FCC, copies of all written Station Contracts, copies of paid invoices for the prior twelve (12) months, copies of all Seller databases and data links, logs, copies of all software programs, general accounting ledger, accounting systems, and copy of current and past accounting data and history for the last three (3) years, but in each case excluding records relating to Excluded Assets (as defined in **Section 1.2**);

(h) Any and all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Stations and the Station Assets, to the extent attributable to any period after the Effective Time, including, without limitation, all assignable rights under manufacturers' and vendors' warranties; and

(i) All of Seller's goodwill in, and going concern value of, the Stations and the Station Assets.

(j) All other assets of Seller used principally in connection with the Stations, other than the Excluded Assets (as defined in **Section 1.2**).

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"), unless otherwise specifically assigned to the Buyer hereunder:

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

(b) all tangible and intangible property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;

(c) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;

(d) rights, claims or causes of action of Seller against third parties that arise in connection with the discharge by Seller of the Retained Obligations or that relate to the Excluded Assets;

(e) all rights arising under any contract other than any Station Contract;

(f) all personnel records and other records that Seller is required by law to retain in its possession, all corporate formation documents and all records relating to Retained Obligations or Excluded Assets.

(g) all claims for refund of taxes, credits, rebates, and other governmental charges of whatever nature;

(h) all accounts receivable of Seller accruing prior to Closing that have not been assigned to Buyer pursuant to the terms of the Local Marketing Agreement ("LMA"), as that term is defined in Section 5.10 hereto;

(i) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies, to the extent such insurance cannot be assigned to Buyer;

(j) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

(k) [Intentionally Omitted];

(l) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Stations and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time, including but not limited to the claims set forth on Schedule 1.2 hereto;

(m) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent that Seller receives a credit therefor under Section 1.6;

(n) computers and other assets located at the headquarters of Seller, and the centralized server facility, data links, payroll system and other operating systems and related assets that are used in the operation of multiple Stations; and

(o) all right, title, interest, license or any other right whatsoever regarding use of the words "Pilot Double O" or "Double O Radio" or any trademark confusingly similar thereto or dilutive thereof (collectively, the "Seller Marks").

1.3 Assumed Obligations. The Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than for taxes not yet due and payable, Liens that will be discharged prior to Closing, and Buyer's obligations to perform on and after the Closing Date the obligations arising under the Assumed Contracts (as defined below) (including, but not limited to, leases and subleases with respect to the Real Property) and other Station Assets ("Permitted Liens"). On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts ("Assumed Contracts") and the FCC Licenses (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations"); to have or to have agreed to discharge or perform any liabilities, obligations or commitments of Seller of any nature whatsoever whether accrued, absolute, contingent or otherwise and whether or not disclosed to Buyer, other than the Assumed Obligations and except as provided in the LMA.

1.4 Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay to Seller, by wire transfer of immediately available funds, an amount (the "Closing Payment") equal to ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000.00) (the "Initial Amount") as adjusted by the Preliminary Adjustment Amount as set forth in **Section 1.6**, payable as follows:

Due on Contract signing: THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) Deposit, subject to the terms of Section 1.5 (the entire sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) shall be credited to the Purchase Price).

Due at Closing: (a) SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) via wire transfer or cashier's check subject to normal closing adjustments, and the terms of the LMA (as defined below).

(b) TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) Secured Promissory Note ("Note") substantially in the form attached hereto as Exhibit A hereto, secured by security agreement substantially in the form attached hereto as Exhibit B hereto ("Security Agreement") and a first lien on all Station Assets to the extent permitted by law. The Note shall include the following terms:

(i) a term of three (3) years;

(ii) monthly payments based on ten (10) year amortization with interest at an annual rate of seven percent (7%);

(iii) shall specify a balloon payment at the end of three (3) years;

(iv) there shall be no pre-payment penalty for early retirement of the Note; and

(v) in the event of a sale of the Stations by Buyer prior to the expiration of the Note, the remaining balance of the Note and any accrued and unpaid interest and/or penalties thereon shall become immediately due and payable upon the closing of such sale.

1.5 **Deposit.** Within one (1) business day of the date of this Agreement, Buyer shall make a cash deposit in immediately available funds in an amount equal to THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) (the "Deposit") with Forchelli, Curto, Deegan, Schwartz, Mineo, Cohn & Terrana, LLP (the "Escrow Agent") pursuant to the Escrow Agreement attached hereto as Exhibit D (the "Escrow Agreement") among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to the Seller or its order and applied to the Closing Payment and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Seller pursuant to **Section 10.1(c)**, the Deposit and any interest accrued thereon shall be disbursed to Seller and credited as payment of liquidated damages under **Section 10.5**. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Deposit within one (1) business day of the date hereof constitutes a material default as to which no otherwise applicable cure period shall apply.

1.6 **Prorations and Adjustments.** Except as provided in the LMA:

(a) All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations shall be prorated between Buyer and Seller in accordance with accounting principles generally accepted in the United States ("GAAP") as of 12:01 a.m. on the day of Closing (the "Effective Time"). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by **Section 11.1**), music and other license fees, employee performance incentives set forth in employment agreements or annual compensation plans, any vacation for Transferred Employees (as defined below) to the extent Buyer gives such Transferred Employees credit for same, the utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. "Transferred Employees" means those employees of Seller employed by Buyer after the commencement of the LMA pursuant to the terms and conditions of the LMA.

(b) Seller shall receive a credit for all of the Stations' deposits and prepaid expenses. Sales commissions related to the sale of advertisements broadcast on the Stations prior to the Effective Time shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after the Effective Time shall be the responsibility of Buyer.

(c) With respect to trade, barter or similar agreements for the sale of time for goods or services ("Barter") assumed by Buyer pursuant to **Section 1.1(d)**, if at Closing the Stations have an aggregate negative or positive Barter balance (i.e., the amount by which the value of air time to be provided by the Stations after the Effective Time exceeds, or conversely, is less than, the fair market value of corresponding goods and services), there shall be no proration or adjustment, unless the negative or positive Barter balance of the Stations as an aggregate exceeds TEN THOUSAND DOLLARS (\$10,000.00), in which event such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or a receivable of Seller, and adjusted for as a proration in Buyer's or Seller's favor, as applicable. In determining Barter balances, the value of air time shall be based upon the value of Seller's rates as of the Effective Time, and the corresponding goods and services shall include those to be received

by the Stations after Closing plus those received by the Stations before Closing to the extent conveyed to Buyer as a part of the Station Assets.

(d) Seller shall receive a credit for any accounts receivable assigned to Buyer under the LMA and not re-assigned to Seller at Closing that are outstanding at the Effective Time. Buyer shall receive a credit for all accounts payable of Seller (assumed hereunder) with respect to the Stations that are outstanding at the Effective Time in an amount equal to the aggregate book value thereof.

(e) No later than three (3) business days prior to the scheduled Closing Date, Seller shall provide Buyer with a statement setting forth a reasonably detailed computation of Seller's reasonable and good faith estimate of the Adjustment Amount (defined below) as of Closing (the "Preliminary Adjustment Report"). As used herein, the "Adjustment Amount" means the net amount by which the Closing Payment is to be increased or decreased in accordance with this **Section 1.6**. If the Adjustment Amount reflected on the Preliminary Adjustment Report is a credit to Buyer, then the Closing Payment payable at Closing shall be reduced by the amount of the preliminary Adjustment Amount, and if the Adjustment Amount reflected on the Preliminary Adjustment Report is a charge to Buyer, then the Closing Payment payable at Closing shall be increased by the amount of such preliminary Adjustment Amount. For a period of sixty (60) days after Closing, Seller and its auditors and Buyer and its auditors may review the Preliminary Adjustment Report and the related books and records of Seller with respect to the Stations, and Buyer and Seller will in good faith seek to reach agreement on the final Adjustment Amount. If agreement is reached within such 60-day period, then promptly thereafter Seller shall pay to Buyer or Buyer shall pay to the Seller, as the case may be, an amount equal to the difference between (i) the agreed Adjustment Amount and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report. If agreement is not reached within such 60-day period, then the dispute resolutions of **Section 1.6(f)** shall apply.

(f) If the parties do not reach an agreement on the Adjustment Amount within the 60-day period specified in **Section 1.6(e)**, then Seller and Buyer shall select an independent accounting firm of recognized national standing (the "Arbitrating Firm") to resolve the disputed items. If Seller and Buyer do not agree on the Arbitrating Firm within five (5) calendar days after the end of such 60-day period, then the Arbitrating Firm shall be a nationally recognized independent accounting firm selected by lot (after excluding one firm designated by Seller and one firm designated by Buyer). Buyer and Seller shall each inform the Arbitrating Firm in writing as to their respective positions with respect to the Adjustment Amount, and each shall make available to the Arbitrating Firm any books and records and work papers relevant to the preparation of the Arbitrating Firm's computation of the Adjustment Amount. The Arbitrating Firm shall be instructed to complete its analysis within thirty (30) days from the date of its engagement and upon completion to inform the parties in writing of its own determination of the Adjustment Amount, the basis for its determination. Any determination by the Arbitrating Firm in accordance with this Section shall be final and binding on the parties. Within five (5) calendar days after the Arbitrating Firm delivers to the parties its written determination of the Adjustment Amount, Seller shall pay to Buyer, or Buyer shall pay to Seller, as the case may be, an amount equal to the difference between (i) the Adjustment Amount as determined by the Arbitrating Firm and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report.

(g) All payments to be made under **Section 1.6** shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States and shall for all purposes constitute an adjustment to the Purchase Price.

1.7 Allocation. Within one hundred twenty (120) days after Closing, Buyer shall deliver to Seller a schedule (the "Allocation Schedule") allocating the Purchase Price and the Assumed Liabilities

(plus other relevant items) among the Station Assets in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). If Seller notifies Buyer in writing within thirty (30) days of delivery of the Allocation Schedule that Seller objects to one or more items reflected to the Allocation Schedule, if Seller and Buyer are unable to resolve any such dispute within fifteen (15) days thereof, Buyer and Seller will engage a mutually agreeable appraiser (with the fees and expenses thereof to be equally shared), who shall resolve such dispute and whose allocation shall be final and binding on the parties. Buyer and Seller agree to file its federal income Tax returns and its other Tax returns in accordance with the Allocation Schedule (as finally determined pursuant to this **Section 1.7**).

1.8 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place on November 1, 2012, provided that the FCC has granted the FCC Consent and the FCC's initial order shall have become a Final Order (as defined below) (or on such earlier day after such FCC Consent and Final Order as Buyer and Seller may mutually agree), subject to the satisfaction or waiver of the conditions set forth in **Articles 6** or **7** below. The date on which the Closing is to occur is referred to herein as the "Closing Date." For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an FCC assignment application, and such consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which action no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired. The Closing shall be held by exchange of documents via email, or as Seller and Buyer may agree.

1.9 Governmental Consents.

(a) Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the assignment of the main Stations' FCC Licenses to Buyer is referred to herein as the "FCC Consent." Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Each party further agrees expeditiously to prepare amendments to the FCC Application whenever such amendments are required by the FCC or its rules. Each party shall submit its portion of the FCC Application to the FCC electronically, consistent with the FCC's procedures. The parties shall prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the FCC Application as expeditiously as reasonably practicable (but no party shall have any obligation to satisfy complainants or the FCC by taking any steps that would have a material adverse effect on the results of operations of a party or any affiliated entity, unless a failure to take such action would constitute or perpetuate a breach of such party's representations, warranties or covenants herein). Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the FCC Application.

(b) Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

ARTICLE 2

SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1 **Organization.** Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2 **Authorization.** The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 **FCC Licenses.** Except as set forth on **Schedule 1.1(a)**:

(a) Seller is the holder of the FCC Licenses described on **Schedule 1.1(a)**. The FCC Licenses constitute all of the licenses, permits and authorizations needed to operate the Stations in the manner and to the full extent as such operations currently conducted, and there are no conditions on the FCC Licenses except those stated on the face thereof. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. To Seller's Knowledge, as defined in Section 2.15 below, the FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired.

(b) At the Closing, to Seller's Knowledge, there will not be pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). To Seller's Knowledge, the transmission towers associated with the Stations are duly registered with the FCC and are in compliance with the rules and published policies of the Federal Aviation Administration. Except as disclosed on **Schedule 1.1(a)**, at the Closing, the Stations will be operating in compliance in all material respects with the FCC Licenses and the Communications Laws, or will be operating pursuant to special temporary authority issued by, or requested from, the FCC.

2.4 **Taxes.** Each Seller has, in respect of the Stations' business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable. There are not pending or, to the Seller's Knowledge, threatened, investigations or claims against Seller for or relating to any liability in respect of Taxes. All Taxes required to be withheld by Seller on or before the date hereof have been withheld and paid (or will be paid) when due to the appropriate agency or authority.

2.5 Personal Property. Schedule 1.1(b) contains a list of material items of Tangible Personal Property included in the Station Assets, subject to Section 1.2(b). Except as set forth on Schedule 1.1(b), Seller has title to the Tangible Personal Property free and clear of liens, claims and encumbrances ("Liens") other than Permitted Liens (defined below). As used herein, "Permitted Liens" means, collectively, the Assumed Obligations, liens for taxes not yet due and payable, and liens that will be released at or prior to Closing. All material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted, have been maintained in a manner consistent with generally accepted standards within the radio broadcasting industry, do not now require any repairs other than routine maintenance, and are available for immediate use in the business or operations of the Stations in the ordinary course of business.

2.6 Real Property. Schedule 1.1(c) includes a description of each lease of Real Property or similar agreement included in the Station Contracts (the "Real Property Leases"). Seller has valid leasehold interests in the Real Property Leases, free and clear of all Liens other than Permitted Liens. Each Real Property lease is in full force and effect and Seller has complied in all material respects with all commitments and obligations on its part to be performed or observed under each Real Property lease. No event or condition has occurred or presently exists which constitutes a material default by Seller under the terms of any of the Real Property Leases. Seller has full legal and practical access to all of the Real Property to the extent set forth in each Real Property Lease.

2.7 Contracts. Except as set forth on Schedule 1.1(d), each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Seller and, to Seller's Knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). To Seller's Knowledge, Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's Knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

2.8 Litigation. Except as set forth on Schedule 2.8, there is no action, suit or proceeding pending or, to Seller's Knowledge, threatened against Seller in respect of the Stations that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Stations or the Station Assets or governmental, or regulatory authority which would have a material adverse effect on the condition or operations of the Stations or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby. Except as set forth on Schedule 2.8, there were no litigation matters to which Seller was a party during the three (3) years preceding the date of this Agreement.

2.9 Financial Statements. Seller has provided to Buyer copies of its statements of operations for the Stations for the years ended December 31, 2009, 2010 and 2011, and for the month of January 2012.

2.10 Station Assets. The Station Assets include all assets that are owned or leased by Seller and used or held for use in the operation of the Stations in all material respects as currently operated, except for the Excluded Assets.

2.11 [Intentionally Omitted]

2.12 Intangible Property.

(a) **Schedule 1.1(f)** sets forth a true and complete list of (i) all unregistered Trademarks and domain names included in the Intangible Property and (ii) all Seller intellectual property agreements other than commercially available off-the-shelf computer software licensed pursuant to shrink-wrap or click-wrap licenses that is not material to the operation of the Stations.

(b) Except as set forth on the **Schedule 2.12**:

(i) To Seller's Knowledge, the operation of the Stations as currently conducted or as contemplated to be conducted, the use of the Intangible Property in connection therewith, and the Seller's transmission, use, linking and other practices related to the operation of their web sites in connection with the operation of the Stations, the content thereof and the advertisements contained therein, do not conflict with, infringe, misappropriate or otherwise violate the Intangible Property or other proprietary rights, including rights of privacy, publicity and endorsement, of any third party, and no actions or claims are pending or, to the Seller's Knowledge, threatened against Seller alleging any of the foregoing.

(ii) Seller is the owner or licensee of the entire and unencumbered right, title and interest in and to the Intangible Property and the Seller IP Agreements, subject to the qualifications in **Schedule 1.1(f)**, and Seller has a valid right to use the Intangible Property in the ordinary course of the operation of the Stations as currently conducted or as contemplated to be conducted.

(iii) No Intangible Property is subject to any outstanding decree, order, injunction, judgment or ruling restricting the use of such Intangible Property or that would impair the validity or enforceability of such Intangible Property.

(iv) The Intangible Property includes all of the intellectual property used in the ordinary day-to-day conduct of the operation of the Stations, and there are no other items of intellectual property that are material to the ordinary day-to-day conduct of the operation of the Stations. The Intangible Property is subsisting, valid and enforceable, and has not been adjudged invalid or unenforceable in whole or part.

(v) No actions or claims have been asserted or are pending or, to the Seller's Knowledge, threatened against Seller (A) based upon or challenging or seeking to deny or restrict the use by Seller of any of the Intangible Property, (B) alleging that any services provided by, processes used by Seller infringe or misappropriate any intellectual property right of any third party, or (C) alleging that any licensed Intangible Property is being licensed or sublicensed in conflict with the terms of any license or other agreement. To Seller's Knowledge, no person is engaging in any activity that infringes the Intangible Property. Seller has not granted any license or other right to any third party with respect to the Intangible Property.

2.13 **Employees.** Except as set forth on **Schedule 2.13**, (a) Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Stations' business, including without limitation those which relate to prices, wages, hours, discrimination in employment, health, safety and welfare, immigration and documentation and collective bargaining, (b) there is no unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or, to Seller's Knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or, to Seller's Knowledge, threatened in respect of the Stations' business and (c) Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at

the Stations, and to Seller's Knowledge, no union represents or claims to represent or is attempting to organize such employees. **Schedule 2.13** lists, as of the date hereof, the name, the current annual salary or rate of pay, bonus, deferred or contingent compensation, pension, accrued vacation, "golden parachute" and other like benefits payable (in cash or otherwise), and description of the position of each employee of Seller with respect to the Stations. Subject to the provisions of the LMA, except as set forth in **Schedule 2.13**, Buyer may, but is not obligated to, offer post-Closing or post-LMA commencement employment to such employees. Buyer and Seller will consult with one another during the LMA period about potential employee transfers from Seller to Buyer.

2.14 **Insurance**. A summary of each of the insurance policies maintained by the Seller with respect to the Stations' business and the Station Assets, and the respective limits for such insurance policy, has been provided to Buyer by Seller (collectively, the "Insurance Policies"). Seller's maintenance of the Insurance Policies is consistent with its practices for other stations, and Seller shall maintain such policies or arrangements until the Effective Time. Each Insurance Policy is in full force and effect, the Seller is not in default under any Insurance Policy and Seller has not received notice from any issuer of any Insurance Policy of its intent to cancel, terminate or refuse to renew any Insurance Policy.

2.15 **Seller's Knowledge**. "Seller's Knowledge" means the actual Knowledge, after due inquiry, of Brendan J. Gleeson, Paul M. McNicol, Esq., and the general manager and chief engineer of each Station (or person holding a similar position at each Station).

2.16 **Disclosure**. Neither this Agreement, nor any schedule or exhibit hereto or any certificate, document or other statement delivered to Buyer by Seller, its affiliates or its officers, directors, employees or agents, in connection with the transactions contemplated herein, contains any untrue statement of a material fact or omits any statement of material fact necessary to make the statements contained in this Agreement, or in any schedule or exhibit hereto or any certificate, document or other statement delivered to Buyer by Seller, its affiliates or its officers, directors, employees or agents, in connection with the transactions contemplated herein, not misleading.

ARTICLE 3

BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1 **Organization**. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is (or if not required until Closing, as of Closing will be) qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2 **Authorization**. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability

is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 **Litigation**. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.4 **Qualification**. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act of 1934, as amended and the rules and published policies of the FCC (collectively, the "Communications Laws"). There are no facts that would, under the Communications Laws, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations and no waiver of or exemption from any Communications Law is necessary for the FCC Consent to be obtained. There are no matters related to Buyer which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

3.5 **Financing**. Buyer has sufficient net liquid assets on hand or available from committed sources to consummate the transaction and operate the Stations for three months, and shall certify to that effect as part of the FCC Application.

3.6 **Brokers**. Buyer has not dealt with any broker other than Kalil & Co., Inc. in connection with this transaction.

ARTICLE 4

SELLER COVENANTS

4.1 **Seller's Covenants**. Between the date hereof and Closing, and except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) use commercially reasonable efforts to operate the Stations in the ordinary course of business, subject to the terms of the LMA, and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially adversely modify any of the FCC Licenses;

(c) not other than in the ordinary course of business, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens; and

(d) except in the ordinary course of business, (i) not enter into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing or (ii) increase the compensation payable to any employee of the Stations, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement.

Notwithstanding the foregoing, no action occurring after the date hereof shall constitute a breach of this **Section 4.1** (x) to the extent this Agreement specifically permits such action to be taken by

Seller prior to the Closing Date, (y) to the extent such action is taken at the request of Buyer or is consented to in advance by Buyer (and if Seller requests such a consent, Buyer shall not unreasonably withhold such consent), or (z) to the extent such action is required by applicable law or contractual obligations existing on the date hereof.

ARTICLE 5

JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1 Confidentiality.

(a) Seller and Buyer are parties to a confidentiality agreement with respect to Seller and the Stations (the "Confidentiality Agreement"). Without limiting the terms of the Confidentiality Agreement, subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) shall be confidential and shall not be disclosed to any other person or entity, except in accordance with the terms of the Confidentiality Agreement.

(b) Except as provided by the LMA, as defined in Section 5.10 hereof, Buyer shall not, and shall cause its employees, representatives and agents, not to communicate with any customer, supplier, employee or agent of the Seller about the transactions contemplated by this Agreement without the prior written consent of the Seller. The Buyer shall submit in advance for the Seller's approval, which approval shall not be unreasonably withheld, all subjects to be discussed with any representatives of the Seller and discussions may only involve such subjects, and the Buyer shall cause any such communication to comply with any restriction imposed by the Seller, including the requirement that a representative of the Seller be present during any such communication.

5.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, provided, however, that a party hereto (or any of its affiliates) shall have the right to make such disclosure to the extent required by any applicable law or rule if such party both (a) limits the disclosure to the minimum that such party determines, based on written advice of its counsel, is required by such applicable law or rule, unless the other party agrees in writing to a greater level of disclosure, and (b) provides to the other party hereto the content of the proposed disclosure, the reasons disclosure is required by applicable law or rule, and the time and place the disclosure will be made, in each case as far in advance of the disclosure as practicable.

5.3 Control. Except to the limited extent contemplated by the LMA, as defined in Section 5.10 hereto, Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Laws, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller.

5.4 Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Assets. If after the date hereof and prior to the Effective Time any item of material Tangible Personal Property is damaged or destroyed in any material respect, then:

(i) Seller's representations and warranties, and Buyer's pre-Closing termination rights and post-Closing indemnification rights, are hereby modified to take into account any such condition, and

(ii) if such repair or replacement is not completed prior to Closing, then as Buyer's sole remedy, Seller shall deliver to the Escrow Agent at the Closing an amount in cash equal to the cost of replacement or repair, as mutually agreed in good faith by Buyer and Seller, and Seller shall repair or replace such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation, provided that such access and assistance shall not be exercised in a manner that unreasonably interferes with the operation of the Stations).

(b) Notwithstanding anything herein to the contrary, if on the day otherwise scheduled for Closing a Station is off the air or is operating at 50 percent or less of its authorized effective radiated power ("ERP"), then Closing shall be postponed until a date that is one (1) business day after such Station resumes operating with at least 90 percent of its ERP, unless Buyer waives this provision and agrees to close as scheduled.

5.5 Environmental.

Buyer shall not conduct any invasive sampling of any Real Property prior to Closing.

5.6 Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party), and (ii) execution of reasonable estoppel certificates by lessors under any Real Property Leases requiring consent to assignment (if any), but no such consents or estoppel certificates are conditions to Closing except for the Required Consents (defined below). Receipt of consent to assign to Buyer the Station's affiliation agreements and the Stations' main tower leases designated with an asterisk on **Schedule 1.1(c)** (if any) is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller's obligations arising under the Station Contract from and after Closing in accordance with its terms.

5.7 Employees.

(a) For a period of two (2) years from the date of this Agreement, Buyer shall not, without the prior written consent of Seller, solicit for employment, induce or attempt to induce to leave Seller's or an affiliate of Seller's employ, or hire, any employees of Seller or its affiliates staffed in Seller's headquarters or at any radio station owned by Seller or its affiliates other than the Stations (other than general solicitations not directed solely to any such employees).

(b) Seller shall be responsible for complying with the requirements of COBRA with respect to individuals who become qualified beneficiaries due to a qualifying event that occurs as of or prior to the Effective Time. Buyer shall be responsible for complying with the requirements of COBRA with respect to all other qualified beneficiaries. For purposes of this Agreement, "COBRA" means Section 4980B of the Internal Revenue Code and Sections 601 through 608 of ERISA, and "qualified beneficiary" and "qualifying event" have the meaning given such terms under COBRA.

5.8 Retention of and Access to Records. Seller may retain a copy of all data books and records relating to the operations of the Stations that constitute Station Assets. After the Closing Date, Buyer will retain those records delivered to Buyer (including, without limitation, all data room materials) and will not destroy such records for a period of three (3) years without the written consent of Seller. Buyer also will provide Seller and its representatives reasonable access thereto, during normal business hours and on reasonable prior written notice.

5.9 Seller Marks. From and after the Closing, Buyer agrees that it shall (a) cease using Seller Marks in any manner, directly or indirectly, except for such uses that cannot be promptly terminated (e.g. signage, e-mail addresses, and as a referral or pointer to the acquired website), and to cease such limited usage of Seller Marks as promptly as possible after the Closing Date and in any event within sixty (60) days following the Closing Date, (b) remove, strike over or otherwise obliterate all Seller Marks from all assets and all other materials owned, possessed or used by it, and (c) use commercially reasonable efforts to cause any third parties using or licensing such Seller Marks on behalf of, or with the consent of the Buyer, to remove, strike over, or otherwise obliterate all Seller Marks from all materials owned, possessed or used by such third parties.

5.10 Local Marketing Agreement. The parties shall simultaneously herewith enter into a Local Marketing Agreement (the "LMA") in the form attached hereto as Exhibit C in connection with the operation of the Stations between date hereof and the Closing. Any default under the LMA shall constitute a default under this Agreement, and any default under this Agreement shall constitute a default under the LMA.

ARTICLE 6

SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

6.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 **Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 **FCC Authorization.** The FCC Consent shall have been obtained and shall have become a Final Order.

6.4 **Deliveries.** Buyer shall have complied with its obligations set forth in Section 8.2.

ARTICLE 7

BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

7.1 **Representations and Covenants.**

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

7.2 **Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 **FCC Authorization.** The FCC Consent shall have been obtained and shall have become a Final Order.

7.4 **Deliveries.** Seller shall have complied with its obligations set forth in Section 8.1.

ARTICLE 8

CLOSING DELIVERIES

8.1 **Seller Documents.** At Closing, Seller shall deliver or cause to be delivered to Buyer:

- (i) good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation;
- (ii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (iii) an Assignment and Assumption of FCC Licenses;
- (iv) an Assignment and Assumption of Station Contracts;
- (v) an Assignment and Assumption of Real Property Leases;
- (vi) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) from Seller to Buyer;
- (vii) estoppels certificates from the lessor of any leased Real Property included in the Station Assets, in a form reasonably acceptable to Buyer;
- (viii) executed releases of any Liens (other than Permitted Liens) in the Station Assets; in suitable form for filing;
- (ix) the Required Consents described in Section 5.6 and on **Schedule 1.1(c)**; and
- (x) a Bill of Sale conveying the other Station Assets from Seller to Buyer;

8.2 Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

- (i) the Closing Payment in accordance with **Section 1.4** hereof;
- (ii) the Note;
- (iii) the Security Agreement;
- (iv) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation;
- (v) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (vi) an Assignment and Assumption of FCC Licenses;
- (vii) an Assignment and Assumption of Station Contracts;
- (viii) an Assignment and Assumption of Real Property Leases; and
- (ix) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

ARTICLE 9

SURVIVAL; INDEMNIFICATION

9.1 **Survival; Knowledge.** The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants in this Agreement shall survive Closing until performed; provided that the covenants of the parties to be complied with at or prior to the Closing shall survive only for a period of six (6) months after the Closing Date whereupon they shall expire and be of no further force or effect, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. No party shall be entitled to indemnification for a breach of the other party's representations, warranties, covenants, or agreements of which the party had knowledge on or before the Closing Date.

9.2 **Indemnification.**

(a) Subject to **Section 9.2(b)**, from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer resulting from:

- (i) any breach by Seller of its representations and warranties made under this Agreement; or
- (ii) any default by Seller of any covenant or agreement made under this Agreement; or
- (iii) the Retained Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, Seller shall have no liability to Buyer under **Section 9.2(a)** until Buyer's aggregate Damages exceed Thirty Five Thousand Dollars (\$35,000.00); provided, however, that if Buyer's Damages exceed such Thirty Five Thousand Dollars (\$35,000.00) threshold, Buyer shall be entitled to recover all of its Damages; the maximum liability of Seller under clauses (i) and (ii) of **Section 9.2(a)** shall be an amount equal to the Purchase Price.

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller or resulting from:

- (i) any breach by Buyer of its representations and warranties made under this Agreement; or
- (ii) any default by Buyer of any covenant or agreement made under this Agreement; or
- (iii) the Assumed Obligations; or
- (iv) the business or operation of the Stations after the Effective Time.

9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner (to be no less than thirty (30) days), the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

(d) All Damages recoverable by a Party hereunder shall be net of insurance proceeds and any amounts such indemnified party recovers, or is entitled to recover, from third parties.

(e) Notwithstanding any other provision in this Agreement to the contrary, from and after the Closing, neither Seller, on the one hand, nor Buyer, on the other, shall be required to indemnify, hold harmless or otherwise compensate the other, for damage to reputation, lost business opportunities, lost profits, mental or emotional distress, consequential, incidental, special, exemplary, punitive or indirect damages, interference with business operations or diminution in value. For all purposes of this Agreement, the term "Damages" shall be deemed to exclude any such non-reimbursable damages.

(f) Upon any payment of Damages to an indemnified party, the indemnifying party shall be subrogated to all rights of the indemnified party with respect to the Damages to which such indemnification relates; provided, however, that the indemnifying party will only be subrogated to the extent of any amount paid by it pursuant to this Agreement in connection with such Damages.

(g) Notwithstanding anything herein to the contrary, Buyer shall have no right to any indemnification under this Article 9 for any matter if the Adjustment Amount reflected such matter.

(h) Seller and Buyer agree to treat any indemnity payment made pursuant to this Article 9 as

an adjustment to the Purchase Price for all income Tax purposes.

9.4 **Exclusive Remedy.** From and after the Closing, the right to indemnification and other rights under this **Article 9** shall constitute Buyer's (and its affiliates) and Seller's (and its affiliates) sole and exclusive remedies with respect to any and all claims arising under or relating to this Agreement, any agreement or document executed and delivered pursuant to this Agreement, or the transactions contemplated by this Agreement. In furtherance of the foregoing, from and after the Closing, to the fullest extent permitted by law, each of Buyer and Seller hereby waive, release the other party (and its affiliates, employees and agents) from, and covenant not to sue or institute legal proceedings with respect to, and shall cause any of their affiliates to waive, release the other party (and its affiliates, employees and agents) from, and covenant not to sue or institute legal proceedings with respect to, any and all rights, claims and causes of action that they may have against any other party or its affiliates in connection with such transactions, except those arising under this **Article 9**.

ARTICLE 10

TERMINATION AND REMEDIES

10.1 **Termination.** Subject to **Section 10.3**, this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);
- (c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period.
- (d) by Seller, at its option, in the event Seller reasonably estimates that the cost of repair or replacement pursuant to **Section 5.4** exceeds One Hundred Thousand Dollars (\$100,000.00), provided, however, Buyer may elect to close the transaction contemplated herein with the Station Asset(s) in their damaged or lost condition, in which case Seller shall assign to Buyer all proceeds of insurance on such damaged or lost Station Asset(s), and Buyer shall have the responsibility to repair or replace the damaged or lost Station Asset or Station Assets;
- (e) by either Buyer or Seller, upon written notice to the other, if there shall be in effect a final, non-appealable order of a court or government administrative agency of competent jurisdiction prohibiting the consummation of the transactions contemplated hereby;
- (f) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by November 30, 2012 (the "Outside Date"); or

(g) by Seller, upon a default by Buyer (after the expiration of all applicable cure periods) in the observance or performance of any covenant contained in the LMA that entitles Seller (as Licensee thereunder) to terminate the LMA.

10.2 **Cure Period.** Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) five (5) business days after the scheduled Closing date; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the date five (5) business days after the scheduled Closing date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the date five (5) business days after the scheduled Closing date.

10.3 **Survival.** Neither party may terminate under **Sections 10.1(b)** or **(c)** if it is then in material default under this Agreement. Except as provided by **Section 10.5**, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, **Sections 1.6** (Deposit) (and **Sections 10.4** and **10.5** with respect to the Deposit), **5.1** (Confidentiality) **10.5** (Liquidated Damages), **11.1** (Expenses), and **11.9** (Governing Law; Jurisdiction) shall survive any termination of this Agreement.

10.4 **Specific Performance.** Each party hereto acknowledges and agrees that (a) the Station Assets are unique and that the other party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and (b) any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, in the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. In no event shall Buyer be precluded from seeking any damages in lieu of specific performance.

10.5 **Liquidated Damages.** If Seller terminates this Agreement pursuant to **Section 10.1(c)**, then Seller shall have the right to receive the Deposit and Buyer shall pay Seller the sum equal to the Contingent Monthly LMA Fee as defined in the LMA for each month or part of a month Buyer operated the Stations under the LMA prior to default, and such payments shall constitute liquidated damages and the sole remedy of Seller under this Agreement. Buyer acknowledges and agrees that Seller's recovery of such amount shall constitute payment of liquidated damages and not a penalty and that Seller's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

ARTICLE 11

MISCELLANEOUS

11.1 **Expenses.** Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this

Agreement. All governmental fees and charges applicable to any requests for Governmental Consents shall be paid by the party upon whom the applicable governmental authority imposes the fee or charge (or shall be shared equally if not imposed upon either party). Buyer shall bear any and all sales and use taxes arising out of the sale of tangible personal property contemplated by this Agreement. Buyer and Seller shall bear equally any transfer, conveyance, recordation and filing fees, taxes or assessments, applicable to, imposed upon, or arising out of the sale, assignment, conveyance, and transfer to Buyer of the Station Assets as contemplated by this Agreement. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby. The FCC filing fees in connection with this transaction shall be shared equally by the parties. Seller shall pay the broker fee to Kalil & Co., Inc.

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

11.3 **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that either party may assign its rights under this Agreement to an entity under common control, if such assignment would not reasonably be expected to delay grant of the FCC Consent or the Closing that would occur in the absence of such assignment. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4 **Notices.** Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller: DOUBLE O SOUTH CAROLINA CORPORATION
c/o Pilot Group Manager, LLC
75 Rockefeller Plaza -- 23rd Floor
New York, NY 10019
Attention: Paul M. McNicol, Esq.
Facsimile: (212) 486-2896
Email: paulmcnicol@aol.com

with a copy to: Forchelli, Curto, Deegan, et al., LLP
The Omni
333 Earle Ovington Blvd. -- Suite 1010
Uniondale, NY 11553
Attention: Anthony B. Barton, Esq.
Facsimile: (516) 248-1729
Email: abarton@forchellilaw.com

and Drinker Biddle & Reath LLP
1500 K Street, NW -- Suite 1100
Washington, DC 20005
Attention: Mark Denbo, Esq.
Facsimile: (202) 842-8465

Email: mark.denbo@dbr.com

if to Buyer: HOMETOWN COLUMBIA, LLC
5000 New Point Road, Suite 2201
Williamsburg, VA 23188
Attention: Thomas G. Davis
Facsimile: 757-565-7094
Email: tom@tideradio.com

with a copy to: Garvey Schubert Barer
1000 Potomac Street, NW
Fifth Floor, Flour Mill Bldg.
Washington, DC 20007
Attention: Erwin G. Krasnow, Esq.
Facsimile: (202) 965-1729
Email: ekrasnow@gsblaw.com

11.5 **Amendments.** No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 **Entire Agreement.** This Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except the Confidentiality Agreement, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

11.7 **Severability.** If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 **No Beneficiaries.** Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

11.9 **Governing Law; Jurisdiction.** The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof. The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any state or federal court located in the State of Delaware, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or

proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court.

11.10 **Waiver of Compliance; Consents.** The rights and remedies of the parties are cumulative and not alternative and may be exercised concurrently or separately. No failure or delay by any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

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

11.12 **Cooperation.** Buyer and Seller shall cooperate fully with each other and with 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 such other documents as may be necessary and reasonable for the implementation and consummation of the transactions contemplated by this Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder. After Closing, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Stations, whether or not any party has notified the other of a claim for indemnity with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request.

11.13 **Counterparts.** This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. A telecopy, PDF or other reproduction of this Agreement may be executed by one or more parties hereto, and an executed copy of this Agreement may be delivered by one or more parties by facsimile, e-mail or similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party, all parties agree to execute an original of this Agreement as well as any facsimile, telecopy or reproduction thereof. The parties hereby agree that no party shall raise the execution of facsimile, telecopy, PDF or other reproduction of this Agreement, or the fact that any signature or document was transmitted or communicated by facsimile, e-mail or similar electronic transmission device, as a defense to the formation of this Agreement.

11.14 **Schedule Updates.** From time to time after the execution of this Agreement and prior to the Closing Seller and Buyer shall promptly inform the other of information updating the information in the Schedules hereto with respect to any matter which exists or occurs after the date of this Agreement and which, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in the Schedules or which is necessary to correct any information therein; provided, however, that the provisions of this Section are informational only and Seller and Buyer shall not be bound to the terms of any changed Schedules unless they are incorporated into this Agreement by a written amendment signed by Seller and Buyer. Seller and Buyer shall reasonably cooperate with respect to any changed Schedules.

11.15 **No Shop.** Seller will not, after the date hereof during the term of this Agreement: (a) solicit, initiate or encourage the submission of any proposal or offer from any person relating to the purchase of the Station Assets, the Stations or the Licenses, or (b) institute, pursue, or engage in any discussions, negotiations, or agreements with any person concerning the foregoing, or (c) furnish any information with respect to any effort or attempt by any other person to do any of the foregoing. Seller will immediately notify the Buyer of any offer received from third parties regarding any of the above.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

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

BUYER:

HOMETOWN COLUMBIA, LLC

By: 

Name: Secretary - Treasurer
Title: Thomas G. Davis

SELLER:

DOUBLE O SOUTH CAROLINA CORPORATION

By: _____

Name: _____
Title: _____

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

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

BUYER:

HOMETOWN COLUMBIA, LLC

By: _____

Name: _____
Title: _____

SELLER:

DOUBLE O SOUTH CAROLINA CORPORATION

By: _____

Name: PAUL McNICOL
Title: Senior Vice President

LIST OF SCHEDULES

- 1.1(a) FCC Licenses
- 1.1(b) Tangible Personal Property
- 1.1(c) Leased Real Property
- 1.1(d) Station Contracts
- 1.1(f) Intangible Property
- 1.2 Excluded Assets
- 2.8 Litigation, Claims, etc.
- 2.12 Intangible Property Exceptions
- 2.13 Employees

LIST OF EXHIBITS

- A Note
- B Security Agreement
- C Local Marketing Agreement
- D Escrow Agreement