

**ASSET PURCHASE AGREEMENT**

ASSET PURCHASE AGREEMENT, dated as of July \_\_, 2006 (this "Agreement"), by and among Community Broadcasters, LLC, a New York limited liability company ("Buyer") and Force Communications, Inc., a New York corporation ("Force"), Clancy-Mance Communications, Inc., a New York corporation ("CM"), Jefferson Broadcasting, Inc., a New York corporation ("Jefferson"), Clancy-Mance Communications North, Inc., a New York corporation ("CM North") (each of Force, CM, Jefferson and CM North, a "Seller", and collectively, "Sellers"), David Mance and John Clancy (Messrs. Mance and Clancy are hereinafter sometimes referred to individually as a "Principal Shareholder" and collectively as the "Principal Shareholders").

**WITNESSETH:**

WHEREAS, Force is the licensee of WBDI (FM) Copenhagen, New York (Facility ID No. 43748) ("WBDI"), pursuant to authorizations issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, CM is the licensee of WTOJ (FM) Carthage, New York (Facility ID No. 11625) ("WTOJ") and of WATN (AM) Watertown, New York (Facility ID No. 11624) ("WATN") pursuant in each case to authorizations issued by the FCC; and

WHEREAS, Jefferson is the licensee of WOTT (FM) Henderson, New York (Facility ID No. 30799) ("WOTT") pursuant to authorizations issued by the FCC; and

WHEREAS, CM North is the licensee of WGIX (FM) Gouverneur, New York (Facility ID No. 66658) ("WGIX"), WSLB (AM) Ogdensburg, New York (Facility ID No. 66663) ("WSLB") and WBDB (FM) Ogdensburg, New York (Facility ID No. 66661) ("WBDB") (each of WBDI, WBDB, WTOJ, WATN, WOTT, WGIX and WSLB a "Station", and collectively, "Stations");

WHEREAS, on the terms and conditions described herein, Sellers desire to sell and Buyer desires to acquire substantially all of the assets owned or leased by Sellers and used or useful in connection with the operation of the Stations;

WHEREAS, the Principal Shareholders are principal shareholders of each Seller; and

WHEREAS, Sellers desire to appoint CM as their representative (the "Sellers' Representative") for all purposes under this Agreement.

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) **Assets.** On the Closing Date (as hereinafter defined), subject to the provisions hereof, Sellers shall sell, assign and transfer to Buyer, and Buyer shall purchase, acquire and assume from Sellers, all of the assets, properties, interests and rights of Sellers of whatsoever kind and nature that are owned or leased by Sellers and used or useful in connection with the operation of the Stations (the "**Assets**") (but excluding the Excluded Assets described in subparagraph (d) below), including without limitation:

(i) **Tangible Personal Property.** All of Sellers' equipment, electrical devices, antennae, cables, tools, machinery, furniture, furnishings, fixtures, office materials, vehicles, inventory, spare parts and other tangible personal property used or useful in the conduct of the business or 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(a)(i)** hereto;

(ii) **Real Property.** Fee simple title to all real property described on **Schedule 1(a)(ii)** hereto, including all leasehold interests used in the operation of the Stations, together with any improvements and fixtures thereon (collectively, the "**Real Property**"), and together with all right, title and interest of Sellers in and to any and all easements and rights of way appurtenant thereto, and together with all right, title and interest, if any, of Sellers in and to any land lying in the bed of any street, road or avenue opened or proposed, in front of or adjoining, the Real Property, to the center line thereof;

(iii) **Licenses and Authorizations.** All of the licenses, permits and other authorizations issued by the FCC ("**FCC Authorizations**"), the Federal Aviation Administration (the "**FAA**"), and any other federal, state or local governmental authorities to each and any Seller in connection with the conduct of the business and the full on-air operations of each and any Station, together with renewals or modifications thereof, including without limitation, those set forth on **Schedule 1(a)(iii)** hereto (collectively, the "**Licenses**");

(iv) **Contracts, Agreements, Orders, Etc.** All of Sellers' rights under and interest in those certain contracts, agreements, real and personal property leases, programming license agreements, commitments and understandings, options, rights and interests, written or oral, of each Seller or to which any Seller is a party, relating to the conduct of the business and operations of the Stations, all of which are listed on **Schedule 1(a)(iv)** attached hereto, together with all contracts, agreements and leases entered into or acquired by each and any Seller between the date hereof and the Closing Date which Buyer has specifically agreed to assume in writing at the Closing (the "**Contracts**"). To the extent that the assignment of any of the Contracts set forth in **Schedule 1(a)(iv)** may require the consent of a third party, the appropriate Seller will exercise its best efforts to secure such consent. In the event that any Seller is unable to secure such consent prior to Closing, Buyer shall not be required to assume performance pursuant to said contract or agreement. The contracts and agreements designated by an asterisk in **Schedule 1(a)(iv)** are contracts, the assignment and assumption of which are conditions to Buyer's obligation to close hereunder ("**Material Contracts**");

(v) Intellectual Property. All of Sellers' right, title and interest in and to all copyrights, licenses, patents, trademarks, service marks, logos, jingles, slogans and trade names (including the call letters of each Station and any variation thereof), Internet websites, and domain names, software, content, databases, programs and programming material and other intangible property rights and interests used in connection with the operation of each Station and all goodwill associated therewith, including registrations and applications for registration of any of the foregoing, and other similar intangible rights and interests applied for, issued or owned or licensed (collectively, "Intellectual Property"). These rights and interests are set forth on Schedule 1(a)(v) hereto;

(vi) Books and Records. All of each Seller's logs, books, files, data, software, FCC and other governmental applications, equipment manuals and warranties, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, list of advertisers, credit and sales information, and other records relating to the full on-air broadcast operations of each Station, including without limitation all electronic data processing files and systems, FCC filings and all records required by the FCC to be kept by such Station; provided, however, that Buyer shall afford the Sellers' Representative reasonable post-Closing access to such books and records upon reasonable advance written notice if access to such books and records is reasonably required to enable Seller to comply with any Tax (as defined below), financial or other legal obligations; and

(vii) Other Assets. All of Sellers' other transferable property and assets, tangible or intangible, pertaining to, used or useful in the operation of any Station, wherever located, including, but not limited to, any and all such franchises, material, supplies, easements, rights of way and other rights and privileges relating to the operation of any Station in effect as of the date hereof, and any of the foregoing that may be acquired between the date hereof and the Closing hereunder.

(b) Retained Liabilities. The Assets shall be transferred by Sellers 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"). Except for the assumed Contracts, Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of any Seller or Station of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "Retained Liabilities". Retained Liabilities shall include, without limitation:

(i) all accounts payable or accrued liabilities relating to any Seller and/or Station;

(ii) all obligations or liabilities which in any way relate to or arise out of any Excluded Asset;

(iii) all Tax liabilities of Sellers or the Stations, except as expressly set forth herein;

(iv) all obligations or liabilities concerning the Real Property, the Sellers, the Stations or the Assets which in any way relate to or arise out of any Environmental Laws;

(v) all liabilities, losses, damages or expenses relating to any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any governmental authority to the extent it arises out of the business or operation of any of the Stations, Sellers or the Assets prior to the Closing Date; and

(vi) any fees and expenses incurred by Sellers in connection with negotiating, preparing, closing and carrying out this Agreement and the transactions contemplated by this Agreement, including the fees and expenses of Sellers' attorneys, accountants, consultants and brokers.

(c) Employees. Each Seller shall terminate all employees of such Seller at the Station(s) owned by such Seller as of the Closing and shall pay any and all wages, salaries, bonuses, severance and other benefits and payments to which any of such Seller's employees are entitled as of the Closing Date (even if not immediately payable on the Closing Date). Except to the extent Buyer receives a credit for accrued vacation and/or sick time under Section 2(c), Buyer shall not assume any liabilities or obligations with respect to any past or present employees, including, without limitation, for wages, salaries, commissions, retirement, pension, bonus, termination, vacation, sick or other pay, or for health, disability, hospitalization, medical, life or other insurance, employee benefits, or for any liabilities arising out of any termination by any Seller of the employment of any employee of any Station, or for any liabilities for any employee benefit plan or arrangement of any Seller for employees or former employees. All obligations, if any, under the Consolidation Omnibus Reconciliation Act (COBRA) and Worker Adjustment and Retraining Notification Act (WARN) as to the termination of any of each Seller's employees employed by such Seller prior to the Closing Date shall be the sole responsibility of such Seller. Buyer shall have no obligation to offer employment to any employee of any Seller or any Station.

(d) Excluded Assets. The following assets and obligations relating to the business of the Station shall be retained by Sellers and shall not be sold, assigned or transferred to or assumed by Buyer (the "Excluded Assets"):

(i) All cash, cash equivalents or similar type investments of each Seller such as certificates of deposits, Treasury bills or other marketable securities on hand and in banks (or their equivalents);

(ii) All deposits and all prepaid expenses and Taxes, except to the extent Sellers received a credit therefor under Section 2(c);

(iii) Each Seller's corporate records;

(iv) All ASCAP, BMI and SESAC licenses; and

(v) All agreements identified as Schedule 1(d)(v).

(e) Accounts Receivable. Upon Buyer's request, Buyer and each Seller shall enter into a Local Marketing Agreement in substantially the form and substance attached hereto as Exhibit A (the "LMA"), under which each Seller shall sell, assign and transfer to Buyer all accounts receivable and notes receivable in connection with the operation of each Station (the "Sellers' Accounts Receivable"), including accounts receivable for advertising revenues for programs and commercials performed prior to the Effective Date of the LMA (as such term is defined therein) and other broadcast revenues for services performed prior to such date. Schedule 1(e) sets forth all Sellers' Accounts Receivable as of July 24, 2006.

## 2. Purchase Price.

(a) Escrow Deposit. Concurrently with the execution of this Agreement, Buyer has delivered to Bond, Schoeneck & King, PLLC ("Escrow Agent") the sum of Two Hundred Seventy One Thousand One Hundred Fifty Dollars (\$271,150) to be held in an interest bearing account as an earnest money deposit (the "Earnest Money Deposit") pursuant to an escrow agreement in substantially the form and substance attached hereto as Exhibit B of even date herewith (the "Escrow Agreement"). On the Closing Date, all interest on the Earnest Money Deposit shall be paid to Buyer and the remaining amount of the Earnest Money Deposit shall be paid to the Sellers' Representative in accordance with the provisions of the Agreement and the Escrow Agreement. In the event the Agreement is terminated prior to Closing, the Earnest Money Deposit shall be made available to Sellers' Representative or released to Buyer in accordance with the provisions of the Agreement and the Escrow Agreement; and

(b) Payments at Closing. Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, Buyer shall pay to Seller the aggregate sum of Five Million Four Hundred Twenty Three Thousand Dollars (\$5,423,000) (subject to adjustment as set forth herein, the "Purchase Price"). The Purchase Price shall be payable to Sellers as follows:

(i) Three Million Eight Hundred Fifty One Thousand Eight Hundred Fifty Dollars (\$3,851,850), less the aggregate amount of Principal Payments (as such term is defined in the LMA) made by Buyer under the LMA as of the Closing Date by wire transfer of immediately available funds on the Closing Date to an account designated by Sellers' Representative at least three (3) business days prior to the Closing Date;

(ii) Release of the Earnest Money Deposit to the Sellers' Representative; and

(iii) A promissory note in principal amount of One Million Three Hundred Thousand Dollars (\$1,300,000) delivered on and dated as of the Closing Date (the "Promissory Note") in substantially the form and substance attached hereto as Exhibit C.

(c) Proration. Except as otherwise provided in the LMA (if any), the parties agree to prorate all expenses arising out of the operation of the Stations that are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, water and sewer charges, FCC regulatory fees, music and other license fees, real and personal property taxes upon

the basis of the most recent tax bills and information available, security deposits, similar prepaid and deferred items, and any accrued vacation and/or sick time if and to the extent that Buyer agrees to give credit to any employees of the Stations who become employees of Buyer after the Closing Date for any accrued vacation and/or sick time through the Closing Date. On the Closing Date, the prorations shall, insofar as determinable, be calculated and paid on the Closing Date in cash or other immediately available funds. Any prorations not able to be determined on the Closing Date shall be determined promptly, with final settlement and payment in cash or other immediately available funds to be made within forty-five (45) calendar days after the Closing Date. In the event that Buyer and Sellers shall be unable to mutually agree upon the amount of prorations with such 45-day period, they shall follow the procedure set forth in Section 2(d) below to resolve such disagreement.

(d) Allocation. On or before the Closing Date, Buyer and Sellers shall mutually agree upon an allocation of the Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”). In the event that Buyer and Sellers shall be unable to mutually agree upon the allocation by Closing, Buyer and Sellers’ Representative shall each select an independent certified public accountant within ten (10) days after the Closing and such independent certified public accountants shall within ten (10) days select a third independent certified public accountant who shall make a determination of the allocation within sixty (60) days after his or her selection. The costs and expenses of such third independent certified public accountant shall be borne equally by Buyer, on one hand, and Sellers, on the other hand. Buyer and Sellers agree that the allocation determined by their mutual agreement or otherwise by the independent certified public accountant, as the case may be, shall be conclusive and binding on Buyer and all Sellers for all purposes, including without limitation, reporting and disclosure requirements of the Internal Revenue Service. Buyer and Sellers agree that each will report the purchase and sale of the Assets in accordance with the allocations determined in accordance with this subsection for all purposes and shall not take a position on any Tax return, report or information return, before any governmental authority charged with the collection of any Tax, or in any judicial proceeding that is in any way inconsistent with the allocation required by this subsection.

3. **FCC Consent; Assignment Application.** At a date not later than five (5) business days after the date of this Agreement, Buyer and each Seller shall execute, file and vigorously prosecute applications with the FCC (the “Assignment Application”) requesting its consent to the assignment, from such Seller to Buyer, of all FCC Authorizations pertaining to each Station such Seller is selling hereunder, without conditions materially adverse to Buyer (the “FCC Consent”). Buyer and each Seller shall take all commercially reasonable steps to cooperate with each other and with the FCC to secure such FCC Consents without delay (but neither party shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect on the results of operations of a party or any affiliated entity). Except as otherwise set forth herein or in the Schedules hereto, if an FCC Consent imposes any condition on a party hereto, no party shall be required hereunder to comply with any condition that would have a material adverse effect on the results of operations of such party or any affiliated entity. Nothing in this Section 3 shall be construed to limit a party’s right to terminate this Agreement pursuant to Section 14 hereof.

4. **Search and Survey.** At its own expense, each Seller shall furnish for such Seller and deliver to Buyer at least thirty (30) days prior to the Closing Date, the following: (A) fully guaranteed tax, title and United States District Court searches dated subsequent to the date of this Agreement; and (B) an up-to-date instrument survey of the Real Property prepared by a surveyor licensed in the State of New York, showing the Real Property together with all improvements thereon, if any, and all easements, rights-of-way, encroachments affecting the Real Property and restrictions of record, and certifying the exact acreage of the Real Property and (C) title insurance commitments on the Real Property, as of the Closing Date, showing no special exceptions other than the standard preprinted exceptions normally found on such policies. Each Seller shall pay for the aforesaid surveys and for said tax and title searches for such Seller's properties and assets and for the required revenue stamps to be attached to the deed and for the survey. Buyer shall pay for any fees incurred for recording of the deed and for title insurance policies as required. If it should appear that the Real Property is affected by any outstanding interest, or questions of title which render title uninsurable, the appropriate Seller shall remove such question or discharge such interest, for which purpose such Seller shall have a reasonable time, but in no event later than the date of Closing. If the Real Property shall be affected by any lien or encumbrance which may be discharged by the payment of an ascertainable amount, then it shall be Sellers' obligation to discharge such lien or encumbrance at or prior to Closing. If any Seller shall be unable to convey insurable title to any asset or parcel of property, subject to and in accordance with the provisions hereof, Buyer shall have the right to terminate this Agreement by giving written notice of such termination to Sellers' Representative. Buyer may, nevertheless, at its option, accept such title as any Seller may be able to convey, and Buyer shall be entitled to a reduction of the Purchase Price in an amount equivalent to the costs incurred by Buyer related to such uninsurable title.

5. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer which shall be no later than ten (10) business days following the date on which all FCC Consents shall have become Final Orders (as hereinafter defined) and the other conditions to closing set forth in Section 10 have either been waived or satisfied. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which 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 at the offices of Buyer or Buyer's counsel, as Buyer may elect.

6. **Representations, Warranties and Covenants of Seller.** Each Seller, jointly and severally, hereby makes the following representations, warranties and covenants to Buyer:

(a) **Status.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of its incorporation, and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) **Authorization of Agreement.** 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 the shareholders and the Board of Directors of Seller and no other proceedings on the part of Seller 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 agreement of Seller 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) No Conflict. The execution, delivery and performance of this Agreement by Seller will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of Seller, or (ii) result in a default (or give rise to any right of termination, cancellation or acceleration, or result in the creation or imposition of any Lien on the Assets) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which Seller is a party, or by which Seller or any of the Assets are bound, (iii) 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 (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consents.

(d) Tangible Personal Property. Schedule 1(a)(i) hereto contains a complete list of the Tangible Personal Property owned or leased by Seller for use in connection with the operation of the Stations it owns. The assets listed in Schedule 1(a)(i) hereto include all tangible personal property necessary to conduct the business and operation of such Stations as now conducted. Seller (i) is the lawful owner of all of the Tangible Personal Property it purports to own and (ii) has valid leasehold interest in the Tangible Personal Property it purports to lease. Each item of such Tangible Personal Property (i) is generally in good condition and repair, normal wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, (iii) is operating in compliance with the FCC Authorizations and rules and regulations of the FCC, the FAA and any other applicable government agencies, (iv) does not contain any PCBs; and (v) is free and clear of all Liens.

(e) Authorizations; FCC Matters. Schedule 1(a)(iii) hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities (including the FAA) that are required for the lawful conduct of the business and operation of the Stations Seller owns in the manner and to the full extent it is presently operated. Seller lawfully holds each of the FCC Authorizations and other licenses, permits and authorizations set forth under its name on Schedule 1(a)(iii), none of which is subject to any restrictions or conditions that would limit in any material respect the operation of any Station. The Stations Seller owns have been, and are, operating in all material respects in accordance with the FCC Authorizations, and all rules, regulations and policies of the FCC (the "Communications Laws"). Except as disclosed on Schedule 1(a)(iii), there is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Authorizations, 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 complaint against the Station or Seller. All material reports, filings and fees required to be filed with the FCC by Seller with respect to the operation of the



Stations Seller owns have been timely filed, and all such reports and filings are accurate and complete in all material respects. Seller maintains a public inspection file for each Station Seller owns, has placed all required documents in such file on a timely basis, and such file complies with the Communications Laws. No Station Seller owns is short-spaced, on a grandfathered basis or otherwise, to any existing station, outstanding construction permit, or pending application therefor, domestic or international, or to any existing or proposed broadcast channel allotment, domestic or international. No Station Seller owns is causing interference in violation of FCC rules to the transmissions of any other broadcast station or communications facility and, no broadcast station or communications facility is causing interference in violation of FCC rules to such Station's transmissions or the public's reception of such transmissions. Seller has no reason to believe that any Station Seller owns is receiving or in the future may receive any objectionable interference. Each Station Seller owns is currently, and at the Closing Date will be, operating at its full authorized effective radiated power. Each such Station's tower is painted, obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Seller has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of Seller's antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. All antenna towers used in connection with the Stations Seller owns, whether or not owned by Seller, have been registered with the FCC, if required to be registered, in accordance with the FCC's rules, regulations, and policies. The FCC registration number(s) for the Stations' antenna tower(s) is set forth in Schedule 1(a)(iii). Except as disclosed on Schedule 1(a)(iii), each Station has timely filed its renewal applications and Seller knows of no reason such renewal application will not be granted on a timely basis, in the ordinary course without opposition or the imposition of one or more materially adverse conditions.

(f) Intangible Property. Seller owns or has obtained all licenses and other rights necessary for the use of all Intellectual Property necessary for the operations of the Stations Seller owns, and Schedule 1(a)(v) contains correct and complete listing of all such Intellectual Property. Copies of any licensing agreements for the use of such Intellectual Property have been delivered to Buyer and there are no complaints pending and, to Seller's knowledge, there are none threatened and there is no basis for any claim in connection with the use of any Intellectual Property in connection with the operation of any such Stations.

(g) Real Property. Schedule 1(a)(ii) includes a complete and accurate list of all of the real estate owned, held or used by Seller with respect to the Assets (all of which is included in the definition of "Real Property"). The activities carried on or in all buildings, facilities, installations, fixtures and other structures or improvements included as part of the Real Property, and the buildings, facilities, installations, fixtures and other structures or improvements themselves, are not in violation of, or in conflict with, any building or use restriction, any variance, any applicable zoning, subdivision or health law regulation or ordinance, any variance, or any other similar law or ordinance or regulation. Seller has, and Buyer will enjoy, full rights of ingress and egress to the Real Property set forth under Seller's name in Schedule 1(a)(ii). There are no pending or, to Seller's knowledge, threatened or proposed proceedings or governmental actions to modify the zoning classification of, or to condemn or take by the power of eminent domain (or to purchase in lieu thereof), or to classify as a landmark, or to impose special assessments on, or otherwise to take or restrict in any way the right to use, develop or alter, all or any part of the Real Property.

(h) Fixtures. All fixtures relating to the Real Property (i) are generally in good condition and repair, normal wear and tear excepted, (ii) have been maintained in a manner consistent with generally accepted standards of good engineering practice, (iii) are operating in compliance with the FCC Authorizations and rules and regulations of the FCC, the FAA and any other applicable government agencies, and (iv) do not contain any PCBs.

(i) Marketable Title. Seller has good and marketable title to all its Tangible Personal Property and Real Property, free and clear of all Liens and the Assets to be sold hereunder are transferable by Seller by its sole act and deed and no consent on the part of any other party is necessary for the transfer thereof to Buyer.

(j) Contracts. Seller has furnished to Buyer true and complete copies of all agreements, contracts, documents and amendments and modifications to the same (including without limitation, all agreements, whether written or oral, relating to trade or barter agreements, indicating the nature and dollar amount of such commitments), as listed on Schedule 1(a)(iv). Seller shall use its best efforts to obtain such third party consents as necessary to assign to Buyer those contracts and agreements to which it is a party. The information contained in such documents is accurate and complete in all material respects. Schedule 1(a)(iv) contains all material agreements to which Seller is a party with respect to the Assets including, but not limited to, agreements relating to permits, licenses, approvals or registrations of or with all regulatory authorities, and leases and other agreements with third parties relating to the operation and use of the Stations Seller owns and their facilities. All such contracts are in full force and effect, and are materially unimpaired by any actions or breaches by Seller or, to Seller's knowledge, any other party to such documents. Seller has not given or received any notice of default or termination, and no condition exists and no event has occurred that, with the giving of notice, the lapse of time or the happening of any further event would become a default or permit early termination under any such contract.

(k) Financial Statements. Seller has provided to Buyer true and correct copies of the year-end balance sheets and operating statements for the Stations Seller owns for the past three fiscal years and for the first five months of the current fiscal year, as well as monthly income and expense statements for the twelve months prior to the date of this Agreement ("Financial Statements"). There has been no material adverse change in the financial condition, assets, business, prospects or results of operations of such Stations since the completion of the most recent year-end Financial Statements. All Financial Statements were derived from the books and records of Seller and its Stations, present fairly in all material respects the financial condition and results of operations of Seller and the Stations, and accurately reflect the Assets owned by the Stations. There are no outstanding liabilities of Seller or such Stations that are not reflected in the Financial Statements referenced herein. Buyer shall have the right to audit the Financial Statements at its own expense.

(l) Personnel Information. Seller has provided to Buyer a list of all the employees of each Station Seller owns, their positions and current salaries, with their salary history for the prior year. This information is true and accurate, and fully discloses all compensation paid to such employees. Seller is not a party to any employment agreement with any employee and all employees are terminable at will. Seller is not a party to any contract with any labor organization, nor has Seller agreed to recognize any union or other collective

bargaining unit at any Station, nor has any union or other collective bargaining unit been certified as representing any employees of any Station. To Seller's knowledge, there are not any organizational efforts currently being made or threatened by or on behalf of any labor union with respect to the employees of any Station. Seller has not experienced any strikes, work stoppages, grievance proceedings, claims of unfair labor practices filed or threatened to be filed or other significant labor difficulties of any nature at any Stations, nor are there any material controversies pending or, to Seller's knowledge, threatened between Seller and any employees of any Station Seller owns.

(m) Employee Benefit Plan. Schedule 6(m) hereto contains a list of all employee benefit plans or similar arrangements established, maintained or contributed to by Seller on behalf of employees or former employees of the Stations Seller owns and Seller possesses no other fixed or contingent liabilities or obligations with respect to any person now or previously employed at such Stations. No such plan or arrangement is a "multiemployer plan" within the meaning of Section 3(37) or Section 4001(a)(3) of the Employee Retirement Income Security Act. Such plans or arrangements, and the operation and termination thereof, will impose no obligations on Buyer. Seller shall be responsible for coverage of, and all liabilities related to, such plans or arrangement through and after the Closing Date.

(n) Brokers. Except for Kozacko Media Services, whose fees and commissions shall be paid by Seller, there is no broker or finder or other person who would have any valid claim for a commission, or a brokerage or finder's fee or other similar payment, in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Seller or any of its shareholders, directors, employees, affiliates or agents.

(o) Legal Proceedings. Except as disclosed in Schedule 6(o), Seller is not subject to any order, writ, injunction, judgment, arbitration decision, settlement or consent agreement, or decree having binding effect and affecting the business of the Stations Seller owns or Seller's Assets or that restrains or enjoins or could otherwise adversely affect the transactions contemplated hereby, and no such proceeding is pending. Except as disclosed on Schedule 1(a)(iii), there is no litigation pending by or against or, to Seller's knowledge, threatened against Seller that relates to Seller or such Stations or that could materially affect any of the Seller's Assets. Seller, with respect to each Station, has complied in all material respects with all laws, regulations, orders or decrees applicable to Seller. The present uses by Seller of Seller's Assets do not violate any such laws, regulations, orders or decrees in any material respect. To Seller's knowledge, there is not (i) any threatened litigation regarding the potential sale of such Stations or the business of such Stations; or (ii) any basis for any claim that any of the transactions contemplated under this Agreement violates the terms of any of the instruments listed above, or would be otherwise impermissible.

(p) Environmental Matters. Except as disclosed on Schedule 6(p):

(i) Seller has complied and currently is in compliance with all applicable laws, statutes, rules, regulations, codes and ordinances of all federal, state and local government agencies and authorities relating to the protection of the environment, to human health and safety, or to any use, sale, manufacture, treatment, generation, processing, storage,

disposal, abatement, existence, Release, threatened Release, transportation or handling of any Hazardous Materials (as defined herein), including, without limitation, (a) the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Occupational Safety and Health Act, the Solid Waste Disposal Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, (b) all other requirements pertaining to reporting, licensing, permitting, investigation or remediation of Releases or threatened Releases of Hazardous Materials into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport or handling of Hazardous Materials and (c) all other requirements pertaining to the protection of the health and safety of employees or the public ("Environmental Laws").

As used herein, the term "Hazardous Materials" shall mean any substances or materials (whether solids, liquids or gases) that: (a) are or contain asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), petroleum or petroleum-derived substances or wastes, radon gas, mold, lead-based paints, radioactive materials and wastes or related materials, (b) is defined, listed or identified as a "hazardous waste," "hazardous substance," "toxic substance," "radioactive material," "pollutant," "contaminant," or other similar designation in any Environmental Law, or (c) is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is regulated by any governmental agency or authority or Environmental Laws.

As used herein, the term "Release" shall mean any releasing, disposing, discharging, injecting, spilling, leaking, leaching, pumping, dumping, emitting, escaping, emptying, seeping, dispersal, migration, transporting, placing and the like, including without limitation, the moving of any Hazardous Materials through, into or upon, any land, soil, surface water, ground water or air, or otherwise entering into the environment;

(ii) No Release or threatened Release of Hazardous Materials has occurred in, on or from the Real Property, the Stations or the Assets of Seller, except Releases which have been remediated in accordance with applicable Environmental Laws and Releases not in violation of Environmental Laws. The Real Property currently owned, leased or operated by Seller is free of Hazardous Materials as of the date of this Agreement, except for Hazardous Materials used, stored or present not in violation of applicable Environmental Laws;

(iii) Seller has not used, generated, manufactured or stored on, under or about such Real Property, Stations or Assets of Seller, or transported or arranged for disposal to or from such Real Property, Stations or Assets, any Hazardous Materials in violation of applicable Environmental Laws;

(iv) No underground storage tanks are located on or under the Real Property of Seller;

(v) During the time that Seller has owned or leased any of its Real Property, Stations and Assets, there have been no pending or, to the best of Seller's knowledge, threatened (a) actions, litigation or proceedings from or by any governmental agency or authority or any other person or entity against Seller under any Environmental Law with respect to such Real Property, Stations or Assets, (b) Liens or governmental actions, requests for information,

notices of violation, notices of noncompliance or other proceedings under any Environmental Law against Seller with respect to such Real Property, Stations or Assets, or (c) settlement reached by Seller with any party or parties alleging the presence, disposal, Release or threatened Release of any Hazardous Materials on, from or under such Real Property, Stations or Assets;

(vi) From the date hereof through the Closing Date, Buyer shall have the right at all reasonable times and from time to time to conduct environmental audits, environmental site assessments, risk assessments, and any other reviews or studies (collectively, the "Assessments") of the Real Property, the Stations and the Assets using a consultant of Buyer's choice. A copy of any written report provided to Buyer resulting from such Assessments shall be furnished to the Sellers' Representative. Seller shall cooperate in the conduct of each Assessment performed pursuant to this Section. In addition, Seller has or will furnish and make available to Buyer accurate, true, and complete copies of any and all environmental audits or risk assessments, site assessments, documentation regarding on- or off-site disposal of Hazardous Materials or Release of Hazardous Materials, spill control plans, and all other material correspondence, documents or communications with any governmental authority, agency or other entity regarding the foregoing, that Sellers currently have in their possession;

(vii) Without limiting the foregoing, if, through the Closing Date, any Hazardous Material is found on, in, or under the Real Property, the Stations or the Assets, Seller, at its own cost and expense, shall immediately take such action as is necessary to prevent the spread of and remove or clean up, or otherwise remedy the existence or spread of, such Hazardous Material to the extent required by any governmental agency or authority or as otherwise required under Environmental Laws; provided, however, that if the cost of any remedial action exceeds Five Hundred Thousand Dollars (\$500,000.00), then Seller may choose not to take such remedial action and Buyer may, in addition to any other rights and remedies available to Buyer, terminate this Agreement and Buyer shall have no further obligations to Seller;

(viii) No Hazardous Material shall be introduced to or handled on the Real Property, the Stations or the Assets through the Closing Date in violation of applicable Environmental Laws; and

(ix) The operation of each Station Seller owns does not exceed permissible levels of exposure to RF radiation specified in either the FCC's rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws.

(q) Payment of Taxes. Seller has duly and timely filed all federal, state, local and foreign returns, declaration, reports, claims, information returns, forms or statements relating to Tax and required to be filed and all of the foregoing are correct and complete in accordance with all applicable laws. Seller has timely paid in full or discharged or will pay in full or discharge as of the Closing all Taxes required to be paid. For purposes of this Agreement, "Taxes" means any taxes, fees, levies, duties, tariffs, imposts, and governmental impositions or charges of any kind in the nature of (or similar to) taxes, payable to any federal, state, local or foreign governmental authority, including (without limitation) (i) income, franchise, profits, gross receipts, ad valorem, net worth, value added, sales, use, service, real or personal property,

special assessments, capital stock, license, payroll, withholding, alternative minimum, employment, social security, workers' compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premiums, windfall profits, transfer and gains taxes, and (ii) interest, penalties, additional taxes and additions to tax imposed with respect thereto. Upon the request of Buyer, Seller shall promptly furnish Buyer with copies of all Tax returns filed by Seller for the last three (3) years. Neither the sale and transfer of the Assets, nor Buyer's ownership, possession or use thereof from and after the Closing Date, as a result of such sale and transfer, shall result in or be subject to any law pertaining to bulk sales or the imposition upon Buyer, or any of the Assets, of any liability not expressly assumed by Buyer hereunder.

(r) Insurance. Seller has in effect policies of insurance covering loss or damage to Seller's Assets and liability and other casualty insurance in amounts customary in the industry. All premiums have been paid, and there has otherwise been no default under any such policy. The policies, and the extent of coverage provided thereunder, are listed on Schedule 6(r) attached hereto.

(s) Accounts Receivable. Schedule 1(e) sets forth an accurate, complete list of Sellers' Accounts Receivable as of the date hereof, and Seller knows of no reason why any account set forth thereon will not be collected in the ordinary course.

(t) Accuracy of Statements. 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, in light of the circumstances in which they were made, to Buyer.

6A. **Representations and Warranties of Principal Shareholders**. Each Principal Shareholder, severally but not jointly, hereby makes the following representations and warranties to Buyer:

(a) Authorization of Agreement. Principal Shareholder has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Principal Shareholder and constitutes the legal, valid and binding agreement of Principal Shareholder 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) No Conflict. The execution, delivery and performance of this Agreement by Principal Shareholder will not (i) result in a default (or give rise to any right of termination, cancellation or acceleration, or result in the creation or imposition of any Lien on the assets of Principal Shareholder) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which Principal Shareholder is a party, or by which Principal Shareholder or any of his assets are bound, (ii) 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 Principal

Shareholder, or (iii) require the consent or approval of any governmental authority, lending institution or other third party.

(c) Legal Proceedings. Except as disclosed on Schedule 1(a)(iii), there is no litigation, proceeding or governmental investigation pending or, to Principal Shareholder's knowledge, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Principal Shareholder, 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 performance by Principal Shareholder of his obligations under this Agreement.

(d) Brokers. Except for Kozacko Media Services, whose fees and commissions shall be paid by Sellers, there is no broker or finder or other person who would have any valid claim for a commission, or a brokerage or finder's fee or other similar payment, in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Principal Shareholder.

(e) Translators. The Principal Shareholders know of no reason why any of the FM translators rebroadcasting the signals of any of the Stations would terminate such rebroadcast at any time in the future.

7. **Representations and Warranties of Buyer.** Buyer hereby makes the following representations and warranties to Sellers:

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

(b) Authorization of Agreement. 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 agreements 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) No Conflict. 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 organizational documents of Buyer, or (ii) result in a material 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) 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 Buyer, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consents.

(d) Legal Proceedings. There is no litigation, proceeding or governmental investigation pending or, to Buyer's knowledge, 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.

(e) Brokers. There is no broker or finder or other person who would have any valid claim against Buyer for a commission, or a brokerage or finder's fee or other similar payment, in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Buyer or any of its members, officers, employees, affiliates or agents.

(f) Qualification. To Buyer's knowledge, there are no facts which, under the Communications Act of 1934, as amended, or the existing rules and regulations of the FCC, would disqualify Buyer as an assignee of the Licenses.

(g) Accuracy of Statements. 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, in light of the circumstances in which they were made, to Seller.

8. Covenants of Sellers. Subject to the LMA (if any) each Seller, jointly and severally, covenants and agrees with Buyer as follows:

(a) Conduct of Business During Interim Period. Seller covenants and agrees with respect to the Stations that Seller owns that between the date hereof and the Closing Date (the "Interim Period"), except as expressly permitted by this Agreement or with the prior written consent of Buyer, it shall act in accordance with the following:

(i) Except as specifically set forth herein, Seller shall conduct the business and operations of such Stations in the ordinary course of business, consistent with past practices and in the manner consistent with which such Stations have been operated for the three (3) month period prior to the date hereof, and with the intent of preserving the Assets, including, without limitation, the manner by which Seller collects its receivables and pays its payables.

(ii) Seller shall not: (i) sell, lease or transfer any of its Assets outside of the ordinary course of Seller's business, consistent with past practices and which Assets shall be replaced with assets of equal or greater value, (ii) place or allowed to be placed on any of its Assets relating to any Station that Seller owns any Lien, (iii) grant or agree to grant any increases



in the rates of salaries or compensation payable to employees of any such Station, (iv) grant or agree to grant any bonus or increase to any employee of any such Station, and (v) provide for any new pension, retirement or other employment benefits for employees of any such Station or any increase in any existing benefits.

(iii) Seller shall not: (i) act or omit to do any act which will cause a breach of any agreement, contract, lease or commitment, (ii) renew, cancel, modify or allow to lapse any contract or agreement to be assumed by Buyer hereunder, or (iii) enter into any new trade or barter agreements without the consent of Buyer.

(iv) Seller shall use its best efforts to run-off, in a manner mutually acceptable to Seller and Buyer, all outstanding advertising due under trade and barter agreements prior to the Closing.

(v) Seller shall operate the Stations that Seller owns in accordance with FCC rules and regulations and the Licenses and with all other laws, regulations, rules and orders, and shall not cause or permit by any act, or failure to act, any of its Licenses to expire, be surrendered, adversely modified or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of its Licenses or fail to prosecute with due diligence any pending applications to the FCC.

(vi) Seller shall, upon Buyer's reasonable request, duly execute and authorize the filing with the FCC of such applications, pleadings, or other papers as Buyer may from time to time prepare in connection with plans, if any, that Buyer may develop to change the call sign or modify the facilities (including channel, class, equipment, antenna location and/or community of license) of the Stations that Seller owns (the "Additional Filings"). Seller shall cooperate with Buyer on such Additional Filings and shall interpose no objections to any Additional Filings, including any amendments thereto and appeals thereof. Buyer shall bear all costs and expenses of preparation, filing and prosecution of any Additional Filings and all costs and expenses relating to the construction, development and modification of such facilities in connection with such Additional Filings. Seller shall not make any filings with the FCC without the prior written approval of Buyer, other than filings to renew existing licenses and FCC regulatory fee filings. Seller will deliver to Buyer, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Stations the Seller owns which are filed or received between the date of this Agreement and the Closing Date.

(vii) Seller shall use its best efforts to maintain its relationships with employees, advertisers, suppliers and other parties in the ordinary course of business, consistent with past practice.

(viii) Seller shall not, nor will it permit any affiliate, officer, employee, attorney, accountant, financial advisor or other representative or agent of Seller to negotiate with, solicit or engage in negotiations with, or provide any non-public information to, or otherwise cooperate with, any third party (other than Buyer or Buyer's affiliates or agents) which seeks to or expresses an interest in acquiring all or any substantial part of the equity interests in any Seller, or business or assets of any Station, or for the purpose of otherwise effecting a transaction

inconsistent with the transactions contemplated by this Agreement. Furthermore, Seller will not enter into any agreement with or grant any option to any third party in connection with a transaction inconsistent with the transactions contemplated by this Agreement or make any public announcement or news release pertaining to the transactions contemplated hereby without the prior written consent of the Buyer, to be withheld in Buyer's sole discretion.

(ix) Seller shall maintain in force and effect the existing insurance policies for the Stations and its Assets or reasonably comparable insurance coverage.

(x) Seller shall upon prior request give Buyer and Buyer's counsel, accountants, engineers and other representatives, full and reasonable access during normal business hours to all of Seller's properties (including, without limitation, all equipment and towers), books, contracts, reports and records, agreements, tangible assets and licenses relating to the Stations Seller owns and to Seller's employees, and will furnish Buyer with all information that Buyer may reasonably request. The rights of Buyer under this Section shall not be exercised in such a manner as to interfere unreasonably with the business of the Stations. Seller shall permit Buyer and Buyer's consulting engineers, at Buyer's expense and the mutual convenience of Buyer and Seller, to conduct engineering and other inspections of the Stations Seller owns and its Assets.

(b) Interim Period Events. During the Interim Period, Seller shall inform Buyer, through Sellers' Representative of any material adverse change to the Assets, any potential litigation or notice of violation and of events that could result in a material adverse change, litigation or notice of violation within five (5) days after they become aware of such events. Seller also promptly shall inform Buyer of any changes in Seller's representations and warranties under this Agreement. In addition, Seller shall promptly notify Buyer if any of the normal broadcast transmissions of any of the Stations that it owns are interrupted, interfered with or in any way impaired for more than twelve (12) hours with notice of the problem and the measures being taken to correct such problem.

(c) Further Assurances. After Closing, Seller shall execute all such instruments and take all such actions as Buyer may reasonably request, without payment of further consideration, to effectuate the transactions contemplated by this Agreement, including the execution and delivery of confirmatory and other transfer documents in addition to those delivered at Closing.

(d) LMA. Upon written request of Buyer, Seller shall promptly execute and deliver to Buyer the LMA.

8A. **Covenants of Principal Shareholders.** The Principal Shareholders, jointly and severally, covenant and agree with Buyer as follows:

(a) Joint Sales and Lease Agreements. The Principal Shareholders shall cause to be executed and delivered contemporaneously with the LMA (i) that Joint Sales Agreement in substantially the form and substance attached hereto as Exhibit D (the "JSA"); and (ii) the Studio Lease Agreement in substantially the form and substance attached hereto as Exhibit E (the "Lease", together with the JSA, the "Ancillary Agreements").

(b) Programming/Advertising Sales Agreements. The Principal Shareholders shall cause all counterparties to all programming and/or advertising sales agreements relating to the operation of any radio station owned or controlled by them, jointly or severally, to execute and deliver at Closing amendments to such agreements in form and substance acceptable to Buyer (collectively, the “P/A Amendments”).

(c) Affiliates. The Principal Shareholders shall cause all affiliated parties to execute and deliver such agreements (including, without limitation, the Ancillary Agreements) as may be contemplated herein.

(d) Automobile. The Principal Shareholders shall, prior to Closing, cause the 1957 Chevrolet Bel Air set forth on Schedule 1(a)(i) to be transferred, free and clear of all Liens, to WATN.

9. **Covenants of Buyer**. Buyer covenants and agrees with Sellers as follows:

(a) No Control of Station. Prior to the Closing Date, Buyer shall not, directly or indirectly, control, supervise or direct the operations of any of the Stations and such control, supervision and direction shall remain and shall be the sole responsibility of the respective Seller.

10. **Conditions Precedent to Obligation to Close**.

(a) The performance of the obligations of Sellers hereunder are subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by Sellers’ Representative:

(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) Public notice of all of the FCC Consents contemplated by this Agreement shall have been released;

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

(v) Buyer shall have delivered to Sellers’ Representative, on the Closing Date, the documents required to be delivered pursuant to Section 11(b).

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

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

(ii) The representations and warranties of each Seller and each Principal Shareholder 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) None of the events or conditions referenced in Section 12 below shall have occurred and not been remedied as set forth in Section 12;

(iv) The Stations' applications for renewal of licenses and all FCC Consents contemplated by this Agreement shall have been granted and have become Final Orders without the imposition of any conditions materially adverse to Buyer or any of the Stations;

(v) There shall not be any Liens on the Assets or any financing statements of record, and Sellers shall have delivered to Buyer, through Sellers' Representative, at Sellers' sole cost and expense, lien search reports, in form and substance satisfactory to Buyer and dated no earlier than 30 days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of New York and in the County Clerk's Office of the county in which Seller's principal place of business is located and of each county in which the Assets are located;

(vi) There has been no material adverse change in the Assets or the business, revenues, value or prospects of any Station;

(vii) Seller shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 11(a);

(viii) Buyer shall have secured third party financing in an aggregate amount at least equal to the Purchase Price (excluding the principal amount of the Promissory Note) and initial operating capital requirements as determined by Buyer;

(ix) The Ancillary Agreements will be in full force and effect as of the Closing; and

(x) Sellers' Representative shall have executed and delivered subordination agreement(s) in form and substance acceptable to Buyer and Buyer's creditors (the "Subordination Agreement(s)").

11. **Closing Deliverables.**

(a) At the Closing, Sellers will deliver to Buyer, through the Sellers' Representative, 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 personal property Assets and effectively vest in Buyer good and marketable title to the personal property Assets;

(ii) Bargain and sale or similar deeds with lien covenant (§ 13(5) of New York's Lien Law) and with a covenant against grantor's acts in proper statutory short form for recording, duly executed and acknowledged so as to convey to the Purchaser good and marketable fee simple title to the Property free of all liens, encumbrances, easements, rights of way, conditions, restrictions and covenants of record, except easements benefiting the property and municipal or utility easements adjacent to property boundary, but subject to all easements or other encumbrances shown on a survey map, and the documents in Section 4 hereof;

(iii) Title documents conveying title to any and all automobiles set forth on Schedule 1(a)(i) hereto;

(iv) Written consents from any party that is a secured party identified on any UCC-1 Financing Statement of record with respect to a Seller, a Station or Assets as shown on the lien search, agreeing to amendment or termination of the Liens evidenced thereby upon conditions set forth in such consent and such instruments of amendment, termination or release of Liens, all in form and substance reasonably satisfactory to counsel for Buyer, as are necessary to vest in Buyer good and marketable title in and to the Assets;

(v) An assignment and assumption of each Station's Licenses;

(vi) An assignment of the Contracts;

(vii) Consents to the assignment of all of the Material Contracts (and estoppel certificates with respect to any real property leases in a customary form acceptable to Buyer);

(viii) An opinion of legal counsel to Sellers addressed to Buyer that can be relied on by the Buyer's lender, to the effect that: (1) to the knowledge of counsel, Seller is legally qualified to consummate the transaction; (2) the transaction has been duly authorized, executed and delivered by each Seller; (3) Sellers have been authorized by the FCC to hold the Licenses, the Licenses are in full force and effect and, to the knowledge of counsel, not subject to any material adverse conditions, and the Licenses are sufficient to authorize the operation of each Station on the channels and in the locations from which they currently operate; (4) the FCC has granted the applications to assign the Licenses from Sellers to Buyer as provided in this Agreement without material adverse conditions, and such approvals have become Final Orders; (5) except for rulemaking proceedings of general applicability, to counsel's knowledge, there are

no FCC judgments, decrees, or orders that have been issued by the FCC that could reasonably be expected to impair the Authorizations, and there are no proceedings or actions pending or threatened against any Seller with respect to any Station; (6) to the knowledge of counsel, there is no other action, suit, claim, or other legal proceeding pending or threatened against any Seller; and (7) to the knowledge of counsel, there are no defects of title, liens, encumbrances, or other rights of third parties with respect to any of the Assets except for such liens or encumbrances that will be discharged at Closing;

(ix) A joint written notice to Escrow Agent executed by Sellers' Representative instructing the Escrow Agent to deliver the Earnest Money Deposit to Sellers' Representative;

(x) Resolutions of the Board of Directors and stockholders of each Seller authorizing the execution, delivery and performance of the Agreement by Seller, as certified by President of such Seller, and a certificate of good standing for Seller from the State of New York;

(xi) A certificate, dated as of the Closing Date, executed by President of each Seller, to the effect that the conditions set forth in Section 10(b)(i) and (ii) have been satisfied.

(xii) A non-competition agreement between Buyer and each of the Principal Shareholders, in substantially the form and substance attached hereto as Exhibit F;

(xiii) 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;

(xiv) A duly completed and executed certificate of non-foreign status pursuant to Code Section 1.1445-2(b)(2) completed by each Seller, dated as of the Closing Date, in form and substance reasonably acceptable to Buyer;

(xv) The duly executed P/A Amendments; and

(xvi) The Subordination Agreement(s).

(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 Promissory Note and payment to be made pursuant to Section 2(b);

(ii) A certificate, dated as of the Closing Date, executed by President of Buyer, to the effect that the conditions set forth in Section 10(a)(i) and (ii) have been satisfied;

(iii) A joint written notice to Escrow Agent executed by Buyer, instructing the Escrow Agent to deliver the Earnest Money Deposit to Sellers' Representative;

(iv) Resolutions of the Managers or Members (as applicable) of Buyer authorizing the execution, delivery and performance of the Agreement by Buyer, as certified by President of Buyer, and a certificate of good standing for Buyer from the State of New York; and

(v) 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.

12. **Risk of Loss.** The risk of any loss, or damage or destruction to any of the Assets to be transferred to Buyer hereunder from fire or other casualty or cause, shall be borne by Sellers at all times prior to the Closing hereunder. It shall be the responsibility of Sellers to take all commercially reasonable steps to repair or cause to be repaired and to restore the Assets to the condition they were in prior to any such loss, damage or destruction. Sellers agree to continue to maintain until the Closing Date such policies of insurance as are currently in force and which pertain to the Assets, or other policies providing substantially equivalent coverage. The proceeds of or any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such Assets to their former condition. Sellers shall notify Buyer within five (5) days of any loss or damage to any of the Assets to be transferred hereunder from fire, casualty or other causes. Such notice shall specify the loss or damage incurred, the cause thereof, if known, or reasonably ascertainable, and the insurance coverage. If Sellers cannot restore the facilities so that normal and usual transmission can be resumed before the Closing, the Closing shall be postponed, the exact date and time of such postponed Closing to be agreed to by Buyer and Sellers' Representative within five (5) days of the above notice. In the event of any loss, damage or destruction that impairs the ability of any of the Stations to operate with its full licensed facilities, Buyer may terminate this agreement in any of the following instances: (i) if such Station does not operate for a period of twenty-four (24) hours; or (ii) if the Station does not operate with full licensed facilities for any period in excess of seven (7) days. Should Buyer elect not to terminate in these circumstances, in the event the facilities cannot be restored within thirty (30) days after the FCC Consent has become a Final Order, Buyer shall have the option to terminate this Agreement by written notice to Sellers' Representative. In the event of any termination by Buyer under this Section, in addition to any other rights or remedies available to Buyer, Buyer shall be entitled to have the Earnest Money Deposit returned immediately without any further obligation hereunder on the part of either party (other than Sections 17, 19 and 22 which shall remain in full force and effect).

13. **Indemnification.**

(a) Sellers and the Principal Shareholders, jointly and severally (except with respect to the representations and warranties of the Principal Shareholders contained in Section 6A, with respect to which the indemnity obligation of the Principal Shareholders shall be several but not joint), shall indemnify, defend and hold harmless Buyer and its members, managers, officers, employees, affiliates, agents and representatives (collectively, "Buyer Parties") with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer Parties directly or indirectly relating to or arising out of: (i) the breach by any Seller or Principal Shareholder of any of its representations or warranties, or

failure by any Seller to perform any of its covenants, conditions or agreements set forth in this Agreement; (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of each Station prior to the Closing, including the Retained Liabilities and with respect to the Excluded Assets; and (iii) any and all fees payable under Section 6(n).

(b) Buyer shall indemnify, defend and hold Sellers harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Sellers directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Stations as conducted by Buyer subsequent to the Closing, including without limitation, claims relating to the assumed Contracts.

(c) If a party hereto (the “Indemnatee”) receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the “Indemnifying Party”) may be obligated to indemnify the Indemnatee under this Section 13(c), then the Indemnatee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnatee in connection therewith. The failure to so notify the Indemnifying Party shall not relieve any Indemnifying Party of any liability that it may have to the Indemnatee, except to the extent that such failure to notify shall have resulted in a waiver of any lawful and valid affirmative defense to any third-party claim or otherwise materially prejudices the Indemnifying Party in connection with the administration or defense of such third-party claim.

(d) The Indemnifying Party shall have the right, at its option, to assume the complete defense of any third party claim, diligently and in good faith, at its own expense and with its own counsel; provided, that (i) such counsel is reasonably satisfactory to the Indemnatee, (ii) the Indemnifying Party shall be entitled to assume the administration and defense of such third-party claim only if it agrees in writing with the Indemnatee that it is obligated to indemnify the Indemnatee pursuant to this Section 13 with respect to such third-party claim; and (iii) no Indemnifying Party shall be entitled to assume the administration and defense of any third-party claim that (A) seeks an injunction or other equitable relief that might materially and adversely affect any Indemnatee, or (B) involves any criminal action or any claim that could reasonably be expected to result in a criminal action against any Indemnatee. If the Indemnifying Party properly elects to assume the defense of such third-party claim, then the Indemnatee shall be fully consulted by the Indemnifying Party and shall have the right to participate, at its own expense, in the investigation, administration and defense of such third party claim. Any party hereto receiving notice of any proposed settlement of any such third party claim shall promptly provide a copy of such notice to the other parties hereto. The Indemnifying Party shall keep the Indemnatee informed of all material developments and events relating to such matter. In no event shall the Indemnatee be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(e) Notwithstanding any other provision of this Agreement, if the Indemnatee is not entitled to defend a third-party claim under Section 13(c) or the Indemnifying Party does



not elect to so assume the defense of a third-party claim, the Indemnatee shall have the absolute right, at its election (to be exercised in its sole discretion by written notice to the Indemnifying Party) to assume from the Indemnifying Party the administration and defense of any such third party claim with counsel that is reasonably satisfactory to the Indemnifying Party. In such event, the Indemnatee shall proceed with the administration and defense of such third party claim(s) diligently and in good faith, and the Indemnifying Party shall be fully consulted by the Indemnatee and shall have the right to participate, at its own expense, in the investigation, administration and defense of such third party claim. The Indemnifying Party shall be responsible for the costs and expenses of the administration and defense of such claim(s) incurred prior to the Indemnatee's assumption of the administration and defense of such claim(s) and shall not be responsible for costs and expenses incurred after such assumption, and the Indemnifying Party shall have the right to participate in, but not control, the defense of such claim at the sole cost and expense of the Indemnifying Party.

(f) Except for the representations and warranties in Sections 6(a)-(c), (i), (m), (p) and (q), which shall last indefinitely, the representations and warranties, covenants and indemnities of the parties herein contained shall survive the Closing for two (2) years; provided, however, that any representation or warranty that is specifically identified in a written claim of breach delivered within the period herein provided shall survive until it is either settled or adjudicated.

(g) Notwithstanding anything to the contrary in this Agreement, each Principal Shareholder's aggregate liability to Buyer Parties under this Section 13 shall not in any event exceed an amount equal to the portion of the Purchase Price allocable to such Principal Shareholder (the "Cap"); provided, however, that the Cap shall not apply to any claim for indemnification or reimbursement based upon a representation and warranty contained in Sections 6(a)-(c), (i), (m), (p) and (q), or any claim for indemnification or reimbursement arising out of any breach of a covenant or agreement (including those in Section 13(a)(ii) or (iii)) contained in this Agreement which are by their terms intended to be performed after the Closing.

(h) Without limiting any remedy it may have under this Agreement or by law, Buyer is hereby expressly authorized to offset against amounts owed under the Promissory Note, any and all amounts payable by Sellers and/or Principal Shareholders to Buyer pursuant to this Section; provided, however, that the Buyer may not effect any such offset unless and until the earliest of the following shall have occurred: (A) the Sellers' Representative shall have acknowledged in writing of the Sellers' and/or Principal Shareholders' obligation to indemnify hereunder and shall not dispute the amount of the indemnification claim, or (B) a final, non-appealable judgment of a court of competent jurisdiction shall have been entered or the relevant parties have reached agreement concerning the disposition by settlement of such claim. Notwithstanding anything to the contrary in this Agreement, in the event that Buyer shall have asserted an indemnification claim against any Seller or Principal Shareholder in accordance with this Section 13, Buyer may immediately withhold payments under the Promissory Note, not to exceed the amount of indemnification claim in question and any interest on such amount, until the occurrence of the earliest of the events set forth in clauses (A) and (B) of the foregoing sentence. Any amounts properly offset from the Promissory Note shall be deemed to have reduced the outstanding amounts owed under the Promissory Note as of the date the related

claim was first made by a Buyer Party under this Section 13, and all payments due under the Promissory Note by Buyer shall be adjusted accordingly to reflect such reduction.

14. **Termination.**

(a) This Agreement may be terminated by either Buyer or Sellers' Representative, 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 ten (10) days after receipt of the notice of breach from the non-breaching party; (ii) if any Assignment Application or the renewal application is denied by 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; (iv) if the Closing has not occurred within three hundred sixty-five (365) days after the date hereof (the "Initial Term"); provided that in the event that the Closing has not occurred prior to the end of the Initial Term, then the Buyer may elect in its sole discretion to extend the Initial Term for up to four (4) additional six (6) month periods, upon written notice to the Seller prior to the expiration of the Initial Term or the then-current extension period, as the case may be; (v) if any LMA has been terminated, other than as a result of a breach or default thereunder by the party seeking to terminate this Agreement, or (vi) in accordance with Section 2(a), 6(p)(vii) or 12. In addition, this Agreement may be terminated by Buyer if there is a breach of material obligations of Sellers' affiliate contained in any agreement (other than this Agreement, any LMA or the Escrow Agreement) between Buyer and an affiliate of Sellers, and such breach is not cured by the earlier of the Closing Date or ten (10) days after receipt of the notice of breach from the non-breaching party.

(b) Upon a termination of this Agreement by Sellers' Representative due to a breach by Buyer of any of its material obligations under this Agreement, Sellers' sole remedy shall be liquidated damages in the aggregate amount of the Earnest Money Deposit. Sellers and Buyer each acknowledge and agree that these liquidated damages are reasonable in light of the anticipated harm that 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.

(c) Upon a termination of this Agreement due to a breach by any Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the return of the Earnest Money Deposit, 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 return of the Earnest Money Deposit, and thereafter neither party shall have any further obligation to the other under this Agreement (other than Sections 17, 19 and 22 which shall remain in full force and effect), except as provided in this Section 14.

15. **Specific Performance.** Sellers acknowledge that each Station is a unique asset not readily obtainable on the open market and that, in the event that any Seller fails to perform its

obligation to consummate the transactions contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, each Seller agrees and acknowledges that in the event of any Seller's failure to perform its obligation to consummate the transactions contemplated hereby, Buyer shall be entitled, upon compliance with all of its obligations hereunder, including without limitation, payment of the Purchase Price to Seller, in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement and of Sellers' obligation to consummate the transactions contemplated hereby. If any action is brought by Buyer to enforce specific performance under this Agreement, Sellers shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Sellers all court costs, attorneys' fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

16. **Access to Information.** From the date hereof to the Closing Date, Sellers shall, upon reasonable advance written notice, afford, and shall cause its respective officers, directors, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer complete access at all reasonable times to Sellers' officers, employees, independent contractors, agents, properties, books, records and contracts, and shall furnish Buyer all financial, operating and other data and information as Buyer, through its respective officers, employees or agents, may reasonably request. As soon as practicable, Buyer shall be entitled to conduct an inventory of the Assets and mark such assets as being subject to this Agreement.

17. **Confidentiality; Public Announcements.**

(a) 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 that (i) is or becomes generally available to the public other than as a result of disclosure by the party that alleges the information is confidential or its affiliates, (ii) becomes available to a party on a non-confidential basis from a source, other than the party that 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 non-confidential 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. From and after the Closing, nothing in this Section 17 shall be construed to prohibit Buyer from using and disclosing any information relating to the Assets and the Stations.

(b) 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 17(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 17(a), the party subject to the request will furnish only that portion of such confidential information that is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

(c) If a party is required by law to make any such disclosure, it must first, to the extent practicable under the circumstances, provide the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made.

18. **Notices; Sellers' Representative.**

(a) 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 nationally recognized courier service that guarantees overnight delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Sellers or any Seller, to:

Sellers' Representative  
272 Thompson Boulevard  
Watertown, New York 13601

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

Lionel Hector  
25032 County Route 37  
Carthage, New York 13619

If to Buyer, to:

Community Broadcasters, LLC  
c/o Northwood Ventures  
485 Underhill Blvd. Suite 205  
Syosset, New York 11791

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

Bond, Schoeneck & King, PLLC  
One Lincoln Center  
Syracuse, New York 13202  
Attn: Mikio Miyawaki

(b) By execution of this Agreement, each Seller hereby irrevocably appoints the Sellers' Representative as its representative and attorney-in-fact for the purposes of this Agreement and any other agreement contemplated hereby or necessary for the consummation of the transactions contemplated hereby. All notices and other deliverables (including payments of Purchase Price) shall be deemed made to all Sellers when delivered to Sellers' Representative. Each Seller acknowledges and agrees that the Sellers' Representative shall be the sole Seller party who shall contact Buyer, and Buyer may rely on Sellers' Representative's communications as the definitive expression of the will of each Seller and the Sellers collectively. Buyer is in no way responsible or liable for any failure by Sellers' Representative to accurately or timely communicate any information to Buyer or to any Seller.

19. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to the choice of law principles thereof. Exclusive venue and jurisdiction with respect to each lawsuit or court action, if any, arising under or relating to this Agreement shall be in the state or federal courts of the State of New York.

20. **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.

21. **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, 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 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 as a defense to the formation of a contract and each such party for ever waives any such defense.

22. **Expenses.** Except as otherwise set forth in this Section, 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. The FCC filing fees relating to the Assignment Application shall be shared equally between Buyer, on the one hand, and Sellers, on the other hand. All state, local and other transfer and sales taxes arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid by Sellers. The parties agree to waive compliance with bulk sales laws and Sellers agree to indemnify Buyer against any claim made by Buyer by any creditor as a result of failure to comply with such laws.

23. **Attorneys' Fees.** In the event that a law suit is commenced in which it is alleged that any party to this Agreement has breached any of the terms hereof, the prevailing party, as determined by the court, shall be entitled to reimbursement from the other party of its reasonable

costs and expenses incurred in such law suit, including but not limited to it reasonable attorneys' fees.

24. **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 Seller shall voluntarily or involuntarily assign its interest or delegate all or part of its obligations, by assignment, change of control or otherwise, under this Agreement without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed. Buyer shall have the right to freely assign this Agreement, or any of its rights or obligations hereunder, to any party, upon written notice to Sellers' Representative as long as such assignment does not unreasonably delay the Closing and provided further that Buyer shall remain responsible for the performance of its obligations under this Agreement.

25. **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 that identifies itself as an amendment.

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

**Sellers:**

FORCE COMMUNICATIONS, INC.

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

JEFFERSON BROADCASTING, INC.

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

CLANCY-MANCE COMMUNICATIONS, INC.

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

CLANCY-MANCE COMMUNICATIONS NORTH, INC.

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

**Principal Shareholders:**

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DAVID MANCE

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JOHN CLANCY

**Buyer:**

COMMUNITY BROADCASTERS, LLC

By:

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Name: James L. Leven

Title: President and Chief Executive Officer

By:

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Name: Bruce J. Mittman

Title: Executive Vice President and Chief Financial Officer