

## **AGREEMENT**

THIS AGREEMENT made this \_\_\_\_ day of April 2002 by and between **Portsmouth Radio Company**, an Ohio corporation ("Seller") and **Hometown Broadcasting of Portsmouth 2, Inc.**, an Ohio corporation ("Buyer").

### WITNESSETH

WHEREAS, Seller is the holder of a construction permit and those related authorizations issued by the Federal Communications Commission (FCC) to construct a radio station now known as call sign WNPM allocated to Portsmouth, Ohio, a copy of the construction permit FCC File Number BPH-19970911MY issued by the FCC to Seller is attached hereto and set forth herein as though fully set out herein and referred to as Exhibit A ("Permit"); and

WHEREAS, Seller is desirous of selling , transferring and assigning the Permit, together with all rights appertaining thereto, to Buyer under the terms and conditions stated herein; and

WHEREAS, Buyer is desirous of acquiring and taking assignment of the Permit under the terms and conditions stated herein; and

WHEREAS, the consummation of this Agreement is subject to prior approval of the FCC;

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and conditions herein contained, it is herein agreed as follows:

1. **Transfer of the Permit** - Subject to the prior approval of the FCC, which shall be obtained by its grant of an appropriate application, Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer agrees to buy free and clear of all liens the Permit.

2. **Consideration** - As consideration for the Seller's rights in the Permit to be conveyed to Buyer, Buyer shall pay to Seller, or pay on behalf of Seller, in cash, certified check or by wire transfer the following, to-wit:

- (i) the sum of \$194,500.00 to Portsmouth Radio, Inc.;
- (ii) the sum of \$15,000.00 to Jorgenson Broadcast Brokerage, Inc. representing the sales commission earned by Seller's broker in this transaction; and
- (iii) the sum of \$755.00 to the FCC representing the Seller's portion of filing fee for transfer of ownership of the Permit ((i), (ii) and (iii) collectively the "Purchase Price").

2.1 Upon execution of this Agreement, Buyer shall deposit the sum of Fifteen Thousand (\$15,000) Dollars with the Escrow Agent ("Escrow Deposit"), which sum shall be held and disbursed in accordance with the provisions of the escrow agreement, the form of which is attached hereto as Exhibit B ("Escrow Agreement"). On the Closing Date, as defined in Section 7 below, and the Closing of the transactions contemplated by this Agreement, the Escrow Deposit plus accrued interest thereon will be delivered to Seller and applied to the Purchase Price. If Seller defaults in the performance of its obligations hereunder, the Escrow Deposit plus accrued interest thereon shall be returned to Buyer, and Buyer may bring an action against Seller for its damages, such damages shall expressly not include consequential damage, provided that Buyer is not then in default of its obligations under this Agreement. Provided that

Seller is not then in default in the performance of its obligations under this Agreement, and if all conditions precedent to the closing of the transactions contemplated herein shall have been satisfied, if Buyer defaults in the performance of its obligations hereunder, Seller shall receive the Escrow Deposit plus accrued interest thereon as provided in the Escrow Agreement, in which case the Escrow Deposit plus the accrued interest shall constitute full and complete liquidated damages to Seller from Buyer's said default and shall be Seller's sole and exclusive remedy in the event this Agreement is terminated as a result of Buyer's default hereunder.

Subject to Section 2.1, all sums due hereunder shall be paid at Closing as defined in Section 7 below or when due in the case of the filing fee but in no event prior to final approval of the application by the FCC excepting filing fee(s).

3. **Warranties by Seller** - Seller hereby warrants as follows:

3.1 Seller is now and on the Closing Date will be a corporation duly organized and in good standing in the State of Ohio and has paid all taxes and fees due to the State of Ohio and other governmental bodies relative to the Permit.

3.2 Seller is duly authorized to enter into the Agreement and this Agreement constitutes a valid and binding agreement of Seller enforceable by its terms.

3.3 Seller holds valid title from the FCC in the Permit.

3.4 To the knowledge of Seller (i) no other entity has any claim against the Permit; (ii) that there are no outstanding unsatisfied FCC citations or cease and desist orders against the Seller relating to the Permit; (iii) there is no ongoing investigation of Seller by the FCC or by any other federal or state governmental agency or any conditions which are in violation of any FCC rule or policy all relative to the Permit; (iv) it is aware of no litigation, proceeding or investigation whatsoever, pending or threatened, against or relating to the Permit and that Seller knows of no reason why the FCC would not find it qualified to assign or transfer this Permit to Buyer.

3.5 Seller has filed all forms and reports with the FCC which are required to be filed and has maintained its Public File in accordance with FCC Rules.

3.6 Seller will hold Buyer harmless from any and all claims, if any, by any persons making a claim by or through Seller or asserting any claim against the Permit with respect to matters accruing prior to the Closing ("Seller Claims").

Should any such Seller Claims be made against Buyer, Seller further agrees to fully indemnify and hold Buyer harmless for the value of such Seller Claims plus any and all costs, attorney's fees, expenses, court costs, arbitration fees or any other costs incurred by the Buyer in the handling or processing of any such Seller Claims that may be made.

4. **Warranties of Buyer** - Buyer hereby warrants as follows:

4.1 Buyer is now and on the Closing Date will be a corporation duly organized and in

good standing in the State of Ohio.

4.2 Buyer represents and warrants that sufficient net liquid assets are on hand or are available from committed sources to consummate the transaction proposed herein; and that on the Closing Date of the transaction contemplated herein, it will be legally, financially and otherwise qualified to become the licensee of the contemplated station and to otherwise accept transfer and/or assignment of the Permit. Buyer knows of no reason why the FCC would not approve its acquisition of the Permit.

4.3 That at present, and on the Closing Date, Buyer will have full power and authority to enter into and perform this Agreement, that the execution and delivery of the Agreement and the performance of all obligations hereunder shall have been duly authorized and that this Agreement will constitute a valid and binding agreement of the Buyer, enforceable in accordance with its terms.

4.4 Buyer on behalf of itself and Hometown Broadcasting of Portsmouth, Inc. (HBPI) represent and warrant that there are no outstanding, pending or to their knowledge threatened, violations of FCC or other state, local or federal rules preventing the minor permit notification contemplated in this Agreement.

4.5 Buyer will hold Seller harmless from any and all claims having to do with Buyer's purchase and assignment of the Permit accruing subsequent to the Closing Date ("Buyer Claims"). Should any such Buyer Claims be made against Seller, Buyer further agrees to fully indemnify and hold Seller harmless for the value of such Buyer Claims plus any and all costs, attorney's fees, expenses, court costs, arbitration fees or any other costs incurred by the Buyer in the handling or processing of any such Buyer Claims that may be made.

4.6 Buyer hereby represents and warrants that the transaction contemplated by this Agreement complies with the FCC's Multiple Ownership rules and regulations, set forth in part 47 C.F.R. §73.3555 and is prepared to demonstrate the same to either the Seller or FCC if requested or required. The parties agree and acknowledge that Buyer's compliance with the Multiple Ownership rules and regulations is an intrinsic element of this transaction.

5. **FCC Filings** - In connection with preparing for filing an assignment or transfer applications with the FCC, the parties shall bear their respective legal and engineering costs. Seller agrees to furnish, without cost to Buyer, one copy of all documentation related to the Permit now on file with the FCC, including all engineering studies and exhibits. Both parties hereto agree to join in an application to the FCC for transfer of the Permit with same to be filed just as soon as possible after execution of this Agreement but in no event later than twenty (20) days from the date of the execution of this Agreement and to otherwise fully and diligently cooperate in seeking the FCC's consent to assign and/or transfer the Permit from Seller to Buyer.

After Closing, Buyer shall be free to change the assigned station call letters and to relocate the transmission site under the Permit at any place which is legally valid and acceptable to the FCC.

It is agreed and understood that Buyer intends to request from the FCC a minor modification in order to relocate the Permit's current antenna site authorization to the current transmitter site of WNXT-FM ("HBPI Modification"), which is owned by HBPI. Seller agrees to reasonably cooperate with this HBPI Modification, although both parties understand the

engineering portion, FCC Application and related fees and costs of the HBPI Modification application will need to be prepared by Buyer's engineer and at the cost of Buyer. Buyer and HBPI shall cooperate fully and diligently in seeking the FCC's consent to the HBPI Modification.

6. **Time is of the essence of this Agreement** - If the FCC has refused or failed to grant its written consent to the transfer and/or assignment of the Permit and the HBPI Modification by December 1, 2002, either party may cancel this agreement by giving the other party two weeks prior written notice of such intent by certified mail or overnight delivery service in which a written receipt of delivery is obtained, provided that the FCC has not and does not grant its consent to the transfer and/or assignment during the two-week interim period and provided further that the party seeking cancellation is not in material breach of this Agreement.

7. **Closing** - Closing shall take place at the main office of Buyer or at such other place as the parties may mutually agree upon at any time subsequent to the date on which the grant of the FCC consent has become a final Order not subject to timely reconsideration or judicial review and upon ten (10) days notice from Buyer to Seller. In no event shall the closing be more than thirty (30) days following the date on which the FCC finally approves and grants the party's application for consent to transfer and/or assign the Permit ("Closing Date").

8. **Preclosing** - Prior to Closing, neither Buyer nor Seller nor HBPI as relates to the HBPI Modification shall take any act which will in any way delay, frustrate or impede the ability to gain FCC approval of the consent and/or transfer contemplated hereunder and Buyer and Seller and HBPI as relates to the HBPI Modification shall fully and completely cooperate with the other in the approval process.

9. **Contingent Nature of Agreement** - This Agreement is fully contingent upon not only the grant of the FCC to permit assignment and/or transfer of the Permit to Buyer but also the approval of the FCC to the HBPI Modification.

10. **Assignment** - That this Agreement shall not be assigned by either party unless assigned to another entity in which Buyer and/or Seller owns controlling interest and such assignee fully assumes the obligation hereunder.

11. **Notices** - Notices which are to be sent from either party to the other under or pursuant to the terms of its agreement, shall be sent by United States certified mail, return receipt requested or by overnight delivery in which a written receipt of delivery is obtained, as follows:

If to Seller:     Portsmouth Radio Company  
                          c/o Nicholas A. Galli  
                          104 Broadway Avenue  
                          Carnegie, PA 15106

If to Buyer:     Hon. Phillip Bruce Leslie  
                          Hometown Broadcasting of Portsmouth 2, Inc.  
                          Corner of Main & Harrison Streets  
                          P.O. Box 280

12. **Entire Agreement** - This document is an entire agreement between the parties hereto with respect to the subject matter and shall not be modified except in writing and with the consent of all parties hereto. The document shall be binding on the heirs, successors and assigns of the parties hereto and shall be construed by the laws of the State of Ohio. This Agreement may be executed in counterpart copies. When exchanged, such executed counterpart copies shall have the same force and effect as a single executed agreement.

IN WITNESS WHEREIN, we have hereinto set our hands on the date below written.

**PORTSMOUTH RADIO COMPANY**  
("SELLER")

\_\_\_\_\_  
BY: \_\_\_\_\_  
DATE Nicholas A. Galli, President

**HOMETOWN BROADCASTING OF  
PORTSMOUTH 2, INC. ("BUYER")**

\_\_\_\_\_  
BY: \_\_\_\_\_  
DATE Phillip Bruce Leslie, President

**HOMETOWN BROADCASTING OF  
PORTSMOUTH, INC.**  
(as to those provisions of the Agreement  
concerning the HBPI Modification)

\_\_\_\_\_  
BY: \_\_\_\_\_  
DATE