

## **ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT, made effective as of the 1<sup>st</sup> day of March, 2017, by and between **Imperial Broadcasting Company, LLC**, a Virginia limited liability company (“Buyer”), and **CRS Radio Holdings, Inc.**, (“CRS”), a North Carolina corporation, **Astrakel International, Ltd**, a North Carolina corporation (“**Astrakel**”) and **Tescor Support Services, Inc.**, (“**Tescor**”) a North Carolina corporation, (collectively, CRS, Astrakel and Tescor are “Seller”).

### **RECITALS**

**WHEREAS**, CRS is the licensee of Radio Station WHGM-AM licensed by the Federal Communications Commission (“FCC” or “Commission”) to operate on 1330 kHz at Havre De Grace, MD (FCC Facility ID No. 35120); and

**WHEREAS**, Astrakel is the licensee of FM Translator Station W298CG licensed by the FCC to operate at 107.5 mHz at Bel Air, MD (FCC Facility ID No. 86135) and the licensee of FM Translator Station W263CQ licensed to operate on 100.5 mHz at Chesapeake City, MD (FCC Facility ID No. 154145) and;

**WHEREAS**, Tescor is the Broadcaster/Programmer in the Radio Program Rebroadcast Consent Agreement (“Rebroadcast Agreement”) entered into on May 1, 2015 by and between TSS and Hope Christian Church of Marlton, Inc as the Licensee of FM Translator W284BE licensed to operate at 104.7 mHz at Havre De Grace, MD (FCC Facility ID No. 146400) (WHGM, W298CG, and W263CQ are collectively, the “Stations” and W284BE is the “Rebroadcast Station”); and

Seller and Buyer have agreed that, that Seller will sell and Buyer will acquire substantially all of the assets of the Stations and the Seller’s rights under the Rebroadcast Agreement for the Rebroadcast Station, on the terms and subject to the conditions set forth in this Agreement, including the FCC’s consent to the assignment of the FCC Licenses (as defined below) to Buyer. Definitions of certain capitalized terms used in this Agreement are set forth in **Article XI**.

Seller and Buyer have, simultaneously with the execution and delivery of this Agreement, entering into a Time Brokerage Agreement for the Stations and Rebroadcast Station (the “TBA”), pursuant to which Buyer shall provide programming on the Stations and Rebroadcast Station pursuant to the terms and conditions contained therein, pending the Closing of the transaction contemplated by this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### **ARTICLE I** **ASSETS TO BE CONVEYED**

**1.1 Stations Assets.** Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in, to and under all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use primarily in the operation of the Stations, but excluding the Excluded Assets as hereinafter defined. Except as provided in **Section 1.2**, the Stations Assets include the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations, including those described on Schedule 1.1(a), and including any pending applications for or renewals or modifications thereof between the date hereof and the Closing (the "*FCC Licenses*");

(b) all equipment, electrical devices, antennas, cables, spare parts and other tangible personal property of every kind and description used in the operation of the Stations, including those listed on Schedule 1.1(b), except any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with **Section 4.2** (the "*Tangible Personal Property*"). The parties agree and understand that the Tangible Personal Property is sold in an "as-is-where-is" condition;

(c) all contracts, agreements, leases (including Real Property leases) and licenses used in the operation of the Stations, including those listed or described on Schedule 1.1(c), together with all contracts, agreements, leases and licenses made between the date hereof and Closing in the ordinary course of business consistent with **Section 4.2** (the "*Stations Contracts*");

(d) to the extent transferable, all of Seller's rights in and to the Stations' call letters, registered and unregistered trademarks and associated goodwill, trade names, service marks, copyrights, jingles, logos, slogans, Internet domain names, Internet URLs, Internet web sites, content and databases, computer software, programs and programming material and other intangible property rights and interests applied for, issued to or owned by Seller that are used primarily in the operation of the Stations, including those listed on Schedule 1.1(d) (the "*Intangible Property*");

(e) all files, documents, records and books of account (or copies thereof) relating primarily to the operation of the Station, including the Stations' public inspection files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs but excluding any such documents relating to Excluded Assets (as defined below); and

(f) all interests in the Rebroadcast Agreement, used or held for use primarily in connection with the Rebroadcast Station, as described on Schedule 1.1(f) (the "*Rebroadcast Agreement*").

The assets to be transferred to Buyer hereunder are collectively referred to herein as the "*Stations Assets*." The Stations Assets shall be transferred to Buyer free and clear of liens, mortgages,

pledges, security interests, claims and encumbrances (“*Liens*”) except for Permitted Liens, if any, and except as otherwise expressly provided in this Agreement.

**1.2 Excluded Assets.** Notwithstanding anything to the contrary contained herein, Buyer expressly acknowledges and agrees that the following assets and properties of Seller (the “*Excluded Assets*”) shall not be acquired by Buyer and are excluded from the Stations Assets:

(a) Seller’s books and records pertaining to the corporate organization, existence or capitalization of Seller;

(b) all cash, cash equivalents, or similar type investments of Seller, such as certificates of deposit, treasury bills, marketable securities, asset or money market accounts or similar accounts or investments;

(c) (i) all accounts receivable existing at the earlier of (A) the date the term of the TBA commences (the “*TBA Commencement Date*”) or (B) the Effective Time;

(d) intercompany accounts receivable and accounts payable;

(e) all insurance policies or any proceeds payable thereunder (except as expressly otherwise provided in this Agreement);

(f) all interest in and to refunds of Taxes relating to all periods prior to the Effective Time;

(g) all tangible and intangible personal property disposed of or consumed between the date of this Agreement and the Closing Date, as permitted under this Agreement;

(h) all rights to marks not used primarily in the operation of the Station, whether or not previously used, and all goodwill associated therewith;

(i) any asset or property used or held for use by Seller in operations of its other broadcast stations (excluding the Stations);

(j) all ASCAP, BMI and SESAC licenses;

(k) all items of personal property owned by personnel at the Stations;

(l) any cause of action or claim relating to any event or occurrence prior to the Effective Time;

(m) all rights of Seller under this Agreement or the transactions contemplated hereby; and

(n) the contracts and other assets identified on Schedule 1.2(n).

**1.3 Assumption of Obligations.** At the Closing, Buyer shall assume and agrees to pay, discharge and perform the following debts, liabilities, obligations and commitments of Seller or its Affiliates relating to the ownership or operation of the Stations or the Stations Assets to the extent they arise or relate to any period at or after the Effective Time (collectively, the “*Assumed Obligations*”), including:

(a) all liabilities, obligations and commitments of Seller under the Station Contracts to the extent they arise or relate to any period at or after the Effective Time; and

(b) any current liability of Seller for which Buyer has received a credit under **Section 1.7**.

**1.4 Retained Liabilities.** Buyer does not assume or agree to discharge or perform and will not be deemed by reason of the execution and delivery of this Agreement or any agreement, instrument or documents delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, any liabilities, obligations or commitments of Seller of any nature whatsoever whether accrued, absolute, contingent or otherwise, other than the Assumed Obligations (the “*Retained Liabilities*”).

**1.5 Purchase Price & Method of Payment.**

(a) Purchase Price. The purchase price to be paid by Buyer to Seller for all of the property, assets, contracts, rights, privileges and immunities to be acquired hereunder shall, subject to the adjustments provided for below, be the sum of **Four Hundred Five Thousand Two Hundred Fourteen Dollars and 09/100 (\$405,214.09)**, subject to adjustment pursuant to Section 1.7 (the “Purchase Price”).

(b) Deposit. Buyer shall make a total cash deposit in an amount equal to **Seventy-Seven Thousand Dollars (\$77,000.00)** (the “Cash Deposit”) upon execution of this Agreement by all parties. The parties agree and understand that this Cash Deposit is non-refundable except in the event Seller fails to perform its obligations under this Agreement or the FCC fails to approve the assignment of licenses contemplated herein, in which instances the Cash Deposit shall be fully refunded to Buyer. The Cash Deposit shall be delivered *via* wire transfer or cashier’s check to the Escrow Agent identified in an Escrow Agreement attached hereto as Schedule 1.5(b). The parties agree and understand that upon Buyer’s purchase of the Station, the Cash Deposit will be applied to the overall Purchase Price. At Seller’s request, the Deposit shall be **released to Seller** following the filing for the Assignment Application (Form 314) with the FCC and upon Seller’s execution of an indemnification agreement agreeing to repay the Deposit to Buyer in the event (a) the FCC fails to consent to the assignment application or (b) the transaction is not consummated as a result of a Seller’s default; or (c) the transaction is not consummated by mutual agreement of the parties.

(c) Amount Financed by Seller. The remaining balance of the Purchase Price, after application of the Cash Deposit and any prorations/adjustments between Seller and Buyer (collectively, the “Closing Credits”), shall be for a sum not to exceed **Three**

**Hundred Twenty Eight Thousand Two Hundred Fourteen Dollars and 09/100**

**(\$328,214.09)** and shall be represented by a Promissory Note (the “Note”) in a form substantially similar to that set forth in *Schedule 1.5(c)* attached hereto and made a part hereof, to be executed and delivered by Buyer to Seller at the Initial Closing. The Note will have a term of ten (10) years, with an interest rate of Wall Street Journal Prime Rate plus three percent (3%), with a minimum floor of 6% and maximum ceiling of 12%, adjustable annually. The Note shall provide for initial fixed payments of \$2,000.00 per month, thereafter increasing by \$500.00 per month on every 2<sup>nd</sup> anniversary, allocable both to principal and interest on a ten year amortization via an amortization schedule to be adjusted annually with the interest rate, and a balloon payment of any accrued interest and remaining principal after 10 years.

(d) Security & Membership Pledge; Guaranty, and Collateral Assignment of Leases. As Security for the above referenced obligations, Buyer shall give (i) a first security interest in all of the tangible and intangible assets (ii) a Pledge of the Membership Interests of the Buyer; represented by a Security and Membership Pledge Agreement in forms substantially similar to that set forth in *Schedule 1.5(d)* attached hereto and made a part hereof, to be executed and delivered by Buyer to Seller at the Initial Closing; (iii) a Guaranty of Jeff Davis in form substantially similar to that set forth in *Schedule 1.5(e)*; a Collateral Assignment of Leases for the real property leases associated with the Stations in form substantially similar to that set forth in *Schedule 1.5(f)*. The Security and Membership Pledge, Guaranty, and Collateral Assignment of Leases are the “*Collateral Documents*”.

**1.6 Closing.** Subject to **Section 8.1** hereof and except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the sale and purchase of the Assets described herein (the “Final Closing”) shall take place within ten (10) business days after the date of the FCC Consent (defined below) pursuant to the FCC’s initial order or on such other day after such consent as Buyer and Seller may mutually agree. Notwithstanding the forgoing, in the event a petition to deny or an informal objection is filed against the sale of the Station, the parties agree that the Closing Date shall take place within ten (10) business days of FCC Final Order. For purposes of this Agreement, the term “Final Order” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated. Notwithstanding the foregoing, the parties may jointly waive the requirement of FCC Final Order and close after initial consent by the FCC, provided no petition to deny or informal objection has been filed. The date on which the Final Closing is to occur is referred to herein as the “Final Closing Date”. The conveyance of the FCC licenses shall be by Assignment and Assumption of FCC Authorizations; the conveyance of Intangible Property shall be by Assignment and Assumption of Intangible Property, the conveyance of tangible assets shall be by Bill of Sale, the conveyance of the Rebroadcast Agreement shall be by Assignment and Assumption of Rebroadcast Agreement, and the conveyance of the contractual agreements shall be by Assignment and Assumption of Contracts and Leases.

**1.7 General Prorations and Adjustments.**

(a) Except as provided in the TBA, all prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles (“GAAP”) as of 11:59 p.m. on the day immediately preceding the Closing Date (the “Effective Time”). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), FCC regulatory fees, music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Seller shall receive a credit for all of the Stations’ deposits and prepaid expenses. Sales commissions related to the sale of advertisements broadcast on the Stations prior to Closing shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing shall be the responsibility of Buyer. Prorations and adjustments shall be made no later than ninety (90) calendar days after Closing. There shall be no proration or adjustment for any imbalance in the value of rights and obligations under trade, barter or similar agreements for the sale of time for goods or services. There shall be no proration or adjustment for employee leave accrued in the calendar year in which Closing occurs, but the prorations shall include an adjustment for employee leave (if any) accrued in a prior calendar year.

(b) Simultaneously with the execution of this Agreement, Seller and Buyer are executing and delivering a TBA. To the extent that any Station Assets are assigned, any Assumed Obligations are assumed or assets and liabilities are prorated under the TBA as amended, any obligation of the Seller under this Agreement to assign such Station Assets, of the Buyer to assume such Assumed Obligations or of the parties to prorate such Station Assets and Assumed Obligations, shall be deemed satisfied. Notwithstanding anything contained herein to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer’s obligation to perform under this Agreement (nor shall Seller have any liability or responsibility to Buyer in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case, to the extent that the inaccuracy of any such representations, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent arises out of or otherwise relates to (a) any actions taken by or under the authorization of Buyer or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Buyer’s performance of its obligations under the TBA as amended or otherwise, or (b) the failure of Buyer to perform any of its obligations under the TBA as amended. Buyer acknowledges and agrees that Seller shall not be deemed responsible for or have authorized or consented to any action or failure to act on the part of Buyer or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with the TBA solely by reason of the fact that prior to Closing, Seller shall have the legal right to control, manage, and supervise the operation of the Stations and the conduct of the business, except to the extent Seller actually exercises control, management or supervision of the operation of the Stations or the conduct of the business through, inter alia, Seller’s appointment of one management level employee and one staff level employee for the Stations who shall be paid by Seller and responsible to Seller.

## **ARTICLE II**

### **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer as follows:

**2.1 Existence and Power.** Sellers are corporations duly organized, validly existing and in good standing under the laws of North Carolina. Seller has the requisite corporate power and authority to own and operate the Stations as currently operated.

**2.2 Corporate Authorization.**

(a) The execution and delivery by Seller of this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Seller pursuant hereto or in connection with the transactions contemplated hereby (the “*Seller Ancillary Agreements*”), the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby are within Seller’s corporate or partnership powers and have been duly authorized by all requisite corporate action on the part of Seller.

(b) This Agreement has been, and each Seller Ancillary Agreement will be, duly executed and delivered by Seller. This Agreement (assuming due authorization, execution and delivery by Buyer) constitutes, and each Seller Ancillary Agreement will constitute when executed and delivered by Seller, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting or relating to enforcement of creditors’ rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

**2.3 Governmental Authorization.** The execution, delivery and performance by Seller of this Agreement and each Seller Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) compliance with any applicable requirements of the FCC and (b) any such action by or in respect of or filing with any other Governmental Authority as to which the failure to take, make or obtain would not have a Seller Material Adverse Effect.

**2.4 Noncontravention.** Except as disclosed on Schedule 2.4, the execution, delivery and performance of this Agreement and each Seller Ancillary Agreement by Seller and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Seller; (b) assuming compliance with the matters referred to in **Section 2.3**, conflict with or violate any Law or Governmental Order applicable to Seller; (c) require any consent or other action by or notification to any Person under, constitute a default under, give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Seller under, any provision of any Station Contract; or (d) result in the creation or imposition of any Lien on any of the Station Assets, except for Permitted Liens, except, in the case of clauses (b), (c) and (d), for any such violations, consents, actions, defaults, rights or losses as would not have a Seller Material Adverse Effect.

**2.5 Absence of Litigation.** There is no Action pending or, to Seller's knowledge, threatened against Seller (a) that in any manner challenges or seeks to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement or (b) that, if adversely determined, would reasonably be expected to have a Seller Material Adverse Effect, unless all liability that may result from such adverse determination is a Retained Liability.

**2.6 FCC Licenses.**

(a) Seller has made available to Buyer copies of the FCC Licenses, including any and all amendments and modifications thereto. The FCC Licenses were validly issued by the FCC, and validly held by Seller, and will be in full force and effect. The FCC Licenses are at this time and at closing are not subject to any condition except for those conditions that appear on the face of the FCC Licenses, those conditions applicable to radio broadcast licenses generally or those conditions disclosed in Schedule 2.6(a).

(b) Except as set forth on Schedule 2.6(b), the FCC Licenses have been issued for the full terms customarily issued to radio broadcast stations. Except as set forth on Schedule 2.6(b), Seller has no applications pending before the FCC relating to the operation of the Stations.

(c) Except as set forth on Schedule 2.6(c), Seller has operated the Stations in compliance with the Communications Act of 1934, as amended (the "*Communications Act*") and the FCC Licenses. Seller has filed or made all applications, reports, registrations and other disclosures required by the FCC to be made in respect of the Stations and has timely paid all FCC regulatory fees in respect thereof, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

(d) Except as set forth on Schedule 2.6(d), to the knowledge of Seller, there are no petitions, complaints, orders to show cause, notices of violation, notices of apparent liability, notices of forfeiture, proceedings or other actions pending or threatened before the FCC relating to the Stations that would reasonably be expected to have a Seller Material Adverse Effect, other than proceedings affecting the radio broadcast industry generally.

**2.7 Tangible Personal Property.** Except as disclosed on Schedule 2.7(a), Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on Schedule 2.7(b), Buyer has inspected and is satisfied with the condition of the Tangible Personal Property. At the Initial Closing Date, the Tangible Personal Property will be in substantially the same condition as at the time of Buyer's inspection.

**2.8 Stations Contracts.** Each of the Stations Contracts (if any) are in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller is not in material default under any Stations Contract, and, to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. Except for Stations Contracts for which Seller has expressly



indicated on Schedule 1.1(c) that it has not or will not be providing copies, Seller has provided to Buyer prior to the date of this Agreement true and complete copies of all material Stations Contracts.

**2.9 Intangible Property.** Schedule 1.1(d) contains a description of the Intangible Property.

**2.10 Real Property.** Schedule 1.1(c) includes a description of the Real Estate Leases under which Seller is lessee of the real properties used in the operation of the Stations. Said Leases are in full force and effect. The Leases provides sufficient access to the Stations' facilities without need to obtain any other access rights. The existing Lease (between Chesapeake Broadcasting Corporation and Imperial Broadcasting Company, LLC dated November 10, 2014) for the WHGM (AM) Tower Site expires November 9, 2017 (the "WHGM Lease"). Seller shall either (A) cooperate with Buyer in causing the WHGM Lease to be renewed and extended for a term and on financial terms within the customary parameters for such agreements and reasonably agreeable to Buyer no later than June 30, 2017 or (B) construct at Seller's expense (as deemed reasonable and appropriate by Seller) an alternate broadcast tower facility for WHGM, including but not limited to obtaining an FCC Construction Permit for similar technical parameters/power/coverage as the existing licensed facility and advancing the construction cost of same. Buyer shall pay rent to Seller pursuant to a "triple net" lease agreement to be executed by the parties in an annual base sum (payable monthly) equal to 18% of the actual costs of construction of the alternative facility for a term of five (5) years, plus taxes, insurance and maintenance costs, and which will provide for indemnity of Seller from Buyer for any loss or damage arising from the lease of such new facility. Buyer shall have the irrevocable option during the five (5) year term to purchase the alternate tower facility and improvements from Seller for the actual costs of construction of said facility, with Buyer incurring all transaction costs associated with same, provided that there exists no event of default of Buyer in connection with any portion of this transaction, the financing thereof, or the Buyer/Seller's future contractual relationship. In the event of Option B above, in the event Seller fails to fund the construction of the alternative broadcast tower facility for WHGM as deemed reasonable and appropriate by Seller, Buyer may elect to fund such expenses and deduct the cost of same from the Promissory Note payments due pursuant to Section 1.5(c) above.

**2.11 Environmental.** Except as set forth on Schedule 2.11, to Seller's knowledge, there is no condition on the Real Property which violates any county, state or federal Environmental Laws or regulations. Seller will allow Buyer, at Buyer's own expense, to conduct any and all investigations, examinations and studies for the Real Property as Buyer deems necessary including, but not limited to, a survey and an environmental study of the Real Property before Initial Closing. To the best of Seller's knowledge, no permits, license or certificates pertaining to ownership or operation of the Real Property, other than those that are transferable with the Real Property, are required by any federal, state or local government, agency, board or other governmental authority having jurisdiction over the Real Property. Seller has not received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning law, regulation or other law, order, regulation or requirement affecting the Real Property or the improvements thereon. "*Environmental Laws*" are those environmental, health or safety laws and regulations applicable to Seller's activities at the Real Property in effect on the date of this Agreement.

**2.12 Compliance with Laws.** Seller will, by closing, comply in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any Governmental Authority that are applicable to Seller's operation of the Station and ownership of the Station Assets.

**2.13 Taxes.** Seller has, in respect of the Station's business, filed all material Tax Returns required to have been filed by it under applicable Law and has paid all Taxes which have become due pursuant to such Tax Returns or pursuant to any assessments which have become payable.

**2.14 Sufficiency and Title to Station Assets.** Except for the Excluded Assets, the Stations Assets constitute all the assets used or held for use by Seller primarily in the business or operation of the Stations. Seller, or an Affiliate of Seller, owns, leases or is licensed to use all of the Station Assets free and clear of Liens, except for Permitted Liens.

**2.15 No Finder.** No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Seller Ancillary Agreements or the transactions contemplated hereby or thereby as a result of any agreements or action of Seller or any party acting on Seller's behalf.

**2.16 Rebroadcast Agreement.** Schedule 1.1(f) includes a description of the Rebroadcast Agreement under which Tescor provides services to the Rebroadcast Station. Said Rebroadcast Agreement is in full force and effect.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

**3.1 Existence.** Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and shall be authorized to transact business in Maryland by the Final Closing date. Buyer has the requisite corporate power and authority to own and operate the Stations as currently operated.

#### **3.2 Corporate Authorization and Power.**

(a) The execution and delivery by Buyer of this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Buyer pursuant hereto or in connection with the transactions contemplated hereby (the "*Buyer Ancillary Agreements*"), the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby are within Buyer's limited liability company powers and have been duly authorized by all requisite limited liability company action on the part of Buyer.

(b) This Agreement has been, and each Buyer Ancillary Agreement will be, duly executed and delivered by Buyer. This Agreement (assuming due authorization,

execution and delivery by Seller) constitutes, and each Buyer Ancillary Agreement will constitute when executed and delivered by Buyer, the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

**3.3 Governmental Authorization.** The execution, delivery and performance by Buyer of this Agreement and each applicable Buyer Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) compliance with any applicable requirements of the FCC and (b) any such action by or in respect of or filing with any other Governmental Authority as to which the failure to take, make or obtain would not have a Buyer Material Adverse Effect.

**3.4 Noncontravention.** The execution, delivery and performance of this Agreement and each Buyer Ancillary Agreement by Buyer and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Buyer; (b) assuming compliance with the matters referred to in **Section 3.3**, conflict with or violate any Law or Governmental Order applicable to Buyer; or (c) require any consent or other action by or notification to any Person under, constitute a default under, give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Buyer under, any provision of any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other agreement or instrument to which Buyer is a party or by which any of Buyer's assets is or may be bound, except, in the case of clauses (b) and (c), for any such violations, consents, actions, defaults, rights or losses as could not have, individually or in the aggregate, a Buyer Material Adverse Effect.

**3.5 Absence of Litigation.** There is no Action pending or, to Buyer's knowledge, threatened against Buyer that in any manner challenges or seeks to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement.

**3.6 FCC Qualifications.** Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act, and the rules, regulations and policies of the FCC. There are no facts that would, under existing Law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the other Stations Assets. No waiver of any FCC rule or policy relating to the qualifications of Buyer is necessary for the FCC Consent to be obtained.

**3.7 Financing.** As of the Closing Date, Buyer will have sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement and the Buyer Ancillary Agreements.

**3.8 No Finder.** No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Buyer Ancillary Agreements or the transactions contemplated hereby or thereby as a result of any agreements or action of Buyer or any party acting on Buyer's behalf.

## **ARTICLE IV** **COVENANTS**

### **4.1 Governmental Approvals.**

**(a) FCC Application.** The assignment of the FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. Within 30 days of the execution of this Agreement, Buyer and Seller shall file the requisite FCC Form 314 Assignment of License Application with the FCC. Seller and Buyer shall thereafter prosecute the FCC Application with all commercially reasonable diligence and otherwise use commercially reasonable efforts to obtain the FCC Consent as expeditiously as practicable. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC.

**(b) Governmental Filing or Grant Fees.** Except as otherwise provided in this Agreement, any filing or grant fees (including FCC filing fees) imposed by any Governmental Authority, the consent of which is required for the transactions contemplated hereby, shall be borne by the Buyer. In addition, Buyer shall bear the cost of the publication of the requisite local public notice regarding the FCC Application under Section 73.3580(d) (3) of the FCC's rules.

### **4.2 Conduct of Business.**

**(a) Prior to Closing.** Between the date of this Agreement and the Final Closing Date of this Agreement, Seller shall:

- (i) maintain the FCC Licenses in full force and effect;
- (ii) operate the Stations in all material respects in accordance with the FCC Licenses, the Communications Act, the FCC rules and regulations and all applicable Laws and the standards of good engineering practice; and
- (iii) not materially adversely modify any of the FCC Licenses.

**(b) Additional Covenants.** Between the date of this Agreement and the Initial Closing Date, but subject to the TBA, Seller shall:

- (i) operate the Stations in the ordinary course of business consistent with past practice;

(ii) use commercially reasonable efforts to preserve the business and goodwill of the Stations and the Stations Assets;

(iii) subject to **Section 2.7**, maintain the Tangible Personal Property and the Real Property in normal operating condition consistent with Seller's past practices, ordinary wear and tear excepted;

(iv) not sell, lease or dispose of or agree to sell, lease or dispose of any of the Stations Assets, except (A) the ordinary course disposition of Personal Property that either are obsolete or unnecessary for the continued operation of the Stations as currently operated and which are replaced by assets of comparable or superior utility or (B) pursuant to existing contracts or commitments listed on Schedule 1.1(c), if any, or agree to do any of the foregoing; and

(v) not without obtaining the prior written consent of Buyer, such consent not to be unreasonably withheld, enter into or amend any Stations Contract, or agree to do any of the foregoing.

**(c) Control of Stations.** Subject to the provisions of this **Section 4.2** and the terms of the TBA, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Stations prior to the Closing. Such operations shall be the sole responsibility of Seller and shall be in its complete discretion.

#### **4.3 Access to Information; Inspections; Confidentiality; Publicity.**

**(a)** Between the date hereof and the Initial Closing Date, Seller shall furnish Buyer with such information relating to the Stations Assets as Buyer may reasonably request, copying charges to be at Buyer's expense and provided such request does not interfere unreasonably with the business of the Stations.

**(b)** Between the date hereof and the Initial Closing Date, upon prior reasonable notice, Seller shall give Buyer and its representatives reasonable access to the Stations Assets during regular business hours.

**(c)** No news release or other public announcement pertaining to the transactions contemplated by this Agreement will be made by or on behalf of any party hereto without the prior written approval of the other party (such consent not to be unreasonably withheld or delayed).

#### **4.4 Risk of Loss.**

**(a)** Seller shall bear the risk of any casualty loss or damage to any of the Stations Assets prior to the Initial Closing Date, and Buyer shall bear such risk on and after the Initial Closing Date. In the event of any casualty loss or damage to the Stations Assets prior to the Closing Date, Seller shall be responsible for repairing or replacing (as appropriate under the circumstances) any lost or damaged Stations Asset (the "*Damaged Asset*") unless such Damaged Asset was obsolete and unnecessary for the continued operation of the Stations consistent with Seller's past practice and the FCC Licenses or is Buyer's responsibility under

the TBA. If Seller is unable to repair or replace a Damaged Asset by the date on which the Closing would otherwise occur under this Agreement, then the proceeds of any insurance covering such Damaged Asset shall be assigned to Buyer at Closing, and to the extent such proceeds are not sufficient to cover the reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the Damaged Asset after the Closing, Seller shall reimburse Buyer by an amount equal to the deficiency.

(b) If a Station is off the air prior to the Closing Date, then Seller shall use commercially reasonable efforts to return the Station to the air as promptly as practicable in the ordinary course of business. Notwithstanding anything herein to the contrary, if on the day otherwise scheduled for the Final Closing, the Station is off the air or operating with a material reduction in coverage, then commencement of the Final Closing shall be postponed until the date five Business Days after such Station returns to the air, and, if applicable, such reduction in coverage is substantially corrected, and the fee payable pursuant to paragraph 1 of Schedule 1.5 of the TBA shall not apply during any period the Station is off the air; provided, however, that Buyer shall have no obligation to continue operations under the TBA if WHGM (a "*Material Station*") is off the air or operating with a material reduction in coverage, until the date five Business Days after the Material Station returns to the air or, if applicable, such coverage is substantially corrected. If Seller is unable to return the Material Station to the air without any material reduction in coverage within 30 days of the outage, Buyer shall have the right to terminate this Agreement, without incurring any liability to Seller, upon written notice to Seller.

**4.5 Consents to Assignment.** After the execution of this Agreement and prior to Initial Closing, Seller shall use its commercially reasonable efforts to obtain any third-party consents necessary for the assignment of any Stations Contract. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Stations Contract or any claim or right or any benefit arising thereunder or resulting therefrom if such assignment, without the consent of a third party thereto, would constitute a breach or other contravention of such Station Contract or in any way adversely affect the rights of Buyer or Seller thereunder. If such consent is not obtained prior to the Initial Closing Date, (a) Seller shall use its commercially reasonable efforts to (i) obtain such consent as soon as possible after the Closing Date, (ii) provide to Buyer the financial and business benefits of any such Stations Contract and (iii) enforce, at the request of Buyer, for the account of Buyer, any rights of Seller arising from any such Stations Contract; and (b) Buyer shall perform the obligations under such Stations Contract in accordance with this Agreement. Notwithstanding the foregoing, neither Seller nor any of its Affiliates shall be required to pay consideration to any third party to obtain any consent.

**4.6 Notification.** Each party shall notify the other party of the initiation or threatened initiation of any litigation, arbitration or administrative proceeding that challenges the transactions contemplated hereby, including any challenges to the FCC Application.

**4.7 Further Assurances.** After Initial Closing and Final Closing, each party hereto shall execute all such instruments and take all such actions as any other party 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 to be delivered at either Closing.

## **ARTICLE V**

### **CONDITIONS PRECEDENT**

**5.1 To Buyer's Obligations.** The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Seller made in this Agreement shall be true and correct, by the respective Closing Dates of this transaction (as if made on and as of such Closing Dates). Seller shall deliver to Buyer a certificate in a form agreed upon by the parties restating its representations and warranties as of the applicable Closing Date (and if there are any exceptions to such representations and warranties, and Seller shall describe such exceptions in reasonable detail). Seller shall not take any voluntary act resulting any and such exceptions.

(b) **Governmental Consents.** The FCC Consent shall have become a Final Order and shall contain no provision materially adverse to any of Buyer, Buyer's Affiliates or the Stations.

(c) **Adverse Proceedings.** No Governmental Order shall have been rendered against, any party hereto that would render it unlawful, as of either Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

(d) **Authorization.** Buyer shall have received a true and complete copy, certified by an officer of Seller, of the resolutions duly and validly adopted by the board of directors of Seller evidencing its authorization of the execution and delivery of this Agreement and consummation of the transactions contemplated hereby.

(e) **Deliveries.** Seller shall have made all the deliveries required under Sections 6.1 and 6.2.

**5.2 To Seller's Obligations.** The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Buyer made in this Agreement shall be true and correct by the respective Closing Dates of this transaction (as if made on and as of such Closing Date). Buyer shall deliver to Seller a certificate in a form agreed upon by the parties restating its representations and warranties as of the applicable Closing Date (and if there are any exceptions to such representations and warranties, and Buyer shall describe such

exceptions in reasonable detail). Buyer shall not take any voluntary act resulting any and such exceptions.

**(b) Governmental Consents.** The FCC Consent shall have been granted and shall be in full force and effect and shall contain no provision materially adverse to Seller or Seller's Affiliates. Seller acknowledges that Seller's obligation to consummate the transactions contemplated by this Agreement is not subject to the condition that the FCC Consent shall have become a Final Order.

**(c) Adverse Proceedings.** No Governmental Order shall have been rendered against any party hereto that would render it unlawful, as of either Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

**(d) Authorization.** Seller shall have received a true and complete copy, certified by an officer of Buyer, of the resolutions duly and validly adopted by the members of Buyer evidencing its authorization of the execution and delivery of this Agreement and consummation of the transactions contemplated hereby.

**(e) Deliveries.** Buyer shall have made all the deliveries required under **Sections 6.1** and **6.3** and shall have paid or stand willing to pay the Purchase Price as provided in **Section 1.5**.

## **ARTICLE VI**

### **DOCUMENTS TO BE DELIVERED AT THE CLOSING**

**6.1 Documents to be Delivered by Both Parties.** At Closing, each of Buyer and Seller shall execute and deliver to the other; as applicable:

**(a)** a Closing Statement.

**6.2 Documents to be Delivered by Seller.** At Closing, Seller shall deliver to Buyer the following:

**(a)** the certificate described in **Section 5.1(a)**;

**(b)** the documents described in **Section 5.1(d)**;

**(c)** a duly executed Bill of Sale, substantially in the form of Exhibit A-3;

**(d)** a duly executed Assignment and Assumption of FCC Licenses, substantially in the form of Exhibit A-4;

**(e)** a duly executed Assignment and Assumption of Intangible Property, substantially in the form of Exhibit A-5; and

**(f)** a duly executed Assignment and Assumption of Leases, substantially in the form of Exhibit A-6.



(g) a duly executed Assignment and Assumption of Rebroadcast Agreement, substantially in the form of Exhibit A-7.

**6.3 Documents to be Delivered by Buyer.** At the Closing, Buyer shall deliver to Seller the following:

- (a) the certificate described in **Section 5.2(a)**;
- (b) the documents described in **Section 5.2(d)**;
- (c) a Promissory Note;
- (d) a Security and Membership Pledge Agreement;
- (e) the Guaranty;
- (f) a Collateral Assignment of Leases; and
- (g) duly executed counterparts of the Assignment and Assumption of Leases, Assignment and Assumption of FCC Licenses, Assignment and Assumption of Intangible Property, and Assignment and Assumption of Rebroadcast Agreement.

## **ARTICLE VII**

### **SURVIVAL; INDEMNIFICATION**

**7.1 Survival.** The representations and warranties in this Agreement, and the covenants set forth in Section 4.2, shall survive the Closing for a period of nine (9) months from the Closing Date, unless otherwise indicated in the Agreement.

#### **7.2 Indemnification.**

(a) Subject to **Section 7.1** and the TBA, from and after the Effective Time, Seller shall defend, indemnify and hold harmless Buyer, its Affiliates and their respective employees, officers, directors, shareholders and agents (collectively, the “*Buyer Indemnified Parties*”) from and against any and all losses, costs, damages, liabilities, expenses, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys’ fees and expenses (“*Losses*”)) incurred by such Buyer Indemnified Party arising out of or resulting from (i) Seller’s breach of any of the representations or warranties contained in this Agreement, any Seller Ancillary Agreement or in any other certificate or document delivered pursuant hereto or thereto; (ii) any breach or nonfulfillment of any agreement or covenant of Seller under the terms of this Agreement or any Seller Ancillary Agreement; and (iii) the Retained Liabilities. Seller shall have no liability to Buyer under clause (i) of this **Section 7.2(a)** until, and only to the extent that, Buyer’s

aggregate Losses exceed 2.5% of the Purchase Price, and the maximum liability of Seller under clause (i) of this **Section 7.2(a)** shall be an amount equal to 50% of the Purchase Price.

**(b)** Subject to **Section 7.1** and the TBA, from and after the Effective Time, Buyer shall defend, indemnify and hold harmless Seller, its Affiliates and their respective employees, officers, directors, shareholders and agents (collectively, the “*Seller Indemnified Parties*”) from and against any and all Losses incurred by such Seller Indemnified Party arising out of or resulting from (i) Buyer’s breach of any of its representations or warranties contained in this Agreement, any Buyer Ancillary Agreement or in any other certificate or document delivered pursuant hereto or thereto; (ii) any breach or nonfulfillment of any agreement or covenant of Buyer under the terms of this Agreement or any Buyer Ancillary Agreement; and (iii) the Assumed Obligations. Buyer shall have no liability to Seller under clause (i) of this **Section 7.2(b)** until, and only to the extent that, Seller’s aggregate Losses exceed 2.5% of the Purchase Price and the maximum liability of Buyer under clause (i) of this **Section 7.2(b)** shall be an amount equal to 50% of the Purchase Price.

**7.3 Procedures.** The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a “*Claim*”), but a failure to give or a delay in giving such notice shall not affect the indemnified party’s right to indemnification and the indemnifying party’s obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party’s ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following additional terms and conditions:

**(a)** The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

**(b)** In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within 20 days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

**(c)** Anything herein to the contrary notwithstanding (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim, (ii) the indemnifying party shall not, without the indemnified party’s written consent, settle or compromise any Claim or consent to entry of any judgment, unless such judgment, settlement or compromise includes the giving by the claimant to the indemnified party of a release

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

**7.4 Computation of Indemnifiable Losses.** Any amount payable pursuant to this **Article VII** shall be decreased to the extent of (a) any amounts actually recovered by the indemnified party from any third party (including insurance proceeds) in respect of an indemnifiable Loss, and (b) any net Tax benefit actually realized by the indemnified party arising out of an indemnifiable Loss. The indemnifying party and the indemnified party shall cooperate in good faith in providing each other the information necessary to determine the Tax benefits, as the case may be, in each case. The indemnified party shall use its commercially reasonable efforts to pursue payment under or from any insurer or third-party in respect of such Losses. Buyer shall not, and shall cause the Stations not to, without the prior written consent of the Seller, waive, release, compromise, reduce or otherwise amend in any way that would limit coverage, any fully-paid insurance policies or coverage in effect at the Closing that relate to Losses.

**7.5 Sole Remedy.** After the Closing, the right to indemnification under this **Article VII** shall be the exclusive remedy of any party in connection with any breach or default by another party under this Agreement, any Buyer Ancillary Agreement or any Seller Ancillary Agreement. Neither party shall have any liability to the other party under any circumstances for special, indirect, consequential, punitive or exemplary damages, or lost profits, diminution in value or any damages based on any type of multiple of any Indemnified Party.

## **ARTICLE VIII**

### **TERMINATION RIGHTS**

#### **8.1 Termination.**

(a) This Agreement may be terminated prior to Closing by either Buyer or Seller upon written notice to the other following the occurrence of any of the following:

(i) if the other party is in material breach or default of this Agreement or does not perform in all material respects the obligations to be performed by it under this Agreement on the Closing Date such that the conditions set forth in **Sections 5.1(a) and 5.2(a)**, as applicable, would not be satisfied on the Closing Date and such breach or default has not been waived by the party giving such termination notice;

(ii) if there shall be any Law that prohibits consummation of the sale of the Stations or if a Governmental Authority of competent jurisdiction shall have issued a final, nonappealable Government Order enjoining or otherwise prohibiting consummation of the sale of the Stations;

(iii) if the FCC denies the FCC Application;

(iv) if the Closing has not occurred by (x) a date that is 9 months from the date hereof or, (y) in the event that the FCC Consent has been granted but has not yet become a Final Order, by a date that is 18 months from the date hereof, (such date, whether it is the date 9 months or 18 months from the date hereof, the “*Upset Date*”);

(b) This Agreement may be terminated prior to Closing by mutual written consent of Buyer and Seller.

(c) If either party believes the other to be in breach or default of this Agreement, the non-defaulting party shall, prior to exercising its right to terminate under **Section 8.1(a)(i)**, provide the defaulting party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price, the defaulting party shall have 20 days from receipt of such notice to cure such default; provided, however, that if the breach or default is incapable of cure within such 20-day period, the cure period shall be extended as long as the defaulting party is diligently and in good faith attempting to effectuate a cure. Nothing in this **Section 8.1(c)** shall be interpreted to extend the Upset Date.

(d) Notwithstanding anything to the contrary contained in this Agreement, Buyer has completed due diligence on the Stations and accepts the Stations Assets in an As-Is-Where-Is condition.

**8.2 Effect of Termination.** In the event of a valid termination of this Agreement pursuant to **Section 8.1**, this Agreement (other than **Section 4.3(c)**, this **Article VIII** and **Sections 10.1, 10.2, 10.3, 10.4, 10.5, 10.7 and 10.8**, which shall remain in full force and effect) shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates, directors, officers or employees) shall have any liability or further obligation, except as provided in this **Article VIII**; provided, however, that nothing in this **Section 8.2** shall (subject to the limitations in **Section 8.1(d)**) relieve any party from liability for any breach of this Agreement prior to termination. A termination of this Agreement shall not terminate the TBA nor affect the parties’ rights and obligations thereunder.

**8.3 Specific Performance.** In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement; provided, however, that, if prior to Closing Seller terminates this Agreement pursuant to **Section 8.1(a)** due to Buyer’s material default or breach of this Agreement, then Seller’s sole remedy shall be termination of this Agreement, the Cash Deposit as liquidated damages, except for any failure by Buyer to comply with its obligations related to confidentiality, as to which Seller shall be entitled to all available rights and remedies, including without limitation specific performance. In any action to specifically enforce Seller’s obligation to close the transaction contemplated by this Agreement, Seller shall waive the defense that there is an adequate remedy at law and agrees that Buyer shall be entitled to obtain specific performance of Seller’s obligation to close without being required to prove actual damages. In

addition, if Seller is determined to be in default in any action brought by Buyer to specifically enforce Seller's obligation to close, Buyer shall also be entitled to prompt payment from Seller of the reasonable attorneys' fees actually incurred by Buyer in enforcing its rights under this Agreement.

## **ARTICLE IX** **TAX MATTERS**

**9.1 Bulk Sales.** Seller and Buyer hereby waive compliance with the provisions of any applicable bulk sales law and no representation, warranty or covenant contained in this Agreement shall be deemed to have been breached as a result of such non-compliance.

**9.2 Transfer Taxes.** Seller will pay any transfer tax associated with this transaction.

## **ARTICLE X** **OTHER PROVISIONS**

**10.1 Expenses.** Except as otherwise provided herein or in the TBA, each party shall be solely responsible for and shall pay all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

### **10.2 Benefit and Assignment.**

(a) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign its rights under this Agreement without the other party's prior written consent, which consent may not be unreasonably withheld or delayed.

(b) Notwithstanding anything above to the contrary, either Buyer or Seller may, without the other party's consent, (i) assign any or all of its rights and obligations under this Agreement to an Affiliate, provided that such assignment does not delay the receipt of the FCC Consent or the Closing and the assigning party is not relieved of liability under this Agreement, or (ii) assign any or all of its rights but not its obligations under this Agreement to any "qualified intermediary" as defined in Treas. Reg. Sec. 1.1031(k) 1(g)(4) or to any exchange accommodation titleholder as described in Revenue Procedure 2000-37 ("EAT") (but any such assignment shall not relieve a party of its obligations under this Agreement), provided that such assignment does not delay the Closing (and such transaction shall not be a condition to Closing). If Buyer or Seller gives notice of an assignment pursuant to this **Section 10.2(b)**, the other party shall cooperate with all reasonable requests of Buyer or Seller, as the case may be, and the qualified intermediary or EAT in arranging and effecting the deferred like-kind exchange as one which qualifies under Section 1031 of the Code. Without limiting the generality of the foregoing, Buyer or Seller, as the case may be, shall provide the other party with a written acknowledgement of such notice prior to Closing, Buyer shall pay the Purchase

Price (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing and Seller shall convey the Stations Assets (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing.

**10.3 No Third Party Beneficiaries.** Except as set forth in **Sections 7.2(a)** and **7.2(b)**, nothing herein, express or implied, shall be construed to confer upon or give to any other Person other than the parties hereto or their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

**10.4 Entire Agreement; Waiver; Amendment.** This Agreement, the Confidentiality Agreement, the Buyer Ancillary Agreements, the Seller Ancillary Agreements and the exhibits and schedules hereto and thereto constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Buyer with respect to the subject matter hereof and thereof, except as otherwise expressly provided herein. Any matter that is disclosed in a schedule hereto in such a way as to make its relevance to the information called for by another schedule readily apparent shall be deemed to have been included in such other schedule, notwithstanding the omission of an appropriate cross reference. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought. No failure or delay on the part of Buyer or Seller in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

**10.5 Headings.** The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

**10.6 Computation of Time.** If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next Business Day.

**10.7 Governing Law; Waiver of Jury Trial.** The construction and performance of this Agreement shall be governed by the law of the State of North Carolina without regard to its principles of conflict of law. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in Fayetteville, North Carolina area, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. BUYER AND SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Buyer and Seller hereby acknowledge that they have each been represented by

counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver.

**10.8 Construction.** Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement.

**10.9 Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing.

If to Seller:

Gardner H. Altman, Jr., Esq.,  
CRS Radio Holdings, Inc.  
Tescor Support Services, Inc.  
Astrakel International, Ltd.  
601 West Rosemary St, Suite 1001  
Chapel Hill, NC 27516

With a copy, which shall not constitute notice, to:

Putbrese Hunsaker & Trent, P.C.  
200 S. Church Street  
Woodstock, CA 22664  
Attention: John C. Trent, Esquire

If to Buyer:

Mr. Jeff Davis  
Imperial Broadcasting Company, LLC  
1605 Level Road  
Havre De Grace, MD 21078

With a copy, which shall not constitute notice, to:

Radiotvlaw Associates, LLC  
4101 Albemarle St NW #324  
Washington, DC 20016-2151  
Attention: Anthony T. Lepore, Esquire

Any such notice, demand or request shall be deemed to have been duly delivered and received (a) on the date of personal delivery, or (b) on the date of transmission, if sent by facsimile and received prior to 5:00 p.m. in the place of receipt (but only if a hard copy is also sent by overnight courier), or (c) on the date of receipt, if mailed by registered or certified mail, postage

prepaid and return receipt requested, or (d) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

**10.10 Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced because of any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**10.11 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile or other electronically delivered copies of signature pages to this Agreement, any Buyer Ancillary Agreement, any Seller Ancillary Agreement or any other document or instrument delivered pursuant to this Agreement shall be treated as between the parties as original signatures for all purposes.

**10.12 Schedules.** The parties agree that Seller shall deliver the Schedules to this Agreement within five (5) business days of its execution.

## **ARTICLE XI** **DEFINITIONS**

**11.1 Defined Terms.** Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“*Accounting Firm*” means (a) an independent certified public accounting firm in the United States of national recognition (other than a firm that then serves as the independent auditor for Seller, Buyer or any of their respective Affiliates) mutually acceptable to Seller and Buyer or (b) if Seller and Buyer are unable to agree upon such a firm, then the regular independent auditors for Seller and Buyer shall mutually agree upon a third independent certified public accounting firm, in which event, “Accounting Firm” shall mean such third firm.

“*Action*” means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“*Affiliate*” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such Person.

“*Agreement*” shall mean this Asset Purchase Agreement, including the exhibits and schedules hereto.



*“Assumed Obligations”* shall have the meaning set forth in **Section 1.3**.

*“Business Day,”* whether or not capitalized, shall mean every day of the week excluding Saturdays, Sundays and Federal holidays.

*“Buyer”* shall have the meaning set forth in the Preamble to this Agreement.

*“Buyer Ancillary Agreements”* shall have the meaning set forth in **Section 3.2(a)**.

*“Buyer Indemnified Parties”* shall have the meaning set forth in **Section 7.2(a)**.

*“Buyer Material Adverse Effect”* means a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or any Buyer Ancillary Agreement.

*“Claim”* shall have the meaning set forth in **Section 7.3**.

*“Closing”* shall have the meaning set forth in **Section 1.6**.

*“Closing Date”* shall have the meaning set forth in **Section 1.6**.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Communications Act”* shall have the meaning set forth in **Section 2.6(c)**.

*“Control”* means, as to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “Controlled” and “Controlling” shall have a correlative meaning.

*“Damaged Asset”* shall have the meaning set forth in **Section 4.4**.

*“Deposit”* shall have the meaning set forth in **Section 1.5(b)**.

*“EAT”* shall have the meaning set forth in **Section 10.2**.

*“Effective Time”* shall have the meaning set forth in **Section 1.6**.

*“Environmental Laws”* shall have the meaning set forth in **Section 2.12**.

*“Excluded Assets”* shall have the meaning set forth in **Section 1.2**.

*“FCC”* shall have the meaning set forth in the Recitals to this Agreement.

*“FCC Application”* shall mean the application or applications that Seller and Buyer must file with the FCC requesting its consent to the assignment of the FCC Licenses.

*“FCC Consent”* shall mean the initial action by the FCC granting the FCC Application.

*“FCC Licenses”* shall have the meaning set forth in **Section 1.1(a)**.

*“Final Order”* means an action by the FCC (a) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, (b) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or *sua sponte* review by the FCC is pending, and (c) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC’s own motion has expired.

*“GAAP”* means United States generally accepted accounting principles as in effect as of the date hereof, consistently applied.

*“Governmental Authority”* means any federal, state or local or any foreign government, legislature, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

*“Governmental Order”* means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

*“Intangible Property”* shall have the meaning set forth in **Section 1.1(d)**.

*“Law”* means any United States (federal, state, local) or foreign statute, law, ordinance, regulation, rule, code, order, judgment, injunction or decree.

*“Liens”* shall have the meaning set forth in **Section 1.1**.

*“Losses”* shall have the meaning set forth in **Section 7.2(a)**.

*“Material Station”* shall have the meaning set forth in **Section 4.4(b)**.

*“Permitted Liens”* means, as to any property or asset or as to the Stations, (a) the Assumed Obligations, (b) Liens for Taxes, assessments and other governmental charges not yet due and payable; (c) zoning laws and ordinances and similar Laws that are not violated by any existing improvement or that do not prohibit the use of the Real Property as currently used in the operation of the Stations; (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the permits); (e) easements, rights of way, restrictive covenants and other encumbrances, encroachments or other similar matters affecting title that do not materially adversely affect title to the property subject thereto or impair the continued use of the property in the ordinary course of business of the Station and which are approved by Buyer in writing during the Due Diligence Period.

*“Person”* means any natural person, general or limited partnership, corporation, limited liability company, firm, association, trust or other legal entity or organization, including a

government or political subdivision or an agency or instrumentality thereof.

*“Prorated Assumed Obligations”* shall have the meaning set forth in **Section 1.7(a)**.

*“Prorated Station Assets”* shall have the meaning set forth in **Section 1.7(a)**.

*“Purchase Price”* shall have the meaning set forth in **Section 1.5(a)**.

*“Real Property Leases”* shall have the meaning set forth in **Section 2.10**.

*“Retained Liabilities”* shall have the meaning set forth in **Section 1.4**.

*“Seller”* shall have the meaning set forth in the Preamble to this Agreement.

*“Seller Ancillary Agreements”* shall have the meaning set forth in **Section 2.2(a)**.

*“Seller Indemnified Parties”* shall have the meaning set forth in **Section 7.2(b)**.

*“Seller Material Adverse Effect”* means a material adverse effect on: (a) the ability of Seller to perform its obligations under this Agreement or any Seller Ancillary Agreement or (b) the financial condition, assets or results of operations of Station Assets, taken as a whole; provided, however, that Seller Material Adverse Effect shall not include any material adverse effect primarily attributable to (i) any change or development generally applicable to the radio broadcast industry (including legislative or regulatory matters), (ii) general economic conditions, including any downturn caused by terrorist activity or a natural disaster, such as an earthquake or hurricane, or (iii) any public announcement of the transactions contemplated by this Agreement.

*“Station”* or *“Stations”* shall have the meaning set forth in the Recitals to this Agreement.

*“Station Assets”* shall have the meaning set forth in **Section 1.1**.

*“Station Contracts”* shall have the meaning set forth in **Section 1.1(c)**.

*“Tangible Personal Property”* shall have the meaning set forth in **Section 1.1(b)**.

*“Tax”* or *“Taxes”* means all federal, state, local or foreign income, excise, gross receipts, ad valorem, sales, use, employment, franchise, profits, gains, property, transfer, use, payroll, intangible or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed by any Tax authority with respect thereto.

*“Tax Returns”* means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax

authority relating to Taxes.

“*TBA*” shall have the meaning set forth in the Recitals to this Agreement.

“*TBA Commencement Date*” shall have the meaning set forth in **Section 1.2(c)**.

“*To Buyer’s knowledge*” or any variant thereof shall mean to the actual knowledge, after reasonable inquiry, of Buyer’s chief executive officer and Buyer’s chief financial officer.

“*To Seller’s knowledge*” or any variant thereof shall mean to the actual knowledge, after reasonable inquiry, of Seller’s chief executive officer, Seller’s chief financial officer, Seller’s director of engineering, and Seller’s Market Manager for the Station.

“*Tradeout Agreement*” means, any contract, agreement or commitment, oral or written, pursuant to which Seller has agreed to sell or trade commercial air time or commercial production services of the Station in consideration for any property or service in lieu of or in addition to cash..

“*Transfer Taxes*” means all excise, sales, use, value added, registration stamp, recording, documentary, conveyancing, franchise, property, transfer and similar Taxes, levies, charges and fees.

**11.2 Terms Generally.** The term “*or*” is disjunctive; the term “*and*” is conjunctive. The term “*shall*” is mandatory; the term “*may*” is permissive. Masculine terms apply to females; feminine terms apply to males. The term “*include,*” “*includes*” or “*including*” is by way of example and not limitation.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**CRS RADIO HOLDINGS, INC.**

By: \_\_\_\_\_  
Gardner H. Altman, Jr., President

**TESCOR SUPPORT SERVICES, INC.**

By: \_\_\_\_\_  
Gardner H. Altman, Jr., President

**ASTRAKEL INTERNATIONAL, LTD**

By: \_\_\_\_\_  
Gardner H. Altman, Jr., President

**IMPERIAL BROADCASTING COMPANY, LLC**

By: \_\_\_\_\_  
Jeff Davis, President

List of Schedules Excluded and Provided

1.1(a)	FCC Licenses	EXCLUDED
1.1(b)	Tangible Personal Property	EXCLUDED
1.1(c)	Station Contracts	EXCLUDED
1.1(d)	Intangible Property	EXCLUDED
1.1(f)	Rebroadcast Agreement	EXCLUDED
1.2(n)	Excluded Contracts	EXCLUDED
1.5(b)	Real Estate Consideration	EXCLUDED
1.5(c)	Promissory Note	<i>PROVIDED</i>
1.5(d)	Security and Membership Pledge Agreement	<i>PROVIDED</i>
1.5(e)	Guaranty Form	<i>PROVIDED</i>
1.5(f)	Collateral Assignment of Leases	EXCLUDED
2.4	Noncontravention	EXCLUDED
2.6(a)	FCC License Conditions	EXCLUDED
2.6(b)	FCC Applications	EXCLUDED
2.6(c)	Station Operations	EXCLUDED
2.6(d)	Violations	EXCLUDED
2.7(a)	Permitted Liens	EXCLUDED
2.7(b)	Unacceptable Equipment	EXCLUDED
2.11	Environmental	EXCLUDED

SCHEDULE 1.1(a)  
FCC Licenses

WHGM (AM)  
W298CG (FM)  
W263CQ (FM)

SCHEDULE 1.1(b)  
Tangible Personal Property

**(RACK #1)**

Delta Digital Panel Meter	TCA-DPM	004
Phaser/Controller		KRPIIAG
Broadcast Tools Inc.	WVRC-8 Plus	152665
Nitcom STL Transmitter	TSL-910B	TS9M0115
RDS INOVONICS	730-00	1415
bw Broadcast	DSPX MiniFMSE	
GatesAIR	INTRAPLEX IP Link MPX	
APC Back-UPS	8GE07	4B1413P48699

**(RACK #2)**

BARIX	Exstreamer 500	2010.8068
INOVONICS	AM Reference Receiver	358
AB DA2148	Distribution Amplifier	404.355.6147
ORBAN 9200	Optimod-AM Digital	9/2242-019
Sage Digital ENDEC	3644	B415018
Excalibur	IA1 Interface	IA-1/623
ROLLS QUARTZ PLL	Synthesized Tuner	33786
ROLLS QUARTZ PLL	Synthesized Tuner	3436
ARBITRON Encoder	EA1/4A	707038
ARBITRON Encoder	EA1/4A	707042
Neilsen	Multi-channel Encoding Monitor	L50BB8
ETA Systems	Conditioned Power Distribution	

**Production Room**

Gateway CPU	DX4885	DTGEAA0054180184C3000
ASUS Monitor	VE 247	E8LMQ7078537
Gateway Keyboard	PR1101U	DKUSBIP0724160108AK701
Lenovo Mouse		4466058
Shure Microphone	SM 7B	

**STUDIO**

Verizon Router	FIOS-G1100	GIA114122402318
X-Digital Systems	XDS-PRO Satellite Receiver	XDSPO0104161
CROWN	XLS 1000	8500979513
Symtryx Headphone amp	SX 204	32202
X-Calliber Electronics		IA-1/205
US Audio Whirlwind	MIX-5S Stereo Mixer	
Audio Arts Engineering	AIR1 Radio Mixing Console	1408-94830
JBL Studio Speakers	Control-5	U-407-077589-A
Insignia Keyboard		15G03A000
Mouse		15G03A00450

**Engineering Room**



NAUTEL NXS	AM Radio Transmitter	BO118
Gemini	CD 150	5110060
AM Monitor	(Beige)	501292
Fostex CR500	CD-DA/BWF Recordable	0966408 XU
Toshiba Stereo Amplifier	SB-M22	42K7000840
NAD Stereo Tuner 4125	LL 47468	988914
Denon TU-260LII	AM/FM Tuner	74594872
Numark MP102	MP3 CD Player	(21)NJ10003220130531
PI Potomac Instruments	Antenna Monitor	1684
Keyboard		IMJS00100110203776
ARBITRON	Encoding Monitor	667846
ARBITRON	Encoding Monitor	667814
<b>Chesapeake City TX Site</b>		
BW FM Transmitter	300 Watt FM Transmitter	BW38142
Gates Air Intraplex	Intraplex IP Link MPX	INP67925
FM Broadcast Antenna	PSI	PSI2568
<b>Bel Air TX Site</b>		
BW FM Transmitter	BW TX1000	BW69781
Gates Air Intraplex	INTRAPLEX IP Link MPX	INP67926
FM Broadcast Antenna	PSI	PSI2580

Schedule 1.1 (c)  
Station Contracts

Radio Program Rebroadcast Consent Agreement (“Rebroadcast Agreement”) entered into on May 1, 2015 by and between TSS and Hope Christian Church of Marlton, Inc;