

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made as of this 18th day of December, 2013, by and between Mary Katonah, Executrix, a New York State resident ("Seller"), and Digital Radio Broadcasting, Inc., a New York corporation ("Buyer").

Recitals

- A. Seller is the licensee of FM translator stations W229BH, Newburgh, New York (Facility ID No. 81887) and W292CM, Poughkeepsie, New York (Facility Id. No. 88017) (collectively, the "Stations") pursuant to authorizations issued by the Federal Communications Commission ("FCC");
- B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer and Buyer desires to purchase from Seller, the Stations and certain tangible and intangible assets and properties used in connection with the operation of the Stations (collectively, the "Stations Assets").

Agreement

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

1. Sale and Purchase of Assets. On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereafter defined), Seller shall sell, assign, convey, transfer and deliver to Buyer, and Buyer shall purchase from Seller, all right, title and interest of the Seller in the assets used in connection with the Stations, free and clear of any and all liens, claims, charges, security interests, encumbrances or other restrictions or limitations of any nature whatsoever ("Liens") except liens for taxes not yet due and payable, including without limitation the following:

(a) All licenses, permits and authorizations which are issued to Seller by the FCC with respect to the Stations (the "FCC Licenses") set forth on **Schedule 1(a)** hereto;

(b) The transmitter, antennas, and other equipment owned by Seller and used in connection with the Stations, as set forth on **Schedule 1(b)**;

(c) All leases for continued operations of the Stations from their presently licensed tower site with the present transmission equipment, as set forth on **Schedule 1(c)**;

(c) All of Seller's goodwill in, and going concern value of, the Stations, if any.

2. Purchase Price. Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Station Assets, on the Closing Date Buyer shall pay to Seller an aggregate purchase price (the "Purchase Price") of Ten Thousand (\$10,000.00) Dollars, which shall be payable on the Closing Date. The Purchase Price shall be offset by any monies due to Buyer or its affiliate, Digital Radio Engineering for services rendered. All payments shall be by wire transfer of immediately available funds.

3. **Closing.** The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place within ten (10) business days after FCC consent to the grant of the assignment application (the "FCC Consent") or at some other time and place as mutually agreed upon by Buyer and Seller (the "Closing Date").

4. **Additional Agreements.**

(a) **Control of the Stations.** Prior to the Closing, Buyer shall not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the operations of the Stations. Such operations, including control and supervision of all of the Stations' employees and policies, shall be the responsibility of Seller.

(b) **Operation of the Business.** Between the date of this Agreement until the Closing or the termination of this Agreement pursuant to Section 9, except as permitted by this Agreement or with the prior written consent of Buyer, Seller shall comply in all material respects with FCC rules and regulations and with all other applicable laws, regulations, rules and orders with respect to the Stations' operations and equipment.

(c) **FCC Matters.**

Assignment Application. Within five (5) business days after the date hereof, Buyer and Seller shall prepare, file and prosecute an application to obtain the consent of the FCC to the assignment of the FCC Licenses to Buyer (the "Assignment Application"). The filing fee related to such Assignment Application shall be shared equally by Seller and Buyer. Each of Buyer and Seller shall use commercially reasonable efforts to take or cause to be taken all actions necessary or appropriate to be taken by such party to permit the FCC to issue the FCC Consent in a timely manner, shall cooperate with each other in the preparation, filing and prosecution of the Assignment Application and agree to furnish all information required by the FCC in connection with the Assignment Application.

(d) **Risk of Loss.** The risk of loss of any of the Stations Assets prior to the Closing shall be upon Seller, and Buyer shall bear the risk of loss thereafter.

5. **Representations and Warranties of Seller.** As of the date hereof and as of the Closing, Seller represents and warrants to Buyer as follows:

(a) **Organization; Power and Authority.** Seller is a resident of the State of New York. Seller has all necessary power and authority to own the Stations Assets, and to conduct the business of the Stations as now being conducted, and to make, execute, deliver, and perform this Agreement and the other documents and instruments contemplated hereby.

(b) **Execution, Delivery and Validity.** The execution, delivery and performance of this Agreement by Seller have been duly authorized by all requisite corporate action. This Agreement and all other agreements contemplated hereby are or, upon the execution and delivery thereof will be, the valid and binding obligations of Seller, enforceable in accordance with their terms.

(c) **Litigation and Other Claims.** There are no actions, suits, claims, orders, audits, investigations, inquires or proceedings (judicial, administrative or otherwise) pending or, to the knowledge of Seller, threatened against Seller or affecting the Stations or the Stations Assets, whether

at law or in equity and whether civil or criminal in nature, or before or by any court, arbitration panel, governmental department, commission, board, bureau, agency or instrumentality.

(d) Compliance with Laws. To the best of Seller's knowledge, Seller is and at all times prior hereto has maintained the Stations Assets in compliance in all material respects with all applicable statutes, laws, ordinances, rules, regulations and orders of governments and governmental bodies applicable to them, and Seller has not received any notice asserting non-compliance.

(e) FCC Matters. **Schedule 1(a)** attached hereto sets forth the FCC Licenses and Permits held by Seller with respect to the Station. The FCC Licenses constitute all of the licenses, permits and authorizations from the FCC that are necessary or required for the operation of the Station as now operated. To the best of Seller's knowledge, the FCC Licenses are in full force and effect. Seller has operated the Stations in all material respects in accordance with the terms of the FCC Licenses, the Communications Act of 1934, as amended, and the rules regulations and policies of the FCC. There is no application, action or proceeding pending or, to the best of Seller's knowledge, threatened against Seller or the Station that may result in (i) the revocation, material modification, non-renewal or suspension of the FCC Licenses, (ii) the issuance of a cease-and-desist order, (iii) the imposition of any administrative or judicial sanction with respect to the Stations, or (iv) the denial of an application for renewal for the Stations. Seller has no knowledge of any facts, conditions or events relating to the Stations that would reasonably be expected to cause the FCC to deny the assignment of the FCC Licenses as provided for in this Agreement. Seller has filed with the FCC all reports, forms and statements required by the FCC to be filed by Seller related to the Stations.

6. Representations and Warranties of Buyer. As of the date hereof and as of the Closing, Buyer represents and warrants to Seller as follows:

(a) Organization; Power and Authority. Buyer is a New York State corporation and is duly qualified to do business and is in good standing under the laws of New York. Buyer has all necessary power and authority to own all of its properties and assets, to conduct its business, and to make, execute, deliver, and perform this Agreement and any other documents and instruments contemplated hereby.

(b) Execution, Delivery and Validity. The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all requisite action. This Agreement and all other agreements contemplated hereby are or, upon the execution and delivery thereof will be, the valid and binding obligations of Buyer, enforceable in accordance with their terms.

(c) Buyer's Qualifications. Buyer is legally, financially and otherwise qualified to become the licensee of the Stations, and Buyer knows of no reason why the FCC would not approve its acquisition of the Station's licenses.

7. Conditions to Closing.

a) Conditions Precedent to Buyer's Obligations. The obligation of Buyer to consummate the transaction contemplated hereby is subject to the fulfillment prior to or at the Closing Date of each of the following conditions (unless waived in writing by Buyer):

- i) The FCC Consent shall have been obtained;

ii) The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by this Agreement;

iii) Seller shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date;

iv) Seller shall deliver the consent of the tower owner for assignment of the lease agreement for Buyer to continue operations of the Stations from its presently licensed tower site with the present transmission equipment; and

v) No proceedings shall be pending or threatened that may result in the revocation, cancellation, suspension or modification of any FCC Licenses.

b) Conditions Precedent to Seller's Obligations. The obligation of Seller to consummate the transactions contemplated hereby is subject to the fulfillment prior to and at the Closing Date of each of the following conditions (unless waived in writing by Seller):

i) The FCC Consent shall have been obtained;

ii) The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by this Agreement; and

iii) Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date, including but not limited to payment of the Purchase Price.

8. Documents to be Delivered at Closing.

(a) Seller Documents. At Closing, Seller shall deliver to Buyer: (i) a Bill of Sale; an (ii) an Assignment and Assumption of FCC Licenses; and (iii) such other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of liens.

(b) Buyer Documents. At Closing, Buyer shall deliver to Seller (i) an Assignment and Assumption of FCC Licenses; and (ii) the Purchase Price as provided in Section 2 herein.

9. Survival; Termination; Indemnification.

(a) Survival. The respective representatives and warranties of each of the parties to this agreement shall expire upon the Closing.

(b) Termination. Either party may terminate this Agreement if the Closing has not occurred within 180 days following the date of this Agreement, provided that the party seeking termination shall not be in default or breach of any of its material obligations under this Agreement.

Termination of this Agreement shall not relieve any party of any liability it would otherwise have for a breach or default under this Agreement. In the event Seller is in material breach of any of the provisions of Section 9(a), Buyer shall be entitled to specific performance only but no other relief.

(c) Indemnification. Neither party shall be entitled to indemnification pursuant to this Agreement.

10. General Provisions.

(a) Expenses. Except as otherwise specifically provided in this Agreement, each party to this Agreement shall bear its own expenses, including the fees of any attorneys, accountants or others engaged by such party in connection with this Agreement and the transactions contemplated hereby.

(b) Governing Law. Except to the extent preempted by federal law, this Agreement and all documents delivered or to be delivered in accordance with this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard to principles of conflicts of law.

(c) Assignment; Binding Effect. No party to this Agreement may assign this Agreement or such party's rights, duties and obligations hereunder without the prior written consent of the other parties hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their legal representatives, successors and assigns.

(d) Entire Agreement; Amendment. This Agreement, including the Schedules, sets forth the entire understanding of the parties. No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligations, claim or cause of action arising under this Agreement shall be valid or binding for any purpose unless in writing and duly executed by the party against whom the same is sought to be asserted.

(e) No Waiver. The failure of any party to enforce at any time or for any period of time any of the provisions of this Agreement shall not be construed as a waiver of such provision or of the right of the party to enforce such provision. The waiver of any default or the failure to exercise any right shall not be deemed a waiver of any subsequent default or waiver of the right to exercise any other right.

(f) Notices. All notices and other communications must be in writing and shall be deemed given if delivered personally or by overnight courier, or transmitted by facsimile or mailed by registered or certified mail, postage pre-paid, return receipt requested, to the persons at the addresses set forth below (or such other address for a party as shall be specified by like notice). Notice given personally or by overnight courier service, or transmitted by facsimile (receipt confirmed by telephone), shall be deemed delivered when received by the addressee. Notice given by mail shall be deemed delivered on the third (3rd) business day following the date on which it is so mailed. For purposes of notice, the addresses of the parties shall be:

If to Seller:

Mary Katonah, Executrix
194 River Road
Walden, NY 12586

If to the Buyer:

Digital Radio Broadcasting, Inc.
P.O. Box 920
15 Neversink Drive
Port Jervis, NY 12771
Attn: Charles Williamson

(g) Counterparts; Facsimiles. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties. The signature page to this agreement and all other documents required to be executed at Closing may be delivered by facsimile or other electronic transmission and the signatures thereon shall be deemed effective upon receipt by the intended receiving party.

(h) Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of legislative or administrative action, such holding or action shall be strictly construed and shall not affect the validity or affect any other provision of this Agreement.

(i) Further Assurances. At any time after the Closing Date, if any further action is necessary, proper or advisable to carry out the purposes of this Agreement, then, as soon as is reasonably practicable, each party to this Agreement shall take, or cause to be taken, such action.

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed by their duly authorized officers, effect as of the day and year first above written.

MARY KATONAH, EXECUTRIX

By:


Mary Katonah

DIGITAL RADIO BROADCASTING, INC.

By:

Juli Williamson
Secretary

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed by their duly authorized officers, effect as of the day and year first above written.

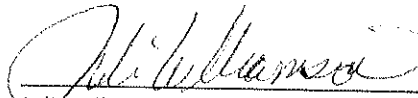
MARY KATONAH, EXECUTRIX

By: _____

Mary Katonah

DIGITAL RADIO BROADCASTING, INC.

By: _____



Juli Williamson
Secretary