

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of June 30, 2009, by and between Digital Radio Broadcasting, Inc. ("Seller") and John Katonah. ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of and owns and operates FM Translator Station W229BH, Newburgh, NY, Facility ID Number 81887, (the "DRB Station"), pursuant to authorizations issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, Seller desires to sell, transfer, assign, convey and deliver to Buyer, and Buyer desires to acquire from Seller, certain of the assets owned and held by Seller and used or useful solely in connection with the operation of the Stations.

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 is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Sale of Assets.** On the Closing Date (as hereinafter defined in section 4), Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer agrees to purchase all of the right, title and interest of Seller in and to those certain assets and properties of Seller owned or held by Seller and used or useful solely in connection with the operation of the Station (the "Assets"), which are limited to the following:

(a) all FCC licenses, permits and authorizations to operate the Station (the "FCC Authorization") together with all licenses, permits and authorizations issued by any other governmental authority in connection with the operation of the Stations, as set forth on Schedule 1; and

(b) that certain equipment, and other tangible personal property owned or held by Seller solely in connection with the operation of the Station (the "Personal Property") set forth on Schedule 2; and

2. **Purchase Price.** In consideration of the sale, transfer, assignment, conveyance and delivery of the W229BH Assets to Buyer, Buyer shall assign, convey and deliver the assets and licenses of Buyers Translator Stations W239AC W272AV to Seller in accordance with that Asset Purchase Agreement.

3. **FCC Consent; Assignment Application.** It is specifically understood and agreed by Seller and Buyer that the assignment of the FCC Authorization is subject to the prior consent of the FCC ("FCC Consent"). Within five (5) business days after execution of this Agreement, Seller and Buyer shall jointly file with the FCC an application for assignment of the

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FCC Authorization (the "Assignment Application") from Seller to Buyer. Seller and Buyer shall thereafter prosecute the Assignment Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the Assignment Application as expeditiously as practicable. Any application fees for the Assignment Application shall be paid by the buyer.

4. **Closing Date.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date mutually agreed upon by Buyer and Seller within seven (7) days following the date on which the FCC releases Public Notice of grant of the FCC consent.

5. **Seller's Representations, Warranties and Other Obligations.** Seller represents and warrants, to the best of its knowledge and belief, that:

(a) Seller is a for-profit corporation duly formed under the laws of the State of New York. Seller has the right, power and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement.

(b) Seller is the authorized legal holder of the FCC Authorization and the other licenses, permits and authorizations.

(c) The FCC Authorizations are in full force and effect and have not been modified, revoked, canceled or rescinded.

(d) Seller has good and marketable title to the Personal Property, free and clear of all liens, liabilities and encumbrances, it is being understood by the parties that the Personal Property is conveyed in 'as-is' condition.

(e) Between the date of this Agreement and the Closing Date: (i) Seller shall operate the Station in good faith, in the usual manner, and with due diligence to maintain the Station and its operations and to preserve the Stations' FCC Authorization and Assets; and (ii) Seller shall operate the Stations in compliance with all applicable laws, regulations and policies; and (iii) Seller shall not, except in the ordinary course of the Stations' business, dispose of any Assets, or enter into or modify any agreements or commitments regarding the Station or its operation, without the prior written consent of Buyer, which consent may not be unreasonably withheld, delayed or conditioned.

(f) At Closing, Buyer shall receive clear and unencumbered title to the Personal Property.

6. **Buyer's Representations and Warranties.** Buyer represents and warrants that Buyer is an individual, and is validly existing and in good standing. Buyer has the right, power and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement. The execution and performance of this Agreement do not constitute a violation, breach, or default under any law, regulation, agreement or other obligation to which Buyer is or will become subject.

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

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder are subject to the satisfaction of each of the following express conditions precedent:

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

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been issued without any condition that would have a material adverse effect upon Seller.

(iv) Buyer shall have delivered to Seller on the Closing Date the Exchange Assets of W239AC and W272AV.

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

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

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been issued without any condition that would have a material adverse effect upon Buyer.

(iv) The Station shall be validly operating in accordance with its FCC authorizations as of the Closing Date.

9. **Closing Deliveries.** At the Closing, Seller shall deliver to Buyer such documents, instruments and agreements as Buyer shall request and as shall be reasonably necessary to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to counsel for Buyer. (IE Bill of Sale)

12. **Indemnification by Seller.** Seller shall indemnify and hold harmless Buyer against and in respect of:

(a) Operations Prior to Closing. Any and all liabilities, obligations, claims, and demands arising prior to the Closing Date out of: the right to own or operate the Station (including, but not limited to, claims related to compliance with FCC rules and regulations), any breach by Seller of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Seller herein.

(b) Defense. Should any claim covered by the foregoing indemnity be asserted against Buyer, Buyer shall notify Seller promptly and give it an opportunity to defend the same and Buyer shall extend reasonable cooperation to Seller in connection with such defense. In the event that Seller fails to defend the same within a reasonable time, Buyer shall be entitled to assume, but need not assume, the defense thereof and Seller shall be liable to repay Buyer for all damages suffered by Buyer and all of its expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney fees and settlement payments).

13. **Indemnification by Buyer.** Buyer shall indemnify and hold harmless Seller against and in respect of:

(a) Operations after Closing. Any and all liabilities, obligations, claims, and demands arising after the Closing Date out of the right to own or operate the Station (including, but not limited to, claims related to compliance with FCC rules and regulations), any breach by Buyer of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Buyer herein.

(b) Defense. Should any claim covered by the foregoing indemnity be asserted against Seller, Seller shall notify Buyer promptly and give it an opportunity to defend the same, and Seller shall extend reasonable cooperation to Buyer in connection with such defense. In the event Buyer fails to defend the same within a reasonable time, Seller shall be entitled to assume, but need not assume, the defense thereof, and Buyer shall be liable to repay Seller for all damages suffered by Seller and all its expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney fees and settlement payments).

14. **Specific Performance.** The parties recognize the uniqueness of the Station and the assets, authorizations, and attributes that are associated with their operations, and for that reason agree that Buyer shall have the right to specific performance of this Agreement upon default of Seller.

15. **Termination.**

(a) Termination by Seller. In addition to the termination rights set forth in Section 5 above, this Agreement may be terminated by Seller and the purchase and sale of the Assets abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(i) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied or waived in writing by Seller.

(ii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Seller, that would prevent or make unlawful the Closing.

(b) Termination by Buyer. In addition to the termination rights set forth in Section 5 above, this Agreement may be terminated by Buyer and the purchase and sale of the Assets abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(i) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied or waived in writing by Buyer.

(ii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Buyer, that would prevent or make unlawful the Closing.

(c) If this Agreement is terminated pursuant to subsection (a) or (b) above and neither party is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other with respect to the purchase and sale of the Assets.

12. **Notices.** All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller to:

Bud Williamson
Digital Radio Broadcasting, Inc.
135 White Bridge Rd.
Middletown, NY 10940

Tel: (845)355-4001
Fax: (845)386-4001
Email: BudWilliamson@DRE.cc

If to Buyer, to:

John H. Katonah
194 River Road
Walden, NY 12586-2813

Tel: (845)-457-3000
Fax: (845-778-2371)
Email:john@katonah.net

13. **Counterparts.** This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by facsimile or scanned transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

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

John Katonah

By: 
Name: John Katonah

Digital Radio Broadcasting, Inc.

By: 
Name: Charles Williamson
Title: President