

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement"), made as of this ____ day of April, 2001, by and between DuBois Area Broadcasting Co., Inc., a Pennsylvania corporation ("Seller") and CSN International, a California non-profit corporation ("Buyer"):

W I T N E S S E T H:

WHEREAS, Seller is the owner, operator and licensee of FM Broadcast Station WREQ(FM), operating on a frequency of 96.9 MHz at Ridgebury, Pennsylvania (the "Station"); and

WHEREAS, the parties seek by means of this Agreement to provide for sale by Seller and the purchase by Buyer of the business and assets of the Station; and

WHEREAS, this Agreement may not be consummated without the prior consent of the Federal Communications Commission (the "FCC");

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties intending to be legally bound, the Seller and the Buyer do hereby mutually agree as follows:

1. Assets purchased. Subject to the terms and conditions hereinafter set forth, Seller shall sell, transfer, assign and deliver to Buyer, and Buyer will purchase from Seller on the Closing Date (as hereinafter defined) the assets listed below (the "Purchased Assets"):

(a) All of the tangible property, assets and equipment owned by Seller which are used or useful in the operation of the Station, including but not limited to the assets identified in Exhibit A hereto;

(b) The month-to-month lease for the Station's studios and offices, a copy of which is attached as Exhibit B hereto;

(c) The lease for site of the Station's STL relay station, a copy of which is attached as Exhibit C hereto;

(d) The licenses issued to or held by Seller and identified in Exhibit D hereto;

(e) The contracts, agreements and leases identified in Exhibit E hereto;

(f) All contracts for the sale of broadcast time on the Station to be provided subsequent to the Closing Date;

(g) The Seller's rights in and to the call letters "WREQ(FM)";

(h) All of Seller's files, correspondence, sales and promotional materials, records and logs relating to the business and operation of the Station, including but not limited to the materials in the Station's Local Public Inspection File, it being understood that Buyer shall make such records available to Seller if required for tax, liquidation or other corporate purposes.

The assets purchased do not include (i) cash, bank deposits and bank accounts; (ii) accounts receivable for the broadcast of programming and advertising prior to the Closing Date; and (iii) Seller's corporate minutes, seal, stock books and other records and accounts which do not relate to the business of the Station.

2. Consideration. As consideration for the assignment, transfer and conveyance of the Purchased Assets, Buyer hereby agrees to pay to Seller, and Seller hereby agrees to accept, the sum of Three Hundred Thousand Dollars (\$300,000.00), payable as follows:

(a) With five (5) business days of the execution of this Agreement by both parties, Buyer shall have delivered to the Law Offices of Eric S. Kravetz and Reddy, Begley & McCormick (the "Joint Escrow Agents") the sum of Thirty Thousand Dollars (\$30,000.00) as an earnest money deposit (the "Deposit") to be held by the Joint Escrow Agents in an interest bearing account pursuant to the Escrow Agreement attached as Exhibit F hereto. The Deposit will be paid to Seller at Closing as part of Buyer's payment of the purchase price or, in the event that this Agreement is terminated by Seller due to the unilateral breach of Buyer, as liquidated damages. In the event that the Agreement is terminated for any other reason, the Deposit will be returned to Buyer. Upon payment of the Deposit to either party, the interest earned on the Deposit will be paid to Buyer.

(b) At Closing, the sum of Two Hundred Seventy Thousand Dollars (\$270,000.00), in addition to the Deposit, to Seller by wire transfer or certified or cashier's bank check made payable to the order of Seller.

3. Prorations. All expenses arising from the operation of the Station including, but not limited to, power and utility charges, taxes, rents, accrued vacation pay of employees, applicable music license fees, and similar prepaid and deferred items shall be prorated between Buyer and Seller as of the close of business on the Closing Date. Such proration of expenses will, insofar as feasible, be determined and paid on the Closing Date, with final settlement sixty (60) days after the Closing Date.

4. Assumption of Liabilities. Buyer will assume and undertake to pay, satisfy, or discharge

the liabilities, obligations and commitments of Seller which first accrue or are to be performed or satisfied after the Closing under the contracts identified in Exhibit D hereto or pursuant to the contracts for the sale of broadcast time referred in Section 1(e) hereof. Buyer will not assume or be responsible for any liability, obligation or commitment of Seller other than as specifically set forth in this Section 4.

5. FCC Consent; Control of Station.

(a) The parties will proceed as expeditiously as practicable to file or cause to be filed an application, substantially complete and in suitable form and substance, with the FCC requesting consent to the assignment of the Station's License from Seller to Buyer. Said application shall be duly filed with the FCC not later than five (5) business days after the date of this Agreement. Buyer and Seller shall prosecute such application in good faith and with due diligence. Seller, following the filing of the application, shall broadcast and publish the requisite public notices as required by the rules and regulations of the FCC. Buyer and Seller will provide whatever additional information the FCC reasonably requests in processing said application and information will be furnished within the time established by the FCC in its request. Copies of any amendatory material or other papers filed by either party with the FCC pertaining directly or indirectly to the applications simultaneously shall be mailed to the other party. The parties hereto shall each bear its own legal fees and any and all costs and expenses not specified herein with respect to the sale and purchase of the Assets covered by this Agreement. Seller and Buyer each will pay one-half of the FCC filing fee required to be paid in connection with their application.

(b) Between the date of this Agreement and the Closing, Buyer shall not directly or indirectly control, or attempt to control the Station; such control shall be maintained by, and be the responsibility of, Seller.

6. Site Lease. Buyer will lease space on the tower and in the building located at the Station's transmitter site from Seller pursuant to the form of lease attached hereto as Exhibit G (the "Site Lease"). Such lease shall be executed by Buyer and Seller at the Closing of this Agreement.

7. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

(a) Organization and Standing. Seller is a corporation in good standing under the laws of the State of Pennsylvania, and has full corporate power and authority to carry on the business now conducted by it.

(b) Authorization. Seller has full power and authority to enter into this Agreement, and the execution, delivery and consummation of this Agreement have been duly authorized by all necessary corporate action on its part.

(c) Licenses. Exhibit D is a true and complete list of all licenses currently held by Seller for the Station and such licenses are in full force and effect, are unimpaired by any acts or omissions of Seller, and are not subject to any restriction or condition which would limit the full operation of the Station as presently conducted. Seller has no knowledge of any applications, material complaints, proceedings, investigations or inquiries, pending or threatened by or before the FCC relating to the business or operations of the Station other than proceedings which generally affect the broadcasting industry. Seller has no reason to believe that the FCC assignment application contemplated herein might be challenged or might not be granted by the FCC in the ordinary course.

(d) Absence of Conflicting Agreements or Required Consents. The execution, delivery and consummation of this Agreement is not prohibited by, and will not conflict with, constitute grounds for termination of, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, (1) the Certificate of Incorporation or By-Laws of Seller or (2) any agreement or instrument to which Seller is now a party or otherwise subject, or (3) any judgment, order, injunction or decree of any court or governmental authority.

(e) Assets Conveyed. All of the property, assets and equipment presently used in the operations of the Station business other than the Station's transmitter site is identified in Exhibits A, B and C hereto and will be conveyed in "as is" condition. To Seller's knowledge, all equipment listed in Exhibit A hereto is in good working order, in conformity with the manufacturers specifications, in compliance with FCC regulations, and enables the Station to operate in conformance with the terms of the Licenses to be assigned pursuant to this Agreement.

(f) Title of Assets. Seller has, and on the Closing Date will have, good, valid, marketable and legal title to all of the property listed in Exhibit A hereto, none of which is or will be subject to any security interest, mortgage, pledge, lien, conditional sales agreement or other claim, encumbrance or charge of any nature whatsoever, except for liens for current taxes not yet due and payable. Seller also has good, valid and legal title to the tower and building located at the Station's transmitter site and has no reason to believe that it will not continue to have the right to maintain and lease space on the Station's tower at that site for the full term of its lease for such site, including extensions, as set forth in such lease.

(g) Contracts; Consent to Assignment. The leases and contracts attached hereto as Exhibits B, C and E hereto are all of the existing leases and contracts which relate to the Station business other than Seller's lease for the Station's transmitter site. Exhibits B, C and E are true, accurate and complete copies of such leases and contracts. Such leases and contracts are in full force and effect, no party thereto is in breach, and no claim of breach has been made. The leases and contracts may be assigned to Buyer pursuant to the terms thereof, and all necessary consents to such assignment by the parties thereto have been, or by the Closing Date will be, obtained in writing by Seller and conveyed to Buyer in form and substance reasonably satisfactory to Buyer. There will be no trade-out accounts outstanding as of the Closing Date.

(h) Litigation. There are no claims, actions, suits, proceedings, disputes or investigations pending or, to the knowledge of Seller threatened, before any court or governmental or regulatory authority, or before any arbitrator of any nature, brought by or against Seller or the Station, which might result in any material adverse effect upon the business or assets (financial or otherwise) of the Station or which questions the validity of any action taken or to be taken pursuant to or in connection with this Agreement. Seller knows of no basis for any such claim, action, suit, proceeding, dispute or investigation.

(i) Debts and Liens. Seller is and will be solely responsible for all debts, taxes, impositions or obligations imposed or arising by reason of Seller's ownership of the purchased Assets and the operation of the Station prior to the Closing. Any debts or obligations which are or may give rise to liens against the Purchased Assets shall be discharged by Seller on or before the Closing.

(j) Operation of the Station. Seller will continue to operate the Station in accord with the terms of the license issued by the FCC and in compliance with the applicable technical rules of the FCC pursuant to a Time Brokerage Agreement between Buyer and Seller in the form of Exhibit H hereto. Seller intends to suspend broadcast operations after the execution of this Agreement in the absence of such Time Brokerage Agreement. Between the date of this Agreement and the Closing Date, Seller shall file with the FCC all applications, requests for authority to remain silent and other documents as may be required by the rules and regulations of the FCC.

(k) Tangible Property. Between the date hereof and the Closing Date none of the tangible personal property listed in Exhibit A will be sold or otherwise disposed of unless any such property is replaced by other property of equal or better quality and usefulness.

(l) Complete Disclosure. Seller's representations and warranties in this Agreement do not contain any untrue statement of any material fact and do not omit to state any material fact required to make such representations and warranties not misleading.

8. Covenants of Seller. Between the date hereof and the Closing Date, Seller will:

(a) Maintain all of its tangible property and assets or replacements thereof in their present condition, ordinary wear and tear excepted, and maintain normal supplies of inventory and spare parts;

(b) Maintain in effect insurance coverage of the same type and coverage as that in effect on the date hereof with respect to the properties of Seller;

(c) In the event that Buyer and Seller enter into a Time Brokerage Agreement, continue to operate the Station in accord with the terms of the license issued by the FCC and in compliance with the applicable technical rules of the FCC;

(d) Notify Buyer of any material litigation pending or threatened against Seller or any

material damage to or destruction of any assets included or to be included in the Purchased Assets;

(e) Exercise its best efforts to obtain all necessary consents to the assignment of the contracts, leases and agreements included in the Purchased Assets;

(f) Give notice to Buyer of any unusual event or circumstance in the operation of the Station or its business prior to the Closing Date;

(g) Hold appropriate Directors and Stockholders meetings to effectuate this Agreement;

(h) Allow reasonable access by Buyer to the Station and the Station's equipment prior to the Closing Date; and

(i) Notify Buyer of facts known to Seller which would materially and adversely affect the future operation of Station by the Buyer in the event of the approval of the assignment of the Station License by the FCC.

9. Conditions Precedent to Obligations of Buyer. The obligations of Buyer hereunder are, at the option of Buyer, subject to compliance, at or prior to the Closing Date, with each of the following conditions:

(a) FCC Consent. The FCC's consent to the assignment of the Station License to Buyer shall have been obtained without any conditions materially adverse to Buyer and such consent shall have become a Final Order not subject to either administrative or judicial reconsideration or review.

(b) Representations and Warranties. On the Closing Date all representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects.

(c) Covenants. As of the Closing Date, all of the terms, covenants and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been duly complied with or performed in all material respects.

(d) Adverse Proceedings. As of the Closing Date, no suit, action, claim or governmental proceeding shall have been instituted, taken, presented or threatened against Seller which results or reasonably may result in a substantial adverse effect upon, or substantial disruption of, the operations of the Station.

(e) Material Adverse Change. As of the Closing Date, there shall not have been any material adverse change in the Purchased Assets, and the Station shall be capable of engaging in normal broadcasting operations. In this regard, Buyer, at Buyer's option, shall have the right to inspect and inventory the Purchased Assets after the FCC's consent to the assignment of the Station License and prior to the Closing Date.

(f) Certification. Seller shall have delivered to Buyer a certificate dated the Closing Date and signed by its President and Treasurer to the effect that the representations and warranties contained in Section 7 hereof are true and correct in all material respects, and that between the date hereof and the Closing Date, Seller has complied in all material respects with the covenants provided in Paragraph 8 hereof.

(g) Closing Documentation. On the Closing Date, Seller shall have delivered bills of sale, deeds, endorsements, assignments and other instruments of transfer and conveyance reasonably satisfactory in form and substance in the reasonable judgment of counsel for Buyer transferring and assigning to Buyer the Purchased Assets as herein provided; and Seller shall have taken all steps necessary to put Buyer in possession and operating control of such property.

(h) Licenses. On the Closing Date, Seller shall be the holder of the Licenses presently held by it and there shall not have been any material adverse modification of any Licenses and no proceeding shall be pending, the effect of which would be to revoke, cancel, fail to renew, suspend or modify materially and adversely any of the Licenses. Following closing, all Licenses shall be held by Buyer.

(i) Site Lease. The parties shall have, contemporaneously with the Closing, executed the Site Lease.

10. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

(a) Organization and Standing. Buyer is a non-profit corporation in good standing under the laws of the State of California and has, or by the Closing Date shall have, all authority necessary to conduct its activities in the State of Pennsylvania.

(b) Authorization. Buyer has full power and authority to enter into this Agreement, and the execution, delivery and consummation of this Agreement have been duly authorized by all necessary action on its part.

(c) Absence of Conflicting Agreements or Required Consents. The execution, delivery and consummation of this Agreement is not prohibited by, and will not conflict with, constitute grounds for termination of, or result in a breach of, the terms, conditions or provisions of, or constitute a default under the Certificate of Incorporation or By-Laws of Buyer or any agreement or instrument to which Buyer is now a party or otherwise subject.

(d) Buyer's Qualifications. Buyer is aware of no facts which would cause the FCC to conclude that Buyer does not possess the legal, technical, and financial qualifications to acquire the Station License. Buyer has, or by the Closing Date will have, the consideration necessary to satisfy its obligations pursuant to Section 2 of this Agreement.

(e) Complete Disclosure. Buyer's representations and warranties in the Agreement do not contain any untrue statement of any material fact and do not omit to state any material fact required to make such representations and warranties not misleading.

11. Conditions Precedent to Obligations of Seller. The obligations of Seller hereunder are, at the option of Seller, subject to compliance, at or prior to the Closing Date, with each of the following conditions:

(a) FCC Consent. The FCC's consent to the assignment of the Licenses to Buyer shall have been obtained without any conditions materially adverse to Seller.

(b) Performance by Buyer. Buyer shall have performed in all material respects the undertakings and agreements of Buyer to be performed hereunder on or before the Closing Date.

12. Indemnification.

(a) Seller will defend, indemnify and hold Buyer harmless from and against any and all losses, liability, damages, costs, or expenses incurred by Buyer (including reasonable attorneys' fees, penalties and interest) payable from, arising out of, or incurred as a result of the falsity of any warranty or representation made by Seller herein.

(b) In the event that a claim is asserted against Buyer which, if established, would result in any such loss, liability, damage, cost or expense, Buyer shall be entitled to indemnification from Seller if it provides written notice of such claim to Seller within ten (10) business days after Buyer receives a document making it aware of such claim. Such notice shall state the nature and basis of the claim, and the actual or estimated amount thereof.

(c) Upon receipt of the notice specified by Section 12(b) hereof, Seller may assume the defense of such claim and may defend, compromise, settle or otherwise resolve such matter if:

(1) written notice of such assumption is provided to Buyer within ten (10) business days after receipt of the notice specified in Section 12(b),

(2) the duty to indemnify Buyer is asserted in the notice of assumption, and

(3) such assumption will not materially prejudice Buyer.

13. Survival of Representations and Warranties. The representations, warranties and agreements made by each party hereto shall survive the Closing and shall be fully enforceable at law or in equity against such party and its successors and assigns by the other party and its successors and assigns for a period of one (1) year after the Closing. Any investigation at any time made by or on

behalf of (or any disclosure to) either party hereto shall not diminish in any respect whatsoever its right to rely on the representations and warranties of the other party hereto.

14. Termination.

(a) This Agreement may be terminated by either party upon written notice to other party if the consent of the FCC to the assignment of the Station License has not been granted within two hundred seventy (270) days of the date that the application requesting such consent was filed with the FCC; provided, however, that the party desiring to terminate the Agreement pursuant to this Section 14(a) is not in breach of the Agreement at the time of such notice. If this Agreement is terminated pursuant to this Section 14(a), no party shall have any liability or further obligation to the other party, and all FCC filings, applications and other submissions relating to the subject transaction shall (to the extent practicable) be withdrawn.

(b) In the event that either party fails to comply with any material term or obligation or breaches any representation or warranty contained in this Agreement in any material respect and does not cure such failure within twenty (20) days of receiving written notice from the other party, then the other party may at its option, by written notice to the breaching party, terminate this Agreement without further obligation or liability; provided, however, that the terminating party is not in material breach of this Agreement at the time of such notice.

15. Specific Performance. The parties agree that the Station License is a unique property and that there is no adequate remedy at law for damage which Buyer might sustain upon a failure by the Seller to consummate this Agreement in accordance with its terms. Accordingly, Buyer is entitled to the remedy of specific performance to enforce such consummation upon and subject to the terms and conditions provided in this Agreement, in addition to whatever other remedies may be available to it at law or equity as a consequence of such failure, without posting bond or other surety for such equitable relief.

16. Closing. The Closing of the transaction provided for herein (the "Closing") shall take place at the offices of the Seller, located at 26 West Scribner Avenue, DuBois, Pennsylvania, within ten (10) business days after the consent of the FCC has become a Final Order, i.e., no longer subject to reconsideration, review or appeal by the FCC or any court, or at such other time and place as may be mutually agreed upon by the parties; provided, however, that Buyer in its sole discretion may

close the transaction after the consent of the FCC has been obtained but before such consent has become a Final Order.

17. Instruments of Conveyance.

(a) At the Closing, Seller shall deliver to Buyer:

- (1) An assignment of the Station License;
- (2) Bills of sale, deeds and such other documents as Buyer may reasonably request sufficient to place Buyer in actual possession of the tangible property, assets, equipment and real estate identified in Sections 1(a) and 1(b) hereof;
- (3) Assignments of the contracts, agreements and leases identified in Section 1(d) hereof, and written consents thereto; and
- (4) A certification dated as of the Closing Date, by a duly authorized officer of Seller attesting to the truthfulness as of the Closing Date of all representations and warranties made by Seller in this Agreement.
- (5) An executed Site Lease

(b) At the Closing, Buyer shall deliver to Seller:

- (1) Instructions to the Escrow Agent instructing it to pay the Deposit to Seller;
- (2) A cashier's or certified check, or wire transfer, made payable to the order of Seller in the amount of Two Hundred Seventy Thousand Dollars (\$270,000.00), plus or minus any adjustments made to the purchase price pursuant to the proration contemplated by Section 3 of this Agreement; and
- (3) A certification dated as of the Closing Date, by a duly authorized officer of Buyer attesting to the truthfulness as of the Closing Date of all representations and warranties made by Buyer in this Agreement.

18. Commissions.

(a) Seller has retained Sales Group as its exclusive broker with regard to the sale of its Station and will be solely responsible for the payment of all of the commission and any other obligation to the broker that may arise in connection with the transaction contemplated by this Agreement. Seller represents and warrants to Buyer that neither Buyer nor any party acting on its behalf has agreed to pay any party other than the broker identified herein a commission, finder's fee, or similar payment in regard to this Agreement or any matter related hereto or has taken any action on which a claim for any such payment could be based. Seller agrees to indemnify and save Buyer harmless from and against any claims, losses, liabilities or expenses that may be asserted against Buyer by any person on the basis of any such arrangement or agreement alleged to have been made by Seller or any party acting on its behalf.

(b) Buyer represents and warrants to Seller that neither Buyer nor any party acting on his behalf has agreed to pay any party a commission, finder's fee, or similar payment in regard to this Agreement or any matter related hereto or has taken any action on which a claim for any such payment could be based. Buyer agrees to indemnify and save Seller harmless from and against any claims, losses, liabilities or expenses that may be asserted against Seller by any person on the basis of any such arrangement or agreement alleged to have been made by Buyer or any party acting on its behalf.

19. Risk of Loss. The risk of loss, damage or destruction from any cause to the Purchased Assets shall be borne by Seller at all times between the date of this Agreement and the closing hereunder. In the event of major damage to any of the Purchased Assets or in the event of the occurrence of any damage or event which prevents broadcast transmissions of the Station in the normal and usual manner and substantially in accordance with its license, Seller shall promptly notify Buyer of the same in writing, specifying with particularity the loss or damage incurred, and the insurance coverage. In the event that the property required for the operation of the Station in the manner it is now operated and substantially in accordance with its license is not repaired, replaced or restored on or before the Closing Date, Buyer, at its sole option: (a) may terminate this Agreement, in which event there shall be no closing and this Agreement shall terminate without any further obligations; or (b) may elect to consummate the closing and accept the property in its then condition in which event Seller shall assign to Buyer all proceeds of insurance theretofore received covering the property involved to the extent not previously applied to restore such property.

20. Notice. All necessary notices, demands and requests shall be deemed duly given upon receipt, if mailed by certified mail, return receipt requested, postage prepaid, or by overnight courier service and addressed to the following:

If to Seller:

DuBois Area Broadcasting Co., Inc.
c/o Daniel Brownlee
RR 5, Box 220
Brookeville, PA 15825

If to Buyer:

CSN International
c/o Jeffrey Smith, Vice President
3232 W. MacArthur Blvd.
Santa Ana, CA 92704

21. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the transactions contemplated and supersedes all prior negotiations and agreements between the parties concerning the subject matter contained herein. No change, modification or waiver of any provision hereof will be valid unless in writing and signed by the party to be bound, except that an attorney for either party hereto may bind his client in writing as to a change in the Closing Date.

22. No Waiver. No delay or failure on the part of either party in exercising any rights hereunder, and no partial or single exercise thereof, will constitute a waiver of such rights or of any other rights hereunder.

23. Assignment. This Agreement may not be assigned by a party absent the prior written consent of the other party.

24. Binding Upon Successors. This Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, successors and assigns.

25. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Pennsylvania.

26. Counterparts. This Agreement may be executed in counterpart, each of which shall be deemed an original.

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

DUBOIS AREA
BROADCASTING CO., INC.
("Seller")

By: _____
President

CSN INTERNATIONAL
("Buyer")

By: _____
Vice President