

## **DONATION AGREEMENT**

THIS DONATION AGREEMENT (this "Agreement") is made as of May \_\_\_, 2007 by and among John R. Raese and David A. Raese ("Donors"), Descendants Trusts d/b/a AJG Broadcasting Company ("Donee"), West Virginia Radio Corporation of Elkins ("WV Elkins") and AJG Corporation (the "Company").

### **Recitals**

A. The Company owns and operates Station WFBY(FM), Weston, West Virginia (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC").

B. Donors each own fifty percent (50%) of the issued and outstanding stock of the Company (the "Stock").

C. Under the terms of a Time Brokerage Agreement (the "TBA") by and between Donee and Elkins Radio Corporation ("Elkins") dated as of June 27, 2005, Donee provides substantially all of the programming broadcast on Station WBTQ(FM), Buckhannon, West Virginia ("WBTQ"), and has an option to purchase WBTQ.

D. Donors wish to donate the Stock to Donee and Donee wishes to assume control of the Station.

E. In connection with Donors' donation of the Stock, Donors and Donee have agreed that Donee's rights and obligations under the TBA will be assigned to WV Elkins, the stock of which is one hundred percent (100%) owned by Donors.

### **Agreement**

NOW, THEREFORE, taking the foregoing recitals into account, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, the parties, intending to be legally bound, hereby agree as follows:

#### **ARTICLE I: THE DONATION**

1.1 **The Stock.** On the terms and subject to the conditions hereof, on the Closing Date (defined below), Donors shall assign, transfer, convey and deliver to Donee, and Donee shall acquire from Donors, all of the right, title and interest of Donors in and to the Stock, specifically the Donors' stock certificates Nos. 2 and 3 issued by the Company, which certificates will be duly endorsed to Donee, or, alternatively, will be accompanied by fully-executed stock powers naming Donee as transferee, in either event conveying to Donee a one-hundred percent (100%) interest in the Stock. The Company owns, and will own on the Closing Date, the following interests and rights, real and personal, tangible and intangible, used in the operation of the Station (the "Station Assets"):

(a) all licenses, permits and other authorizations which are issued to the Company by the FCC with respect to the Station (the "FCC Licenses"), including those

described on *Schedule 1.1(a)* attached hereto, and including any renewals or modifications thereof between the date hereof and Closing;

(b) all equipment, electrical devices, antennas, cables, tools, hardware, furniture, fixtures, towers, office materials and supplies, inventory, motor vehicles, spare parts and other tangible personal property of every kind and description which are used in the operation of the Station, including those described on *Schedule 1.1(b)* (the “Tangible Personal Property”);

(c) all interests in the real property leased for use in the operation of the Station and all appurtenant easements and improvements located thereon and covered by the Company’s leases, all as described on *Schedule 1.1(c)* attached hereto (the “Leased Real Property”);

(d) those contracts, leases, and agreements that are used in the ordinary course of operation of the Station, including those listed on *Schedule 1.1(d)* attached hereto (the “Station Contracts”);

(e) all of the Company’s rights in and to the Station’s call letters and the Company’s rights in and to the trademarks, trade names, service marks, franchises, copyrights, computer software, websites, domain names, programs and programming material, jingles, slogans, logos, and other intangible property which are used in the operation of the Station, including those listed on *Schedule 1.1(e)* attached hereto (the “Intangible Property”);

(f) all interests of the Company in programs and programming materials and elements of whatever form or nature used or held for use in the operation of the Station, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common-law copyrights used or held for used in the operation of the Station;

(g) the Company’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Station, including the Station’s local public 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;

(h) all claims (including warranty claims) deposits, prepaid expenses, and the Company’s goodwill in, and the going concern value of, the Station; and

(i) the Company’s personnel and employee benefits records.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the Company’s cash, cash equivalents, bank accounts, insurance policies, accounts receivable from the sale of the Station’s commercial or program time, or employee benefit plans (the “Excluded Assets”).

1.3 Assumed Obligations. On the Closing Date, the Station Assets shall be clear of liens, claims and encumbrances (“Liens”) except for the following (collectively, “Permitted Liens”): (i) the obligations of the Company arising after Closing under the Station Contracts (collectively, the “Assumed Obligations”), and (ii) liens for taxes not yet due and payable. Except for the Assumed Obligations, Donee does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any liabilities, obligations or commitments of the Company of any kind, whether or not disclosed to Donee (the “Retained Obligations”). At Closing, WV Elkins shall assume the Retained Obligations, if any exist.

1.4 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Station Assets or the Assumed Obligations and arising from the conduct of the business and operations of the Station shall be prorated between the Company and Donee in accordance with generally accepted accounting principles as of 11:59 p.m. on the date immediately preceding the Closing Date.

1.5 Closing. The consummation of the Stock donation (the “Closing”) shall occur on a date (the “Closing Date”) designated by Donors that is no later than thirty (30) days after grant of the FCC Consent (defined below), or, at Donors’ option, five (5) business days after the FCC Consent has become a Final Order (defined below), subject, however, to satisfaction or waiver of the other conditions to Closing contained in Articles VI and VII.

1.6 Governmental Consents.

(a) Within five (5) business days of the date of this Agreement, Donors, the Company and Donee shall file an application with the FCC (the “FCC Application”) requesting FCC consent to a transfer of control of the Company to Donee (“FCC Consent”). Donors and Donee shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible. The FCC Consent shall be deemed to be final as matter of law (a “Final Order”), as of the date when all rights to appeal or to seek reconsideration or rehearing with respect to grant of the FCC Consent have expired and no such appeal or request for reconsideration or rehearing is pending before the FCC or any court, and the time for the FCC to reconsider the FCC Consent on its own motion has expired.

(b) Donors, the Company and Donee shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Donors, the Company and Donee shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. The FCC Consent and (if applicable) any other required government consents are referred to herein collectively as the “Governmental Consents.”

ARTICLE II: ASSIGNMENT AND ASSUMPTION OF TBA

The provisions set forth below will govern the assignment and the assumption of the TBA:

2.1 Assignment and Assumption. On the Closing Date Donee will assign the TBA to WV Elkins, and WV Elkins will assume all of Donee's obligations thereunder through those parties' mutual execution and delivery of an Assignment and Assumption Agreement (the "A/A Agreement") in the form of Exhibit 1. Prior to Closing, Donee will obtain from Elkins a letter substantially in the form of Exhibit 2 evidencing Elkins' consent to such assignment and assumption.

2.2. Status of WBTQ at Closing; Assets to be Delivered. As of the Closing Date, Donee will certify that it is not subject to any litigation, claims, liabilities, taxes (including withholding and unemployment taxes), assessments or contractual obligations relating to Donee's operation of WBTQ except those disclosed to WV Elkins and assumed by WV Elkins under the A/A Agreement. All of Donee's employees at WBTQ will be discharged prior to the Closing Date and WV Elkins is indemnified and held harmless by Donee with respect to any claims arising from or attributable to such former employees' relationships with WBTQ prior to the Closing Date. Subject to the A/A Agreement, the following assets and properties of Donee used in the operation of WBTQ will become the property of WV Elkins as of the Closing Date: (i) the programming agreements and the other contracts and leases described in *Schedule 2.2*, (ii) studio equipment, (iii) intellectual property (including websites, domain names, computer hard drives, logos, jingles, music libraries, copyrights, trademarks, trade names and program materials), (iv) commercial time contracts, customer lists and account ledgers, (v) books of account, and (vi) property rights or assets of any other description which are used or useful in the programming operation of WBTQ under the TBA, except that Donee shall retain all accounts receivable for the commercial or program time broadcast on WBTQ prior to Closing.

### ARTICLE III: REPRESENTATIONS AND WARRANTIES OF DONORS, THE COMPANY AND WV ELKINS

Donors, the Company and WV Elkins make the following representations and warranties, respectively, to Donee:

3.1 Organization. The Company and WV Elkins are corporations duly organized, validly existing and in good standing under the laws of West Virginia. The Company and WV Elkins have the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by pursuant hereto, including but not limited to the A/A Agreement (collectively, the "Donors' Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Donors' Ancillary Agreements have been duly authorized and approved by all necessary action of Donors, the Company and WV Elkins and do not require any further authorization or consent. This Agreement is, and each Donor Ancillary Agreement when executed and delivered by Donors, the Company, WV Radio and the other parties thereto will be, a legal, valid and binding agreement of the Donors, the Company and WV Elkins enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general

principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Neither the execution and delivery by Donors, the Company or WV Elkins of this Agreement and the Donors' Ancillary Agreements or the consummation of any of the transactions contemplated hereby or thereby nor compliance with or fulfillment by Donors or the Company of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of the Company or WV Elkins or any law, judgment, order, or decree to which either such party or the Donors are subject; or (ii) require the approval, consent, authorization or act of, or the making of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the Governmental Consents, and except for counter-party consent to assign those Station Contracts designated on *Schedule 1.1(d)*.

3.4 FCC Licenses. The Company holds the FCC Licenses described on *Schedule 1.1(a)*. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against the Company with respect to the Station. The Station is operating in compliance in all material respects with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC.

3.5 Taxes. The Company has filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

3.6 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. The Company has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens.

3.7 Leased Real Property. The Company owns no real property that is used in the operation of the Station. *Schedule 1.1(c)* contains a list of all Leased Real Property and descriptions of the leases pertaining thereto. The Leased Real Property provides access to the Station's facilities. To the Company's knowledge, the Leased Real Property is not subject to any suit for condemnation or other taking by any public authority.

3.8 Contracts. *Schedule 1.1(d)* contains a list of all Station Contracts. Each of the Station Contracts (including without limitation each Real Property lease) is in effect and is binding upon the Company, and to Donors' and the Company'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). The Company has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to the Donors' and the Company's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

3.9 Environmental. To the Company's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property included in the Station Assets. To the Company's knowledge, the Company has complied in all material respects with all environmental, health and safety laws applicable to the Station.

3.10 Intangible Property. *Schedule 1.1(e)* contains a description of the material Intangible Property included in the Station Assets. The Company has received no notice of any claim that its use of the Intangible Property infringes upon any third party rights. The Company owns or has the right to use the Intangible Property free and clear of Liens.

3.11 Compliance with Law. The Company has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the operation of the Station. There is no action, suit or proceeding pending or threatened against the Company that will subject Donee to liability or which questions the legality or propriety of the transactions contemplated by this Agreement. To its knowledge, there are no governmental claims or investigations pending or threatened against the Company (except those affecting the industry generally).

3.12 Subchapter S Election; Officers, Directors and Stockholders; Business. The Company further represents and warrants that (i) the Company has elected to be treated for Federal income tax purposes under "Subchapter S" of the Internal Revenue Code; (ii) there are 1,000 shares of the common stock authorized to be issued under the Company's articles of incorporation; (iii) there are a total of 100 shares of the Company's common stock issued and outstanding; and (iv) *Schedule 3.12* sets forth the names of the officers, directors and stockholders of the Company, as well as the numbers and percentages of shares in the Company owned by the stockholders of record; and (v) the only business of the Company is ownership and operation of the Station.

#### ARTICLE IV: REPRESENTATIONS AND WARRANTIES OF DONEE

Donee hereby makes the following representations and warranties to Donors:

4.1 Organization and Standing. Donee is duly organized, validly existing and in good standing under the laws of the State of West Virginia. Donee has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Donee pursuant hereto, including but not limited to the A/A Agreement (collectively, the "Donee Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

4.2 Authorization. The execution, delivery and performance of this Agreement and the Donee Ancillary Agreements have been duly authorized and approved by all persons required to so approve, and do not require any further authorization or consent of Donee. This Agreement is, and each Donee Ancillary Agreement when executed and delivered by Donee and the other parties thereto will be, a legal, valid and binding agreement enforceable in accordance

with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 No Conflicts. Neither the execution and delivery by Donee of this Agreement and the Donee Ancillary Agreements or the consummation of any of the transactions contemplated hereby or thereby nor compliance by Donee with or fulfillment by Donee of the terms, conditions and provisions hereof or thereof will: (i) conflict with Donee's governing trust agreement or any contract or instrument to which Donee is a party, or any law, judgment, order or decree to which Donee is subject; or (ii) require the approval, consent, authorization or act of, or the making by Donee of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the Governmental Consents and the consent of Elkins to assignment of the TBA to WV Elkins as provided in Section 2.1.

4.4 Status of WBTQ. Subject to the TBA, Donee has operated WBTQ in the normal course of business. Except as disclosed in writing to Donors, there are no outstanding claims, assessments, litigation, debts, liabilities, or unpaid taxes (including withholding and unemployment taxes) against Donee with respect to its operation of WBTQ. To Donee's knowledge: (i) there is no outstanding complaint or investigation pending against WBTQ at the FCC; (ii) there is no outstanding FCC notice of apparent liability or notice of forfeiture outstanding against WBTQ; and (iii) any FCC-required antenna structure registrations for WBTQ have been made. All payments due to Elkins under the TBA, and all debts and obligations to other third-party vendors and tradesmen are, or will be on the Closing Date, paid in full.

## ARTICLE V: COVENANTS

5.1 Station Operations Pending Closing. The Company and the Donee, respectively covenant and agree with respect to the Station and to WBTQ that between the date hereof and Closing, subject to the TBA, they shall: (i) operate or program, as the case may be, the Station or WBTQ in the ordinary course of business consistent with past practice and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders; (ii) not sell, lease or dispose of or agree to sell, lease or dispose of any of their assets, or create, assume or permit to exist any Liens upon such assets, except for Permitted Liens; and (iii) furnish each other with such information relating to the respective operations of the Station and WBTQ as the other party may reasonably request.

5.2 Consents to Assignment. The parties shall use commercially reasonable efforts to obtain any third party consents necessary for the assignment of any contracts that will be assumed by either Donee (as to the Station) or WV Elkins (as to WBTQ). To the extent that any such contracts may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of the rights and obligations under the applicable contract, with the contracting party making available to the other party the benefits thereof.

## ARTICLE VI: CONDITIONS OF CLOSING BY DONEE

The obligations of Donee hereunder are subject to satisfaction, at or prior to Closing, of each of the following conditions:

6.1 Representations, Warranties and Covenants. The representations and warranties of Donors, the Company and WV Elkins made in this Agreement shall be true and correct in all material respects as of the Closing Date, and the covenants and agreements to be complied with and performed by Donors, the Company or WV Elkins at or prior to Closing shall have been complied with or performed in all material respects.

6.2 Governmental Consents. The Governmental Consents shall have been obtained.

## ARTICLE VII: CONDITIONS OF CLOSING BY DONORS AND WV ELKINS

The obligations of Donors and WV Elkins hereunder are subject to satisfaction, at or prior to Closing, of each of the following conditions:

7.1 Representations, Warranties and Covenants. The representations and warranties of Donee made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Donee at or prior to Closing shall have been complied with or performed in all material respects.

7.2. Governmental Consents. The Governmental Consents shall have been obtained and, at Donors' option, the FCC Consent shall have become a Final Order.

## ARTICLE VIII: DOCUMENTS TO BE DELIVERED AT CLOSING

8.1 Donor Documents. At Closing, Donors, the Company or WV Elkins shall deliver to Donee (a) the Stock as described in Section 1.1, either duly endorsed to Donee or accompanied by duly executed stock powers in Donee's favor; (b) the stock book, minutes, articles of incorporation, bylaws and the tax, financial and personnel and benefits records of the Company; (c) executed resignations of all officers and directors of the Company; (d) an original of the A/A Agreement executed by WV Elkins; and (e) the documents and materials described in Section 1.1(a), (e), (g), and (h).

8.2 Donee Documents. At Closing, Donee shall deliver to Donors, the Company or WV Elkins (a) an original or the A/A Agreement executed by Donee; (b) the consent letter in the form of Exhibit 2 signed by Elkins; (c) an acknowledgement, in a form reasonably acceptable to Donors' counsel, of Donee's receipt and acceptance of the Stock; and (d) the Donee's tangible and intangible assets, records and files for WBTQ as described in Section 2.2, including with respect thereto such instruments of conveyance and third-party consents as may be reasonably requested by WV Elkins.



## ARTICLE IX: SURVIVAL; INDEMNIFICATION

9.1 Survival. The covenants, agreements, representations and warranties contained in this Agreement shall survive and not be affected by Closing for a period of one year, whereupon they shall expire and be of no further force or effect, except those under (i) this Article 8 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved, and (ii) Sections 1.3 (Assumed Obligations), 1.4 (Prorations and Adjustments), and indemnification obligations with respect to such provisions, which shall survive until performed..

### 9.2 Indemnification.

9.2.1 From and after the Closing, Donors shall indemnify, defend and hold harmless Donee from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Donee arising out of or resulting from: (i) any breach or default by Donors, the Company or WV Elkins under this Agreement; (ii) the Retained Obligations; or (iii) the operation of the Station before Closing.

9.2.2 From and after the Closing, Donee shall defend, indemnify and hold harmless Donors, the Company and WV Elkins from and against any and all Damages incurred by such parties arising out of or resulting from: (i) any breach or default by Donee under this Agreement; (ii) the Assumed Obligations; (iii) operation of the Station after Closing; or (iv) operation of WBTQ before Closing.

9.2.3 The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by a third party that is subject to indemnification by the indemnifying party, but a failure to give such notice or delaying 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.

## ARTICLE X: TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to Closing as follows:

10.1.1 by mutual written consent of Donors and Donee;

10.1.2 by written notice of Donee to Donors if Donors, the Company or WV Elkins (i) do not satisfy the conditions or perform the obligations to be satisfied or performed by them on the Closing Date; or (ii) otherwise breach in any material respect any of their respective representations or warranties or default in any material respect in the performance of any of their respective covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);

10.1.3 by written notice of Donors to Donee if Donee (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below); or

10.1.4 by written notice of Donee to Donors, or Donors to Donee, if the Closing shall not have been consummated on or before the first anniversary of the date of this Agreement.

10.2 The term "Cure Period" as used herein means a period commencing the date a party receives written notice of breach or default hereunder and continuing until the earlier of (i) thirty (30) days thereafter or (ii) the Closing Date; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination.

#### ARTICLE XI: COLLECTION OF ACCOUNTS RECEIVABLE

Any payments on the accounts receivable collected by Donee from and after Closing that were earned by the Company for the sale of commercial or program time on the Station and that were outstanding and unpaid as of the Closing shall be promptly transmitted to the Company. Any payments on the accounts receivable collected by WV Elkins from and after Closing that were earned by Donee for the sale of commercial or program time on WBTQ and that were outstanding and unpaid as of the Closing shall likewise be promptly transmitted to Donee.

#### ARTICLE XII: MISCELLANEOUS PROVISIONS

12.1 Further Assurances. After Closing, Donors shall from time to time, at the request of and without further cost or expense to Donee, execute and deliver such additional instruments of conveyance and transfer and take such other actions as may reasonably be requested to facilitate the transactions provided for in this Agreement, and Donee shall from time to time, at the request of and without further cost or expense to Donors, execute and deliver such other instruments of conveyance as may be reasonably requested by Donors, the Company or WV Elkins, to facilitate the transactions provided for in this Agreement.

12.2 Assignment. Neither party may assign this Agreement without the prior written consent of the other, except Donors, the Company or WV Elkins may assign this Agreement without the consent of Donee to any entity under the control of Donors.

12.3 Amendments. 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.

12.4 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.

12.5 Governing Law. The construction, performance and enforcement of this Agreement shall be governed by the laws of the State of West Virginia.

12.6 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Donors, the Company  
or WV Elkins, then to:

West Virginia Radio Corporation  
570 Canyon Road  
Morgantown, West Virginia 26507  
Attention: James Troy, Treasurer  
Facsimile: 304-594-2220

with a copy (which shall not  
constitute notice) to:

Harry C. Martin  
Fletcher, Heald & Hildreth, P.L.C.  
1300 North 17<sup>th</sup> Street, 11<sup>th</sup> Floor  
Arlington, Virginia 22209  
Facsimile: (202) 663-8217

if to Donee, then to:

Lauren M. Kelley, Trustee  
65 Meadow Road  
Riverside, Connecticut 06878  
Facsimile: (203) 637-7603

with a copy (which shall not  
constitute notice) to:

Matthew H. McCormick  
Irwin Campbell & Tannenwald, P.C.  
1730 Rhode Island Avenue, N.W., Suite 200  
Washington, DC 20036  
Facsimile: 202-728-0354

12.7 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.

12.8 No Third-Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

12.9 Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable

provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

12.10 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

12.11 Schedules. This Agreement is being executed prior to delivery of the following Schedules: 1.1(a)--FCC Authorizations; 1.1(b)--Tangible Personal Property; 1.1(c)--Real Property Leases; 1.1(d)-- Station Contracts; and 1.1(e)--Intangible Property; and Schedule 2.2—Donee's Contracts and Leases. The Company and Donee shall deliver such Schedules to Donee and the Company, respectively, within ten (10) business days of the date of this Agreement. If such Schedules are not reasonably satisfactory to Donee or the Company, then the parties shall in good faith resolve such conflict promptly (and in any event not later than thirty (30) calendar days after the date of this Agreement) in a commercially reasonable manner, it being understood that the Schedules are intended to provide a more detailed listing of assets covered under this Agreement, and not to modify the terms of this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO DONATION AGREEMENT

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

DONORS:

JOHN R. RAESE

By: 

John R. Raese

DAVID A. RAESE

By: 

David A. Raese

THE COMPANY:

AJG CORPORATION

By: 

Dale B. Miller, President

WV ELKINS:

WEST VIRGINIA RADIO CORPORATION OF ELKINS

By: 

Dale B. Miller, President

DONEE:

DESCENDANTS TRUSTS  
D/B/A AJG BROADCASTING COMPANY

By: \_\_\_\_\_

Lauren M. Kelley, Trustee

SIGNATURE PAGE TO DONATION AGREEMENT

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

DONORS:

JOHN R. RAESE

By: \_\_\_\_\_

John R. Raese

DAVID A. RAESE

By: \_\_\_\_\_

David A. Raese

THE COMPANY:

AJG CORPORATION

By: \_\_\_\_\_

Dale B. Miller, President

WV ELKINS:

WEST VIRGINIA RADIO CORPORATION OF ELKINS

By: \_\_\_\_\_

Dale B. Miller, President

DONEE:

DESCENDANTS TRUSTS  
D/B/A AJG BROADCASTING COMPANY

By: \_\_\_\_\_

Lauren M. Kelley, Trustee

## **Schedule 1.1(a)**

### **FCC Licenses**

- Main station license for FM radio station WFBY(FM), Weston, West Virginia (FCC Facility ID No. 71690)
- License for Aural Studio Transmitter Link WPOS834
- License for Aural Studio Transmitter Link WPOS835
- License for Aural Intercity Relay WPOS836
- License for Aural Intercity Relay WPOS837

## **Schedule 1.1(b)**

### **Tangible Personal Property**

<b><u>Asset ID</u></b>	<b><u>Description</u></b>
9498	Blower System – XTMR Building
9543	New FBY XMTR Bldg Addition – Tower Site
9497	10 KW FM Transmitter – Hackers Creek
5509	WFBY Tower Road
5510	WFBY Tower Rohn 45
5513	WFBY Transmitter Building
5728	WFBY Transmitter Building Ven
5498	WFBY Transmitter – QEI
5501	3 Bay Antenna
5502	Modulation Meter
5503	Limiter
5504	Transmission Lines/Connectors
5505	Burk SA-16 Remote Control System
5506	EBS Encoder
5528	(2) Prism II Gentner Digital Controls WFBY
5558	FM Optimod – WFBY Transmitter
5724	WFBY 450 Remote Antenna
5727	WFBY Yagi 3 Remote Antenna
11596	Inovonics RDS/RBDS Encoder XMTR Site WFBY



## **Schedule 1.1(c)**

### **Leased Real Property**

All interests in real property leased pursuant to that certain Lease Agreement dated September 1, 1994 by and between Robert and Betty Burke and Randall and Brenda Burke (Lessors) and West Virginia Radio Corporation (Lessee) with regard to the lease of the property for the WFBY tower site that expires on August 31, 2009.

## **Schedule 1.1(d)**

### **Station Contracts**

All contracts, agreements, understandings, covenants, arrangements, purchase orders, invoices, bills of sales, undertakings, quotations, proposals, commitments, consignments, and indentures relating to or in any way connected with radio station WFBY, including without limitation, the following:

1. Lease Agreement dated September 1, 1994 by and between Robert and Betty Burke and Randall and Brenda Burke (Lessors) and West Virginia Radio Corporation (Lessee) with regard to the lease of the property for the WFBY tower site that expires on August 31, 2009;
2. Music License Agreement dated February 12, 2007 by and between West Virginia Radio Corporation and Broadcast Music Inc. ("BMI") with regard to the licensing of musical compositions and performances thereof for radio station WFBY;
3. Radio Station License Agreement dated January 13, 2005 by and between West Virginia Radio Corporation and the American Society of Composers, Authors & Publishers ("ASCAP") with regard to the licensing of musical compositions and performances thereof for radio station WFBY; and
4. Radio Broadcasting License Agreement dated October 10, 1997 by and between West Virginia Radio Corporation and SESAC, Inc. with regard to the licensing of musical compositions and performances thereof for radio station WFBY.

**Schedule 1.1(e)**  
**Intangible Property**

Station call letters WFBY

## **Schedule 3.12**

### **Company Officers, Directors & Stockholders**

#### **Officers:**

- John R. Raese, Chairman
- David A. Raese, CEO, Ass't Secretary & Ass't Treasurer
- Dale B. Miller, President
- James M. Troy, Vice President, CFO, Secretary & Treasurer
- C. Thomas Buck, Vice President, Finance
- J. Robert Gwynne, Ass't Secretary
- David S. Shaffer, Ass't Treasurer

#### **Directors:**

- John R. Raese
- David A. Raese
- Dale B. Miller
- James M. Troy
- J. Robert Gwynne

#### **Shareholders:**

- John R. Raese – 50 Shares
- David A. Raese – 50 Shares

**Donation Agreement  
Exhibit 1**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

**THIS ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2007 by and between Descendants Trusts d/b/a AJG Broadcasting Company (“Assignor”), and West Virginia Radio Corporation of Elkins (“Assignee”).

**WHEREAS**, Assignor and Assignee entered into that certain Donation Agreement dated as of \_\_\_\_\_, 2007 (the “Donation Agreement”), which provides, among other things, for assignment by Assignor to Assignee of all of Assignor’s rights and obligations under the Time Brokerage Agreement (the “TBA”) by and between Assignor and Elkins Radio Corporation (“Elkins”) dated as of June 27, 2005, under which TBA Assignor provides substantially all of the programming broadcast on Station WBTQ(FM), Buckhannon, West Virginia (“WBTQ”) and has an option to purchase WBTQ;

**WHEREAS**, pursuant to the terms and conditions of the Donation Agreement, Assignor desires to transfer to Assignee, and Assignee desires to assume from Assignor, the TBA in accordance with Article 2 of the Donation Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises contained in the Donation Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, and subject to the terms and conditions of the Donation Agreement:

1. Assignment and Assumption. Subject to the Assignor’s representations, warranties and covenants of the Assignor set forth in the Donation Agreement, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor’s rights, title and interest in and to the TBA, and to the assets and properties described in Section 2.2 (i)-(vii) of the Donation Agreement (the “Assigned Assets”), and, subject to its representations, warranties and covenants in the Donation Agreement, Assignee hereby assumes all of Assignor’s rights and obligations under the Donation Agreement.

2. Successors. All of the covenants, terms and conditions set forth herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their permitted successors or assigns under the Donation Agreement.

3. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of West Virginia, without regard to its principles of conflicts of laws.

4. Counterparts. This Agreement may be executed in multiple counterparts, all of which together shall for all purposes constitute one and the same instrument.

5. Further Assurances. From time to time after the date hereof, without further consideration, Assignor shall execute and deliver such other instruments of assignment, transfer and conveyance and shall take such other action as Assignee may reasonably request to more effectively assign, transfer and convey to Assignee all of Assignor's right, title and interest in and to the Assigned Assets.

6. No Conflict. To the extent there is a conflict between the terms and provisions of this Agreement and the Donation Agreement, the terms and provisions of the Donation Agreement will govern.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION AGREEMENT

**IN WITNESS WHEREOF**, and intending to be legally bound hereby, each of Assignor and Assignee has caused this Agreement to be executed and delivered by its duly authorized representative as of the day and year first above written.

**DESCENDANTS TRUSTS d/b/a  
AJG BROADCASTING COMPANY**

By: \_\_\_\_\_  
Lauren M. Kelley, Trustee

**WEST VIRGINIA RADIO  
CORPORATION OF ELKINS**

By: \_\_\_\_\_  
Dale B. Miller, President

**Donation Agreement  
Exhibit 2**

**ELKINS RADIO CORPORATION  
228 Randolph Avenue  
Elkins, West Virginia 26241**

May \_\_\_\_, 2007

Descendants Trusts d/b/a AJG Broadcasting Company  
65 Meadow Road  
Riverside, Connecticut 06878-8220  
Attention: Lauren M. Kelley, Trustee

Re: Assignment of Time Brokerage Agreement (WBTQ)

Dear Ms Kelley:

We are advised that Descendants Trust d/b/a AJG Broadcasting Company (the "Trust") is considering an assignment to West Virginia Radio Corporation of Elkins ("WV Radio") of all of the Trust's rights and obligations under the June 27, 2005 Time Brokerage Agreement (the "Agreement") between the Trust and Elkins Radio Corporation ("Elkins Radio"). Under the Agreement, the Trust provides programming to Elkins Radio's station WBTQ(FM), Buckhannon, West Virginia, and has an option to purchase that station. As required in Section 19 of the Agreement, Elkins Radio must give prior consent to an assignment of the Agreement, although our consent cannot be unreasonably withheld.

Elkins Radio consents to assignment of the Agreement to WV Radio provided at the time of such assignment (a) the Trust is up to date on all payments due and otherwise is in full compliance with the terms of the Agreement, (b) the Trust executes a release of Elkins Radio with respect to all obligations and liabilities to the Trust under the Agreement, and (c) WV Radio acknowledges in writing to Elkins Radio that it accepts and will fully meet all of the obligations of "Programmer" under the Agreement.

Very truly yours,

**ELKINS RADIO CORPORATION**

By: \_\_\_\_\_  
Richard H. McGraw, President