

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of November 10, 2008, by and between Digital Radio Broadcasting, Inc. ("Seller") and Community Radio Collective, Inc. ("Buyer").

WITNESSETH:

WHEREAS, Seller is the approved assignee of FM Translator Station W289AU, Moosic, PA, Facility ID Number 147327, (the "Station"), pursuant to an authorization 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 Station.

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), Seller agrees to sell, transfer, assign, convey and deliver to Buyer 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 Authorizations") together with all licenses, permits and authorizations issued by any other governmental authority in connection with the operation of the Station, as set forth on Schedule 1; and

(b) that certain equipment, supplies, spare parts, 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

(c) all site rights, including but not limited to, lease understandings or agreements and site assurances to locate the Station at the transmitter sites currently specified in the FCC Authorizations for the Station, as set forth on Schedule 3.

2. **Purchase Price.** In consideration of the sale, transfer, assignment, conveyance and delivery of the Assets to Buyer, Buyer shall pay to Seller the aggregate sum of Forty-Five Thousand Dollars (\$45,000) (the "Purchase Price") by wire transfer of immediately available funds, or such other payment method mutually satisfactory to the parties in the amount of Twenty-Two Thousand Five Hundred Dollars (\$22,500) at Closing (as hereinafter defined) and the remaining Twenty-Two Thousand Five Hundred Dollars (~~\$24,000~~^{\$22,500}) payable pursuant to the terms and conditions of the Promissory Note attached as Exhibit A hereto. Upon execution of the Agreement, Buyer shall deposit into an Escrow Deposit to the Attorney-Client Trust Account of Seller the sum of Four Thousand Five Hundred Dollars (\$4,500.00). On the Closing Date, the Escrow Deposit shall be paid to Seller, with any interest thereon returned to Buyer, and Buyer shall pay the remainder of that portion of the Purchase Price to Seller by wire transfer of immediately available funds, pursuant to written wire instructions that Seller shall deliver to Buyer at or prior to Closing. In the event that they Buyer wrongfully fails to close and Seller has fully complied with the terms of the Purchase Agreement then only in that event Buyer shall forfeit the Escrow Deposit to Seller as liquidated damages and as the exclusive remedy of Seller against Buyer.




3. **FCC Consent; Assignment Application.** It is specifically understood and agreed by Seller and Buyer that the assignment of the FCC Authorizations 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 FCC Authorizations (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.

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 fourteen (14) 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 that:

(a) Seller is a for-profit corporation duly formed under the laws of the State of New York, and is validly existing and in good standing. 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. 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.

(b) At Closing, Seller will be the authorized legal holder of the FCC Authorizations 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.

(e) Seller has valid authority for the site rights set forth in Schedule 3.

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

6. **Buyer's Representations and Warranties.** Buyer represents and warrants that Buyer is a non-profit corporation duly formed under the laws of the Commonwealth of Pennsylvania 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 Purchase Price.

(v) Buyer shall have executed the Promissory Note by the Closing Date.

(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 delivered, within 21 days of the date hereof, a checklist of Personal Property used or useful in the operation of the Station and being conveyed hereby.

(ii) 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.

(iii) 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.

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

(v) Buyer shall have entered into site lease agreements in form and substance reasonably satisfactory to Buyer with respect to the real property used in connection with the operation of the Station.

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.

10. **Termination.** This Agreement may be terminated prior to Closing (a) by mutual written consent of Buyer and Seller; (b) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the date twelve (12) months after the date of this Agreement; or (c) in the event either party is in default of this Agreement, by the non-defaulting party. In the event of termination of this Agreement pursuant to this Section this Agreement shall forthwith become void and the parties shall be released for any further obligation hereunder.

11. **Post-Closing Obligations.**



(a) Indemnity. Buyer is not assuming and shall not be obligated to pay any liability of Seller under the terms of this Agreement or otherwise and shall not be obligated to perform any obligations of Seller of any kind or manner, except by reason of contracts and obligations expressly assumed by the Buyer hereunder and with respect to such contracts only such obligations which arise subsequent to 12:01 a.m. on the Closing Date. Seller hereby agrees to indemnify, defend and hold harmless Buyer, its successors and assigns, from and against:

(i) Any and all claims, demands, liabilities, obligations, actions, suits, proceedings losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees, of every kind and description, contingent or otherwise (the foregoing hereinafter collectively referred to as "Damages"), occasioned by or arising out of or resulting from the operation of the Station prior to Closing; and

(ii) Any and all Damages occasioned by arising out of or resulting from any misrepresentations, breach of warranty or covenant, or default or non-fulfillment of any agreement on the part of Seller under this Agreement, or from any certificate, agreement, appendix, schedule or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(b) Buyer hereby agrees to indemnify, defend and hold harmless Seller, its successors and assigns, from and against:

(i) Any and all claims, demands, liabilities, obligations, actions, suits, proceedings losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees, of every kind and description, contingent or otherwise (the foregoing hereinafter collectively referred to as "Damages"), occasioned by or arising out of or resulting from the operation of the Station after the Closing; and

(ii) Any and all Damages occasioned by arising out of or resulting from any misrepresentations, breach of warranty or covenant, or default or non-fulfillment of any agreement on the part of Buyer under this Agreement, or from any certificate, agreement, appendix, schedule or other instrument furnished to Seller pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

12. **Miscellaneous.**

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their heirs, successors, executors, legal representatives and assigns, provided however that neither party hereto may voluntarily assign this Agreement without the express written consent of the other party.

(b) 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.

(c) The construction and performance of this Agreement shall be governed by the laws of the State of New York.

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

(e) 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.

(f) Except as otherwise provided for in this Agreement, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All fees and charges applicable to any requests for the FCC Consent shall be shared equally. Seller shall be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the Assets under this Agreement. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

13. **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

With copy (which shall not constitute notice) to:

David O'Neil
Rini Coran, PC
1615 L Street, NW
Suite 1325
Washington, DC 20036
Tel: 202-995-3931
Fax: 202-296-2014
Email: doneil@rinicoran.com

If to Buyer, to:

Community Radio Collective, Inc.
P.O. Box 292
Scranton, PA 18504
Tel. (570) 504-5803
Fax (570) 504-5769

With copy (which shall not constitute notice) to:



Michael Couzens, Esq.
P.O. Box 3642
Oakland, CA 94609
Tel: (510) 658-7654
Fax: (510) 654-6741
Email: cuz@lptv.tv

14. **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 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.

Community Radio Collective, Inc.

By: 
Name: Jacob Rosen
Title: Chairman of Board

Digital Radio Broadcasting, Inc.

By: 
Name: Charles Williamson
Title: President

SCHEDULE 1

FCC Authorizations

W289AU, Moosic, Pennsylvania, Facility ID Number 147327

SCHEDULE 2

List of Equipment and Personal Property to be Transferred

SCHEDULE 3

List of Site Rights to be Transferred

Antenna Site Agreement dated June 26, 2007 between The Phoenix Group, LLC and SBA Towers II,
LLC.

~