

## MEMBERSHIP UNIT PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this 14 day of November, 2013, by and between **Daniel A. Klingerman and Larry Allison, Jr.**, each a resident of Pennsylvania (hereinafter individually "Seller" or collectively "Sellers"), and **Todd Bartley**, a resident of Pennsylvania (hereinafter "Buyer");

WHEREAS, Sellers own all of the issued and outstanding membership interests of COLONIAL RADIO GROUP OF WILLIAMSPORT, LLC, a Pennsylvania limited liability company (the "Company"), which is the Federal Communications Commission ("FCC") licensee of Radio Station WLYC (AM), Williamsport, Pennsylvania and FM Translator W281AR, Williamsport, Pennsylvania; and

WHEREAS, Buyer wishes to purchase from Sellers all of the issued and outstanding Membership Interests of the Company, on certain terms and conditions and subject to certain contingencies, hereinafter set forth;

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

1. Membership Interests to be Purchased; Assets.

1.1 Membership Interest Transfer. At the Closing (as hereinafter defined), Sellers will sell, assign, transfer and deliver to Buyer One Hundred (100%) percent of the issued and outstanding Membership Interests of the Company (hereinafter, the "Membership Interests").

1.2 Assets. All of the fixed, tangible and intangible, real and personal assets owned by the Company as of the date hereof, or which shall become assets of the Company from and after this date, used and usable in the operation of the business of the Company, shall remain the

property of the Company and on the Closing Date (as hereinafter defined) shall be free and clear of all liens and encumbrances (all of said assets hereinafter referred to as the "Company Assets"). The Company Assets shall include, but not be limited to, the following:

(a) those assets or items of tangible personal property used and usable in the operation of the business of the Company, including specifically but not exclusively those said items shown and described on Schedule "A" attached hereto;

(b) all supplies and other goods and materials owned by the Company;

(c) all leaseholds and licenses, including those issued by the Federal Communications Commission ("FCC") listed on Schedules "B" & "C", as well as any other real property rights or interests, including leasehold improvements and fixtures, and all rights appurtenant thereto;

(d) all trademarks, names, trade names, marks, symbols, service marks, logos and copyrights, any applications for registrations of and licenses in respect of any of the foregoing, and all trade secrets, customer lists and proprietary rights, websites and domain names; and

(e) all agreements, contracts, contract rights, leases, purchase and sales orders, invoices, license agreements which have not been discharged or terminated in accordance with their respective terms prior to the Closing.

## 2. Purchase Price and Payment.

2.1 Purchase Price. The purchase price for the Membership Interests to be paid to Sellers by Buyer for the sale, assignment, transfer and delivery of the Membership Interests shall be Two Hundred and Fifty Thousand Dollars (\$250,000.00).

2.2 Payment at Closing. On the Closing Date, and subject to certain conditions hereinafter set forth, Buyer will deliver to Sellers:

(a) A fully executed promissory note of Buyer, in the principal amount of \$125,000.00 bearing interest at 5% per annum; said note to be guaranteed by Todd Bartley and Pioneer Sports Productions, LLC, payable to Daniel A. Klingerman.

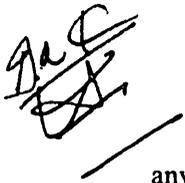
(b) A fully executed promissory note of Buyer, in the principal amount of \$125,000.00 bearing interest at the rate of 5% per annum; said note to be guaranteed by Todd Bartley and Pioneer Sports Productions, LLC, payable to Larry Allison, Jr.

2.3 ~~2.3~~ Assumption of Liabilities. Buyer shall assume and shall be obligated to pay any and all of the debts, liabilities or obligations of the Company, <sup>INCLUDING TO</sup> Sellers, as creditors of the Company, remaining unpaid after closing ~~and this obligation expressly includes all payables due.~~

3. Sellers' Representations. Sellers represent to Buyer as follows, which representations shall be deemed to have been made again at, and shall survive, the Closing:

3.1 Capacity to Enter into Agreement. Each Seller has full legal capacity to enter into this Agreement; and the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement does not and will not result in the violation of any order, license, permit, rule, judgment or decree to which Sellers or the Company Assets are subject or the breach of or default under any contract, agreement or other commitment to which Sellers and/or the Company are a party or by which either or the Company Assets are bound.

3.2 Approvals/Consent. Except for any necessary consents or approvals from the FCC, no other consent of any kind is required from any party for Sellers to enter into this Agreement or to consummate the transactions contemplated herein.



3.3 Corporate Existence and Powers. The Company is a limited liability company duly organized and validly existing under the laws of the State of Pennsylvania, in good standing, with full power and authority to own its properties, to carry on the business presently conducted by it, and the completion of the transactions here involved will not result in the violation of any order, license, permit, rule, judgment or decree to which the Company is subject or the breach of any contract, agreement or other commitment to which the Company is a party or by which it is bound.

3.4 Full and Lawful Owner. Each Seller is and shall remain the full and lawful owner of all of the Membership Interests, which as of this date are, and on the Closing Date will be, free and clear of all liens, pledges, encumbrances, charges, agreements or claims by or on the part of any person, firm or corporation or other entity and each Seller has good and indefeasible title thereto. No warrant, right or option to purchase any portion or all of the Membership Interests exists in favor of any person, firm or corporation or any other entity whatsoever. Neither Seller shall transfer any of his Membership Interests to any other person prior to Closing. The transfer of the Membership Interests from Sellers to Buyer shall vest Buyer with a marketable title, clear of all liens and encumbrances, of all the issued and outstanding Membership Interests of the Company.

3.5 Tax Returns. Proper federal, state and local income tax returns (if applicable) of the Company required to be filed as of the date hereof have been filed and will be filed up to the date of Closing (and any such returns for the period from January 1, 2013 until the Closing Date shall have an estimate of federal and state income tax on the annualization method accrued and due by the Sellers one hundred twenty (120) days after the Closing Date) and the tax shown due thereon shall have been paid. Sellers have delivered to Buyer copies of the federal and state of Pennsylvania income tax returns for each of the calendar years ending December 31, 2012, December 31, 2011, December 31, 2010 and December 31, 2009, and each return is true and correct in all material

respects. If necessary, Sellers will cooperate with Buyer with respect to the preparation and filing of subsequent returns. In any event, all liability of the Company for federal and/or state or local income taxes, state franchise taxes and all other taxes of any and every nature due or accrued prior to the Closing Date shall be paid by Sellers on behalf of the Company on or prior to the Closing Date shall be paid or assumed by Buyer.

3.6 Access to Information. The Company shall give Buyer and its representatives full but reasonable access during normal business hours throughout the period prior to Closing to the operations, properties, books, contracts, agreements, leases, commitments and records of the Company and its business. Sellers shall furnish to Buyer all information concerning the Company's affairs as Buyer may reasonably request.

3.7 Contracts and Commitments. The contracts, agreements, contract rights, arrangements, commitments, leases, licenses and instruments known to Sellers, whether written or oral, express or implied, related to the operation and business of the Company, include, but are not limited to:

- (a) Any agreements relating to any indebtedness or loans (either as borrower or lender) of the Company;
- (b) Any agreements which involve leasing or otherwise using real or personal property;
- (c) Any franchise or distributorship agreements;

3.8 Claims, Disputes and Litigation. To the best of Seller's knowledge no strike, labor dispute, investigation, litigation, court or administrative proceeding relating to the Company or the Company assets or business is pending, or threatened, including any which may result in any

change in the business, operations, assets or financial condition of the Company or that would affect the Company's business, or the Company Assets, or which would hinder or prevent the consummation of the transactions contemplated by this Agreement, and after reasonable inquiry, Sellers do not know, or have reasonable grounds to know, of any basis for any such possible action.

3.9 Compliance with Licenses, Laws, Rules, Regulations and Orders. To the best of Seller's knowledge there are presently no pending or threatened actions, lawsuits, or other proceedings, administrative, judicial, or otherwise, at the instance of any private party or any governmental or regulatory authority, which could impair in any manner the business of the Company, or the Company Assets, or otherwise diminish the value of same, and there exists no reasonable basis upon which any such action, lawsuit, or proceeding could be brought or instituted.

3.10 Insurance. The insurance policies owned by the Company or of which the Company is the named beneficiary or insured are set forth in Schedule E, and comprise all of the insurance policies which have been purchased for protection of the Company and the Company Assets. Sellers and the Company shall use their best efforts to insure that from the date of this Agreement until the Closing Date such insurance policies will be in full force and effect in accordance with their terms, with no default in the payment of premiums on any such policy and no ground for cancellation, avoidance, or reduction of the coverage provided thereby, and that following the Closing they shall be continued or replaced by policies of equal value and protection.

3.11 Absence of Undisclosed Liabilities. After reasonable inquiry, Sellers have no knowledge of any liability or obligation of any nature, whether known or unknown, absolute or contingent, liquidated or unliquidated (whether due or to become due), affecting the Company Assets or the business or operation of the Company, other than (i) those set forth or reflected in the most recent balance sheet of the Company at December 31, 2012 (the "12/31 Balance Sheet"), a copy of

which is attached hereto as Schedule "F", and not discharged or paid since the date of such balance sheet, (ii) those incurred in or as a result of the ordinary course of business of the Company since the date of the 12/31 Balance Sheet, which were incurred in the usual and ordinary course of operation of the business of the Company and are not consistent with the other representations, warranties and agreements set forth in this Agreement, or (iii) executory obligations to be performed after the date hereof under contracts and commitments expressly referred to in this Agreement or in Schedule hereto.

3.12 Obligations of the Company. All debts, liability or obligation of the Company are assumed by Buyer and agreed by Buyer to remain as a debt, liability or obligation of the Company after the Closing.

3.13 No Misleading Statements. The representations and warranties of Sellers herein, or in any Schedule hereto, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading.

4. Buyer's Representations and Warranties. Buyer represents and warrants to Sellers as follows, which representations and warranties shall be deemed to have been made again at and survive the Closing to the extent herein provided:

4.1 Buyer's Qualifications. Buyer is qualified financially, legally and technically to assume the Company's obligations, become the FCC transferee of Company and to consummate this Agreement. This Agreement constitutes a valid and binding Agreement of Buyer, enforceable in accordance with its terms, and the consummation hereof will violate no other agreement to which Buyer is bound.

4.2 No Misleading Statements. The representations and warranties of Sellers herein, or in any Schedule hereto, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading.

5. Treatment of Certain Expenses. The Buyer shall pay all FCC filing fees and legal costs and expenses incurred in connection with the transactions contemplated hereby, including, without limitation, the fees and expenses of their counsel, consultants and accountants, all sales, use and transfer taxes, conveyance fees or other taxes and assessments levied by reason of such transactions.

6. Risk of Loss. The risk of loss, damage or destruction to any of the Company Assets prior to the Closing shall be upon Sellers at all times prior to said Closing. In the event that during this time, any loss, damage or destruction occurs, the proceeds of any insurance policy covering such loss, damage or destruction shall be applied by Sellers and the Company to the restoration of the Company Assets, and Sellers and the Company shall take immediate steps to repair, replace and restore the lost, damaged or destroyed property to its former condition; provided, however, if the proceeds of such insurance are not sufficient to repair, replace or restore the lost, damaged or destroyed property and Sellers do not provide additional funds for such purpose upon request by Buyer, Buyer may terminate this Agreement. In the event such property is not completely repaired, replaced or restored prior to Closing under this Agreement, if Buyer so elects, Buyer shall have the right to consummate this Agreement and accept the Stock Shares. In the event of any termination pursuant to this Section 8, neither party shall have any further right or liability hereunder.

7. Application for FCC Consent.

7.1 Consummation of the purchase and sale provided for herein and the

performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the FCC or the Chief, Mass Media Bureau, acting under delegated authority, shall have consented to the transfer to Buyer of the Membership Interests, as proposed in the applications below, without conditions which are adverse to Buyer or Seller or which in any way diminish the operating rights with respect to the Assets, except any such conditions expressly accepted by Buyer and Seller in writing (the "FCC Order") and, unless waived by the Parties, the FCC's consent shall have become a Final Order. The term "Final Order" shall mean the grant by the FCC of the Assignment Application, and shall include but not be limited to an order by the Chief, Mass Media Bureau, issued under delegated authority, (a) which grant or order has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay, and the time for filing any such requests and for the FCC to set aside the action on its own motion (whether upon reconsideration or otherwise) has expired, or (ii) in the event of review, reconsideration or appeal, the FCC Order has been affirmed and become final by expiration of the time for further review, reconsideration or appeal.

7.2 Seller and Buyer agree to proceed expeditiously and with due diligence and to use their best efforts and to cooperate with each other in seeking the FCC's approval of the transactions contemplated hereunder through the preparation, filing and prosecution of an application to transfer the Membership Interests from Sellers to Buyer (the "Transfer of Control Application"). Within five (5) business days after the date of this Agreement, the Transfer of Control Application shall be filed with the FCC. Each party further agrees expeditiously to prepare Application amendments, respond to oral or written inquiries, and answer pleadings whenever such documents

are required by the FCC or its rules.

7.3 Each party agrees to comply with any condition imposed on it by the FCC, except that no party shall be required to comply with a condition that would have a material adverse effect upon it unless the condition was imposed as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the FCC of the Transfer of Application.

7.4 Buyer shall, at its expense, give due notice of the filing of the Assignment Application by broadcasting on the Station, and by such other means as may be required by the rules and regulations of the FCC.

## 8. Closing.

8.1 Closing Date. Subject to Section 8.1, the date of Closing shall be within Fifteen (15) days after the Final Order, as mutually agreed by Sellers and Buyer (the "Closing Date"); provided, however, that in any event Buyer and Sellers must close no later than December 31, 2013.

8.2 Sellers' Obligations at Closing. At Closing, Sellers shall deliver to Buyer the following:

- (a) A certificate, dated as of the Closing Date, executed by Sellers, stating that the representations and warranties of Sellers contained in this Agreement are true and correct in all material respects as of the Closing Date, and that all of the terms, covenants, and conditions to be complied with and performed by Sellers and the

Company on or prior to the applicable Closing Date have been complied with or performed in all material respects.

(b) Original certificates for the Membership Interests, appropriately endorsed for transfer.

(c) The resignations of all officers and directors of the Company.

(d) The Company's Record Book, Membership Interest Book and Corporate Seal.

(e) A certified copy of the charter and all amendments thereto of the Company and a Certificate of Good Standing in the State of Pennsylvania, dated within thirty (30) days of the date of Closing.

(f) An opinion of Sellers' counsel, dated as of the Closing Date, to the effect that:

(i) The Company is a limited liability company, validly existing and in good standing under the laws of Pennsylvania, and has full, lawful corporate power and authority to carry on its business as it is then being conducted;

(ii) This Agreement and all documents required to be delivered hereunder have been duly executed and delivered by Sellers and any other party or parties required to execute any such document on behalf of Sellers, and constitute the valid and binding obligation of the Sellers enforceable against the Sellers in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws from time to time in effect; and

(iii) Except as may be specified by such counsel, that such counsel does not know of any litigation, proceeding or governmental investigation pending or threatened against or relating to the Company which would materially affect the condition of the Company or the transactions contemplated by this Agreement and knows of no additional action required to be taken or performed with respect to the consummation of the transaction contemplated hereunder.

(iv) Such other documents or instruments as counsel for Buyer, may reasonably request and in a form reasonably acceptable to Buyer's counsel to carry into effect the provisions of this Agreement.

9. Buyer's Obligations at Closing. Buyer shall deliver to Sellers the following:

- (a) The Klingerman Note, executed by Buyer;
- (b) The Allison Note, executed by Buyer;
- (c) Such other documents or instruments as counsel for Sellers may reasonably request and in a form reasonably acceptable to Sellers' counsel to carry into effect the provisions of this Agreement.

9.1 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions herein contemplated at Closing are subject to and conditioned on:

- (a) The unqualified written approval, without restriction or reservation, of the sale of the Membership Interests from Sellers to Buyer.
- (b) Sellers having, in all material respects, performed and complied with, or caused the performance of and compliance with, all obligations under this



If to Sellers, to: Daniel A. Klingerman  
C/o 1500 Sycamore Road, Suite 120  
Montoursville, PA 17754

And  
Larry Allison, Jr.  
1706 Liberty Drive  
Williamsport, PA 17701

With a copy to: Michael J. Casale, Jr. Esq, LLC  
Suite 120  
1500 Sycamore Rd.  
Montoursville, Pa. 17754

or to such other addresses as any party may designate from time to time by written notice to the other.

11. Section Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

12. Entire Agreement. This Agreement contains the entire understanding of the parties, supersedes all prior agreements and understandings between the parties, and shall not be changed, modified, amended, extended, terminated, waived or discharged except by an instrument in writing signed by the parties hereto.

13. Counterparts. This Agreement may be signed upon any number of counterparts with the same effect as if the signatures to each counterpart were on the same instrument.

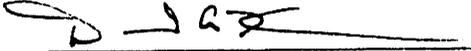
14. Survival. The provisions hereof shall survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding upon and inure to the benefit of all of the parties hereto, their heirs, executors, administrators, legal representatives, successors and assigns.

15. Schedules. All schedules or certificates referred to in this Agreement will not be physically affixed to this Agreement but will be deemed to be a part hereof as if physically affixed.

16. Governing Law. This Agreement shall in all respects be construed in accordance with and governed by the laws of the State of Pennsylvania, without giving effect to conflict of laws principles thereof, and shall be subject to all applicable rules and regulations of the Commission.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

SELLERS:

  
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Daniel A. Klingerman

  
\_\_\_\_\_

Larry Allison, Jr.

BUYER:

  
\_\_\_\_\_

Todd Bartley

## LIST OF SCHEDULES

### Schedules

- Schedule A - Tangible Personal Property
- Schedule B - Leaseholds
- Schedule C - Licenses
- Schedule D - Written Employment Agreements
- Schedule E - Insurance Policies
- Schedule F - 12/31 Balance Sheet

**SCHEDULE A**

**Tangible Personal Property**

**SCHEDULE B**

**Leaseholds**

**SCHEDULE C**

**Licenses**

**SCHEDULE D**

**Written Employment Agreements**

**SCHEDULE E**

**Insurance Policies**

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**SCHEDULE F**

**12/31 Balance Sheet**

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