

FM TRANSLATOR ASSET PURCHASE AGREEMENT

THIS FM TRANSLATOR ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of the 29th day of January, 2016 by and between Colonial Radio Group, Inc., a North Carolina corporation ("Colonial" or "Seller"), and CC Broadcasting, LLC, a Pennsylvania limited liability company ("Buyer").

Recitals

WHEREAS, Colonial is the licensee of FM Translator Station W256BQ, Olean, New York, FCC Facility ID # 21198 (the "Station"), which bears a current expiration date of June 1, 2022; and

WHEREAS, Buyer is licensee of AM Broadcast Station WGPA, 1100 kHz, Bethlehem, Pennsylvania, FCC Facility ID # 67137 ("WGPA"); and

WHEREAS, the Station's transmitter site is approximately 187 airline miles from the transmitter site of WGPA, and the Buyer has through its own due diligence determined that the Permit may be modified pursuant to the FCC's December 23, 2015 **Public Notice, "Media Bureau Announces Filing Dates and Procedures For AM Station Filing Window for FM Translator Modifications and Availability of FM Translator Technical Tools"**, DA 15-1491 ("Public Notice DA 15-1491"), to relocate the

Station to the Bethlehem, Pennsylvania area in order to rebroadcast WGPA; and

WHEREAS, subject to prior approval of the FCC, which is an express condition precedent to all transactions contemplated by this Agreement, Buyer desires to acquire the construction permit for the Station from Colonial and to then construct and operate the Station to serve the public interest, convenience, and necessity; and

NOW, THEREFORE, in consideration of the premises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

Agreement

1. **SALE ASSETS; PURCHASE PRICE.**

a. Colonial agrees to assign, convey and sell to Buyer all of its right, title, and interest in and to the assets and authorizations used and useful in the operation of the Station, including its license, File No. BLFT-20110425ABN, granted May 4, 2011, as renewed on May 23, 2014 in File No. BRFT-20140203ACU. Notwithstanding the forgoing, except as specifically assumed by Buyer in this Agreement, Buyer is not agreeing to, and shall not assume, any liability, obligation,

undertaking, expense, or agreement of Colonial of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense, or agreement. Following Closing, Buyer shall be obligated and discharge only those obligations with respect to the Station that it has entered into independently of Colonial. Colonial shall remain liable for, and covenants to pay, satisfy, or discharge when due, and to indemnify and hold Buyer harmless from any and all excluded obligations and all liabilities, payments, obligations, and duties under the Agreements or other instruments transferred or assigned to Buyer hereunder, accruing prior to or by reason of events occurring prior to the Closing.

b. The purchase price to be paid by Buyer to Colonial for the Permit being assigned, conveyed and sold hereunder shall be **SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00)**, payable as follows:

i. A down payment of SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00) (the "Down Payment") in lawful money of the United States of America, delivered to Seller; and

ii. The remainder of the purchase price, SIXTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$67,500.00) in lawful money of the United States of America shall be delivered by cashier's check or wire transfer at Closing. Closing shall take place no

later than the tenth (10th) calendar day subsequent to FCC consent to the transactions contemplated herein becoming a "Final Order" (as defined below).

iii. In the event that the transactions contemplated by this Agreement do not close through no fault of the Buyer, the Buyer will be entitled to a refund of the \$7,500.00 payment set forth in subparagraph (i) of this section. Further, should Buyer not be granted its application on FCC Form 349 to move the Station to the Bethlehem, Pennsylvania area, it may choose to terminate this agreement, at which time the \$7,500.00 deposit shall be paid to Seller as its sole liquidated damages hereunder. Thereupon, this agreement would be terminated and of no further force and effect.

2. **EXCLUSIVITY; FCC APPLICATION.** The parties agree that from the date hereof until the expiration of the Agreement, neither party will seek to transfer or sell to, or entertain any offers to buy from, third parties, respectively, the construction permits for the Stations. Colonial will be responsible for publishing the public notice of the filing of the FCC Form 345 application required by Section 73.3580 of the FCC's Rules; Buyer will reimburse Colonial for the cost of said publication. Colonial and Buyer will work together to file in good faith the required FCC Form 345 application for FCC consent to the transactions contemplated by this Agreement as soon

hereafter as is practicable. The required \$150.00 application filing fee will be paid by Buyer. Additionally, pursuant to Section 73.3517(a) of the FCC's Rules Colonial hereby grants written permission to Buyer to File an FCC Form 349 application to make one or more minor changes in the authorized technical facilities of the Station. On the same day that the Form 345 application is filed, Colonial will add the Buyer's "FCC Registration Number" (FRN), 0024-6678-34, to the FCC's records for Station W256BQ through the so-called "FRN Manager" utility on the fcc.gov website. Buyer will be therefore solely be responsible for filing an application on FCC Form 349 prepared at its sole expense to modify the Station's technical facilities.

3. **COLONIAL'S REPRESENTATIONS AND WARRANTIES.** COLONIAL represents that:

i. Colonial is a North Carolina corporation which is validly existing and possesses full legal capacity to enter into this Agreement;

ii. The execution, delivery, and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Closing Documents (on the Closing Date) are or will be authorized by all necessary actions of Colonial;

iii. This Agreement constitutes a valid and binding obligation of Colonial enforceable against him in accordance with the terms of this Agreement. Upon execution, the closing documents will constitute valid and binding obligations of Colonial enforceable against him in accordance with their terms except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally.

iv. The execution, delivery, and performance of this Agreement or any of the Closing Documents do not violate any contract provision or other commitment to which Colonial or the Station is a party or under which he or his property is bound, or any judgment or order of which Colonial has received notice, and will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature whatsoever upon any of the Assets. Nor will Colonial's performance hereunder give rise to any claim by any third party against Buyer or the Permit.

v. Colonial is the authorized legal holder of the Station's license and that it validly exists and has not yet expired;

vi. There are no retransmission consent or other agreements entered into by Colonial which are inconsistent with this Agreement; in other words, subject to applicable FCC rules

such as but not limited to 47 C.F.R. §74.1232, Buyer may use the Station to rebroadcast WGPA immediately upon constructing the Station in the vicinity of Bethlehem, Pennsylvania, subject to the applicable FCC regulations governing the rebroadcast of AM primary stations on FM translator stations; and

vii. Except for proceedings affecting segments of the broadcasting industry in general, there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending or, to the best of Colonial's knowledge, with respect to any of the Assets being sold or transferred to Buyer.

4. **BUYER'S FCC QUALIFICATIONS.** Buyer represents, warrants, and covenants to Colonial that it meets all FCC basic qualifications to hold the FCC Authorization which is the subject of this Agreement. Buyer is financially qualified to acquire, construct and operate each Station subject to this Agreement.

5. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.** Buyer's obligations to close hereunder are expressly conditioned upon the FCC or its staff acting pursuant to delegated authority grant the above-described FCC Form 345 application ("FCC Staff Grant").

6. **RETRANSMISSION CONSENT.** Pursuant to Public Notice DA 15-1491 Buyer hereby grants CN express written "retransmission consent" pursuant to 47 U.S.C. §325(a) for Station W256BQ to rebroadcast the signal of WGPA.

7. **TRANSFER FEES AND TAXES.** Buyer shall be solely responsible for the FCC application filing fees as well as any and all bulk transfer fees, transfer taxes, sales taxes or other taxes, assessments or fees that may be applicable to the transactions contemplated by this agreement.

8. **GOVERNING LAW AND VENUE.** This agreement is governed by the laws of the State of Pennsylvania.

9. **NOTICES.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed effective three (3) business days after mailing by registered or certified mail, postage and fees prepaid at the addresses listed below:

If to Colonial:

Mr. Jeffrey M. Andrulonis, President
Colonial Radio Group
2086 Old State Road
Mainesburg, PA 16932

If to Buyer:

Mr. Ronald O. Crumbliss, Managing Member
CC Broadcasting, LLC
144 Noble Street
Kutztown, PA 19530

10. **Termination.** This Agreement may be terminated prior to the Closing by either Buyer or Colonial as the case may be, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(a) if the other is in material breach or default of its respective covenants, agreements, or other obligations herein, or if any of its representations herein are not true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate, and such breach is not timely cured as provided below;

(b) if the FCC denies the Assignment Application or any part thereof or designates any part thereof for a trial-type hearing;

(c) if within nine months after the Assignment Application are filed (i) the Assignment Application has not been granted by the FCC or (ii) a timely petition to deny is filed against the Assignment Application and the Order has not become a Final Order;

(d) on the Closing Date, Colonial or Buyer, as the case may be, have failed to comply with its obligations under this Agreement, and does not cure such failure within the period provided below; or

(e) by mutual written consent of Buyer and Colonial.

This Agreement may be terminated by Colonial in the event payment is not made as required under this Agreement. In the event of a default of Buyer that is not timely cured pursuant to the provisions below, Colonial may retain the Down Payment as liquidated damages.

A party shall be in "default" under this Agreement if it makes any material misrepresentation to the other party in connection with this Agreement, or materially breaches or fails to perform any of its representations, warranties, or covenants contained in this Agreement. Non-material breaches or failures shall not be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement. If either party believes the other to be in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default is not curable or has not been cured within fifteen (15) calendar days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such fifteen (15) calendar day period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement and/or exercise the remedies available to such party pursuant to this Agreement, subject to the right of the other party to contest

such action through appropriate proceedings. Notwithstanding the foregoing, in the event of monetary default, time shall be of the essence, no notice shall be required or cure period afforded, and this Agreement may be terminated immediately.

Colonial agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Colonial's performance under this Agreement, in addition to any other remedy to which it is entitled at law or pursuant to this Agreement or both, and Colonial agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

11. **MISCELLANEOUS**. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior agreement with respect thereto whether it is in writing or otherwise. This Agreement may be amended only in writing by an instrument duly executed by both parties. This Agreement may be executed in counterparts. The undersigned represent and warrant that, respectively, they possess all requisite legal authority and mental capacity to sign this Agreement and to be bound by the terms thereof.

Further, commencing on the date hereof the parties agree to keep confidential the terms of this Agreement, except with respect to any disclosure required by law or the rules and regulations of the FCC. This provision does not apply to the parties themselves and their employees, attorneys, accountants, brokers, agents, and advisers.

[THIS SPACE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by them as of the date first above written.

SELLER

COLONIAL RADIO GROUP, INC.

By Jeffrey M. Andrulonis
Jeffrey M. Andrulonis
President

BUYER

CC BROADCASTING, LLC

By Ronald O. Crumbliss
Ronald O. Crumbliss
Managing Member

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President

BUYER

CC BROADCASTING, LLC

By Ronald O. Crumbliss
Ronald O. Crumbliss
Managing Member