

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

**SUNAIR COMMUNICATIONS, INC.,
B-98 BROADCASTING, INC., AND RADIO FRIENDZ, INC.
(collectively, the “Seller”),**

and

**DAVE BERNSTEIN AND SUSAN A. BERNSTEIN
(collectively, the “Shareholders”)**

and

**MAX MEDIA OF PENNSYLVANIA LLC
(the “Company”)**

and

**MMP LICENSE LLC
(“License Sub”)**

Dated as of June 26, 2003

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of June 26, 2003, by and among SUNAIR COMMUNICATIONS, INC. ("Sunair"), a Pennsylvania corporation, B-98 BROADCASTING, INC. ("B-98"), a Pennsylvania corporation, and RADIO FRIENDZ, INC. ("Friendz"), a Pennsylvania corporation (individually and collectively, the "Seller," each reference to "Seller" hereunder shall include any one or more Persons constituting a Seller and/or all Sellers), DAVE BERNSTEIN and SUSAN A. BERNSTEIN (collectively, the "Shareholders"), MAX MEDIA OF PENNSYLVANIA LLC, a Virginia limited liability company (the "Company"), and MMP LICENSE LLC, a Virginia limited liability company ("License Sub" and collectively with the Company, the "Buyer").

RECITALS

A. The Shareholders own collectively: (i) 82% of the issued and outstanding capital stock of Sunair Communications, Inc.; (ii) 100% of the issued and outstanding capital stock of B-98 Broadcasting, Inc.; and (iii) 73% of the issued and outstanding capital stock of Radio Friendz, Inc. The Seller is the licensee of radio broadcast stations WYGL(AM) 1240 licensed to Selinsgrove, Pennsylvania, WYGL-FM 100.5 licensed to Elizabethville, Pennsylvania, WLGL(FM) 92.3 licensed to Riverside, Pennsylvania, WWBE(FM) 98.3 licensed to Mifflinburg, Pennsylvania and WFYY(FM) 106.5 licensed to Bloomsburg, Pennsylvania (individually and collectively, the "Stations," each reference to "Stations" hereunder shall include any one or more Stations and all Stations). The Seller operates the Stations pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary, cable antenna relay service and business radio authorizations issued by the Federal Communications Commission ("FCC").

B. The Seller desires to sell, assign and transfer to the Buyer the Stations, the Authorizations, and all of the assets used and useful in the operations of the Stations and described in more detail below, and the Buyer desires to purchase from the Seller the Stations, the Authorizations and all of the assets used and useful in the operations of the Stations and described in more detail below, all under the terms and conditions described herein. The parties acknowledge that the Authorizations will be transferred to License Sub and all other assets will be transferred to the Company.

C. The Shareholders will personally benefit from the transaction described herein because of their ownership of the capital stock in the Seller; therefore, they desire to enter into this Agreement on the terms and conditions set forth below to induce the Buyer to purchase the assets of the Seller.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations, warranties and covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS

“Affiliate” of any Person means (a) any Person that owns or controls, is owned or controlled by, or under common control with, such Person, (b) any Person that is an officer, director, member, general partner or trustee of, or serves in a similar capacity with the specified Person, or for which the specified Person is an officer, director, member, general partner or trustee, or serves in a similar capacity or (c) any member of the immediate family of the specified Person.

“Assets” has the meaning set forth in Section 2.1.

“Assumed Employees” has the meaning set forth in Section 11.9.

“Assumed Liabilities” has the meaning set forth in Section 2.3(b).

“Authorizations” has the meaning set forth in Section 3.10.

“Buyer Indemnitees” has the meaning set forth in Section 10.2(a).

“Claims” has the meaning set forth in Section 2.1(j).

“Closing” has the meaning set forth in Section 2.7.

“Closing Date” has the meaning set forth in Section 2.7.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consents” has the meaning set forth in Section 3.14.

“Consulting Agreement” has the meaning set forth in Section 9.1(d).

“Contest Notice” has the meaning set forth in Section 10.4(b).

“Contract” means any unexpired agreement, arrangement, commitment or understanding, written or oral, express or implied, relating to the operation of the Stations, to which the Seller is a party or is bound, including, without limitation, orders and agreements for the sale of advertising, leases for Leased Real Property and Tangible Personal Property, and Program License Agreements.

“Contract Schedules” has the meaning set forth in Section 2.1(f).

“Deficiencies” has the meaning set forth in Section 10.3.

“Defined Benefit Plan” has the meaning set forth in ERISA §3(35).

“Disclosure Schedule” has the meaning set forth in Article 3.

“Duplicate Records” has the meaning set forth in Section 2.1(i).

“Earnest Money Escrow Agreement” has the meaning set forth in Section 2.4.

“Earnest Money Escrow Deposit” has the meaning set forth in Section 2.4.

“Effective Time” has the meaning set forth in Section 2.6(a).

“Employee Pension Benefit Plan” has the meaning set forth in ERISA §3(2).

“Employee Welfare Benefit Plan” has the meaning set forth in ERISA §3(1).

“Environmental Laws” has the meaning set forth in Section 3.17.

“Environmental Permits” has the meaning set forth in Section 3.17.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” has the meaning set forth in Section 2.4.

“Excluded Assets” has the meaning set forth in Section 2.2.

“FCC” has the meaning set forth in Recital A.

“FCC Order” means the order of the FCC consenting to the assignment of all Authorizations to the Buyer without any conditions that would restrict, limit, increase the cost or burden of or otherwise adversely affect or impair in any material respect the right of the Seller or the Buyer to the ownership, use, control, enjoyment or operation of the Stations or the proceeds therefrom; *provided, however*, that any condition which requires that the Stations be operated in accordance with conditions similar to and not more adverse than those contained in the present Authorizations issued for operation of the Stations, shall not be applicable.

“Final” means an order of a government authority, or the failure of a government authority to act when required by law to prevent a proposed action, which creates rights (i) which are effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside *sua sponte*.

“Final Closing Date” has the meaning set forth in Section 11.1.

“Financial Statement” has the meaning set forth in Section 3.7(a).

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Government Agency” has the meaning as set forth in Section 3.11(a).

“Governing Documents” has the meaning set forth in Section 3.1.

“Hepburn Company” has the meaning set forth in Section 3.25.

“Income Tax” means any federal, state, local, or foreign income tax, including any interest, penalty, or addition thereto, whether disputed or not.

“Indemnifying Party” has the meaning set forth in Section 10.2.

“Indemnitees” has the meaning set forth in Section 10.4(a).

“Intangible Property” has the meaning set forth in Section 2.1(g).

“IRS” means the Internal Revenue Service.

“Knowledge” means actual knowledge after (i) due inquiry of all managers, department heads or other similar employee or agent of the Seller or the Buyer having responsibility for or holding a position that reasonably could be expected to involve substantial knowledge about the subject matter to which such knowledge relates and (ii) due examination of any documents, correspondence or other items contained in the files of the Seller or the Buyer pertaining to such subject matter.

“Latest Balance Sheet Date” has the meaning set forth in Section 3.8.

“Leased Equipment” has the meaning set forth in Section 2.1(a).

“Leased Real Property” has the meaning set forth in Section 2.1(c).

“Legal Expenses” shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any Person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

“Material Consent” has the meaning set forth in Section 5.6.

“Multiemployer Plan” has the meaning set forth in ERISA §3(37).

“Non-Competition Agreement” has the meaning set forth in Section 9.1(e).

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“OSHA” means the U.S. Occupational Safety and Health Administration, and any

successor agency having similar or related authority or jurisdiction.

“Owned Improvements” has the meaning set forth in Section 3.16(b).

“Owned Real Property” has the meaning set forth in Section 2.1(c).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Person” means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a government entity (or any department, agency, or political subdivision thereof).

“Permitted Encumbrances” has the meaning set forth in Section 2.3(a).

“Permitted Title Exceptions” has the meaning set forth in Section 3.12.

“Program License Agreements” has the meaning set forth in Section 2.1(d).

“Purchase Price” has the meaning set forth in Section 2.5(a).

“Real Property Leases” has the meaning set forth in Section 3.16(a).

“Receivables” has the meaning set forth in Section 2.1(n).

“Representatives” has the meaning set forth in Section 5.4(b).

“Reportable Event” has the meaning set forth in ERISA §4043.

“Returns” has the meaning set forth in Section 3.9(a).

“Scott Studio Lease” has the meaning set forth in Section 2.1(a).

“Security Interest” has the meaning set forth in Section 2.3(a).

“Seller Indemnitees” has the meaning set forth in Section 10.2(b).

“Station Benefit Plan” has the meaning set forth in Section 3.17(d).

“Subsidiary” means any corporation, partnership, limited liability company or other legal entity with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock, partnership interests, membership interests or other entity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

“Superior Claims” has the meaning set forth in Section 10.1.

“Tangible Personal Property” has the meaning set forth in Section 2.1(a).

“Taxes” has the meaning set forth in Section 3.9(a).

“Trade Accounts” has the meaning set forth in Section 2.3(e).

ARTICLE 2 PURCHASE AND SALE OF PROPERTIES AND ASSETS

2.1 Assets. The Seller, and the Shareholders with respect to the Owned Real Property, agree to sell and the Buyer agrees to purchase all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for Excluded Assets) that are owned or leased by the Seller, or the Shareholders with respect to the Owned Real Property, and used or held for use by the Stations, including, without limitation, the property and assets (except the Excluded Assets) which are acquired between the date hereof and the Closing Date and are used or useful in the operations of the Stations (collectively, the “Assets”). Without limiting the foregoing, the Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

(a) Tangible Personal Property. All equipment, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by the Seller on the date hereof, including, without limitation the tangible personal property described on attached Schedule 2.1(a), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the “Tangible Personal Property”). The Buyer and the Seller agree that certain equipment listed on Schedule 2.1(a) is currently subject to equipment leases (the “Leased Equipment”) and that, before Closing, the Seller shall pay off any and all such equipment leases, other than the lease for certain equipment from Susquebanc Lease Co. dated June 13, 2003 (the “Scott Studio Lease”), so that the Leased Equipment covered by such equipment leases will be conveyed to the Buyer free and clean of all Security Interests.

(b) Licenses and Authorizations. All rights in and to the Authorizations issued to the Seller or any Affiliate of the Seller, including, without limitation, all rights in and to the call letters WYGL (AM), WYGL-FM, WLGL (FM), WWBE (FM) and WFYY(FM), all of those Authorizations listed and described on attached Schedule 2.1(b), including without limitation, all amendments and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of the Seller, including, without limitation, those required by the FCC.

(c) Real Property. All real property and any interests therein, including, without limitation, land, easements, air rights, rights of way and fee ownership, buildings, towers, guy wires, anchors, structures, fixtures and improvements owned by the Seller or the Shareholders (the “Owned Real Property”) listed and described on Schedule 2.1(c), the real property and interests therein owned by the Shareholders, and listed on Schedule 2.1(c) and the Seller’s and Shareholders’

interests in the leases, licenses, leased rights of way and other interests of every kind and description (the "Leased Real Property") in and to all of the real property, towers, buildings and improvements thereon, leased by the Seller as of the date hereof, including, without limitation, those listed and described on Schedule 2.1(c), and any additions, improvements and alterations thereto made between the date of this Agreement and the Closing Date (the Owned Real Property and the Leased Real Property, collectively, the "Real Property").

(d) Program License Agreements. All program license agreements and rights to broadcast programs, whether for cash or barter (the "Program License Agreements"), held by the Seller as of the date hereof, including, without limitation, those listed on Schedule 2.1(d), together with all Program License Agreements that have been or will have been entered into in the Ordinary Course of Business of the Stations between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which the Buyer elects not to assume pursuant to Section 6.4; *provided, however*, the Buyer is under no obligation to assume any liability under any Program License Agreement existing as of the date of this Agreement that is not listed and described on Schedule 2.1(d).

(e) Agreements for Sale of Time. All orders and agreements now existing, or entered into in the Ordinary Course of Business between the date hereof and the Closing Date for the sale of advertising time on the Stations (including Trade Accounts to the extent provided in Section 2.3(e) below), except those which on the Closing Date have already been filled or have expired.

(f) Other Contracts. All Contracts in connection with the business and operations of the Stations as set forth on Schedule 2.1(f), together with all Contracts that have been or will have been entered into in the Ordinary Course of Business of the Stations between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which Buyer elects not to assume pursuant to Section 6.4; *provided, however*, the Buyer is under no obligation to assume any liability under any Contract existing as of the date of this Agreement which is not listed and described on Schedules 2.1(d) or 2.1(f) (collectively, the "Contract Schedules") or described in Section 2.1(e) or which Buyer elects not to assume pursuant to Section 6.4.

(g) Intangible Property. All trademarks, trade names, call letters, service marks, franchises, patents, jingles, slogans, logotypes, software licenses, domain name, website (www.wfyradio.com) and other intangible rights, owned or licensed and used or held for use by the Seller as of the date of this Agreement, including, without limitation, all of those listed and described on attached Schedule 2.1(g), and those acquired by the Seller between the date hereof and the Closing Date (collectively, the "Intangible Property").

(h) Programming and Copyrights. All programs and programming materials and elements of whatever form or nature which have been created or produced by the Seller as of the date of this Agreement, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common law and statutory copyrights owned by or licensed or sublicensed to the Seller, together with all such

programs, materials, elements and copyrights acquired by the Seller between the date hereof and the Closing Date.

(i) Files and Records. All files and other records of the Seller relating to the Stations and the Assets (other than duplicate copies of such files, hereinafter “Duplicate Records”) including, without limitation, all books, files, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with Government Agencies (including all reports filed by or on behalf of the Seller with the FCC and statements of account filed by or on behalf of the Seller with the U.S. Copyright Office) and all other business, technical and financial information regardless of the media on which stored.

(j) Claims. Any and all of the Seller’s claims and rights against third parties relating to the Stations, including, without limitation, all rights under manufacturers' and vendors' warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment (collectively, the “Claims”).

(k) Prepaid Items. All prepaid expenses and prepaid *ad valorem* taxes (which shall be prorated, if applicable, as provided in Section 2.6) and rent, utility and other deposits held by third parties.

(l) Goodwill. All of the Seller’s and the Shareholders’ goodwill in, and going concern value of, the Stations.

(m) Franchises, Permits. All franchises, approvals, licenses, orders, registrations, certificates, variances and similar rights obtained from governments and government agencies.

(n) Receivables. Except as provided otherwise in Section 2.3(e), all accounts receivable from the sale of commercial airtime and other receivables of the Seller accrued through the Effective Time (the “Receivables”).

2.2 Excluded Assets. The following assets of the Seller, to the extent in existence on the Closing Date (collectively, the “Excluded Assets”), shall be retained by the Seller or transferred to the Shareholders:

(a) Certain Assets. Pension, 401(k), profit sharing and savings plans and trusts and any other Employee Benefit Plan within the meaning of Section 3(3) of ERISA and any assets thereof.

(b) Corporate Records. The minute books, stock books, shareholder lists and similar corporate records of the Seller.

(c) Employee Personal Property. Any personal property which is listed on Schedule 2.2 and located at the Seller’s offices but owned by any employee of the Seller.

(d) Cash and Investments. All of the Seller's or Seller's cash on hand or in bank accounts and any other cash equivalents including, without limitation, certificates of deposit, commercial paper, treasury bills, or money market accounts.

(e) Other Assets. Those assets listed on Schedule 2.2.

2.3 Liabilities.

(a) Security Interests. The Assets shall be sold and conveyed to the Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the "Security Interests") except for: (i) the Security Interests disclosed on Schedule 2.3(a), all of which will be paid in full and released at or before Closing, except as related to the Scott Studio Lease; (ii) liens for taxes, other than state, federal or local income taxes and other taxes of the Seller that do not relate to the Assets, and which are not yet due and payable, accruing before the Effective Time; and (iii) the obligations of the Seller arising after Effective Time which the Buyer has agreed to assume under the Contracts as described in Section 2.3(b). The Security Interests referred to in the foregoing clauses (i), (ii), and (iii) are collectively referred to herein as "Permitted Encumbrances."

(b) Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to the Buyer of the Assets, the Buyer shall assume, and hereby agrees to perform and discharge when due all liabilities and obligations arising or to be performed after the Closing Date under the Contracts that are effectively assigned and transferred to the Buyer including any Contracts the benefits and burdens of which are assigned to the Buyer under Section 11.6 (collectively the "Assumed Liabilities").

(c) Excluded Liabilities. The Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of the Seller other than the Assumed Liabilities, specifically including:

(i) any liability or obligation of the Seller arising out of any contract not assumed by the Buyer under Sections 2.3(b), 3.5 or 6.3 and any liability arising under Contracts before the Effective Time;

(ii) except as otherwise provided in Section 11.9(b), any liability or obligation of the Seller arising out of or relating to any pension, 401(k), employee benefit, retirement or profit sharing plan or trust, or any liability for vacation and sick days, benefits or pay of any employee of the Seller;

(iii) for any compensation accrued at or before the Effective Time or any severance pay or similar obligations to any employee or independent contractor of the Seller and any related payroll tax or other liability;

(iv) any liability or obligation of the Shareholders or the Seller arising out of or relating to any litigation, proceeding or claim by any Person relating to the

Shareholders, the Seller, the Stations or the Assets before the Effective Time, whether such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date; and

(v) any and all other liabilities, obligations, debts or commitments of the Shareholders or the Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown, or any claims asserted against the Shareholders, the Seller, any employee of the Seller, the Stations or any of the Assets or other items owned by the Seller at the Effective Time relating to any event (whether act or omission) before the Effective Time, including, without limitation, the payment of all Taxes, including, without limitation, any taxes due upon liquidation of the Seller by the Seller or the sale of the Assets by the Seller, and any other corporate income, franchise, sales, use, business and occupation taxes.

(d) Retained Obligations of the Seller. The Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all such obligations and liabilities not expressly assumed by Buyer hereunder, including, without limitation those described in Section 2.3(c) (the “Excluded Liabilities”), as they become due, without any charge or cost to the Buyer.

(e) Trade Accounts. All of the Seller’s trade and barter accounts, trade contracts and trade commitments receivable and payable (the “Trade Accounts”) are listed in detail on Schedule 2.3(e), which lists the Seller’s gross dollar obligations to provide airtime by advertiser and the gross airtime assets available to the Seller as of June 20, 2003 (the “Trade Disclosure Date”). The Seller will transfer all Trade Accounts to the Buyer at the Closing, effective as of the Effective Time, and the Buyer shall assume the Trade Accounts; *provided, however*, Seller shall not enter into or amend any Trade Accounts after the Trade Disclosure Date, without the written consent of Buyer and shall in good faith run out the existing Trade Accounts before Closing.

2.4 Earnest Money Escrow Agreement and Deposit. On execution of this Agreement, Buyer shall deliver to Wachovia Bank, N.A. (the “Escrow Agent”) the sum of \$375,000 in cash (the “Earnest Money Escrow Deposit”). The Earnest Money Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of an earnest money escrow agreement dated the date of this Agreement in the form of attached Exhibit A (the “Earnest Money Escrow Agreement”). At the Closing, the Earnest Money Escrow Deposit will be delivered by Escrow Agent to Seller and credited to the Purchase Price. Any and all accrued interest relating to the Earnest Money Escrow Deposit shall be paid to the Buyer. If the Closing does not take place in accordance with the terms of this Agreement, then the Earnest Money Escrow Deposit will be delivered to the Seller or the Buyer in accordance with the terms and conditions set forth in Section 11.1.

2.5 Purchase Price, Payment, and Allocation.

(a) Purchase Price. The aggregate purchase price to be paid for the Assets will be \$7,500,000 as adjusted by Section 2.6.

(b) Method of Payment. The Earnest Money Escrow Agreement shall be terminated and the Earnest Money Escrow Deposit shall be delivered to the Seller at Closing.

The balance of the Purchase Price shall be paid by the Buyer at Closing by wire transfer pursuant to the instructions of the Seller, which instructions shall be delivered to the Buyer at least two days before the Closing.

(c) Allocation of Purchase Price. The Buyer and the Seller will allocate the Purchase Price in accordance with the respective fair market values of the Assets being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (“Code”) as reasonably determined by the Buyer and the Seller before the Closing. The allocation of the Purchase Price among Seller and Shareholders is as follows:

Sunair	\$2,775,000
Friendz	\$2,775,000
B-98	\$1,640,000
Shareholders	<u>\$ 310,000</u>
Total	\$7,500,000

2.6 Adjustments.

(a) General Rule. Except with respect to the Receivables, the operation of the Stations and the income and normal operating expenses attributable thereto through 12:00:00 p.m. (Eastern Standard Time) at the end of the Closing Date (the “Effective Time”) shall be for the account of the Seller and thereafter for the account of the Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to the Buyer, prepaid cash, time sales agreements, commissions, wages, vacation or sick days, real estate taxes (except as provided below), payroll taxes and rents and similar prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts and Program License Agreements) shall be prorated between the Seller and the Buyer as of the Effective Time. Real estate state and local real estate transfer and recording taxes shall be shared equally by Shareholders and Buyer. At Closing, the parties shall make all known prorations and estimate any remaining prorations. All special assessments and similar charges or liens imposed against any of the Assets in respect of any period of time through the Effective Time, whether payable in installments or otherwise, shall be the responsibility of the Seller and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Effective Time shall be the responsibility of the Buyer and such charges shall be adjusted as required hereunder.

(b) Adjustment Schedule. Within 60 days of Closing, the Buyer and Seller (and the Shareholders with respect to the Owned Real Property), in good faith, will prorate any item that is not prorated or is incorrectly prorated at Closing. The party obligated to pay the adjusted proration or the additional proration will pay such amount in cash to the other party within five business days of the determination of any adjusted or additional proration.

2.7 Closing. The consummation of the transactions provided for in this Agreement (the “Closing”) shall take place by the facsimile transfer of executed signature pages to

the parties' respective counsel at the numbers specified herein (and the previous delivery of original executed deeds to First American Title Insurance Corporation for recording), followed by the exchange of all other originals by Federal Express and the wire transfer of immediately available funds pursuant to instructions to be provided by Seller at (a) 11:00 a.m. on the date which is mutually set by the Seller and the Buyer and occurs within five days after the FCC Order becomes Final and all conditions to Closing set forth in Articles 7 and 8 have been satisfied, or (b) if the Buyer waives the finality of the FCC Order, such place, time or date as the parties may agree on in writing, within five days after the satisfaction of all conditions to Closing set forth in Articles 7 and 8. The date on which the Closing is to occur is referred to herein as the "Closing Date."

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE SHAREHOLDERS

The Shareholders and the Seller, jointly and severally, represent and warrant to the Buyer that the statements contained in this Article 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 3), except as set forth in the disclosure schedule delivered by the Sellers to the Buyer on the date hereof and initialed by the Parties (the "Disclosure Schedule"). Nothing in the Disclosure Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein, however, unless the Disclosure Schedule identifies the exception with particularity and describes the relevant facts in detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 3.

3.1 Corporate Status. The Seller consists of corporations all duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, which are duly qualified to transact business in Pennsylvania and every other state in which the failure to be qualified would have a material adverse effect on the Stations or the Assets. Each of the corporations comprising the Seller has the requisite power to carry on its business as it is now being conducted and to own and operate the Stations, and the Seller has the requisite power to enter into and complete the transactions contemplated by this Agreement. The Seller has no business other than the operation of the Stations. Attached as Schedule 3.1 are the Articles of Incorporation and Bylaws and all amendments thereto of the Seller (collectively, the "Governing Documents").

3.2 No Options. No Affiliate of the Seller or any other Person has an interest in, or option to acquire, any of the Assets or any property used in the operation of the Stations.

3.3 Entity Action. All actions and proceedings necessary to be taken by or on the part of the Seller and the Shareholders in connection with the performance, execution and delivery of this Agreement have been duly and validly taken and this Agreement has been duly

and validly authorized, executed, and delivered by the Seller and the Shareholders and constitutes the legal, valid and binding obligation of the Seller and the Shareholders enforceable against each in accordance with and subject to its terms.

3.4 No Defaults. Neither the execution, delivery and performance by the Seller or the Shareholders of this Agreement nor the consummation by the Seller and the Shareholders of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Governing Documents of the Seller; (b) assuming that the consents: (i) referred to in Section 5.6, (ii) required in connection with any assignment to the Buyer of the Contracts or (iii) otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of the Seller under any contract, mortgage, indenture, agreement, lease or other instrument to which the Seller is party or by which it is bound or result in the creation of any Security Interest on the Assets; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Seller, the Stations or the Assets; or (d) result in the creation or imposition of any lien, charge or encumbrance against the Stations or the Assets.

3.5 Contracts, Leases, Agreements and Other Commitments. Neither the Seller nor any Shareholder is a party to, nor is it bound by, any written or oral contract, agreement, lease, power of attorney, guaranty, surety arrangement or other commitment related to the operation of the Stations, including, but not limited to, any contract or agreement for the purchase or sale of merchandise or for programming or software of the Seller or for the rendition of services, except for the Contracts listed and described on the Contract Schedules. The Seller has listed and described all Contracts on the Contract Schedules and provided to the Buyer or its representatives complete and correct copies of all written Contracts and all amendments, modifications, extensions and renewals thereof and written summaries of all oral Contracts. The Disclosure Schedule specifies those Contracts that require consent to transfer. No change in any term or provision of any Contract will occur as a result of the acquisition of the Assets by the Buyer or the assignment by the Seller of such Contract to the Buyer.

3.6 Breach. Except as set forth on Schedule 3.6, the Seller is not in violation or breach of any of the terms, conditions or provisions of its Governing Documents, any Program License Agreement, or other Contract or any indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Stations or the Assets to which the Seller is a party or by which it is bound. All accrued and currently payable amounts due from the Seller under the Contracts have been paid. No other party thereto is in default or breach under any of the Contracts.

3.7 Financial Information. Attached to this Agreement as Schedule 3.7 are true and correct copies (collectively, the "Financial Statements") of (i) the compiled financial statements of each corporation comprising the Seller at December 31, 2001 and December 31, 2002, including a compiled balance sheet as of such dates, a compiled statement of operations for the periods then ended and supporting schedules and (ii) the unaudited internal financial statements of each corporation comprising the Seller at May 30, 2003, including an unaudited internal statement of

profit and loss of the Seller for the period then ended (the “Interim Financial Statements”). The Financial Statements: (a) have been prepared in accordance with GAAP (except for the absence of footnotes) and (b) present fairly the financial position of the Seller as of their respective dates and the results of operations for the periods indicated in accordance with GAAP.

3.8 Liabilities. There are no liabilities or obligations of the Seller accruing or arising before the date of this Agreement, whether arising under Contracts, related to tax or non-tax matters, known or unknown as of the date of this Agreement, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, including penalty, acceleration or forfeiture clauses in any Contract, that should be reflected in the Interim Financial Statements in accordance with GAAP that are not so reflected, except as otherwise listed and described on Schedule 3.8, and except liabilities that arise in the Ordinary Course of Business (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract or warranty, tort, infringement or violation of law) between the date of the Interim Financial Statements and the Effective Time.

3.9 Taxes.

(a) All federal, state and local returns, reports, estimates and other statements (“Returns”) required to have been filed with any jurisdiction with respect to the Seller and the operation of the Stations with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, “Taxes”) have been duly and timely filed by the Seller and each such Return correctly reflects the amount of Taxes required to be reported and/or paid. The Seller has paid all Taxes due and payable which it is required to pay, incur or accrue before the date hereof. There are no Taxes that are past due. No consent extending the applicable statute of limitations has been filed by or with respect to the Seller with respect to any of such Taxes for any years. Each Seller has been an electing S corporation since its organization.

(b) The Seller has withheld amounts from its employees working in its business in accordance with applicable law. With respect to such employees, the Seller has filed all Returns required to be filed and paid all required Taxes with respect to employee income tax withholding, social security, Medicare and unemployment taxes and other similar taxes and charges, in compliance with the tax withholding provisions of the Code and other applicable federal, state and local laws.

3.10 Licenses. The Seller is the holder of all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary, or authorizations of any government or quasi-government authority used for the current operation of the Stations (collectively, the “Authorizations”) and all of such licenses, permits and authorizations are listed on Schedule 2.1(b). The Authorizations constitute all of the licenses and authorizations required for the Stations as currently operated under the Communications Act of 1934, as amended (the “Communications Act”), or the current rules, regulations and policies of the FCC for the operation of the Stations. The Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Except as listed and described on Schedule 2.1(b), there is not pending or threatened any action by or before the FCC to revoke,

suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability) and there is not now issued or outstanding or pending or threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Seller or the Stations. The Stations are operating in compliance with the Authorizations, the Communications Act and the current rules, regulations and policies of the FCC and the ordinances, rules, regulations and policies of the State of Pennsylvania. The Seller is unaware and has no Knowledge of any reason, condition or circumstance that would prevent all pending FCC applications from being timely granted by the FCC.

3.11 Additional Regulatory Matters.

(a) Reports. All material reports and filings required to be filed with the FCC and any other agency of the Federal, State or local government (“Government Agency”) by the Seller have been timely filed. To the Seller’s Knowledge, all such reports and filings are accurate and complete and from the date hereof to the Effective Time will be filed on a timely basis. The Seller maintains appropriate public files at the Stations as required by FCC rules. With respect to FCC licenses, permits and Authorizations of the Seller, the Seller is operating only those facilities for which appropriate Authorizations have been obtained from the FCC and are in effect and the Seller is complying with the terms and the conditions of such Authorizations.

(b) No Notices. Neither the Seller nor the Shareholders has any Knowledge and neither has received notice or other communication indicating that it is not in compliance with all requirements of (i) the FCC or the Communications Act or (ii) applicable state and local statutes, regulations and ordinances. Neither the Seller nor the Shareholders has any Knowledge and neither has received any notice or communication, formal or informal, indicating that the FCC, or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

(c) RF Radiation. The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in violation of the “Radio Frequency Protection Guides” recommended in “American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields”, issued by the American National Standards Institute. Renewal of the Authorizations issued by the FCC would not constitute a “major action” within the meaning of Section 1.1301, *et seq.*, of the FCC’s rules.

(d) No Grandfathered Operations. None of the individual or collective operations of the Stations or subsequent operation of any other FCC authorized facility operated by the Seller would, if conducted or subsequently operated by the Buyer after Closing, violate the Communications Act, FCC rules, any law or regulation binding on the operator thereof, or would require any waiver of any FCC rule for the Buyer to continue such operation or operations after the Closing.

3.12 Owned Real Property. Schedule 2.1(c) contains a complete and accurate list, as of the date thereof, of all Owned Real Property used in the operation of the Stations and the conduct of the Seller’s businesses. All of the Owned Real Property, and the improvements located on the Owned Real Property, are in good operating condition and repair, have been maintained in

accordance with industry standards and are adequate for their intended use. However, Buyer shall inspect all such Owned Real Property before Closing and Seller and Shareholders shall have no liability for the condition of such property after Closing. There are no condemnation or eminent domain proceedings pending or, to the Seller's or the Shareholders' Knowledge, threatened against the Owned Real Property, neither the Seller nor the Shareholders have received any notice of any condemnation or eminent domain proceedings against the Owned Real Property. The Seller or the Shareholders, as the case may be, have good, marketable and insurable fee simple title to the Owned Real Property, free and clear of all liens, claims, charges, options, rights of tenants or other encumbrances of any nature whatsoever except for: (i) current real estate taxes not yet due and payable; (ii) easements, rights-of-way, zoning restrictions and other restrictions or encumbrances that do not adversely affect such property, its present or future intended use or its marketability; (iii) the liens listed in Schedule 3.12 which secure the Seller's indebtedness to third parties which shall be paid in full and satisfied at or before Closing; and (iv) such other matters as the Buyer may approve in writing ("Permitted Title Exceptions"). Neither the Seller nor the Shareholders have received any notice alleging that the Owned Real Property fails to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable governmental jurisdictions.

3.13 Business Operations. Except as set forth on Schedule 3.13, the only business the Seller has conducted since its formation is the operation of the Stations. The Seller has never engaged in the business of selling goods from inventory, of leasing tangible personal property or of developing, selling, licensing or sublicensing software, software licenses or any other Intangible Property. Schedule 3.13 lists all business addresses, trade names and names of predecessor entities used by the Seller since January 1, 1996. Except as set forth on Schedule 3.13, the Seller has not been a party to a merger, consolidation, liquidation, recapitalization or other business combination since January 1, 1996.

3.14 Approvals and Consents. The only material approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by the Seller in connection with the consummation of the transactions contemplated by this Agreement are those which are contemplated by Section 5.6 ("Consents"). Any approvals under the Contracts or with any government division, regulatory authority or agency are material for purposes of this Section. No permit, license, consent, approval or authorization of, or filing with, any government regulatory authority or agency is required of the Seller or the Shareholders in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

3.15 Condition of Assets.

(a) All Assets. The Assets constitute all of the assets used, useful, or necessary to conduct the operation of the Stations as presently conducted.

(b) Tangible Personal Property. Schedule 2.1(a) contains a true and complete list as of the date hereof of all items of Tangible Personal Property of every kind or description owned by the Seller, except office materials and supplies (which office supplies or any replacements thereof shall be part of the Assets). Any Tangible Personal Property that is leased by

the Seller as of the date hereof, whether as lessor or lessee, is separately designated on Schedule 2.1(a) and all related lease agreements are described on Schedule 2.1(a).

(c) Good Title, Good Operating Condition. Except as listed and described on Schedule 3.15(c): (i) the Seller has good, valid and marketable title to or the unrestricted right to use all of the Assets owned, leased or licensed by it, in each case, free and clear of all Security Interests of every kind or character (other than Permitted Encumbrances); (ii) the Seller is the owner, lessee or licensee of all of the Tangible Personal Property listed on the Schedules to this Agreement and of all Tangible Personal Property not listed on the Schedules to this Agreement which is material to the operation of the Stations; and (iii) all Tangible Personal Property, including equipment and electrical devices, is in good operating condition and repair, reasonable wear and tear excepted, and has been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC. However, Buyer shall inspect all Tangible Personal Property before Closing and upon the consummation of Closing, Buyer shall accept the Tangible Personal Property AS IS – WHERE IS and Seller and Shareholders shall have no liability for the condition of such property after Closing.

3.16 Leased Real Property.

(a) Leases. Attached to Schedule 2.1(c) are true and complete copies of all real property lease agreements and licenses, including all amendments and modifications thereto, and all other leases or licenses or other rights to possession of any real property used or held by the Seller (the “Real Property Leases”).

(b) Interests. The Seller's interest in the Leased Real Property is as set forth on Schedule 2.1(c). Except as listed on Schedule 2.1(c), the Leased Real Property and all of the fixtures, towers and improvements thereon owned by the Seller (collectively, the “Owned Improvements”) are in good operating condition and repair, reasonable wear and tear excepted, and have been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC. However, Buyer shall inspect all Leased Real Property and Owned Improvements before Closing and Sellers and Shareholders shall have no liability for the condition of such property after Closing. The Seller has not received any notice alleging that the Leased Real Property or the Owned Improvements fail to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable government jurisdictions.

(c) All Leases. The Real Property Leases constitute all the real property leases to which the Seller is lessee and the Owned Real Property and the Leased Real Property is the only real property now used by the Seller in the operation of the Stations as the Stations are presently operated.

(d) Good Title. With respect to the Real Property Leases, the Seller has good title to its leasehold interest in such real property and the Owned Improvements, in each case, free and clear of all liens, claims and encumbrances, except for the liens, claims and encumbrances identified in such leases or as specifically stated on Schedule 2.1(a). With respect to each such lease, except as otherwise disclosed on Schedule 2.1(c), (i) the leases are in full force and effect, (ii) all accrued and currently payable rents and other payments required by such leases to be paid by the

Seller have been paid, (ii) the Seller entered into such leases in the Ordinary Course of Business and the Seller has been in peaceable possession since the beginning of the original term of any such lease, (iv) neither the Seller nor any other party thereto is in default under any such lease, (v) the Seller has not given nor received any notice of default or termination, and no condition exists and no event has occurred that, with the giving of notice, the lapse of time or the happening of any further event would become a default or permit early termination under any such lease and (vi) subject to obtaining the Consents described on Schedule 5.6, the validity or enforceability of any such lease will in no way be affected by the sale of the Assets or the other transactions contemplated herein. Except as set forth on Schedule 5.6, no third-party consent or approval is required for the assignment of the Real Property Leases to the Buyer or for the consummation of the transactions contemplated herein. Buyer shall review all Real Property Leases and Seller and Shareholders shall have no liability after Closing for any drafting issues in such Leases.

3.17 Environmental Matters. Except as provided in Schedule 3.17, with respect to the ownership and operation of the Business: (a) the Seller is in compliance with all federal, state and local laws and regulations relating to pollution and the discharge of materials into the environment (“Environmental Laws”); (b) the Seller holds all the permits, licenses and approvals of government authorities necessary for the current use, occupancy or operation of the Stations under applicable Environmental Laws (“Environmental Permits”); (c) the Seller is in compliance with such Environmental Permits; (d) such Environmental Permits are transferable to the Buyer without the consent of any Government Agency; and (e) there are no underground or aboveground storage tanks on any of the Real Property. Hazardous or toxic substances have not been released, discharged or disposed of on any of the Leased Real Property. There are no quantities or concentrations of hazardous or toxic substances present at, on or under the Real Property that would pose an unacceptable risk to human health or the environment under any Environmental Law. No litigation or proceeding relating to Environmental Laws, Environmental Permits or any release, discharge or disposal of hazardous or toxic substances is pending or threatened against the Stations or the Seller.

3.18 Environmental Studies. There are no environmental reports, studies or analyses in the possession of the Seller or the Shareholders relating to the Leased Real Property or the operation of the Stations concerning hazardous or toxic substances or compliance with applicable Environmental Laws or Environmental Permits, if any, all of which have been provided to the Buyer.

3.19 Compliance with Law and Regulations. The Stations, the Assets, and the Seller are in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local government bodies or agencies having jurisdiction over any of them, the operations of the Stations, the use of the Seller’s properties and assets (including the Assets) and the Leased Real Property. Without limiting the foregoing, the Seller has paid all monies and obtained all FCC licenses, permits, certificates and authorizations and all other material licenses, permits, certificates and authorizations needed or required for its operations, and the use of the Owned Real Property and Leased Real Property. The Seller has properly filed all reports and other documents required to be filed with any federal, state or local government or subdivision or agency thereof. Neither the Seller nor the Shareholders has received any notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or

business procedures or practices fails to comply with any applicable law, ordinance, regulation, building or zoning law or requirement of any public authority or body.

3.20 Insurance. A summary of current insurance coverage of the Seller is attached as Schedule 3.20. The Seller maintains and will continue to maintain in full force and effect through the Effective Time, insurance policies covering it and the Assets in amounts and insuring against hazards, in the amounts set forth on Schedule 3.20. All of such policies are in full force and effect and the Seller is not in default of any material provision thereof. Neither the Seller nor Shareholders has received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

3.21 Labor, Employment Contracts and Benefit Programs.

(a) No Collective Bargaining Agreements. Except as provided in Schedule 3.21(a), there are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering any employees, consultants or agents of the Seller. All employees of the Seller are employees-at-will. The Seller is not engaged in any unfair labor practice or other unlawful employment practice and there are no unfair labor practice charges or other employee-related complaints, grievances or arbitrations against the Seller pending or threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal or any other federal, state, local or other government authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or threatened with respect to any of the Stations' employees.

(b) Employee Manuals. All handbooks and written policies and procedures relating to employment by the Seller including, but not limited to, compensation, benefits, equal employment opportunity and safety are listed and described on Schedule 3.21 and Seller has delivered true and complete copies thereof to Buyer.

(c) Compliance. The Seller has complied with in the past, and is now in compliance with, all labor and employment laws including, without limitation, federal, state, local and other applicable laws, rules, regulations, ordinances, orders and decrees concerning collective bargaining, unfair labor practices, payments of employment taxes, occupational safety and health, worker's compensation, the payment of wages and overtime and equal employment opportunity. The Seller is not liable for any arrears for wages, benefits, Taxes, damages or penalties for failing to comply with any law, rule, regulation, ordinance, order or decree relating in any way to labor or employment.

(d) Employee Plans. Except as listed and described on Schedule 3.21, the Seller does not have any pension plan, profit sharing plan, deferred compensation plan, stock option or stock bonus plan, savings plan, welfare plan or other benefit plan or arrangement, policy, practice, procedure or contract concerning employee benefits or fringe benefits of any kind, whether governed by ERISA, relating to or covering any employees of the Seller or the Stations (a "Station Benefit Plan"). Except as listed on Schedule 3.21, the Seller does not maintain, sponsor or

contribute to any “employee benefit plan” (within the meaning of Section 3(3) of ERISA) or any other plan, program, practice, agreement or arrangement covering the Stations, whether written or oral, of employee compensation, deferred compensation, severance pay, retiree benefit or fringe benefit. The Seller has furnished the Buyer with true, complete and accurate copies of all summary plan descriptions of Station Benefit Plans.

(e) ERISA Compliance. Each of the Station Benefit Plans is in compliance with all applicable requirements of ERISA, the Code and other applicable law. Each of the Station Benefit Plans has been administered in all material respects in accordance with its terms and with applicable legal requirements. All “employee pension plans” (within the meaning of Section 3(2) of ERISA) have been determined by the IRS to be qualified under Section 401(a) of the Code and no action or proceeding has been instituted or threatened which would affect the qualification of any pension plan of the Stations or of the Seller. No unfunded liabilities, based on the PBGC rates currently in effect for plan terminations, exist with respect to any Station Benefit Plan that is a “defined benefit plan” (within the meaning of Section 3(35) of ERISA). There has not been any reportable event with respect to any pension plan of the Stations or Seller. The Seller has not engaged in a “prohibited transaction” or breach of fiduciary responsibility with respect to any Station Benefit Plan.

(f) No Multiemployer Plans. The Seller (i) has never contributed to a multi-employer pension plan; and (ii) has never incurred any liability under Title IV of ERISA to the PBGC or to a multiemployer pension plan.

(g) Employees. Schedule 3.21 lists the names and job titles of all employees of the Seller as of June 26, 2003, the current compensation and any proposed salary increase or bonus to be authorized or payable between the date hereof and the Closing Date for each, current hourly wages and vacation days for each (or pay in lieu thereof) assuming no vacation has been taken. At Closing, the actual days of vacation taken by each employee through the day before Closing, the monetary liability associated with such available vacation days, and each employee’s length of service and employment commencement date will be provided on an update to Schedule 3.21.

3.22 Litigation. Except as set forth on Schedule 3.22, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or government investigations pending against the Seller. Except as set forth on Schedule 3.22, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or government investigations threatened against the Seller or the Shareholders with respect to the Stations or the Assets, nor is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or government investigation. The Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Stations or the Assets of any court or federal, state, municipal or other government department, commission, board, agency or instrumentality which would have an adverse effect on the condition of the Stations or any of the Assets or on the ability of the Shareholders or the Seller to enter into this Agreement or consummate the transactions contemplated hereby.

3.23 Intangible Property. The Seller has all right, title and interest in and to all Intangible Property necessary or desirable in the conduct of the Stations as presently operated and as presently proposed to be operated. Neither the Seller nor the Shareholders has received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 2.1(g), and there is no basis for any such claim of conflict. Each item of Intangible Property owned or used by the Seller immediately before the Closing will be owned or available for use by the Buyer on identical terms and conditions immediately after the Closing. The Seller has taken all necessary and desirable action to maintain and protect each item of Intangible Property that it owns or uses. No service provided by the Seller or any programming or other material used, broadcast or disseminated by the Seller or the Stations, infringes on any copyright, patent or trademark of any other party. Neither the Seller nor the Shareholders has received any notice of any claim of infringement of any third-party's copyright, patent, trademark, service mark, logotype, license or other proprietary right, including the use of any call sign, slogan or logo by an broadcast station or cable systems in the marketing area of the Stations which may become confusingly similar to the call sign, slogans and logos currently used by the Stations. The Seller owns or possesses adequate licenses or other rights to use all copyrights, patents, trademarks, service marks, trade names, logotypes and other intangible rights used to operate the Stations.

3.24 Bulk Sales. Except for Pennsylvania Statute Title 69, Chapter 3, Section 529 regarding Seller's need to obtain a tax clearance certificate, neither the sale and transfer of the Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after the Closing because of such sale and transfer, will be subject to: (a) any law pertaining to bulk sales or transfers or to the effectiveness of bulk sales or transfers as against creditors of the Seller; or (b) the imposition of any liability on Buyer for appraisal rights or other liability owing to the Seller or the Shareholders. The Seller will comply with the Pennsylvania Bulk Sales Statute but the parties recognize that the Pennsylvania Department of Revenue may not issue a tax clearance certificate prior to Closing. The Seller and the Shareholders will pay all Taxes of the Seller and the Shareholders regardless of whether a tax clearance certificate is received by the parties before Closing.

3.25 Brokers. There is no broker or finder or other Person, other than The Hepburn Company ("Hepburn Company"), who would have any valid claim through the Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, the Seller or the Shareholders. Seller shall pay all fees due to the Hepburn Company at or before Closing.

3.26 Conflicting Interests. Except as disclosed on Schedule 3.26, neither the Seller, the Shareholders, nor any director, officer, member, manager, partner, employee or shareholder of either, nor any Affiliate of any of the foregoing, has any financial interest in any supplier, advertiser or customer of the Seller or the Shareholders or in any other business enterprise with which the Stations or the Seller engages in business or with which the Stations or the Seller is in competition. The ownership of less than one percent of the outstanding capital stock of a publicly-held corporation shall not be deemed to be a violation of this representation and warranty. None of the Shareholders and their Affiliates owns any asset, tangible or intangible, which is used in the business of the Seller.

3.27 Matters Arising After the Date of Financial Statements. Between the date of the Financial Statements and the date of this Agreement:

(a) There has not been any material adverse change in the financial condition or business of the Seller, uncured default by the Seller under the terms of the leases for the Leased Real Property or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and repair or replacement of the damaged or lost assets has been completed);

(b) The Seller has maintained its books, accounts and records in the usual, customary and ordinary manner;

(c) The Seller has preserved its business organization intact and has used its best efforts to keep available the services of their employees and to preserve relationships with, FCC and its customers, advertisers, suppliers and others with whom it deals;

(d) The Seller has not sold, lease, transferred, or assigned any of its assets, tangible or intangible, other for a fair consideration in the Ordinary Course of Business;

(e) The Seller has not entered into any agreement, contract, license or lease outside the Ordinary Course of Business;

(f) No party (including the Seller) has accelerated, terminated, modified or cancelled any agreement, contract, lease or license involving more than \$5,000 to which the Seller is a party or by which it is bound;

(g) The Seller has not permitted the imposition of any security interests upon any of its assets;

(h) The Seller has not experienced any damage, destruction or loss (whether or not covered by insurance) to its property; and

(i) The Seller has not taken any action outside of the Ordinary Course of Business, except as related to the transactions contemplated hereby.

3.28 FAA Compliance. The Seller and the Assets are in compliance with the rules and regulations of the Federal Aviation Administration (the "FAA") applicable to the Stations. All towers used by the Stations are in compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other government authority. Attached as Schedule 3.28 is a copy of the most recent tower inspection report and all other engineering reports prepared on behalf of the Seller for the Stations.

3.29 Bankruptcy. Neither the Seller nor the Shareholders is insolvent or the subject of bankruptcy or any similar proceeding.

3.30 Disclosure. No provision of this Agreement relating to Seller, the Stations or the Assets or any other document, Schedule, Exhibit or other information furnished by the Seller or

Shareholders to the Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not misleading. All Schedules attached hereto are accurate and complete as of the date hereof or the date specified on the Schedule.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE BUYER

Buyer represents and warrants to Seller as follows:

4.1 Qualification as a Broadcast Licensee. The Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. To the Buyer's Knowledge, the Buyer is legally and financially qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Stations from the Seller. There is no fact or condition known to the Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Stations or constitute grounds for the filing of a petition to deny or objection related to the qualifications of the Buyer or that would reasonably be expected to result in a delay for FCC approval of the assignment applications. To the Buyer's Knowledge, no waiver of any FCC rule, regulation or policy existing as of the date of this Agreement will be required, with respect to the Buyer, to obtain FCC approval of the assignment applications.

4.2 Status.

(a) Buyer. The Buyer is a limited liability company duly organized, in good standing and validly existing under the laws of the Commonwealth of Virginia. The Company is (or will be at the Closing) duly authorized to transact business in the State of Pennsylvania. The Buyer has the requisite power to enter into and complete the transactions contemplated by this Agreement.

(b) Approvals and Consents. There are no approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by the Buyer in connection with the consummation of the transactions contemplated by this Agreement.

4.3 No Defaults. Neither the execution, delivery and performance by the Buyer of this Agreement nor the consummation by the Buyer of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Articles of Organization or Operating Agreement of the Buyer, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any contract, mortgage, indenture, agreement, lease or other instrument to which the Buyer is a party or by which it is bound or the assets of it are bound, or by which it may be affected, or result in the creation of any Security Interest on any of the assets of the Buyer, or (c) violate any judgment, decree, order,

statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Buyer or the assets of the Buyer.

4.4 Entity Action. All actions and proceedings necessary to be taken by or on the part of the Buyer or its Shareholders, if required by applicable law, in connection with the performance, execution and delivery of this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with and subject to its terms.

4.5 Brokers. There is no broker or finder or other Person who would have any valid claim through the Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by the Buyer.

4.6 Full Disclosure. No provision of this Agreement relating to the Buyer or any other document, Schedule, Exhibit or other information furnished by the Buyer to the Seller in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not misleading.

ARTICLE 5

COVENANTS OF THE SELLER AND THE SHAREHOLDERS PENDING THE CLOSING

The Seller and the Shareholders covenant and agree that, from the date hereof until the completion of the Closing:

5.1 Operations of the Business.

(a) Ordinary Operations. The Shareholders and the Seller will exert best efforts to close under this Agreement. Until the Closing, the Seller will use, its best efforts to carry on operations of the Stations and keep its books and accounts, records and files in the usual and ordinary manner in which the business of the Stations has been conducted in the past, including, but not limited to, spending amounts on advertising, promotions and marketing of the Stations between the date of this Agreement and the Closing Date, which are comparable to the amounts the Seller spent for the comparable periods in 2001 and 2002. The Seller shall, operate the Stations in compliance with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC rules and regulations.

(b) Current Statements. The Seller shall provide the Buyer with copies of the Seller's monthly internal balance sheets and related statements of operations for the monthly accounting periods between the Latest Balance Sheet Date and the Closing Date, by the 15th day of each month for the preceding calendar month, which statements shall present fairly the financial position of the Seller and the results of operations for the period indicated, in

accordance with the historical practices of Seller. In addition, the Seller shall provide to the Buyer simultaneously with the delivery of these monthly financial statements, financial information to permit the Buyer to compute readily the income from operations and broadcast cash flow of the Stations for such month and the year-to-date and, if required by the Buyer's lender and at the Buyer's expense, permit an audit by an independent firm of certified professional accountants of the cash flow of the Stations.

(c) Preserve Business. While operating the Stations, the Seller shall, use its best efforts to preserve (i) its business organization intact, retaining substantially as at present the employees, consultants and agents of the Stations and (ii) the goodwill of the Stations and the suppliers, advertisers, customers and others having business relations with the Stations.

(d) Assets in Good Repair. All Tangible Personal Property and Owned and Leased Real Property shall be maintained in good operating condition and repair, reasonable wear and tear excepted, provided, however, that the Tangible Personal Property and Owned Improvements shall be conveyed to Buyer at Closing AS IS – WHERE IS, NO WARRANTIES EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The Seller shall maintain adequate and usual supplies of office supplies, spare parts and other materials as have been customarily maintained in the past. The Seller shall use its best efforts to preserve intact the Assets and to maintain in effect the casualty and liability insurance on the Assets heretofore in force.

5.2 Prohibited Actions. Before the Closing Date, neither the Shareholders with respect to the Owned Real Property, nor the Seller, without the prior written consent of the Buyer, shall:

(a) Sell, lease or transfer or agree to sell, lease or transfer, any Assets except for incidental sales or leases, in the Ordinary Course of Business, of Assets which are being replaced by assets of comparable or superior kind, condition and value;

(b) Except as may be required by existing written plans or agreements (which written plans and agreements are included in the Schedules hereto or have otherwise been provided to the Buyer), grant any raises to any of its employees or consultants (except in the Ordinary Course of Business), establish or modify any severance plan, pay any substantial bonuses (except in the Ordinary Course of Business), enter into any contract of employment with any employee or employees of the Seller or the Stations, change any benefits to employees or consultants or enter into any independent contractor agreement;

(c) Renegotiate, modify, renew, amend, or terminate any Program License Agreement or, except in the Ordinary Course of Business, any other existing Contracts, including, without limitation, any time sales contract;

(d) Make any change in the Stations' buildings, leasehold improvements or fixtures except in the Ordinary Course of Business;

(e) Enter into any contracts with Affiliates of any shareholder, including, without limitation, the Shareholders or the Seller with respect to the Stations or the Assets;

(f) Apply to the FCC for any construction permit that would restrict the Seller's present operations or make any change in the Stations' buildings, leasehold improvements or fixtures except in the Ordinary Course of Business;

(g) Enter into any barter or trade contract or contracts that are prepaid other than in the Ordinary Course of Business;

(h) Make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect; or

(i) Consent to the execution, placement, creation or amendment of easements, restrictions, rights-of-way or other matters affecting title to the Real Property.

5.3 No Distributions or Payments. Seller shall not make any distributions to its shareholders with respect to interests in the Seller of any kind or nature, except any such entity may distribute the Excluded Assets.

5.4 Access to Facilities, Files and Records.

(a) At the reasonable request of the Buyer and on reasonable advance notice, the Seller shall, from time to time, promptly give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of the Buyer full access during normal business hours to: (i) all facilities, properties, accounts, books, deeds, title papers, insurance policies, agreements, contracts, commitments, records and files of every character, including, without limitation, minute books, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable relating to the Stations; and (ii) all such other information concerning the Seller, the Stations and the Assets as the Buyer may reasonably request. Any investigation or examination by the Buyer in connection with the foregoing shall not in any way diminish or obviate any representations or warranties of the Seller or the Shareholders made in this Agreement, the Exhibits, Schedules and documents delivered pursuant to this Agreement.

(b) Any and all information, disclosures, knowledge or facts regarding the Buyer and its operations derived from or resulting from the Seller's or the Shareholders' acts or conduct (including, without limitation, acts or conduct of the Seller's or the Shareholders' directors, managers, partners, officers, employees, accountants, counsel, agents, consultants or representatives, or any of them (collectively, "Representatives")) under the provisions of this Section or otherwise obtained by the Seller or the Shareholders (or their Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to the Seller's and the Shareholders' Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Seller shall be responsible for any breach of confidentiality by any such Person. The Shareholders shall cause

the Seller's accountants to, and the Seller shall cause its accountants, and any of their agents in possession of the Seller's books and records to cooperate with the Buyer's requests for information pursuant to this Agreement and shall request such accountants to provide the Buyer access to all of the accountants' audit and tax work papers with respect to the Seller or the Stations. If this Agreement terminates before Closing, the Seller and the Shareholders shall return promptly any information obtained regarding the Buyer and the Seller and the Shareholders shall instruct their Representatives also to return any such information.

5.5 Representations and Warranties. The Seller and the Shareholders shall give detailed written notice to the Buyer promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to the Seller or the Shareholders on or before the date of this Agreement, of any of the Seller's or the Shareholders' representations or warranties contained in this Agreement or in any Schedule attached hereto.

5.6 Consents. The Seller and the Shareholders shall use their best efforts to obtain the consent or approval of any third Person required under any Contract listed on the Contract Schedules to assign any such contract from the Seller to the Buyer, including adequate notice of the assignment where applicable. The Buyer has designated certain of these consents as material to the operations of the Stations as noted on Schedule 5.6 (a "Material Consent"). The Buyer shall not be obligated to accept the assignment of any Contract or any liability under such Contract for which a Material Consent is not obtained and, if such consent is obtained after the Closing, the Buyer will not be required to assume any liability under such Contract until such consent is obtained and the Buyer is placed in the position it would have been in if the consent had been obtained before the Closing.

5.7 Notice of Proceedings. The Seller and the Shareholders will promptly notify the Buyer in writing on: (a) receiving notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any government department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

5.8 Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, the Seller shall, and the Shareholders shall cause the Seller to, fulfill and perform all conditions and obligations on their parts to be fulfilled and performed under this Agreement and use their best efforts to cause the transactions contemplated by this Agreement to be fully carried out.

5.9 Applications for FCC Consents. As promptly as practicable after the date of this Agreement, and in no event later 10 business days after the full execution of this Agreement, or, if later, the first date the FCC allows such applications to be filed, the Seller, the Shareholders and the Buyer shall cause to be filed applications with the FCC requesting the FCC's written consent to the assignment of the Authorizations issued by the FCC to the Buyer

and to the consummation of the transactions contemplated by this Agreement. The Seller, the Shareholders and the Buyer shall use their best efforts, to take all steps that are proper, necessary or desirable to expedite the preparation of such applications and their prosecution to a favorable conclusion. Each party shall promptly provide the other with a copy of any pleading, order or other document served on such party relating to such applications. The Seller and the Shareholders shall furnish all information required by the FCC. If Closing occurs hereunder without the FCC Order and any required extension of the terms thereof becoming Final, then the parties' obligations under this Section shall survive the Closing until the FCC Order and all such consents and extensions become Final.

5.10 Title to Real Property. With respect to any Real Property, within 30 days after the date of this Agreement, Seller and Shareholders shall deliver to the Buyer copies of (A) all soil, engineering and environmental reports and studies with respect to the ownership, maintenance, use, occupancy and operation, (B) any existing surveys and plats, (C) Shareholders' source deed, (D) any and all title insurance commitments and title insurance policies, (E) the real property tax bill for the current fiscal year, and (F) any permits issued by any Governmental Agency. The parties acknowledge that the Buyer may conduct a title examination of the Real Property and any environmental study before Closing.

5.11 Publicity. Neither the Shareholders and the Seller, nor the Buyer, nor any of their respective Affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless the other party shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by such party.

5.12 Exclusivity. The Seller will not (and the Shareholders will not cause or permit the Seller to) (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any of the voting securities, or any substantial portion of the assets of the Seller (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. The Shareholders will not vote their interest in the Seller in favor of any such acquisition structured as a merger, consolidation, or share exchange. The Seller will notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

ARTICLE 6 COVENANTS OF THE BUYER PENDING THE CLOSING

The Buyer covenants and agrees that from the date of this Agreement until the completion of the Closing:

6.1 Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, the Buyer shall fulfill and perform all conditions and obligations on its part to be

fulfilled and performed under this Agreement and to cause the transactions contemplated by this Agreement to be fully carried out.

6.2 Notice of Proceedings. The Buyer will promptly notify the Seller and the Shareholders in writing on: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any government department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

6.3 Contracts Not to be Assumed. From time to time following the date of this Agreement, the Seller may request that the Buyer permit additional Contracts to be added to the Schedules to this Agreement and to be assigned to and assumed by the Buyer at the Closing. These Contracts may be accepted or rejected by the Buyer (except for those entered into in the Ordinary Course of Business pursuant to Section 2.1(f), subject to the limitations set forth in Section 2.1(f)) at the Buyer's sole discretion.

6.4 Confidentiality. Any and all information, disclosures, knowledge or facts regarding the Seller, the Assets and the Stations and their operations derived from or resulting from the Buyer's acts or conduct (including, without limitation, acts or conduct of the Buyer's Representatives) under the provisions of this Section or otherwise obtained by the Buyer (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to the Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Buyer shall be responsible for any breach of confidentiality by any such Person. If this Agreement terminates before Closing, the Buyer shall return promptly any information obtained regarding the Seller, the Stations or the Assets and the Buyer shall instruct its Representatives also to return any such information.

ARTICLE 7

CONDITIONS TO THE OBLIGATIONS OF THE SELLER AND THE SHAREHOLDERS

The obligations of the Seller and the Shareholders under this Agreement are, at their option, subject to the fulfillment of the following conditions before or on the Closing Date:

7.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of the Buyer contained in this Agreement shall have been true and correct as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

(b) Buyer Compliance. The Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

(c) Certificate of the Buyer. The Seller shall be furnished with a certificate, dated the Closing Date and duly executed by an officer or manager of the Buyer to the effect that the conditions set forth in Sections (a) and (b) have been satisfied; and

(d) Other Documents. The Seller shall be furnished with such certified resolutions, certificates, documents or instruments with respect to the Buyer as the Seller may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

7.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by the Seller pursuant to this Section 7.2 before the Final Closing Date but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

7.3 Deliveries. The Buyer shall have complied with each and every one of its obligations set forth in Section 9.2.

7.4 Authorizations. Except as otherwise contemplated by Section 2.7, the FCC Order shall have been granted, shall be effective and shall have become Final.

7.5 Other Consents. The Buyer shall have obtained all consents, approvals and waivers of other persons or parties as may be required for the consummation of the transactions contemplated by this Agreement.

ARTICLE 8 CONDITIONS TO THE OBLIGATIONS OF THE BUYER

The obligations of the Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

8.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of the Seller and the Shareholders contained in this Agreement shall have been true and correct as of the date when made; and each of such representations and warranties shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

(b) Seller's and Shareholders' Performance. The Seller and the Shareholders shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by them before or on the Closing Date;

(c) Seller's Certificates. The Seller shall have furnished the Buyer with certificates, dated the Closing Date and duly executed by an officer of the Seller, to the effect that the conditions set forth in Sections 8.1(a) and (b) have been satisfied; and

(d) Other Documents. The Buyer shall be furnished with such certified resolutions, certificates, documents or instruments with respect to the Seller and the Shareholders as the Buyer may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

8.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. If such a restraining order or injunction is in effect, then this Agreement may not be terminated by the Buyer pursuant to this Section before the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

8.3 Liens Released. All Security Interests pertaining to the Assets shall be released of record and there shall be no liens in respect of the Assets, except Permitted Encumbrances.

8.4 Deliveries. The Seller and the Shareholders shall have complied with each and every one of their respective obligations set forth in Section 9.1.

8.5 Other Consents. The Buyer and the Seller shall have obtained all Material Consents, including, without limitation, all approvals and waivers of government agencies as are required for the consummation of the transactions contemplated by this Agreement, without any change in the terms thereof, except these approved by the Buyer in writing.

8.6 Revised Schedules. The Seller and the Shareholders shall have delivered to the Buyer such revised forms of each of the Schedules or updated information for addition to or inclusion in the Schedules as are necessary to reflect changes in such Schedules as of the Closing Date; *provided, however*, that, except for changes that are permitted by the terms of this Agreement, no change in any Schedule will be binding on the Buyer without its prior written consent, which consent may be withheld by the Buyer for any or no reason.

8.7 No Material Change in Business or Assets. There shall not have been a material adverse change in Stations or Assets nor shall there have been an uncured or continuing default by the Seller under any Contract.

8.8 Authorizations. Except as otherwise contemplated by Section 2.7, the FCC Order with respect to all Authorizations issued by the FCC shall have been granted, shall be effective and shall have become Final.

ARTICLE 9
ITEMS TO BE DELIVERED AT THE CLOSING

9.1 Deliveries by the Seller. At the Closing, the Seller and the Shareholders shall deliver to the Buyer, duly executed by the Seller, the Shareholders or such other signatory as may be required by the nature of the document:

(a) Bills of Sale. Bills of sale, special warranty deeds for the Owned Real Property, certificates of title, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance satisfactory to the Buyer, sufficient to sell, convey, transfer and assign to the Buyer all right, title and interest of the Seller and the Seller in and to the Assets and to quiet the Buyer's title thereto;

(b) Board Resolutions. Certified copies of resolutions, duly adopted by the Shareholders and Board of Directors of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby;

(c) Officer's Certificate. The certificate referred to in Section 8.1(c);

(d) Consulting Agreement. The Consulting Agreement in the form of Exhibit B attached (the "Consulting Agreement");

(e) Non-Competition Agreement. The Non-Competition, Non-Solicitation and Confidentiality Agreement between the Shareholders, the Seller and the Buyer in the form of Exhibit C attached (the "Non-Competition Agreement");

(f) Opinions. An opinion of counsel for the Seller and the Shareholders and an opinion of FCC counsel for the Seller, both dated the Closing Date, in the forms attached as Exhibits D-1 and D-2;

(g) Estoppel Certificates. Unless waived by the Buyer, Seller will use best efforts without spending money to deliver landlord estoppel certificates, consents and waivers concerning the Leased Real Property in form and substance satisfactory to the Buyer; and

(h) Consents. Consents to the assignment of Material Contracts to the Buyer in form and content satisfactory to the Buyer;

9.2 Deliveries by the Buyer. At the Closing, the Buyer shall deliver to the Seller, duly executed by the Buyer or such other signatory as may be required by the nature of the document:

(a) Purchase Price. The Purchase Price, which shall be allocated among Seller and Shareholders and paid in the manner specified in Section 2.5;

(b) Assumption Agreements. An instrument or instruments of assumption of the Program License Agreements, the Contracts and Real Property Leases to be assumed by the Buyer pursuant to this Agreement, in form and substance satisfactory to the Seller;

(c) Resolutions. Certified copies of resolutions, duly adopted by the Managers of the Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by the Buyer;

(d) Officer's Certificate. The certificates referred to in Section 7.1(c);

(e) Consulting Agreement. The Consulting Agreement;

(f) Non-Competition Agreement. The Non-Competition Agreement;
and

(g) Opinions. An opinion of counsel for the Buyer, dated the Closing Date, in the form attached as Exhibit E.

ARTICLE 10 SURVIVAL; INDEMNIFICATION; EMPLOYEES

10.1 Survival. All representations and warranties contained in this Agreement, or in any Exhibit, Schedule, certificate, agreement or statement delivered pursuant hereto, shall survive the Closing, any investigation conducted by any party hereto and any information which any party may receive, until 12 months after the Closing Date whereupon all such representations, warranties, and indemnities with respect thereto, shall expire and terminate and shall be of no further force or effect; *provided, however*, that representations and warranties and indemnities with respect thereto with respect to Tax matters, environmental matters, employee benefits matters, claims by any shareholder of B-98, Sunair or Friendz or OSHA matters (collectively, "Superior Claims") may be asserted at any time on or before the expiration of the limitations period under applicable law. If a Deficiency is asserted by either party, before the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below.

10.2 Basic Provision.

(a) Buyer Indemnitees. The Seller and the Shareholders (the Seller and the Shareholders an "Indemnifying Party") hereby, jointly and severally, agree to indemnify and hold harmless the Buyer, its members, managers, directors, officers, agents and employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Buyer, and its successors and assigns (collectively, the

“Buyer Indemnitees”) from, against and in respect of, and to reimburse the Buyer Indemnitees for the amount of any and all Deficiencies.

(b) Seller Indemnitees. The Buyer (“Indemnifying Party”), hereby agrees to indemnify and hold harmless the Seller and its partners, members, officers, directors, agents, employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Seller, and its successors and assigns (collectively, the “Seller Indemnitees”) from, against and in respect of, and to reimburse the Seller Indemnitees for the amount of any and all Deficiencies.

10.3 Definition of “Deficiencies”.

(a) Deficiencies for the Buyer. As used in this Article 10, the term “Deficiencies” when asserted by the Buyer Indemnitees or arising out of a third party claim against the Buyer Indemnitees shall mean any and all losses, fines, damages, liabilities and claims sustained by the Buyer Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation, breach of warranty under Article 3 or any Schedule or any non-fulfillment of any representation or warranty under Article 3 or in any Schedule or any covenant, obligation or agreement on the part of the Seller or the Shareholders contained in or made in this Agreement or in an Exhibit, Schedule, certificate, agreement or statement delivered pursuant to this Agreement;

(ii) Any failure by the Seller and the Shareholders to pay or discharge any Excluded Liability or any other liability of the Seller, the Shareholders and the Seller Indemnitees, direct or contingent, that is not expressly assumed by the Buyer pursuant to the provisions of this Agreement;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Seller, the Assets, or the Stations before the Effective Time;

(iv) Any severance pay or other payment required to be paid by the Seller with respect to any employee or consultant of the Seller terminated by the Seller on or before the Effective Time;

(v) Except for obligations or liabilities expressly assumed by the Buyer herein, the Seller’s operation of the Stations or the ownership of the Assets before the Effective Time (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by the Seller under any lease, contract, or agreement or under this Agreement before the Effective Time);

(vi) Except for obligations or liabilities expressly assumed by the Buyer herein, any transaction entered into by the Seller or arising in connection with the Stations or the operation of its business or any of the Assets before the Effective Time;

(vii) Any fees, costs, expenses or other liability under any music license agreement, including with BMI, ASCAP or SESAC, entered into by Seller related to periods before the Effective Time; or

(viii) Any and all acts, suits, proceedings, demands, assessments and judgments and all reasonable fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses).

(b) Deficiencies for the Seller. As used in this Article 10, the term “Deficiencies” when asserted by the Seller Indemnitees or arising out of a third party claim against the Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of the Buyer contained in or made in this Agreement or in an Exhibit, Schedule, certificate, statement or agreement delivered pursuant to this Agreement;

(ii) Any failure by the Buyer to pay or discharge any other liability arising after the Closing Date for any Assumed Liability;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Buyer or the Stations after the Closing Date;

(iv) The Buyer’s operation of the Stations or the ownership of the Assets after the Closing Date (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by the Buyer under any lease, contract, or agreement or under this Agreement after the Closing Date);

(v) Any transaction entered into by the Buyer or arising in connection with the Stations or the operation of its business or any of the Assets after the Closing Date; or

(vi) Any and all acts, suits, proceedings, demands, assessments and judgments and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses).

10.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. In the event that any claim shall be asserted by any third party against the Buyer Indemnitees or the Seller Indemnitees (the Buyer Indemnitees or the Seller Indemnitees, as the case may be, hereinafter, the “Indemnitees”), which, if sustained, would result in a Deficiency, then the Indemnitees, promptly and in all events within 15 days after learning of such claim, shall notify the Indemnifying Party of such claim and Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying

Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The parties will cooperate fully in any such action and shall make available to each other any books or records useful for the defense of such claim. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (a) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses and (b) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all liability in respect of such claim.

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of 30 days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such 30-day period, then the contested assertion of a Deficiency shall be resolved through binding arbitration pursuant to Section 11.12.

(c) Agreement. The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, on the execution of such agreement such Deficiency shall be deemed established.

10.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within 30 days after the establishment thereof. The amount of established Deficiencies shall be paid in cash. Any amounts not paid by the Indemnifying Party when due under this Section shall bear interest from and after the due date thereof until the date paid at a rate equal to the lesser of: (a) 6% per annum and (b) the highest legal rate permitted by applicable law. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation the Indemnitees, or any other Party to the Indemnitees against any obligation the Indemnitees, or any of them, may have to the Indemnifying Party arising out of a Deficiency established pursuant to Section 10.4.

10.6 Limitation on Deficiencies. Notwithstanding any other provision of this Agreement, except with respect to Deficiencies resulting from Superior Claims, which shall not be limited, the Seller and the Shareholders shall not have any obligation to indemnify the Buyer from and against any Deficiencies resulting from, arising out of, relating to, in the nature of, or caused by the breach (or alleged breach) of any representation or warranty of the Seller or the Shareholders until the Buyer has suffered Deficiencies by reason of all such breaches (or alleged breaches) in excess of \$25,000 in the aggregate (at which point the Seller and the Shareholders will be obligated to indemnify the Buyer from and against all Deficiencies).

ARTICLE 11
MISCELLANEOUS

11.1 Termination of Agreement. This Agreement may be terminated at any time on or before the Closing Date: (a) by the mutual consent of the Seller and the Buyer; (b) by the Buyer as provided in Sections 11.7 and 11.8; (c) by either party hereto if the Closing has not taken place by March 31, 2004 (the "Final Closing Date"); (d) by the Buyer on or after December 31, 2003 if the Seller and the Shareholders have not satisfied the conditions set forth in Article 8 and the Buyer has satisfied or is prepared and able (but for the Seller's and the Shareholders' defaults) to satisfy the conditions of Article 7; or (e) by the Seller on or after December 31, 2003 if the Buyer has not satisfied the conditions set forth in Article 7 and the Seller and the Shareholders have satisfied or are prepared and able (but for Buyer's defaults) to satisfy the conditions of Article 8. A termination pursuant to this Article 11 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement. If this Agreement is terminated rightfully pursuant to this Article 11, all further obligations of the parties hereunder shall terminate, except that all obligations for confidentiality under Sections 5.4(b) and 6.7 shall survive such termination for a period of three years. If the Buyer materially breaches its obligations hereunder and fails to close hereunder and neither the Seller nor the Shareholders is in material default of their obligations hereunder, the Earnest Money Escrow Deposit shall be delivered to the Seller. On a termination for any other reason, the Earnest Money Escrow Deposit shall be returned to the Buyer. Notwithstanding any other provision of this Section 11.1 to the contrary, any interest accrued on the Earnest Money Escrow Deposit shall be delivered to the Buyer.

11.2 Liabilities on Termination or Breach. The parties acknowledge that the operation of the Stations is of a special, unique and extraordinary character. Upon a material breach by the Seller or the Shareholders of their representations, warranties, covenants and agreements under this Agreement, the Buyer shall be entitled to an injunction restraining any such breach or threatened breach or to enforcement of this Agreement by a decree or decrees of specific performance requiring the Seller and the Shareholders to fulfill their obligations under this Agreement.

11.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; *provided, however*, the Buyer and Seller shall equally share the filing fees with the FCC and any sales or transfer taxes arising from the transfer of the Assets to the Buyer.

11.4 Remedies Cumulative. Except with respect to the penultimate sentence of Section 11.1, the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

11.5 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is by law non-

assignable without the consent of the other party or parties thereto, unless such consent shall be given. The Seller shall use and the Shareholders shall cause the Seller to use their best efforts (and the Buyer shall assist the Seller) both after and before the Closing to obtain such consents to the assignment or transfer of Contracts to vest in the Buyer all of the Seller's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer. If such consent is not obtained, the Seller shall, and the Shareholders shall cause the Seller to, cooperate with the Buyer in any arrangements necessary or desirable, on commercially reasonable terms, to provide for the Buyer to have the benefits and to have the Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of the Buyer, and assumption by the Buyer of the costs of enforcing, any and all rights of the Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

11.6 Further Assurances. From time to time before, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

11.7 Risk of Loss. The risk of loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by the Seller at all times before the Effective Time. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any loss or damage to any of the Assets from fire, casualty or other causes before the Closing, the Seller shall notify the Buyer of same in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage. In the event that the damaged property is not completely repaired, replaced or restored on or before the Closing Date, the Buyer at its sole option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored to the reasonable satisfaction of the Buyer if the repair, replacement or restoration can be accomplished within one month following the date of the loss or damage or the Final Closing Date, whichever is the earlier and (b) may elect to consummate the Closing and accept the property in its then condition, in which event the Seller shall pay to the Buyer all proceeds of insurance and assign to the Buyer the right to any unpaid proceeds; or (c) terminate this Agreement without liability to any party.

11.8 Broadcast Transmission Interruption. If, before the Closing, the regular broadcast transmission of any of the Stations in the normal and usual manner is interrupted for a period of 24 continuous hours or more solely as a result of actions of, or the failure to act by, the Seller, then the Shareholders or the Seller shall give prompt written notice thereof to the Buyer.

The Buyer shall then have the right by giving written notice to the Seller, to postpone (and if necessary re-postpone) the Closing to a date that is 15 days after the end of any such interruption. If, solely as a result of actions of, or the failure to act by, the Seller the regular broadcast transmission of the Stations in the normal and usual manner is interrupted for a continuous period of 110 hours or more at any time before Closing Date or, if at the Closing Date, the regular transmission any of the Stations is interrupted and cannot be reestablished within 110 hours, then (a) the Seller immediately shall give written notice thereof to the Buyer; and (b) the Buyer shall have the right, by giving written notice to the Seller, to (i) within three business days after receiving notice from the Seller of such interruption, to terminate this Agreement without liability to the Seller, the Shareholders or the Buyer, in which event the Earnest Money Escrow Deposit shall promptly be returned to the Buyer or its designee, or (ii) postpone the Closing as provided above.

11.9 Employees.

(a) Except as provided otherwise in this Section, the Seller shall terminate all of the Stations' employees effective as of the Effective Time and pay all termination and severance costs in connection with such termination. The Buyer presently intends to offer employment to all of the employees of the Stations that are listed on Schedule 3.21 ("Assumed Employees") beginning at the Effective Time. The Seller acknowledges and agrees that the foregoing representation by the Buyer does not require the Buyer to continue to employ any such Assumed Employee for any specific periods of time after the Effective Time. The Buyer will not give the Stations' employees who are employed by the Buyer credit for accrued vacation and sick leave unless the costs thereof are paid by the Seller to the Buyer before or on the Closing Date.

(b) Buyer shall provide COBRA continuation coverage to Assumed Employees and those former employees of Seller who were employed in connection with the business of Seller or the Stations (and their covered dependents and qualified beneficiaries) who are receiving COBRA continuation coverage at the Closing with respect to whom a qualifying event occurred prior to the Closing and for which the applicable election period for COBRA continuation coverage had not expired as of the Effective Date, or with respect to whom a qualifying event occurs as a result of the Closing in compliance with the provisions of COBRA. Before Closing, the Seller shall provide the Buyer a list of all former employees (and their covered dependents and qualified beneficiaries) who are receiving COBRA continuation coverage at the Closing Date.

11.10 Arbitration; Choice of Jurisdiction. If a controversy should arise in the performance, interpretation or application of this Agreement, either party may serve upon the other a written notice stating that such party desires to have the controversy reviewed by an arbitrator. If the parties cannot agree within 15 days from the service of such notice upon the selection of such arbitrator, an arbitrator shall be selected or designated by the American Arbitration Association. Arbitration of such controversy, disagreement or dispute shall be conducted in accordance with the Commercial Arbitration Rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected shall be binding upon the parties. The arbitration will be held in Harrisburg, Pennsylvania. The cost of any such arbitration shall be shared equally by the parties, *provided* that the arbitrator shall be authorized to enter as part of the award to any party an amount equal to such party's attorney's fees and other

costs related to the arbitration. Except as provided by the arbitrator, each party shall pay its own costs incurred as a result of its participation in any such arbitration. The provisions of this paragraph shall not affect any party's right to terminate this Agreement. Except as specifically provided in this paragraph, any arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not make any ruling, finding or award that does not conform to the terms of this Agreement. Any controversy or claim arising out of or related to this Agreement which the parties are unable to resolve and which is not requested to be arbitrated as set forth above shall be submitted to the state or federal courts located in the Harrisburg, Dauphin County in the Commonwealth of Pennsylvania, which shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both parties submit.

ARTICLE 12 GENERAL PROVISIONS

12.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Neither the Seller nor the Shareholders may assign any of their rights or delegate any of their duties hereunder without the prior written consent of the Buyer. The Buyer may freely assign some or all of its rights and obligations hereunder to any entity controlled by or under common control with the Buyer, as long as the Buyer remains fully obligated hereunder.

12.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

12.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by telex or facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by telex, graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as set forth below:

- (a) If to the Seller or the Shareholders, then to:

Sunair Communications, Inc.
P.O. Box 90
Selinsgrove, PA 17870-0090
Telecopy Number: () _____

Attn: Mr. Dave Bernstein

with a copy, given in the manner prescribed above, to:

Edward G. Mihalik, Jr.
22 North Market Street
Selinsgrove, PA 17870
Telecopy Number: (570) 374-6917

- (b) If to the Buyer then to:

Max Media of Pennsylvania LLC
900 Laskin Road
Virginia Beach, Virginia 23451
Telecopy Number: (757) 437-0034

Attn: A. Eugene Loving, Jr.

with a copy, given in the manner prescribed above, to:

Williams Mullen
A Professional Corporation
222 Central Park Avenue, Suite 1700
Virginia Beach, Virginia 23462-3035
Telecopy Number: (757) 473-0395

Attn: Thomas R. Frantz, Esquire

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

12.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

12.5 Governing Law. THIS AGREEMENT AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH

THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS.

12.6 Entire Agreement. This Agreement and the Schedules hereto and thereto and the other documents delivered hereunder constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

12.7 Execution: Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.

12.8 Gender and Tense. Where appropriate to the context, pronouns of other terms expressed in one number or gender will be deemed to include all other numbers or genders. The use of a word in one tense will include the other tenses, where appropriate to the context.

12.9 Third-Party Beneficiaries. This Agreement is intended to benefit only the parties to this Agreement, their successors and permitted assigns. No other Person is an intended or incidental beneficiary of this Agreement.

12.10 No Party Deemed Drafter. The parties acknowledge that they have been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claim ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. Provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

SELLER:

SUNAIR COMMUNICATIONS, INC.

By: _____

Its: _____

B-98 BROADCASTING, INC.

By: _____

Its: _____

RADIO FRIENDZ, INC.

By: _____

Its: _____

SHAREHOLDERS:

DAVE BERNSTEIN

SUSAN BERNSTEIN

BUYER:

MAX MEDIA OF PENNSYLVANIA LLC

By: _____

Its: _____

MMP LICENSE LLC

By: _____

Its: _____