

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “*Agreement*”), made as of the 4th day of May, 2006, is by and between Pikes Peak Broadcasting Co., a Colorado corporation (“*Seller*”), and Citadel Broadcasting Company, a Nevada corporation (“*Buyer*”).

RECITALS

Seller is the licensee of and operates radio broadcast station KRDO-FM, 95.1 MHz, Colorado Springs, Colorado, Facility ID No. 66249 (the “*Station*”), pursuant to licenses issued by the Federal Communications Commission (the “*FCC*”).

Seller and Buyer have agreed that Seller will sell and Buyer or Buyer’s Affiliate will acquire certain assets used in connection with the operation of the Station, on the terms and subject to the conditions set forth in this Agreement.

Therefore, the parties agree as follows:

ARTICLE 1
ASSETS TO BE CONVEYED

1.1. Closing. Subject to Section 17.1 hereof and except as otherwise mutually agreed upon by Seller and Buyer, the closing of this transaction (the “*Closing*”) shall take place on a date agreed upon by Buyer and Seller within ten business (10) days after all of the conditions specified in Sections 11.2 and 12.2 hereof have been fulfilled (or waived by the party entitled to waive such condition). The Closing shall be held at 10:00 a.m. local Washington D.C. time at the offices of Leventhal Senter & Lerman PLLC (“*LS&L*”), or at such other place and time, and in such manner as the parties may otherwise agree. Notwithstanding the foregoing, the parties intend that, to the extent possible, the Closing shall be conducted by exchange of signatures by fax, mail, and/or overnight courier, and by wire transfer of funds.

1.2. Station Assets. At the Closing, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, substantially all of the assets (but excluding the Excluded Assets) used in connection with the operation of the Station, as expressly set forth below:

(a) Seller’s rights in and to all of the licenses, permits and other authorizations issued to Seller by any governmental authority currently in effect and used in the operation of the Station, including those listed in Schedule 1.2(a), together with any additions thereto (including renewals or modifications of such licenses, permits and authorizations and

applications therefor) between the date hereof and the Closing Date (the “*Station Licenses*”) and all of Seller’s rights in and to the call letters “KRDO-FM”;

(b) Seller’s right and interest in and to the leased real property used in the operation of the Station listed on Schedule 1.2(b), together with any additions thereto between the date hereof and the Closing Date, including but not limited to any easements, rights of ingress and egress, and rights of way associated therewith, and the buildings, towers, and fixtures located thereon (the “*Leased Real Property*”);

(c) the equipment, office furniture and fixtures, office materials and supplies, inventory, motor vehicles and other tangible personal property owned, leased or held by Seller and used in the operation of the Station listed on Schedule 1.2(c), together with any replacements thereof and additions thereto, made between the date hereof and the Closing Date (the “*Personal Property*”);

(d) subject to the provisions of Article 3 hereof, all of Seller’s rights under and interest in all contracts listed in Schedule 1.2(d) hereto, including Time Sales Agreements and Trade Agreements, together with all of Seller’s rights under and interest in all contracts entered into or acquired by Seller between the date hereof and the Closing Date in accordance with this Agreement (the “*Assumed Contracts*”);

(e) all of Seller’s rights in and to all registered and unregistered trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, jingles, logos, slogans, licenses, patents, Internet domain names, Internet URLs, Internet web sites, content and databases, permits and privileges, and other intangible property rights and interests applied for, issued to or owned by Seller and used solely in the operation of the Station and listed on Schedule 1.2(e), together with any additions thereto between the date hereof and the Closing Date (the “*Intellectual Property*”);

(f) all files, records, books of account, and logs relating to the operation of the Station, including, without limitation, receivable records to the extent that they exist separately from Seller’s other stations, the Station’s public inspection file, filings with the FCC related to the Station (to the extent that Seller has retained copies of same), invoices, statements, technical information and engineering data, sales correspondence and copies of all written Assumed Contracts;

(g) all rights under manufacturers’ and vendors’ warranties as exist at Closing and which relate to any of the Station Assets, as defined herein;

(h) except as excluded on Schedule 1.3(h), all computer software and programs used or held for use in the operation of the Station; and

(i) security deposits and prepaid expenses, to the extent that Seller receives an adjustment to the Purchase Price for such amounts pursuant to Section 5.1.

The assets to be transferred to Buyer hereunder are hereinafter collectively referred to as the “*Station Assets*.” The Station Assets shall be transferred to Buyer free and clear of any Liens, except as otherwise expressly provided in this Agreement.

1.3. Excluded Assets. The Station Assets shall not include the following (the “*Excluded Assets*”):

(a) Seller’s books and records pertaining to the organization, existence or capitalization of Seller, any and all right to use the name “Pikes Peak Broadcasting Company” and duplicate copies of such records as are necessary to enable Seller to file tax returns and reports;

(b) all cash, cash equivalents, or similar type investments of Seller, such as certificates of deposit, treasury bills, and other marketable securities on hand and/or in banks, and any interest in and to any refunds of federal, state or local franchise, income, or other taxes related to periods prior to the Closing;

(c) any and all stocks, bonds and other securities owned or held by Seller;

(d) all insurance policies, except for any rights that may be assigned pursuant to Article 20 hereof, promissory notes, amounts due from employees, bonds, letters of credit, certificates of deposit, or other similar items, and any cash surrender value in regard thereto;

(e) all pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement.

(f) all accounts receivable and notes receivable arising in connection with the operation of the Station prior to the Closing Date and outstanding and uncollected as of the Closing Date (the “*Accounts Receivable*”);

(g) Trade Agreements, except for those listed on Schedule 1.2(d);

(h) the Leased Real Property used as the Station’s studios;

(i) any and all assets of whatever kind and nature owned or leased by Seller and used in connection with the operation of Seller’s other radio and television stations and pursuant to Seller’s TBA with the licensee of Station KSKX, except for assets listed on Schedule 1.2(c);

- (j) all claims of Seller may have against third parties; and
- (k) the items listed on Schedule 1.3(h) hereof.

ARTICLE 2

PURCHASE PRICE

2.1. Purchase Price. The total consideration to be paid by Buyer for the Station Assets shall be Eight Million Five Hundred Thousand Dollars (\$8,500,000) (the “*Purchase Price*”), subject to upward or downward adjustment, as the case may be, on and after the Closing Date, pursuant to Article 5.

2.2 Escrow Deposit. Within two (2) business days of the date of this Agreement, Buyer shall deposit an irrevocable letter of credit in the amount of Four Hundred Twenty-Five Thousand Dollars (\$425,000) in form satisfactory to Seller’s Counsel (“the Deposit”) with Kalil & Co (“Escrow Agent”). The deposit will be held pursuant to the terms of an Escrow Agreement in the form of Exhibit A hereto to be executed as of the date hereof (the “Escrow Agreement”). At the Closing the Deposit shall be returned to Buyer by Escrow Agent as jointly instructed by Seller and Buyer.

2.3. Payment of Purchase Price. At the Closing, Buyer shall pay the Purchase Price, as adjusted pursuant to Article 5, by wire transfer of immediately available federal funds pursuant to wire instructions that shall be delivered by Seller to Buyer at least two (2) business days prior to the Closing Date.

ARTICLE 3

ASSUMPTION OF OBLIGATIONS

3.1. Assumption of Obligations. Subject to the provisions of this Article 3 and of Article 5 of this Agreement, at the Closing Buyer shall assume and undertake to pay, satisfy or discharge the liabilities, obligations and commitments of Seller under the Station Licenses, the Assumed Contracts listed in Schedule 1.2(d), to the extent that either (1) the obligations and liabilities relate to the period after the Effective Time or (2) the Purchase Price was reduced pursuant to Article 5 as a result of the proration or adjustment of such obligations and liabilities.

3.2. Limitation. Except as set forth in Section 3.1 hereof, Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of Seller of any nature whatsoever.

ARTICLE 4

REQUIRED CONSENTS

4.1. FCC Application. The assignment of the Station Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. No later than ten (10) business days after the date that the parties execute this Agreement, Buyer and Seller shall file the FCC Application. Seller and Buyer shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the FCC Applications as expeditiously as practicable. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit either party's right to terminate this Agreement pursuant to Article 17 hereof. The parties shall cooperate to file additional applications with the FCC as Buyer deems are necessary in order to effectuate the transactions contemplated in the Agreement and Plan of Merger, dated February 6, 2006, by and between The Walt Disney Company, ABC Chicago FM Radio, Inc., and Citadel Broadcasting Corporation (the "Merger Agreement"). The filing fees associated with such additional applications shall be paid by Buyer.

4.2. Hart-Scott-Rodino Filing. Buyer is subject to a Final Judgment in Civil Action No. 99-CV-010 issued by the United States District Court for the District of Columbia pursuant to which Buyer is required to provide notice to the Department of Justice, Antitrust Division, with respect to any station acquisitions in the Colorado Springs, CO market without regard to the minimum thresholds set forth in the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). Within fifteen (15) business days after the execution of this Agreement, Buyer shall make any required filings with the Federal Trade Commission and the United States Department of Justice pursuant to the HSR Act with respect to the transactions contemplated hereby (including a request for early termination of the waiting period thereunder), and shall thereafter promptly respond to all requests received from such agencies for additional information or documentation. Expiration or termination of any applicable waiting period under the HSR Act is referred to herein as "HSR Clearance." Buyer shall use commercially reasonable efforts to obtain the HSR Clearance as expeditiously as possible. Filing fees, if any, associated with the filings required under this Section 4.2 shall be paid by Buyer.

4.3. Other Governmental Consents. Promptly after the date of this Agreement, the parties shall prepare and file with the appropriate governmental authorities any other requests for approval or waiver that are required from such governmental authorities in connection with the transactions contemplated hereby and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

ARTICLE 5 **PRORATIONS**

5.1. Proration of Expenses. All revenues and expenses arising from the operation of the Station, including expenses under the Assumed Contracts, but excluding Trade Agreements, and similar prepaid and deferred items, shall be prorated between Buyer and Seller as of the Effective Time. Such prorations shall be based upon the principle that Seller shall be responsible for all liabilities and obligations incurred or accruing in connection with the operation of the Station until the Effective Time, and Buyer shall be responsible for such liabilities and obligations incurred by Buyer thereafter. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes, business and license fees, FCC regulatory fees, utility expenses, liabilities and obligations under the Assumed Contracts, rents and similar prepaid and deferred items, except taxes arising by reason of the transfer of the Station Assets as contemplated hereby, which shall be paid in accordance with Section 14.2. To the extent not known, real estate taxes shall be apportioned on the basis of taxes assessed for the preceding year, with a reapportionment as soon as the new tax rate and valuation can be ascertained. Notwithstanding the foregoing, there shall be no adjustment for, and Seller shall remain solely liable with respect to any obligations or liabilities not being assumed by Buyer in accordance with Article 3 hereof.

5.2. Payment of Proration Items. Three (3) business days prior to Closing, Seller shall deliver to Buyer a preliminary list of all items to be prorated pursuant to Section 5.1 (the "*Preliminary Proration Schedule*"), and, to the extent feasible, such prorations shall be credited against or added to the Purchase Price at Closing. In the event Buyer and Seller do not reach a final agreement on such prorations and adjustments at Closing, Seller shall deliver to Buyer a schedule of its proposed prorations and adjustments (the "*Proration Schedule*") no later than forty-five (45) days after the Closing Date. The Proration Schedule shall be conclusive and binding upon Buyer unless Buyer provides Seller with written notice of objection (the "*Notice of Disagreement*") within ten (10) days after Buyer's receipt of the Proration Schedule, which notice shall state the prorations of expenses proposed by Buyer (the "*Buyer's Proration Amount*"). Seller shall have ten (10) days from receipt of a Notice of Disagreement to accept or reject Buyer's Proration Amount. If Seller rejects Buyer's Proration Amount, and the amount in dispute exceeds \$10,000, the dispute shall be submitted within ten (10) days to an accounting firm, mutually agreeable to the parties, that is unaffiliated with either party (the "*Referee*") for resolution, such resolution to be made within twenty (20) days after submission to the Referee and to be final, conclusive and binding on Seller and Buyer. Buyer and Seller agree to share equally the cost and expenses of the Referee, but each party shall bear its own legal and other expenses, if any. If the amount in dispute is equal to or less than \$10,000, such amount shall be divided equally between Buyer and Seller. Payment by Buyer or Seller, as the case may be, of the proration amounts determined pursuant to this Section 5.2 shall be due five (5) days after the last to occur of (i) Buyer's acceptance of the Proration Schedule or Buyer's failure to give Seller a timely Notice of Disagreement; (ii) Seller's acceptance of Buyer's Proration Amount or failure to reject Buyer's Proration Amount within ten (10) days after receipt of a Notice of Disagreement; (iii) Seller's rejection of Buyer's Proration Amount in the event the amount in dispute equals or is less than \$10,000; and (iv) notice to Seller and Buyer of the resolution of the disputed amount by the Referee in the event that the amount in dispute exceeds \$10,000. Any

payment required by Seller to Buyer or by Buyer to Seller, as the case may be, under this Section 5.2 shall be paid by check or wire transfer of immediately available federal funds to the account of the payee with a financial institution in the United States as designated by Seller in the Proration Schedule or by Buyer in the Notice of Disagreement (or by separate notice in the event that Buyer does not send a Notice of Disagreement). If either Buyer or Seller fails to pay when due any amount under this Section 5.2, interest on such amount will accrue from the date payment was due to the date such payment is made at a per annum rate equal to the Prime Rate *plus* two percent (2%), and such interest shall be payable upon demand.

5.3. Allocation. Buyer and Seller shall allocate the Purchase Price among the Station Assets in accordance with Schedule 5.3. Buyer and Sellers shall each complete, execute and timely file Form 8594 with the Internal Revenue Service with their respective tax returns for the taxable year that includes the Closing Date (or such other Internal Revenue Service Form as may then be prescribed for use by the regulations promulgated under the Code (the “Tax Regulations”) to comply with applicable asset acquisition reporting requirements of Section 1060 of the Code and the Tax Regulations thereunder). Buyer and Seller shall file their federal income tax returns and their other tax returns reflecting the agreed-upon allocation made pursuant to this Section.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1. Organization and Standing. Buyer is a corporation organized, validly existing and in good standing under the laws of the State of Nevada and is qualified to do business in the State of Colorado. Buyer has the requisite power and authority to carry on its business as currently conducted and to own, leased and operated the Station and Station Assets as proposed to be conducted by Buyer following the Closing hereunder.

6.2. Authorization and Binding Obligation. Buyer has all necessary power and authority to enter into, deliver, and perform under this Agreement and the transactions contemplated hereby. Buyer’s execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable in accordance with its terms, except as limited by laws affecting creditors’ rights or equitable principles generally.

6.3. Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 4 with respect to FCC and other governmental consents, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Buyer: (a) do and will not require the consent of any third party; (b) do and will not violate any provisions of Buyer’s organizational documents; (c) do and will not

violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is a party; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Buyer is subject.

6.4. Absence of Litigation. Except as listed on Schedule 6.4, there is no claim, litigation, proceeding or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

6.5. Bankruptcy. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer, are pending or, to the best of Buyer's knowledge, threatened, and Buyer has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

6.6. FCC Qualification. Buyer is legally and financially qualified under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC to acquire the Station. Subject to the HSR Clearance and except as listed on Schedule 6.6, to Buyer's knowledge, there is no fact or condition about Buyer that would disqualify Buyer as owner and operator of the Station, that would cause the FCC to refuse to consent to the FCC Application, that would constitute grounds for the filing of a petition to deny or objection related to the qualifications of Buyer or that would be reasonably likely to delay the FCC consent to the FCC Application. No waiver of any FCC rule, regulation, or policy will be required, with respect to Buyer, to obtain the FCC consent to the FCC Applications. Buyer has no reason to believe that the FCC assignment contemplated herein might be challenged or might not be granted by the FCC in the ordinary course based upon Buyer's qualifications as the assignee of the Station License.

6.7. Full Disclosure. No representation or warranty made by Buyer in this Agreement or in any certificate, document or other instrument furnished or to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or willfully omits or willfully will omit to state any material fact required to make any statement made herein or therein not misleading.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

7.1. Organization and Standing. Seller is a corporation duly formed, validly existing and in good standing under the laws of the State of Colorado, and has all necessary power and authority to own, lease and operate the Station Assets and to carry on the operation of the Station as now being conducted and as proposed to be conducted by Seller between the date hereof and the Closing Date.

7.2. Authorization and Binding Obligation. Seller has all necessary power and authority to enter into, deliver, and perform this Agreement and the transactions contemplated hereby, and Seller's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action its part. This Agreement has been duly executed and delivered by Seller and constitutes its valid and binding obligation, enforceable in accordance with its terms, except as limited by laws affecting the enforcement of creditors' rights or equitable principles generally.

7.3. Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 4 with respect to FCC and other governmental consents and/or as disclosed on Schedules 1.2(d) and 7.3, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Seller (a) do not and will not require the consent of any third party; (b) do not and will not violate any provisions of Seller's organizational documents; (c) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Seller is a party or by which it or the Station Assets are bound; (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any lease, contract, agreement, instrument, license or permit to which either Seller or the Station Assets are now subject; and (e) do not and will not result in the creation of any lien, charge or encumbrance on any of the Station Assets.

7.4. FCC Authorizations.

(a) Schedule 1.2(a) contains a true and complete list of the Station Licenses, including their expiration dates. Except for the Station Licenses, there are no other licenses, permits or authorizations required from any government or other entity for the lawful operation of the Station in the manner now operated. Seller has delivered to Buyer true and complete copies of the Station Licenses. The Station Licenses and other licenses, permits and authorizations listed in Schedule 1.2(a) are validly held by Seller pursuant to Final Order, and are in full force and effect, have been issued for the full terms customarily issued to radio broadcast Station in the State of Colorado, and none is subject to any restriction or condition which would limit in any respect the full operation of the Station as now operated except as set forth on the face of such authorization. The Station, its physical facilities, electrical and mechanical systems, and transmitting and studio equipment are operating in all material respects in accordance with the terms and conditions of the Station Licenses and the rules and regulations of the FCC, including the Communications Act. The antenna structures included in the Station

Assets are in compliance with the Communications Act and the requirements of the Federal Aviation Administration. All reports and other filings required by the FCC with respect to the Station Licenses and the Station, including without limitation, material required to be placed in the Station's local public inspection files or other records, have been timely filed. All FCC regulatory fees assessed with respect to the Station Licenses have been timely paid.

(b) There are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened before the FCC relating to the operation of the Station or that may result in the revocation, materially adverse modification, non-renewal or suspension of any of the Station Licenses, or the imposition of any fines, forfeitures, or other administrative actions with respect to the Station or its operation other than proceedings affecting the broadcasting industry generally. Should any such filing be made or action initiated, Seller shall promptly notify Buyer and shall take all commercially reasonable steps to protect the Stations and Station Licenses from material adverse impacts. Seller is not subject to any outstanding judgment or order of the FCC relating to the Station. Seller is not aware of any action other than rule-making proceedings of general applicability to the radio industry which would adversely affect the FCC protected service area of the Station as such service area is presently authorized by the FCC.

(c) There are no facts which, under the Communications Act of 1934, as amended, or the existing rules and regulations of the FCC, would disqualify Seller as the assignor of the Station Licenses. Seller has no reason to believe that the FCC assignment contemplated herein might be challenged or might not be granted by the FCC in the ordinary course based upon Seller's qualifications as the licensee and assignor of the Station Licenses.

(d) The Station is operating with maximum power and facilities specified in its Station Licenses, to the best of Seller's knowledge, the Station is not causing objectionable interference to the transmissions of any other broadcast station or communications facility, and no other broadcast station or communications facility is causing objectionable interference to the transmissions of the Station.

(e) To the best of Seller's knowledge, no governmental entity has proposed or is considering any law that may affect either Seller, the Station Assets, operations or Seller's rights thereto, except to the extent that any such law, if adopted or otherwise put into effect, individually or in the aggregate, will not have an adverse effect on Seller or the Station Assets, as applicable and there are no facts or circumstances that could reasonably give rise to the same.

7.5. Title to and Condition of Leased Real Property.

(a) Schedule 1.2(b) contains descriptions of all of Seller's leasehold interests, easements and rights in and agreements with respect to the Leased Real Property. The Leased Real Property listed on Schedule 1.2(b) (and Seller's current studio facility, which is an

Excluded Asset) is all of Seller's Leased Real Property interests necessary to operate the Station as conducted and operated on the date hereof. The Leased Real Property and the use thereof by Seller comply in all material respects with all applicable laws, statutes, ordinances, rules and regulations of federal, state and local governmental authorities, including, without limitation, those relating to zoning. Any Seller improvements upon the Leased Real Property and the present use thereof comply or conform in all material respects with all building codes, and federal, state and local laws, regulations and ordinances, and no permits, licenses or certificates pertaining to ownership or operation of the Leased Real Property, other than those that are transferable with the Leased Real Property, are required by any federal, state or local government, agency, board or other governmental authority having jurisdiction over the Leased Real Property. All such Seller improvements are in good working condition and repair, are insurable at standard rates, and are in compliance with the rules and regulations of the FCC, the Federal Aviation Administration and all other applicable federal, state and local statutes, ordinances, rules and regulations. There are no material structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the improvements on the Leased Real Property. Seller has paid, or shall have paid prior to Closing all amounts owed to any contractor, architect or subcontractor for labor or materials performed, rendered or supplied in connection with the Leased Real Property, all contributions required to have been paid by a landlord or Seller in connection with the construction of, or modification to, any leased Leased Real Property have been paid.

(b) As described in Schedule 1.2(b), Seller acknowledges that the operation of the Station at the premises covered by that certain FM Lease between Cheyenne Propagation Co. ("Landlord") and Seller dated September 1, 2005 (the "Tower Lease") contributes to the cumulative measured power densities at ground level exceeding the limit set by the Landlord for its tower sites. The Tower Lease provides in Section 8(b) that Seller will ensure that Seller's operation come into compliance with the Landlord's exposure limits. In order to achieve such compliance, Landlord and Seller have agreed that the Station's antenna must be moved from the existing tower in order to alleviate such non-compliance with the Landlord's standards by September 1, 2006. Seller agrees that the Station relocation will be implemented by Seller, at Seller's sole cost and expense, in the manner set forth in Section 9.8 hereof.

(c) Except as set forth in Schedule 1.2(b), Seller has not received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning law, regulation or other law, order, regulation or requirement affecting the Leased Real Property or the improvements thereon, or of the need for any material repair, remedy, construction, alteration or installation with respect to the Leased Real Property or improvements thereon, or any material change in the means or methods of conducting operations thereon.

(d) Seller has valid and subsisting leasehold interests, insurable at standard rates, to the Leased Real Property, which shall at the Closing be free and clear of all

Liens, of any nature whatsoever. With respect to each leasehold interest included in the Leased Real Property, so long as Seller fulfills its obligations under the lease therefore, Seller has enforceable rights to non-disturbance and quiet enjoyment, and no third party holds any interest in the leased premises with the right to foreclosure upon Seller's leasehold interest.

(e) Seller has delivered to Buyer true and complete copies of all leases and easements held by Seller pertaining to the Leased Real Property. The Leased Real Property, including the improvements thereon (i) is in good condition and repair, and (ii) subject to the restriction disclosed in Schedule 1.2(b), is available for immediate use in the operation of the Station.

(f) Seller has full legal and practical access to the Leased Real Property, including to the towers located upon the Leased Real Property, and all easements, rights-of-way, and real property licenses included in the Leased Real Property have been properly recorded in the appropriate public recording offices.

7.6. Title to and Condition of Personal Property. Schedule 1.2(c) lists all material items of Personal Property included in the Station Assets that are used or held for use in the operation of the Station as now conducted. Seller is the sole owner of the Personal Property and has good and marketable title to all Personal Property which shall at the Closing be free and clear of all Liens. All of the items of tangible personal property and facilities included in the Station Assets are in good operating condition and repair (reasonable wear and tear excepted), are insurable at standard rates, have been properly maintained in accordance with industry standards, are performing satisfactorily and in accordance with standards of good engineering practice, comply in all material respects with applicable rules and regulations of the FCC, the terms of the Station Licenses, and with other applicable federal, state and local statutes, ordinances, rules and regulations, and, subject to the restriction set forth in Schedule 1.2(b), are available for immediate use in the operation of the Station. Seller has no knowledge of any defect in the condition or operation of any item of Personal Property which is reasonably likely to have a material adverse effect on the operations of the Station.

7.7. Assumed Contracts. Seller has delivered to Buyer true and complete copies of all written Assumed Contracts and true and complete memoranda of all oral Assumed Contracts, including any amendments and other modifications to such Assumed Contracts. The Assumed Contracts constitute valid and binding obligations of Seller and of all other parties thereto, and are in full force and effect as of the date hereof. Except as set forth in Schedule 1.2(b), Seller is not in default under any of the Assumed Contracts and, to the best of Seller's knowledge, the other parties to such Assumed Contracts are not in default thereunder. Seller has not received or given written notice of any default thereunder from or to any of the other parties thereto, and no event has occurred which with notice or lapse of time or both would constitute a material breach or default thereunder. Except as disclosed on Schedule 1.2(d), Seller has all requisite power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement on terms and conditions no less favorable than those in effect on

the date hereof, and such assignment will not affect the validity, enforceability or continuity of any such Assumed Contracts. There are no Trade Agreements, except as disclosed on Schedule 1.2(d).

7.8. Intellectual Property. Schedule 1.2(e) lists all Intellectual Property applied for, issued to or owned by Seller for use solely in the operation of the Station, or under which Seller is licensed or franchised to be assigned hereunder, all of which rights and interests are issued to or owned by Seller, or if licensed or franchised to Seller, are valid and uncontested. Seller has delivered to Buyer copies of all documents, if any, establishing such rights, licenses or other authority. There is no pending or, to the best of Seller's knowledge, threatened proceeding or litigation affecting or with respect to the Intellectual Property. To the best of Seller's knowledge, Seller is not infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, internet domain names, know-how, methods, or processes owned by any other person or persons, and there is no claim or action pending, or to the knowledge of Seller threatened, with respect thereto. The Intellectual Property listed on Schedule 1.2(e) comprise all material intangible property interests used or held for use in the operation of the Station as now conducted.

7.9. Compliance With Laws. Seller has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Station, and its present use of the Station Assets does not materially violate any such laws, regulations or orders. Seller has not received any notice asserting any noncompliance with any applicable statute, rule or regulation, in connection with the operation of the Station. Seller is not in default or in violation of any law, regulation, court order, or order of any federal, state, municipal, foreign or other government department, board, bureau, agency, or instrumentality, wherever located, that would materially adversely affect construction or operation of the Station or Station Assets, including but not limited to state and federal environmental laws and regulations. There is no pending or threatened investigation, audit, review or other examination of the Station or Station Assets, and Seller is not subject to any order, agreement, memorandum of understanding or other regulatory enforcement action or proceeding with or by the FCC or any other federal or state governmental agency having supervisory or regulatory authority with respect to the Station or Station Assets, nor is Seller aware of any basis for any such investigation or audit.

7.10. Taxes. Seller has duly, timely and in the required manner filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid. As of the time of filing, such returns were true, complete and correct in all material respects. There are no governmental investigations or other legal, administrative, or tax proceedings pending, or to the best of Seller's knowledge, threatened pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the Station, or could result in a Lien on any of the Station Assets, and no event has occurred that

could impose on Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Seller.

7.11. Bankruptcy. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, are pending or, to the best of Seller's knowledge, threatened, and Seller has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

7.12. Environmental Matters. To Seller's knowledge, (a) there has been no release, nor is there a threat of a release, of any Hazardous Substance or Hazardous Waste at or from the Leased Real Property; (b) there are no Hazardous Substances or Hazardous Wastes present on, in, under, around or affecting the Leased Real Property except for ordinary quantities of properly stored Hazardous Substances or Hazardous Wastes found in consumer or commercial products that are used in the normal course of broadcast station operations, including grounds and building operation and maintenance; and (c) neither the Leased Real Property, Seller's equipment or installations on the Leased Real Property nor any Personal Property contain PCBs or asbestos in quantities sufficient to mandate the labeling or removal of such PCBs or asbestos in accordance with federal, state or local government environmental standards or to warrant the imposition of any penalty, civil or criminal, against Seller. The terms "*Hazardous Substance*" and "*Hazardous Waste*" shall have the meanings set forth in the Resource Conservation and Recovery Act, as amended from time to time, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, any other applicable Environmental Law, and the regulations promulgated under all such laws. Seller has obtained all environmental, health and safety permits necessary for the operation of the Station, all such permits are in full force and effect, and the Seller is in compliance with the terms and conditions of all such permits. Seller has not received any notice, nor does Seller have any knowledge of any administrative or judicial investigations, proceedings or actions with respect to violations, alleged, or proved, of any Environmental Law involving station operations or the Leased Real Property. There are no past, pending, or to Seller's knowledge, threatened environmental claims or circumstances that could reasonably be anticipated to form the basis thereof against Seller. Seller has delivered to Buyer copies of any Phase I or Phase II environmental audit reports in its possession pertaining to the Leased Real Property.

7.13. UCC Financing Statements. Except as disclosed on Schedule 7.13, all of the Station Assets are and have been located in the State of Colorado since the Station Assets were acquired by Seller and no party has filed a deed of trust, mortgage or UCC financing statement with respect to the Station Assets.

7.14 Insurance. The properties (including the Station Assets) of the Station are insured against loss, damage, or injury in amounts customary in the broadcast industry. There are no pending insurance claims concerning the Station Assets, nor are there any claims as

to which any insurer has denied liability or declined coverage or which have not been properly and timely submitted to the appropriate insurers.

7.15. Sufficiency of Station Assets. The Station Assets and the Excluded Assets include all assets that are necessary to operate the Station in all material respects as currently operated.

7.16. Absence of Litigation. There is no claim, litigation, proceeding or investigation pending or, to the best of Seller's knowledge, threatened against Seller which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

7.17. Full Disclosure. No representation or warranty made by Seller in this Agreement or in any certificate, document or other instrument furnished or to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or willfully omits or willfully will omit to state any material fact required to make any statement made herein or therein not misleading.

ARTICLE 8

COVENANTS OF BUYER

8.1. Notification. Buyer shall notify Seller of any litigation, arbitration or administrative proceeding pending or threatened against Buyer which challenges the transactions contemplated hereby, including any challenges to the FCC Application, and shall use reasonable efforts to remove any such impediment to the transactions contemplated by this Agreement.

8.2. No Inconsistent Action. Buyer shall not take any action materially inconsistent with its obligations under this Agreement or that would hinder or delay the consummation of the transactions contemplated by this Agreement.

8.3. Closing Covenant. On the Closing Date, Buyer shall pay the Purchase Price to Seller as provided in Article 2 of this Agreement.

ARTICLE 9

COVENANTS OF SELLER

9.1. Affirmative Covenants. Between the date of this Agreement and the Closing Date, except with the prior written consent of Buyer, Seller shall:

(a) comply in all material respects with all laws applicable to Seller's use of the Station Assets; continue to operate and maintain the Station in conformity with the Station Licenses, the Communications Act of 1934, as amended, and the rules and regulations of the

FCC, and in conformity with all other licenses and applicable laws, ordinances, regulations, rules and orders;

(b) timely make or provide all payments, services or other consideration due for or under the Assumed Contracts so that all payments required to be made as of the Closing Date will have been paid except for any amounts being contested by Seller in good faith;

(c) use reasonable efforts to obtain the consent of any third party (whether before or after the Closing) necessary for the assignment to Buyer, without any material adverse change, of the Assumed Contracts;

(d) maintain in full force and effect the Station Licenses, and all other licenses, permits and authorizations relating to the Station, and take any action necessary before the FCC, if necessary, to preserve such licenses in full force and effect without material adverse change;

(e) maintain insurance on the Station Assets in current or increased amounts and, upon Buyer's request, provide Buyer with certificates of insurance evidencing such coverage; and

(f) promptly notify Buyer in writing of (a) any unusual or material developments with respect to the operations of the Station of which Seller has knowledge, (b) any material change in the truth of any of the representations and warranties contained in Article 7 of this Agreement of which Seller has knowledge, (c) any termination, modification, amendment, or breach of any of the Assumed Contracts, or any notice of intent to terminate, modify or amend any Assumed Contract or breach of any Assumed Contract received by or given by Seller;

(g) operate the Station in the ordinary course of business consistent with past practices;

(h) maintain the Station Assets in customary repair, maintenance and condition, replace all items of equipment at time intervals consistent with prior practice, and repair or replace, subject to the risk of loss provisions of this Agreement, any asset that may be damaged or destroyed with items of equal or greater value and utility;

(i) cooperate with Buyer to assign antenna structure registrations, if applicable, to Buyer, and to associate Buyer's FRN with the Station, as of the Closing.

9.2 Negative Covenants. Between the date of this Agreement and the Closing Date, except with the prior written consent of Buyer, Seller shall not:

(a) create, assume or permit to exist any Lien on any of the Station Assets or any of the Leased Real Property. Notwithstanding the foregoing, nothing in this provision or this Agreement shall prevent or prohibit Seller from entering into an agreement for sale of any and all assets or properties of Seller that are not included in the Station Assets;

(b) sell, assign, lease or otherwise transfer or dispose of any of the Station Assets now owned or hereafter acquired, except for assets consumed or disposed of in the ordinary course of business;

(c) terminate, modify or amend any Assumed Contract, except with Buyer's express written consent except in the ordinary course of business;

(d) do, or fail to do, any act which will cause a material breach of, or material default under, or termination of, any Assumed Contract, commitment or obligation to which Seller is a party or bound, and which is to be assumed by Buyer hereunder;

(e) take any action, or permit its officers, employees, attorneys, agents, accountants and other representatives to take any action, to solicit, encourage or initiate (directly or indirectly) any discussion with, provide any information to, negotiate with, or enter into any agreement, option arrangement or understanding with, any person or entity or group, other than Buyer, for the sale of all or any part of the Station Assets or the Station, or the assignment or transfer of control of any of the Station Licenses or similar transactions involving Seller and the Station; or

(f) take any action that would jeopardize Seller's rightful possession of the Station Licenses, the potential for assignment of the Station Licenses to Buyer, or the unconditional renewal of the Station Licenses at the end of the current term.

9.3. Access to Station. Between the date of this Agreement and the Closing Date, Seller shall give Buyer and Buyer's counsel, accountants, engineers and other representatives, reasonable access during normal business hours to all of Seller's properties, records and employees relating to the Station, and shall furnish Buyer with all information related to the Station that Buyer reasonably requests. The rights of Buyer under this Section 9.2 shall not be exercised in such a manner as to interfere unreasonably with or disrupt the operation of the Station.

9.4. Notification. If Seller receives notice thereof or otherwise becomes aware of same, Seller shall notify Buyer of any litigation, arbitration or administrative proceeding pending or threatened against Seller which challenges the transactions contemplated hereby, including any challenges to the FCC Application, and shall use its reasonable efforts to remove any such impediment to the transactions contemplated by this Agreement.

9.5. Third-Party Consents. Seller shall use its best efforts to obtain the consent of any third party necessary for the assignment to Buyer of any Lease or Assumed Contract to be assigned hereunder.

9.6. Closing Covenant. On the Closing Date, Seller shall transfer, convey, assign and deliver to Buyer the Station Assets as provided in Article 1 of this Agreement.

9.7. Payment of Indebtedness; Financing Statements. Seller shall secure the release of all liens or encumbrances on the Station Assets that secure the payment of any indebtedness and shall deliver to Buyer at the Closing releases or terminations under the Uniform Commercial Code and any other applicable federal, state or local statutes or regulations of any financing or similar statements filed against any Station Assets in (a) the jurisdictions in which the Station Assets are and have been located since such Station Assets were acquired by Seller, and (b) any other location specified or required by applicable federal, state or local statutes or regulations.

9.8. Station Relocation. As discussed in Section 7.5(b), Landlord and Seller have agreed that the Station's antenna will be moved from the existing tower to another tower owned by Landlord at the premises in order to alleviate non-compliance with the Landlord's RF standards by September 1, 2006 (the "Station Relocation"). Seller hereby agrees that it will be responsible for all costs and expenses incurred by Seller or Buyer in connection with the Station Relocation, whether such costs and/or expenses are incurred before or after the Closing, and in no event shall Buyer be required to agree to modifications that do not result in comparable or better signal coverage than the Station's current facilities. Such costs and/or expenses shall include the reasonable out-of-pocket expenses (including the cost of any necessary equipment and installation) incurred by Seller in relocating to another tower, including the incremental cost of base rental payments under the new lease over the cost of rental payments under the existing Tower Lease from August 2006 through June 5, 2009. To the extent that any such costs and expenses have been incurred by Buyer prior to Closing, reimbursement will be handled as a proration in accordance with Article 5.

ARTICLE 10

JOINT COVENANTS

10.1. Conditions. If any event should occur between the date hereof and the Closing, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party to consummate the transactions contemplated by this Agreement, the parties shall use their reasonable efforts to cure the event as expeditiously as possible.

10.2. Commercially Reasonable Efforts. Between the date of this Agreement and the Closing, each party shall use commercially reasonable efforts to cause the fulfillment at

the earliest practicable date of all of the conditions to the obligations of the other party to consummate the sale and purchase under this Agreement.

10.3. Control of Station. Between the date of this Agreement and the Closing, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station. Such operations shall be the sole responsibility of Seller and, subject to the provisions of Article 9, shall be in its complete discretion.

10.4. Confidentiality. Buyer and Seller shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful sources or where such party is advised by counsel that its disclosure is required in accordance with applicable law.

10.5. Access to Records. For a period of two (2) years from the Closing Date, each party to this Agreement shall provide to the other party access during normal business hours to such financial records as may be necessary for either party to prepare any required tax filings.

10.6. No Inconsistent Action. Between the date of this Agreement and the Closing, each party shall use its reasonable efforts to cause the fulfillment at the earliest practicable date of all of the conditions to the obligations of the other party to consummate the sale and purchase under this Agreement, and neither party shall take any action which is materially inconsistent with its obligations under this Agreement, or that would materially hinder or delay the consummation of the transactions contemplated by this Agreement. Neither party shall take any action that would result in its disqualification to hold the Station Licenses or in any way delay grant of the FCC Application or the consummation of the transactions contemplated by this Agreement. Should either party become aware of any such fact or circumstance to the contrary, such party shall promptly inform the other.

10.7. Public Announcements. Neither Seller nor buyer shall make a public announcement or issue a press release in connection with the transactions contemplated hereunder, without the express prior written consent from the other party. Each party hereto shall consult with the other party hereto regarding the form, content and timing of any announcement or press release it wishes to issue in connection with the transactions contemplated hereunder.

ARTICLE 11

CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

11.1. Representations, Warranties and Covenants.

(a) All representations and warranties of Seller made in this Agreement shall be true and complete in all material respects on and as of the Closing Date as if made on and as of that date.

(b) All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to Closing Date shall have been complied with or performed in all material respects.

11.2. Governmental Consents. The conditions specified in Article 4 of this Agreement shall have been satisfied, the HSR Clearance shall have been obtained, and the FCC Consent shall have been granted and become a Final Order, provided that Buyer may waive the requirement that the FCC Consent shall have become a Final Order. If the Closing occurs before the FCC Consent has become a Final Order, the parties will, at Buyer's option, enter into a mutually acceptable unwind agreement.

11.3. Governmental Authorizations. Seller shall be the lawful holder of the Station Licenses and all other material licenses, permits and other authorizations listed in Schedule 1.2(a), and there shall not have been any modification of any of such licenses, permits and other authorizations which would have a material adverse effect on the operations of the Station. No proceeding shall be pending which seeks or the effect of which reasonably could be to revoke, cancel, fail to renew, suspend or modify adversely any of the Station Licenses or any other material licenses, permits or other authorizations relating to the Station.

11.4. Third-Party Consents. Seller shall have delivered to Buyer all third-party consents for those Assumed Contracts designated as Material Contracts on Schedule 1.2(d), and shall have delivered to Buyer all other third-party consents that have been obtained for assignment of the Assumed Contracts.

11.5. Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

11.6. Station Relocation. The Station Relocation shall have been completed to the satisfaction of Buyer in its reasonable discretion.

11.7. Deliveries. Seller shall have made or stand willing to make all the deliveries required under Section 13.1.

ARTICLE 12
CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

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

12.1. Representations, Warranties and Covenants.

(a) All representations and warranties made by Buyer in this Agreement shall be true and complete in all material respects on and as of the Closing Date as if made on and as of that date.

(b) All the terms, covenants and conditions to be complied with and performed by Buyer under this Agreement on or prior to the Closing Date shall have been complied with or performed in all material respects.

12.2. Governmental Consents. The conditions specified in Article 4 of this Agreement shall have been satisfied, the HSR Clearance shall have been obtained by Buyer, and the FCC Consent shall have been granted.

12.3. Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

12.4. Deliveries. Buyer shall have made or stand willing to make all the deliveries required under Section 13.2.

ARTICLE 13
DOCUMENTS TO BE DELIVERED AT THE CLOSING

13.1. Documents to be Delivered by Seller. At the Closing, Seller shall deliver to Buyer the following:

(a) a certificate of an officer of Seller, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying to the fulfillment of the conditions set forth in Sections 11.1 through 11.7 hereof;

(b) instruments of conveyance and transfer, in form and substance reasonably satisfactory to counsel to Buyer, effecting the sale, transfer, assignment and conveyance of the Station Assets to Buyer, including, but not limited to, the following:

- (i) assignment of the Station Licenses;
- (ii) bill of sale for all Personal Property;
- (iii) assignment of the Assumed Contracts.

(c) resolutions of Seller's directors authorizing the execution, delivery and performance of this Agreement, certified by an officer of Seller;

(d) UCC Termination Statements with respect to Liens which have been placed of record on the Station Assets;

(e) Certificate of Good Standing for Seller issued by the state of Colorado;

(f) estoppel certificates, in form reasonably satisfactory to Buyer, for all leases included in the Leased Real Property;

(g) consents from third parties required for the assignment of the Material Contracts and consents obtained for the remaining Assumed Contracts for which consent for assignment is required; and

(h) such other documents as may reasonably be requested by Buyer's counsel.

13.2. Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to Seller the following:

(a) a certificate of an officer of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, certifying to the fulfillment of the conditions specified in Sections 12.1 through 12.4 hereof;

(b) wire transfer of immediately available funds as provided in Section 2.1;

(c) certificates of Good Standing for Buyer issued by the State of Nevada and authorization to do business in Colorado issued by the State of Colorado;

(d) resolutions of Buyer's directors authorizing the execution, delivery and performance of this Agreement, certified by an officer of Buyer;

(e) instruments, in form and substance reasonably satisfactory to Seller and its counsel, pursuant to which Buyer assumes obligations, liabilities and commitments as provided in Article 3; and

(f) such other documents as may reasonably be requested by Seller's counsel.

ARTICLE 14 **FEES AND EXPENSES; TRANSFER TAXES**

14.1. Governmental Filing or Grant Fees. Except as otherwise specified herein, any filing or grant fees imposed by any governmental authority, the consent of which is required for the transactions contemplated hereby, including all filing fees incurred pursuant to Article 4, shall be borne equally by Buyer and Seller.

14.2. Transfer Taxes. Any taxes arising by reason of the transfer of the Station Assets as contemplated hereby shall be borne equally by Buyer and Seller.

14.3. Expenses. Each party hereto shall be solely responsible for and shall pay all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

ARTICLE 15 **BROKER'S COMMISSION OR FINDER'S FEE**

15.1. Buyer's Representation and Agreement to Indemnify. Buyer represents and warrants to Seller that neither it nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, nor has it or any person or entity acting on its behalf taken any action on which a claim for any such payment could be based. Buyer further agrees to indemnify and hold Seller harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of a claim by any person or entity based on any such arrangement or agreement made or alleged to have been made by Buyer.

15.2. Seller's Representation and Agreement to Indemnify. Seller represents and warrants to Buyer that, except as regards Kalil & Co., whose commission shall be the sole responsibility of Seller, neither it nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter

related hereto to any person or entity, nor has it or any person or entity acting on its behalf taken any action on which a claim for any such payment could be based. Seller further agrees to indemnify and hold Buyer harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of a claim by any person or entity based on any such arrangement or agreement made or alleged to have been made by Seller.

ARTICLE 16 **INDEMNIFICATION**

16.1. Indemnification by Seller. Notwithstanding the Closing, Seller hereby agrees to indemnify, defend and hold Buyer harmless against and with respect to, and shall reimburse Buyer for:

(a) Any and all losses, direct or indirect, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant or obligation by Seller contained herein or in any certificate, document or instrument delivered to Buyer hereunder;

(b) Any and all obligations of Seller not assumed by Buyer pursuant to the terms of this Agreement;

(c) Any and all losses, liabilities or damages resulting from the operation or ownership of the Station prior to the Effective Time, including but not limited to any and all liabilities not assumed by Buyer pursuant to Article 3 hereof;

(d) Any and all losses, liabilities or damages resulting from the litigation listed on Schedule 6.4;

(e) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in opposing the imposition thereof, or in enforcing this indemnity, subject to the notice and opportunity to remedy requirements of Section 16.3 hereof; and

(f) Interest at the Prime Rate on any reimbursable expense or loss incurred by Buyer from the date of payment, in the case of a reimbursable expense, and from the date of incurrence, in the case of any other losses, until the date of reimbursement by Seller.

16.2. Indemnification by Buyer. Notwithstanding the Closing, Buyer hereby agrees to indemnify and hold the Seller harmless against and with respect to, and shall reimburse the Seller for:

(a) Any and all losses, direct or indirect, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant or obligation by Buyer contained herein or in any certificate, document or instrument delivered to Seller hereunder;

(b) Any and all obligations of Seller assumed by Buyer after the Closing pursuant to the terms of this Agreement;

(c) Any and all losses, liabilities or damages resulting from the operation or ownership of the Station by Buyer on and after the Effective Time, including but not limited to any and all liabilities assumed by Buyer pursuant to Article 3 hereof;

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in opposing the imposition thereof, or in enforcing this indemnity, subject to the notice and opportunity to remedy requirements of Section 16.3 hereof; and

(e) Interest at the Prime Rate on any reimbursable expense or loss incurred by Seller from the date of payment, in the case of a reimbursable expense, and from the date of incurrence, in the case of any other losses, until the date of reimbursement by Buyer.

16.3. Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The party seeking indemnification under this Article 16 (the “*Claimant*”) shall give notice to the party from whom indemnification is sought (the “*Indemnitor*”) of any claim, whether solely between the parties or brought by a third party, specifying (i) the factual basis for the claim, and (ii) the amount of the claim. If the claim relates to an action, suit or proceeding filed by a third party against Claimant, notice shall be given by Claimant within fifteen (15) business days after written notice of the action, suit or proceeding was given to Claimant. In all other circumstances, notice shall be given by Claimant within thirty (30) days after Claimant becomes, or should have become, aware of the facts giving rise to the claim. Notwithstanding the foregoing, Claimant’s failure to give Indemnitor timely notice shall not preclude Claimant from seeking indemnification from Indemnitor except to the extent that Claimant’s failure has materially prejudiced Indemnitor’s ability to defend the claim or litigation.

(b) With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have thirty (30) days to make any investigation of the claim that the Indemnitor deems necessary or desirable. For the purposes of this investigation, the Claimant agrees to make available to the Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the

30-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnitor shall have the right at its own expense to participate in or assume control of the defense of the claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnitor. If the Indemnitor elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of the claim as its own expense. If the Indemnitor does not elect to assume control or otherwise participate in the defense of any third party claim, Claimant may, but shall have no obligation to, defend or settle such claim or litigation in such manner as it deems appropriate, and in any event Indemnitor shall be bound by the results obtained by the Claimant with respect to the claim (by default or otherwise) and shall promptly reimburse Claimant for the amount of all expenses (including the amount of any judgment rendered), legal or otherwise, incurred in connection with such claim or litigation. The Indemnitor shall be subrogated to all rights of the Claimant against any third party with respect to any claim for which indemnity was paid.

16.4. Limitations. Neither Seller nor Buyer shall have any obligation to the other party for any matter described in Section 16.1 or Section 16.2, as the case may be, except upon compliance by the other party with the provisions of this Article 16, particularly Section 16.3. With respect to any claim, neither party shall have any liability under this Article 16 until the aggregate total of all claims for which indemnification from that party is sought exceeds Twenty Thousand Dollars (\$20,000) (the “Indemnification Basket”), and then shall be limited to the total amount of the Purchase Price. If a party’s damages exceed the Indemnification Basket, such party shall be entitled to recover all of its damages, up to the Purchase Price. Neither party shall be required to indemnify the other party under this Article 16 for any breach of any representation or warranty contained in this Agreement unless written notice of a claim under this Article 16 was received by the party within the pertinent survival period specified in Article 18 of this Agreement.

16.5. Sole Remedy. After the Closing, the right to indemnification under this Article 16 shall be the exclusive remedy of any party in connection with any breach by another party of its representations, warranties and covenants.

ARTICLE 17
TERMINATION RIGHTS

17.1. Termination.

This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(a) if, on or prior to the Closing Date, the other party defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements contained herein and such default has not been cured within ten (10) days from receipt of written notice of default from the non-defaulting party;

(b) if the appropriate governmental agency denies a request made for a required consent described in Article 4, including a denial by the FCC of the FCC Application or a designation of the FCC Application for a trial-type hearing;

(c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing; or

(d) if the Closing has not occurred within twelve (12) months after the date the FCC Application is accepted for filing.

17.2. Liability. The termination of this Agreement under Section 17.1 hereof shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

ARTICLE 18
**SURVIVAL OF REPRESENTATIONS,
WARRANTIES AND COVENANTS**

The representations, warranties, covenants, indemnities and agreements contained in this Agreement or in any certificate, document or instrument delivered pursuant to this Agreement are and will be deemed and construed to be continuing representations, warranties, covenants, indemnities and agreements and shall survive the Closing for a period of one (1) year after the Closing Date. No claim may be brought under this Agreement or any other certificate, document or instrument delivered pursuant to this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such a notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations thereto are fully satisfied. Any investigation by or on behalf of any party

hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained herein.

ARTICLE 19

REMEDIES UPON DEFAULT

19.1. Default by Seller. Seller recognizes that, in the event Seller defaults in the performance of its obligations under this Agreement, monetary damages alone will not be adequate. Buyer shall therefore be entitled in such event, in lieu of bringing suit at law or equity for money or other damages (including costs and expenses incurred by Buyer in the preparation and negotiation of this Agreement and in contemplation of the Closing hereunder) or for indemnification under Article 16 hereof, to obtain specific performance of the terms of this Agreement. In any action to enforce the provisions of this Agreement, Seller shall waive the defense that there is an adequate remedy at law or equity and agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security. In addition, Buyer shall be entitled to obtain from Seller court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder. As a condition to seeking specific performance, Buyer shall not be required to have tendered the Purchase Price specified in Section 2.1 of this Agreement, but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all respects.

19.2. Default by Buyer. If the transactions contemplated by this Agreement are not consummated as a result of Buyer's material breach of this Agreement or wrongful failure to close hereunder, and Seller is not also in material breach hereunder, Seller shall be entitled to the Deposit as liquidated damages in full settlement of any damages of any nature or kind that Seller may suffer or allege to suffer as the result thereof. It is understood and agreed that the amount of liquidated damages represents Buyer's and Seller's reasonable estimate of actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section 19.2 shall be the sole and exclusive remedy of Seller against Buyer for breach of or failure to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained. In addition, Seller shall be entitled to obtain from Buyer court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder. As a condition to obtaining liquidated damages, Seller shall not be required to have tendered the Station Assets but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all material respects.

ARTICLE 20

RISK OF LOSS

The risk of loss or damage to the Station Assets prior to the Effective Time shall be upon Seller. Seller shall repair, replace and restore any damaged or lost material Station Asset to its prior condition as soon as possible and in no event later than the Effective Time. If Seller is

unable or fails to repair, restore or replace a lost or damaged item required to be repaired or replaced by Seller prior to the Closing, Seller shall reimburse Buyer for the cost of the repair, restoration or replacement of such item incurred by Buyer after the Closing up to \$100,000.

ARTICLE 21

OTHER PROVISIONS

21.1. Publicity. Except as required by applicable law or with the other party's express written consent, no party to this Agreement nor any affiliate of any party shall issue any press release or similar public statement regarding the transactions contemplated by this Agreement.

21.2. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither Buyer nor Seller may assign this Agreement without the prior written consent of the other party hereto, except that Buyer may assign this Agreement (i) to an Affiliate that is qualified to be the holder of the Station Licenses (without request for waiver of the rules and regulations of the FCC), and that agrees in writing to be bound by the terms of this Agreement and provided that such assignment will not result in a delay in obtaining the FCC consent, or (ii) in a collateral assignment to a lender which provides financing for Buyer's acquisition of the Station.

21.3. Entire Agreement. This Agreement and the exhibits and schedules hereto embody the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought. Any matter that is disclosed in a Schedule hereto in such a way as to make its relevance to the information called for by another Schedule readily apparent shall be deemed to have been included in such other Schedule, notwithstanding the omission of an appropriate cross-reference.

21.4. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

21.5. Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next business day.

21.6. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Colorado without regard to its principles of conflict of law.

21.7. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing.

If to Buyer:

Citadel Broadcasting Company
7201 W. Lake Mead Blvd.
Suite 400
Las Vegas, NV 89128
Attn: Joseph O'Brien
Telephone: (702) 804-5200
Facsimile: (702) 804-5936

And

Forstmann Little & Co.
767 5th Avenue
44th Floor
New York, NY 10153
Attn: Farid Suleman
Telephone: (212) 355-5656
Facsimile: (212) 486-0510

With a copy to:

Leventhal, Senter & Lerman, P.L.L.C.
2000 K Street, N.W.
Suite 600
Washington, D.C. 20006-1809
Attention: Steven A. Lerman, Esq.
Telephone: (202) 429-8970
Facsimile: (202) 293-7783

If to Seller:

Pikes Peak Broadcasting Company

1 Gentry Lane
Colorado Springs, CO 80906
Attn: Harry W. Hoth
Telephone: (719) 473-4646

With a copy to:

Fletcher Heald & Hildreth, PLC
1300 North 17th Street
11th Floor
Arlington, VA 22209
Attn: Kathleen Victory, Esq.
Telephone: (703) 812-0473
Facsimile: (703) 812-0486

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by facsimile (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

21.8. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

21.9. Further Assurances. Seller shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may reasonably request in order to vest and confirm in Buyer (or its assignees) the title and rights to and in all of the Station Assets to be and intended to be transferred, assigned and conveyed hereunder.

ARTICLE 22 **DEFINITIONS**

Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“*Accounts Receivable*” shall have the meaning set forth in Section 1.3.

“*Affiliate*” shall mean any person or entity that is controlling, controlled by or under common control with the named person or entity.

“*Agreement*” shall mean this Asset Purchase Agreement, including the exhibits and schedules hereto.

“*Assumed Contracts*” shall have the meaning set forth in Section 1.2(d).

“*Buyer*” shall have the meaning set forth in the preamble to this Agreement.

“*Buyer’s Proration Amount*” shall have the meaning set forth in Section 5.2.

“*Business Day,*” whether or not capitalized, shall mean every day of the week excluding Saturdays, Sundays and Federal holidays.

“*Claimant*” shall have the meaning set forth in Section 16.3(a).

“*Closing*” shall have the meaning set forth in Section 1.1.

“*Closing Date*” shall mean the date on which the Closing is completed.

“*Contracts*” shall mean the contracts, agreements, including employment agreements, commitments and understandings of Seller or to which Seller is a party, relating to the operation of the Station.

“*Deposit*” shall have the meaning set forth in Section 2.2.

“*Effective Time*” shall mean 12:01 a.m., local Colorado Springs, Colorado time, on the Closing Date.

“*Environmental Laws*” shall mean any applicable federal, state or local law, statute, charter, ordinance, rule or regulation or any governmental agency interpretation, policy or guidance, and any permit, order, directive, court ruling or order or consent decree applicable to or affecting the Leased Real Property.

“*Escrow Agent*” shall have the meaning set forth in Section. 2.2.

“*Escrow Agreement*” shall have the meaning set forth in Section 2.2.

“*Excluded Assets*” shall have the meaning set forth in Section 1.3.

“*FCC*” shall mean the Federal Communications Commission.

“FCC Application” shall mean an application or applications that Seller and Buyer must file with the FCC requesting its consent to the assignment of the Station Licenses from Seller to Buyer.

“FCC Consent” shall mean the action by the FCC granting the FCC Application.

“Final Order” shall mean action by the FCC (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending, and (iii) as to which the time for filing any such appeal, request, petition, or similar document or for the reconsideration or review by the FCC on its own motion under the Communications Act of 1934, as amended, and the rules and regulations of the Commission, has expired.

“Hazardous Substance” shall have the meaning set forth in Section 7.13.

“Hazardous Waste” shall have the meaning set forth in Section 7.13.

“Indemnification Basket” shall have the meaning set forth in Section 16.4.

“Indemnification Cap” shall have the meaning set forth in Section 16.4.

“Indemnitor” shall have the meaning set forth in Section 16.3(a).

“Intellectual Property” shall have the meaning set forth in Section 7.9.

“Liens” shall mean mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, subleases, conditional sales agreements, easements, covenants, encroachments, encumbrances, restrictions, charges or other defects of title.

“LS&L” shall have the meaning set forth in Section 1.1.

“Material Adverse Effect” shall have the meaning set forth in Section 11.6.

“Material Contracts” shall mean those Contracts marked as “***” on Schedule 1.2(d) of this Agreement.

“Notice of Disagreement” shall have the meaning set forth in Section 5.2.

“Personal Property” shall have the meaning set forth in Section 1.2(c).

“Preliminary Proration Schedule” shall have the meaning set forth in Section 5.2.

“*Prime Rate*” shall mean a per annum rate equal to the “prime rate” as published in the Money Rates column of the Eastern Edition of The Wall Street Journal (or the average of such rates if more than one rate is indicated).

“*Proration Schedule*” shall have the meaning set forth in Section 5.2.

“*Purchase Price*” shall have the meaning set forth in Section 2.1(a).

“*Leased Real Property*” shall have the meaning set forth in Section 1.2(b).

“*Referee*” shall have the meaning set forth in Section 5.2.

“*Seller*” shall have the meaning set forth in the preamble to this Agreement.

“*Station*” shall have the meaning set forth in the Recitals to this Agreement..

“*Station Assets*” shall have the meaning set forth in Section 1.2.

“*Station Licenses*” shall mean the licenses, permits and other authorizations, including any temporary waiver or special temporary authorization, issued by the FCC to Seller in connection with the operation of the Station.

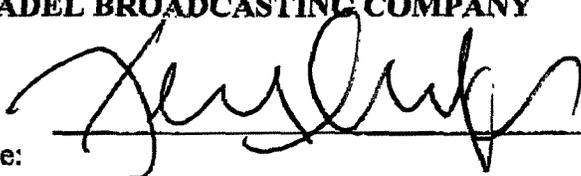
“*Time Sales Agreements*” shall mean contracts entered into in the ordinary course of business of the Station for the sale or sponsorship of broadcast time on the Station for cash.

“*Trade Agreements*” shall mean all Contracts for the sale of advertising time for consideration other than cash.

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

CITADEL BROADCASTING COMPANY

By:
Name:
Title:



PIKES PEAK BROADCASTING COMPANY

By:
Name:
Title:

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

CITADEL BROADCASTING COMPANY

By: _____
Name:
Title:

PIKES PEAK BROADCASTING COMPANY

By: 
Name: Harry W. Hoth
Title: Chairman of the Board