

ASSETS PURCHASE AGREEMENT

by and among

REGENT BROADCASTING OF PEORIA, INC.

and

**AAA ENTERTAINMENT LLC
AAA ENTERTAINMENT LICENSING LLC
B&G BROADCASTING, INC.**

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ASSETS PURCHASE AGREEMENT

THIS ASSETS PURCHASE AGREEMENT (this "Agreement") is made and entered this 9th day of May, 2006, by and among **REGENT BROADCASTING OF PEORIA, INC.**, a Delaware corporation ("Buyer"), and **AAA ENTERTAINMENT LLC**, a Delaware limited liability company, **AAA ENTERTAINMENT LICENSING LLC**, a Delaware limited liability company, and **B&G BROADCASTING, INC.**, a Delaware corporation (collectively, the "Seller").

RECITALS

WHEREAS, Seller owns and operates radio stations WZPW-FM and WXMP-FM, each licensed to Peoria, Illinois (collectively, the "Stations", and each individually, a "Station") pursuant to licenses issued by the Federal Communications Commission ("FCC"); and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, certain assets and assume certain obligations associated with the ownership and operation of the Stations, all on the terms and subject to the conditions set forth herein; and

WHEREAS, in order to induce each party to enter into this Agreement, each party is willing to enter into this Agreement and make certain representations and warranties to, and covenants and agreements with the other party or parties.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1 PURCHASE OF ASSETS

1.1 Transfer of Assets. On the terms and subject to the conditions hereof and subject to Section 1.2 and the limitations set forth in this Section 1.1, on the Closing Date (as hereinafter defined), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and assume from Seller, all of the right, title and interest of Seller in and to all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, owned or leased (to the extent of Seller's leasehold interest) by Seller as the case may be, wherever situated, which are primarily used or held for use in the operation of the Stations, which shall include any and all assets located at the Tower Site (as defined hereinafter) (the "Station Assets"), including but not limited to all of Seller's right, title and interest in and to the assets, properties, interests and rights described in this Section 1.1:

1.1.1 all licenses, permits and other authorizations issued to Seller by any governmental or regulatory authority including without limitation those issued by the FCC (the licenses, permits and authorizations issued by the FCC are hereafter referred to as the "Station Licenses") used or held for use in connection with the operation of the Stations, including but not limited to those described in Schedule 7.4, along with renewals or modifications of such items between the date hereof and the Closing Date;

1.1.2 all equipment, electrical devices, antennae, cables, tools, hardware, office furniture and fixtures, office materials and supplies, inventory, motor vehicles, spare parts and all other tangible personal property of every kind and description, and Seller's rights therein, owned, leased (to the extent of Seller's leasehold interest) or held by Seller and used or held for use primarily in connection with the operation of the Stations (which shall include any and all assets located at the Tower Site), including but not limited to those items described or listed in Schedule 7.7, together with any replacements thereof and additions thereto made between the date hereof and the Closing Date, and less any retirements or dispositions thereof made between the date hereof and the Closing Date in the ordinary course of business and consistent with past practices of Seller; provided, however, that Seller agrees that the value of all such assets retired or disposed of and not replaced with an asset of like kind and quality shall not exceed \$10,000 in the aggregate;

1.1.3 all Time Sales Agreements (as defined in Section 2.1), all Trade Agreements (as defined in Section 2.1), all Real Estate Contracts (as defined in Section 7.8), and all other contracts, agreements, leases and legally binding contractual rights of any kind, written or oral, relating primarily to the operation of the Stations, all of which are listed in Schedule 7.8 and Schedule 7.9(a), together with all contracts, agreements, leases and legally binding contractual rights entered into or acquired by Seller between the date hereof and the Closing Date in the ordinary course of business, consistent with past practices of Seller ("New Contracts") and in accordance with this Agreement and with respect to which Buyer specifically agrees in a writing executed at Closing to assume (which agreement shall not be unreasonably withheld or delayed; provided, however, Buyer shall not be required to assume or agree to assume any New Contracts with a term greater than one year and an aggregate value greater than \$25,000 which cannot be canceled with ninety (90) days prior written notice) (collectively, the "Contracts");

1.1.4 all of Seller's rights in and to the call letters "WZPW" and "WXMP", as well as all of Seller's rights, privileges, and priorities provided under common, state, federal, foreign, and multinational law, in and to all intellectual property used primarily in connection with the operation of the Stations, whether registered or unregistered, including, without limitation, all trademarks, service marks, designs, trade dress, jingles, slogans, logos, trade names, and copyrights, including registrations, applications for registration, renewals, and extensions of any of them, franchises, computer software and databases of whatever form or nature listed on Schedule 7.12, and all other licenses or other agreements to use same, and all other intangible property rights of Seller which are used or useful primarily in connection with the operation of the Stations, including but not limited to those listed in Schedule 7.12 together with any associated goodwill and any additions thereto between the date hereof and the Closing Date (collectively, the "Intellectual Property");

1.1.5 all programming materials and elements of whatever form or nature owned by Seller, whether recorded on tape or other medium or intended for live performance, and all copyrights owned by or licensed to Seller, that are used or useful primarily in connection with the operation of the Stations, including all such programs, materials, elements and copyrights acquired by Seller between the date hereof and the Closing Date and used primarily in connection with the operation of the Stations;

1.1.6 all of Seller's rights in and to all the files, documents, records, and books of account relating primarily to the operation of the Stations or to the Station Assets, including, without limitation, the Stations' local public files, programming information and studies, blueprints,

technical information and engineering data, news and advertising studies or consulting reports, marketing and demographic data, sales correspondence, lists of advertisers, promotional materials, credit and sales reports and filings with the FCC, all written Contracts to be assigned hereunder, logs, software programs and books and records relating to employees, financial, accounting and operation matters of the Stations; but excluding records relating primarily to any Excluded Asset (as hereinafter defined);

1.1.7 all of Seller's rights under manufacturers' and vendors' warranties relating to items included in the Station Assets and all similar rights against third parties relating to items included in the Station Assets;

1.1.8 all assets, properties, interests and rights, of whatever nature, owned by Seller that are located on the real property described on Schedule 7.8 (the "Tower Site") and all assets, other than fixtures, located at the Stations' studios which are used or held for use primarily in operation of the Stations.

The Station Assets shall be transferred to Buyer free and clear of all charges, conditions, community property interests, options, hypothecations, attachments, conditional sales, title retentions, rights of first refusal, debts, security interests, mortgages, trusts, claims, pledges or other liens, liabilities, encumbrances or rights of third parties whatsoever ("Liens"), except for Permitted Liens, if any, as provided for in Section 7.8.3. Except for the Station Assets listed on the schedules to this Agreement, notwithstanding the foregoing, at or prior to the Closing, Buyer may decide, in the exercise of its sole discretion, not to purchase any one or more of the Station Assets (and, in such event, not to assume any liability secured by, arising from the acquisition of, or otherwise relating to, any such Asset); provided, that in no event shall such decision reduce the Purchase Price.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the Station Assets shall not include the following assets along with all rights, title and interest therein (the "Excluded Assets"):

1.2.1 all cash and cash equivalents of Seller on hand and/or in banks, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, asset or money market accounts and all such similar accounts or investments;

1.2.2 all accounts receivable or notes receivable for services performed by Seller in connection with the operation of the Stations prior to the Closing Date;

1.2.3 subject to the limitation set forth in Section 1.1.2 of this Agreement, all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business consistent with the past practices of Seller between the date of this Agreement and the Closing Date;

1.2.4 all Contracts that have terminated or expired prior to the Closing Date in the ordinary course of business consistent with the past practices of Seller;

1.2.5 Seller's corporate seal, minute books, charter documents, corporate stock record books and such other books and records as pertain to the organization, existence or share

capitalization of Seller and duplicate copies of such records as are necessary to enable Seller to file its tax returns and reports as well as any other original records or materials relating to Seller generally and not involving or relating to the Station Assets or the operation or operations of the Stations;

1.2.6 contracts of insurance, and all insurance proceeds or claims thereunder relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;

1.2.7 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 and the assets thereof, if any, maintained by Seller;

1.2.8 any and all claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof, except claims with respect to obligations to be assumed by Buyer pursuant to Section 2.1 hereof;

1.2.9 all leases and contracts relating to the Stations' studios and all fixtures located at the studios; and

1.2.10 all other rights, interests or tangible or intangible assets of Seller which are not specifically identified in Section 1.1 hereof or which are identified on Schedule 1.2.10, and any other Station Asset that is used primarily in the business and operation of Seller's other stations in the Peoria, Illinois market or elsewhere, specifically including all of Seller's assets which are used primarily in Seller's corporate and administrative infrastructure and functions.

ARTICLE 2 ASSUMPTION OF OBLIGATIONS

2.1 Assumption of Obligations. Subject to the provisions of this Section 2.1, Section 2.2 and Section 3.3, on the Closing Date, Buyer shall assume the obligations of Seller arising or to be performed on and after the Closing Date (except to the extent such obligations arise out of or are related to activities, events or transactions occurring, or conditions existing, on or prior to the Closing Date) under the Contracts, including (a) all agreements for the sale of advertising time on the Stations for cash and at prices consistent with Seller's ordinary course of business pricing policies for which no payment has been received and which do not have more than twelve (12) months remaining in their term ("Time Sales Agreements"); and (b) all agreements which are for consideration other than cash, such as merchandise, services or promotional consideration arising in the ordinary course of business consistent with the past practices of Seller and listed on Schedule 3.3.2 hereto ("Trade Agreements"). All of the foregoing liabilities and obligations shall be referred to herein collectively as the "Assumed Liabilities."

2.2 Retained Liabilities. Notwithstanding anything contained in this Agreement to the contrary, Buyer expressly does not, and shall not, assume or agree to pay, satisfy, discharge or perform and will not be deemed by virtue of the execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of or in connection with the consummation of the transactions contemplated hereby or thereby, to have assumed or to have agreed to pay, satisfy, discharge or perform, any

liabilities, obligations or commitments of Seller of any nature whatsoever whether accrued, absolute, contingent or otherwise and whether or not disclosed to Buyer, other than the Assumed Liabilities. Seller will retain and pay, satisfy, discharge and perform in accordance with the terms thereof, all liabilities and obligations of the Seller, including but not limited to, the obligation to assume, perform, satisfy or pay any liability, obligation, agreement, debt, charge, claim, judgment or expense incurred by or asserted against Seller related to taxes, environmental matters, Environmental Liabilities (as defined below), pension or retirement plans or trusts, profit-sharing plans, employment contracts, employee benefits, severance of employees, product liability or warranty, negligence, contract breach or default, or other obligations, claims or judgments asserted against Buyer as successor in interest to Seller, other than the Assumed Liabilities, regardless of whether any such matters are disclosed on the Schedules hereto. All of such liabilities, obligations and commitments of Seller described in this Section 2.2 shall be referred to herein collectively as the "Retained Liabilities."

ARTICLE 3 CONSIDERATION

3.1 Delivery of Consideration

3.1.1 In consideration for the sale of the Station Assets to Buyer, in addition to the assumption of certain obligations of Seller pursuant to Section 2.1 above, Buyer shall, at the Closing (as hereinafter defined), deliver to Seller Twelve Million Five Hundred Thousand Dollars (\$12,500,000) by wire transfer of immediately available funds (the "Purchase Price"), subject to adjustment pursuant to the provisions of Sections 3.2 and 3.3 below.

3.1.2 Notwithstanding the foregoing, the parties agree that at the Closing, Buyer, Seller and The Bank of New York, as Escrow Agent (the "Indemnification Escrow Agent"), shall enter into an Indemnification Escrow Agreement in the form of Exhibit H hereto (the "Indemnification Escrow Agreement") pursuant to which Seller shall deposit with the Indemnification Escrow Agent (i) any amount in dispute referred to in Section 3.3.3 or 3.3.4, to be released pursuant to the provisions of such Sections 3.3.3 and 3.3.4 and the Indemnification Escrow Agreement and (ii) One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "Indemnification Escrow Deposit"). The Indemnification Escrow Deposit shall be held in escrow for a period of at least eighteen (18) months from the Closing Date which will be used to satisfy indemnification claims of Buyer pursuant Section 15.2.1 hereof, and which funds shall otherwise be administered and released as specifically provided for in the Indemnification Escrow Agreement.

3.2 Escrow Deposit.

3.2.1 On the same day as the execution and delivery of this Agreement, Buyer, Seller and The Bank of New York, as Escrow Agent (the "Deposit Escrow Agent"), have entered into a Deposit Escrow Agreement in the form of Exhibit A hereto (the "Deposit Escrow Agreement") pursuant to which Buyer has deposited the amount described below as a deposit on the amount of the Purchase Price. Such amounts held in escrow shall be applied as set forth herein and in the Deposit Escrow Agreement.

3.2.2 Buyer has wired Six Hundred Twenty Five Thousand Dollars (\$625,000) to the Deposit Escrow Agent's trust account pursuant to the Deposit Escrow Agreement (the "Escrow Deposit"), and at the Closing, the Escrow Deposit shall be applied to the Purchase Price to be paid to Seller and the interest accrued thereon shall be paid to Buyer. As more fully described in the Deposit Escrow Agreement: (a) in the event this Agreement is terminated solely because of Buyer's material breach of this Agreement or Buyer's termination of this Agreement pursuant to Section 16.1.11 and Seller shall at such time not be in material breach of this Agreement, the Escrow Deposit shall be paid to Seller as liquidated damages as provided in Section 16.4 hereto for Buyer's material breach of this Agreement (the payment of such sum to Seller shall discharge any liability Buyer may have to Seller hereunder) and the interest accrued on the Escrow Deposit shall be paid to Buyer; and (b) in the event this Agreement is terminated under any circumstances other than those set forth in the immediately preceding clause (a), the Escrow Deposit and the interest accrued thereon shall be paid to Buyer.

3.3 Proration of Income and Expenses: Trade Agreements Adjustment.

3.3.1 All deposits, reserves and prepaid and deferred income and expenses relating to the Station Assets or the Assumed Liabilities and arising from the conduct of the business and operations of the Stations shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 11:59 p.m., eastern time, on the date immediately preceding the Closing Date. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes (but excluding taxes arising by reason of the transfer of the Station Assets as contemplated hereby which shall be paid as set forth in Section 13.2), business and license fees, music and other license fees (including any retroactive adjustments thereof, which retroactive adjustments shall not be subject to the ninety-day limitation set forth in Section 3.3.3), utility expenses, amounts due or to become due under Contracts, Trade Agreements to the extent provided in Section 3.3.2 hereof, rents, lease payments and similar prepaid and deferred items. Real estate taxes shall be apportioned on the basis of taxes assessed for the preceding year, with a reapportionment, if any, as soon as the new tax rate and valuation can be ascertained.

3.3.2 Schedule 3.3.2 lists all Trade Agreements included in the Station Assets and the contract end date for each Trade Agreement together with an itemized statement, determined in accordance with generally accepted accounting principles, of the aggregate value of time owed ("Barter Payable") pursuant to each of the Trade Agreements and the aggregate value of goods and services to be received ("Barter Receivable") pursuant to each of the Trade Agreements, in each case as of the date hereof. Seller agrees that it will not enter into any other Trade Agreements or similar arrangements (collectively, "New Trade Agreements") after the execution of this Agreement without Buyer's prior written consent (which consent shall not be unreasonably withheld or delayed); provided, however, the aggregate of such New Trade Agreements shall not exceed related barter assets. On the Closing Date, Seller shall deliver to Buyer a report, dated as of the Closing Date (the "Closing Date Trade Report"), which report lists all Trade Agreements included in the Station Assets and the contract end date for each Trade Agreement together with an itemized statement, determined in accordance with generally accepted accounting principles, of the aggregate value of the Barter Payable and Barter Receivable pursuant to each of the Trade Agreements. To the extent that the aggregate value as reflected on the Closing Date Trade Report of the Stations' Barter Payable is greater than the aggregate value as reflected on the Closing Date Trade Report of the Barter Receivable, Buyer shall be entitled to receive the difference at Closing as a credit against the

Purchase Price. To the extent that the aggregate value as reflected on the Closing Date Trade Report of the Stations' Barter Payable is less than the aggregate value as reflected on the Closing Date Trade Report of the Barter Receivable, Seller shall be entitled to receive the difference at Closing as an adjustment to the Purchase Price.

3.3.3 Except as otherwise provided herein, the prorations and adjustments contemplated by this Section 3.3, to the extent practicable, shall be made on the Closing Date. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within ninety (90) calendar days of the Closing Date.

3.3.4 In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in Section 3.3.3, the amounts in dispute shall be paid into escrow as provided in Section 3.1.2 and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. Notwithstanding the foregoing, if the aggregate amount in dispute is \$10,000 or less, the disputed amount shall be shared equally by Buyer and Seller.

3.4 Allocation of Purchase Price. The Purchase Price shall be allocated among the Assets in a manner determined by Buyer based upon an appraisal prepared by an appraiser selected by Buyer, and such appraisal and allocation shall be completed within ninety (90) calendar after the Closing unless otherwise agreed to by the parties. Seller and Buyer agree to use the allocations determined by Buyer for all tax purposes, including without limitation, those matters subject to Section 1060 of the Internal Revenue Code of 1986, as amended.

ARTICLE 4 CLOSING

4.1 Closing. Except as otherwise mutually agreed upon by Buyer and Seller, the consummation of the transactions contemplated herein (the "Closing") shall occur within five (5) business days after the later to occur of: (a) the satisfaction or waiver of each condition to closing contained herein (excluding conditions that by their terms cannot be satisfied until the Closing Date), and provided that each party hereto shall use its commercially reasonable efforts to cause each condition to closing to be satisfied so that the Closing may occur at the earliest possible date; and (b) the issuance of the Final Order (as defined below), or such other date as may be mutually agreed by the parties hereto (the "Closing Date"); provided, however, that Buyer may in its sole discretion waive the requirement that a Final Order be issued and elect (subject to clause (a) above) to close at any time (upon not less than five (5) business days' notice to Seller) after the release of initial FCC approval on public notice that it has consented to the transaction contemplated hereby (the "Initial Approval"). For purposes of the Agreement, "Final Order" (and "Final") means a grant, consent or authorization by the FCC which is no longer subject to reconsideration or review by the FCC or a court of competent jurisdiction, and pursuant to which the FCC consents to the assignments of the FCC licenses contemplated by this Agreement, each such grant, consent or authorization being without the imposition of any conditions having a materially adverse effect on Buyer or any Affiliate (as hereinafter defined) of Buyer with respect to the assignment of the FCC Licenses to Buyer or the continued operation of the Stations or the Station Assets. In the event that the parties close before

the Initial Approval has become a Final Order, the parties shall enter into an Unwind Agreement in the form of Exhibit G. The Closing shall be held in the offices of Graydon Head & Ritchey LLP, 1900 Fifth Third Center, 511 Walnut Street, Cincinnati, Ohio, or at such place and in such manner as the parties hereto may agree; provided, however, the parties agree that they will endeavor to close the transaction, to the extent reasonably practicable, by facsimile, electronic document and funds transfer, courier and similar modes of communication without the necessity of personal attendance of the parties' respective signatories and representatives

ARTICLE 5 GOVERNMENTAL CONSENTS

5.1 FCC Consent. It is specifically understood and agreed by Buyer and Seller that the Closing, the assignment of the Station Licenses and the transfer of the Station Assets are expressly conditioned on and are subject to the prior consent and approval of the FCC without the imposition of any conditions having a materially adverse effect on Buyer or any Affiliate of Buyer (the "FCC Consent").

5.2 FCC Application. If the same has not already been filed as of the time of the execution hereof, then within ten (10) business days after the execution of this Agreement, Buyer and Seller shall file an application with the FCC for the FCC Consent (the "FCC Application"). Buyer and Seller shall prosecute the FCC Application with all reasonable diligence and otherwise use their commercially reasonable efforts to obtain the FCC Consent as expeditiously as practicable (but neither Buyer nor Seller shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect upon Buyer or Seller or upon any of their respective Affiliates). If the FCC Consent imposes any condition on Buyer or Seller or any of their respective Affiliates, such party shall use its best efforts to comply with such condition; provided, however, that neither Buyer nor Seller shall be required hereunder to comply with any condition that would have a material adverse effect upon it or any of its Affiliates. If reconsideration or review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or review; provided, however, that nothing herein shall be construed to limit either party's right to terminate this Agreement pursuant to Article 16 hereof.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby makes the following representations and warranties to Seller, each of which is true and correct on the date hereof, shall survive the Closing and shall be unaffected by any investigation heretofore or hereafter made by Seller:

6.1 Organization and Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

6.2 Authorization and Binding Obligation. Buyer has all necessary corporate power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and to own or lease the Station Assets and to carry on the business of the Stations upon the consummation

of the transactions contemplated by this Agreement. Buyer's execution, delivery and performance of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary action on its part (including without limitation all necessary shareholder action) and, assuming the due authorization, execution and delivery of this Agreement by Seller (including without limitation all necessary member and manager action), this Agreement will constitute the valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.

6.3 Qualification Except as otherwise set forth in this Section 6.3, to the best of Buyer's knowledge, there are no facts which, under the Communications Act of 1934, as amended, or the existing rules and regulations of the FCC, would disqualify Buyer as an assignee of the Station Licenses. Buyer has sufficient sources of available financing to fund the Purchase Price. The acquisition of the Stations by Buyer will be consistent with Section 73.3555 of the FCC's Rules without the sale or divestiture of any other station by Buyer and without a waiver of any FCC regulation or policy, except that the divestiture by Buyer of its attributable interest in three of its FM radio stations in the Peoria, Illinois market (collectively, the "Divesture Stations") will be required prior to or simultaneously with the Closing.

6.4 Absence of Conflicting Agreements or Required Consents Except as set forth in Article 5 hereof with respect to governmental consents, the execution, delivery and performance of this Agreement by Buyer: (a) do not conflict with or violate the provisions of the articles of incorporation or by-laws of Buyer; (b) do not require the consent of any third party not Affiliated with Buyer; (c) will not materially conflict with or violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is bound; and (d) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, violate, 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 now subject.

6.5 Litigation There is no claim, litigation, proceeding or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer, that could materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement. Buyer is not in violation of any law, regulation, or ordinance or any other requirement of any governmental body or court, which could have a material adverse effect on Buyer's ability to perform its obligations pursuant to this Agreement.

6.6 Commissions or Finder's Fees Neither Buyer nor any person or entity acting on behalf of Buyer 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, and the fees of any such person or entity shall be paid by Buyer and Buyer shall hold harmless and indemnify Seller therefor.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer, each of which is true and correct on the date hereof, shall survive the Closing and shall be unaffected by any investigation heretofore or hereafter made by Buyer:

7.1 Organization and Standing. Seller is duly organized, validly existing and in good standing under the laws of the State of Delaware, is authorized to conduct business within the State of Illinois and has the power and authority to own, lease and operate the Station Assets and to carry on the business of the Stations as now being conducted and as proposed to be conducted between the date hereof and the Closing Date.

7.2 Authorization and Binding Obligation. Seller has the power and authority, and has taken all necessary and proper action to enter into and perform this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorized (including without limitation by all necessary shareholder, member and manager action), executed and delivered by Seller, assuming the due authorization, execution and delivery of this Agreement by Buyer (including without limitation all shareholder action), constitutes the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as limited by laws affecting the enforcement of creditor's rights or equitable principles generally (including, without limitation, the effect of statutory and other laws regarding fraudulent conveyances, fraudulent transfers and preferential transfers).

7.3 Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 5 with respect to governmental consents and in Schedule 7.8 or Schedule 7.9(a) with respect to consents required in connection with the assignment of certain Contracts, the execution, delivery and performance of this Agreement by Seller: (a) do not require the consent of any third party (including, without limitation, the consent of any governmental, regulatory, administrative or similar authority); (b) will not conflict with, result in a breach of, or constitute a violation of or default under, the provisions of any Seller's articles of incorporation, by-laws, certificate of organization, limited liability company agreement, operating agreement (or other charter or organizational documents) or any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Seller is a party or by which Seller or any of the Station Assets are bound; (c) 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 Contract, agreement, instrument, license or permit to which Seller, any Station or any of the Station Assets is now subject; and (d) will not result in the creation of any Liens on any of the Station Assets other than Permitted Liens.

7.4 Government Authorizations.

7.4.1 Schedule 7.4 hereto contains a true and complete list of the Station Licenses and other licenses, permits or other authorizations from governmental and regulatory authorities which are required for the lawful conduct of the business and operations of the Stations in the manner and to the full extent they are presently conducted (including, without limitation, auxiliary licenses associated with the Stations). Seller has delivered to Buyer true and complete

copies of the Station Licenses and the other licenses, permits and authorizations listed in Schedule 7.4, including any and all amendments and other modifications thereto.

7.4.2 Seller is the authorized legal holder of the Station Licenses and the other licenses, permits and authorizations listed in Schedule 7.4, which are in full force and effect and in good standing. All of the foregoing are unimpaired by any act of Seller, directors, members, managers, officers, employees, agents or Affiliates, and none of them is subject to any restrictions or conditions which would limit in any material respect the full operation of the Stations as now operated.

7.4.3 Except as set forth in Schedule 7.4, there are no applications, complaints, petitions or proceedings pending or, to the best of Seller's knowledge, threatened as of the date hereof before the FCC or any other governmental or regulatory authority relating to the business or operations of the Stations (other than proceedings applicable to the radio industry as a whole). The operations of the Stations are in all material respects in accordance with the Station Licenses and the underlying construction permits and the other licenses, permits and authorizations listed in Schedule 7.4. No proceedings are pending or, to the best of Seller's knowledge, threatened, and there has not been any act or omission of Seller or any of its shareholders, directors, members, managers, officers or employees, which may or is likely to result in the revocation, modification, non-renewal or suspension of the Station Licenses or the other licenses, permits and authorizations listed in Schedule 7.4, the denial of any pending applications, the issuance of any cease and desist order, the imposition of any administrative actions by the FCC or any other governmental or regulatory authority with respect to the Station Licenses or the other licenses, permits and authorizations listed in Schedule 7.4 or which may or is likely to affect Buyer's ability to continue to operate the Stations as they are currently operated.

7.4.4 Except as set forth on Schedule 7.4, the Stations are licensed by the FCC to operate and are operating in all material respects with maximum facilities as designated in its Station Licenses. The Stations are not short-spaced, on a grand-fathered basis or otherwise, to any existing station, outstanding construction permit or pending application therefor, domestic or international, or to any existing or proposed broadcast radio allotment, domestic or international.

7.4.5 The Stations are not causing objectionable interference to the transmissions of any other broadcast station or communications facility nor have the Stations received any complaints with respect thereto. To the best of Seller's knowledge, no other broadcast station or communications facility is causing objectionable interference to transmissions of the Stations or the public's reception of such transmissions.

7.4.6 The Station Licenses have expiration dates as listed in Schedule 7.4. Seller has no reason to believe that the Station Licenses and the other licenses, permits, or authorizations listed in Schedule 7.4 would not be renewed in their ordinary course.

7.4.7 All material reports, forms, and statements required to be filed by Seller with the FCC with respect to the Stations since the earlier of the (i) acquisition of the Stations by Seller or (ii) grant of the last renewal of the Station Licenses have been filed and are substantially complete and accurate.

7.4.8 To the best knowledge of Seller, 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 assignor of the Station Licenses or cause the Station Licenses and the other licenses, permits and authorizations listed in Schedule 7.4 not to be renewed in their ordinary course.

7.4.9 The operation of the Stations and all of the Station Assets are in compliance in all respects with ANSI Radiation Standards C95.1 - 1992.

7.4.10 To the best of Seller's knowledge, all towers and antennae used or useful in connection with the operation of the Stations have been registered with the FAA and FCC in accordance with all applicable laws and regulations, and the heights of all such towers and antennae are in full compliance with such tower and antenna registrations.

7.5 Compliance with FCC Regulations. The operation of the Stations and all of the Station Assets are in compliance in all material respects with: (a) all applicable engineering standards required to be met under applicable FCC rules; and (b) all other applicable federal, state and local laws, rules, regulations, requirements and policies, including, but not limited to, equal employment opportunity policies of the FCC, restrictions on the broadcast of indecent, obscene or profane programming, laws, and rules regarding sponsorship identification and the prohibition of "payola," and, to the best of Seller's knowledge, all applicable painting and lighting requirements of the FCC and the Federal Aviation Administration to the extent required to be met under applicable FCC rules and regulations, and to the best of Seller's knowledge, there are no existing claims to the contrary.

7.6 Taxes. To the extent that any of the following has or would adversely affect the Station Assets or the operation of the Stations by Buyer: (a) Seller has filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns required by law to be filed by it and has paid in full all taxes, estimated taxes, interest, assessments, and penalties due and payable by it; (b) all returns and forms which have been filed have been true and correct in all material respects, and no tax or other payment in an amount other than as shown on such returns and forms is required to be paid by Seller and has not been paid by Seller; (c) there are no present disputes as to taxes of any nature payable by Seller, and Seller has not been advised that any of its returns, federal, state, local or foreign, have been or are being audited; and (d) Seller does not and will not in the future have any liability, fixed or contingent, for any unpaid federal, state or local taxes or other governmental or regulatory charges whatsoever (including without limitation withholding and payroll taxes) which could result in any Liens on the Station Assets after conveyance thereof to Buyer or in any other form of transferee liability to Buyer.

7.7 Personal Property. Schedule 7.7 hereto contains a list of all material items of tangible personal property (other than Excluded Assets) owned by Seller and used primarily in the conduct of the business and operations of the Stations (other than in corporate and administrative infrastructure and functions). Schedule 7.7 also separately lists any material tangible personal property leased by Seller pursuant to leases included within the Contracts. Except as disclosed in Schedule 7.7, Seller has, and following the Closing, Buyer will have, good and marketable title to all of the Station Assets (other than those subject to lease, in which Seller has, and following the Closing Buyer will have, a good and marketable leasehold interest, or those disposed of in the manner contemplated by Section 1.1.2) and none of the Station Assets is, or at the Closing will be, subject to any Liens or title

defects, except for liens for taxes not yet due and payable and Permitted Liens. The properties listed in Schedule 7.7, along with those properties subject to lease and included among the Contracts, constitute all material tangible personal property necessary to operate the Stations as the same are now being operated. All material items of tangible personal property included in the Station Assets are in good and technically sound operating condition and repair, are free from all material defect and damage, are suitable for the purposes for which they are now being used, and have been maintained in a manner consistent with generally accepted standards of good engineering practice.

7.8 Real Property.

7.8.1 Seller owns no real property (including without limitation, real property relating to the towers, transmitters, studio sites and offices of the Stations) that is used by Seller in connection with the operation of the Stations. Schedule 7.8 hereto contains a complete and accurate list and description of all real property (including without limitation, real property relating to the towers and transmitters of the Stations, but excluding studio sites and offices of the Stations since those are not being acquired by Buyer and are listed on Schedule 1.2.10) not owned by Seller and used by Seller in connection with the operations of the Stations pursuant to agreements, leases and other contracts (the "Real Estate Contracts").

7.8.2 The Real Estate Contracts listed on Schedule 7.8 and Schedule 7.9(a) are in full force and effect and are valid, binding and enforceable in accordance with their terms. Seller enjoys quiet possession of all real property subject to the Real Estate Contracts. Seller is not in material default under any Real Estate Contract nor, to the best knowledge of Seller, is any other party thereto, and there are no present material disputes or, to the best knowledge of Seller, claims with respect to offsets or defenses by any party against the other under any of the Real Estate Contracts. Seller has delivered to Buyer true and complete copies of all Real Estate Contracts. Except as expressly set forth in Schedule 7.8 hereto, the assignment of the Real Estate Contracts to Buyer will not permit the other party to accelerate the rent, cause the terms thereof to be renegotiated or constitute a material default thereunder, and will not require the consent of any such party to the assignment thereof to Buyer.

7.8.3 Seller has, and following the Closing, Buyer will have, good, marketable and insurable leasehold interests in the real estate subject to the Real Estate Contracts (where the Real Estate Contract is a lease), free and clear of any Liens, except for liens for taxes not yet due and payable and Liens described in Schedule 7.8, if any ("Permitted Liens"). Seller has previously delivered to Buyer: (a) a complete and correct copy of each title insurance policy in Seller's possession insuring title to the real estate subject to the Real Estate Contracts; and (b) a true and correct copy of each survey in Seller's possession of the real estate subject to the Real Estate Contracts.

7.8.4 Seller has full legal and practical access to all of the real property described in Schedule 7.8, and all easements, rights of way, and real property licenses relating thereto have been properly recorded in the appropriate public recording offices. The real estate subject to the Real Estate Contracts, includes all the real property, easements, rights of way, and other real property interests necessary to conduct the business and operations of the Stations as now conducted. To the best of Seller's knowledge, none of the buildings, structures, improvements or fixtures constructed on any real estate subject to the Real Estate Contracts, including, but not limited

to, all towers, guy wires and guy anchors and ground radials, encroach upon adjoining real property, and all such buildings, structures, improvements and fixtures are constructed and are operated and used in conformance with all "set back" lines, easements, covenants, restrictions and all applicable building, fire, zoning, health and safety laws and codes. No utility lines serving the real estate subject to the Real Estate Contracts pass over the lands of a third party except where appropriate easements have been obtained. All buildings, structures, towers, antennae, improvements and fixtures comprising part of the real properties leased by Seller are in good and technically sound operating condition, have no latent structural mechanical or other defects of material significance, are reasonably suitable for the purposes for which they are being used and each has adequate rights of ingress and egress, utility service for such water and sewer, telephone, electric and/or gas, and sanitary service for the conduct of the business and operations of the Stations as presently conducted. There is no pending or, to the best knowledge of Seller, threatened condemnation or other legal proceeding or action of any kind relating to the real estate subject to the Real Estate Contracts and/or title thereto.

7.9 Contracts. Schedule 7.9(a) lists all Contracts to which Seller is a party, or which are binding on Seller, as of the date of this Agreement, which relate to the operations of the Stations. Those Contracts, if any, requiring the consent of a third party to assignment are identified with an asterisk in Schedule 7.9(a). Except as specifically described on Schedule 7.9(a), Seller has not entered into any arrangements with ASCAP, BMI, radio representatives, vendors of goods and services or any other entities pursuant to which Seller enjoys a discount or other benefit. Those Contracts, if any, that Seller and Buyer have agreed are material to the operation of the Station Assets and the valid assignment of which is a condition to the consummation of the transactions contemplated hereby (the "Material Contracts") are listed on Schedule 7.9(b).

7.10 Status of Contracts, etc. Seller has delivered to Buyer true and complete copies of all written Contracts, and true and complete memoranda of all oral Contracts, and any and all amendments and other modifications thereto. All of the Contracts are in full force and effect and are valid, binding and enforceable in accordance with their respective terms, except as limited by laws affecting creditors' rights or equitable principles generally. Seller has complied in all material respects with all written and oral Contracts, and is not in material default beyond any applicable grace periods under any thereof and no other contracting party is in default under any thereof.

7.11 Environmental. Except as set forth in Schedule 7.11, Seller has complied with all federal, state and local environmental laws, rules and regulations as in effect on the date hereof applicable to the Stations and their operations, including but not limited to the FCC's guidelines regarding RF radiation. The technical equipment included in the Station Assets does not contain any PCBs. As used herein, the term Hazardous Substance shall mean any hazardous substance, material or waste; toxic substance; pollutant; contaminant or solid waste (as those or similar terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq., Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq. or any other federal, state and local environmental law, statute, ordinance, order, judgment, rule or regulation relating to the environment or the protection or preservation of human health or the environment ("Environmental Laws")), and shall include but not be limited to any asbestos or asbestos containing materials, oils or petroleum-derived compounds or distillates thereof, CFCs and PCBs. No Hazardous Substances have been released, emitted or discharged by Seller, or to the best knowledge

of Seller, are currently located in, on, under, or about the real property on which the Station Assets are situated including without limitation the transmitter sites or contained in the tangible personal property included in the Station Assets and no underground storage tanks currently exist or have in the past existed on or under such real property. The Station Assets and Seller's use thereof are not in violation of any Environmental Laws or any occupational, safety and health or other applicable law now in effect. There are no wetlands on the real property. There is no outstanding or pending, and Seller is aware of no basis for any, claim, demand liability, order, administrative or judicial proceeding relating to or arising from the actual or alleged presence of Hazardous Substances on, in or under the real property or the Station Assets or otherwise arising under Environmental Laws ("Environmental Claims"). Seller shall be, as of the Closing Date and thereafter, solely responsible for all Environmental Claims and all costs of environmental investigation, remediation, corrective action and cleanup, including without limitation the fees of consultants and legal counsel arising from or related to the actual or alleged presence of Hazardous Substances on, in or under the real property or otherwise attributable to the operation or ownership of the Station Assets prior to the Closing Date ("Environmental Liabilities").

7.12 Intellectual Property. Schedule 7.12 hereto is a true and complete list of all material Intellectual Property applied for, registered or issued to, and owned by Seller or under which Seller is a licensee and which is used primarily in the conduct of the Seller's business and operations of the Stations, and with respect to the Intellectual Property, except as set forth on Schedule 7.12: (a) Seller and any predecessor in title has taken all necessary actions and has not taken any improper actions such that Seller's right, title, and interest in the Intellectual Property as owner or, subject to the terms of any applicable license, as licensee, as applicable, is in all material respects valid, enforceable, and uncontested, and is free and clear of all Liens, claims, encumbrances, rights, or equities whatsoever of any third party other than Permitted Liens and, except to the extent any of the Intellectual Property is licensed to Seller, of licensor; (b) all computer software and databases located at any of Seller's premises or used primarily in Seller's business or operations of the Stations that are expressly included in the Station Assets are owned by or properly licensed to Seller, and all of Seller's uses of such computer software and databases are authorized under such licenses, as applicable; (c) all of Seller's right, title and interest in and to all material items of Intellectual Property, including any expressly included computer software and databases, and any warranties therein, shall be assignable to Buyer at Closing, and upon such assignment, Buyer shall receive complete and exclusive right, title, and interest in and to all of Seller's tangible and intangible property rights existing in such Intellectual Property; and (d) to the best of Seller's knowledge, there are no infringements, unlawful uses, improper assignments, or defaults of any license or other agreement with respect to the Intellectual Property in connection with Seller's business or operations as related to the Stations, Seller has not received any notice or demand alleging that Seller is in default of any license or other agreement affecting the Stations or that Seller is infringing upon any rights of any third party in Seller's use of the Intellectual Property in connection with the Stations, and no circumstances exist which reasonably could be expected to adversely affect the validity, subsistence, or existence of the Intellectual Property or Seller's continued right to use the Intellectual Property in connection with the Stations.

7.13 Financial Statements. Set forth in Schedule 7.13 are complete copies of the unaudited balance sheets, income statements and statements of cash flow of the Seller as of and for the fiscal years ended December 31, 2002, 2003 and 2004, together with unaudited balance sheets and income

statements of the Seller as related to the Stations as of and for the period ended the eleven-month period ending November 30, 2005 (collectively, the "Financial Statements"). In all material respects, the Financial Statements are (and the Interim Financial Statements (as hereinafter defined in Section 9.1.8) provided pursuant to the terms hereof will be) true, correct and complete and have been (and in the case of the Interim Financial Statements, will be) prepared in accordance with the books and records of Seller and in accordance with generally accepted accounting principles consistently applied and maintained throughout the periods indicated (except that they do not contain footnotes and except, in the case of the Financial Statements for the eleven-month period ending November 30, 2005 and the Interim Financial Statements, are subject to year-end adjustments) and except as has been disclosed in Schedule 7.13. The Financial Statements present (and the Interim Financial Statements will present) fairly the financial condition, results of operations and cash flow of the Seller as related to the Stations for the periods indicated. The financial information within the Financial Statements does not include (and the financial information to be within the Interim Financial Statements will not include) financial information unrelated to the operations of the Stations. None of the Financial Statements understates (and none of the Interim Financial Statements will understate) the true costs and expenses of conducting the business and operations of the Stations, fails (or will fail) to disclose any material liability, or inflates (or will inflate) the revenues of the Stations for any reason. December 31, 2005, is hereinafter referred to as the "Financial Statement Date." Notwithstanding the foregoing, Buyer acknowledges that Seller, in preparing the Financial Statements, has allocated costs and expenses between the Stations and its other stations, and between broadcasting expenses and overhead expenses, in accordance with its customary methods which have been explained in appropriate detail to Seller and that the foregoing representations and warranties shall not be deemed to have been violated by the use of such allocation methods by Seller.

7.14 Personnel Information

7.14.1 Schedule 7.14 contains a true and complete list of all persons employed at the Stations, including date of hire, a description of material compensation arrangements (other than employee benefit plans set forth in Schedule 7.17) and a list of other material terms of any and all agreements affecting such persons and their employment by Seller. Seller has received no notice that, and Seller is not aware of, any such employee who intends, shall or is likely to terminate his or her employment relationship with the Stations upon the execution of this Agreement or after the Closing.

7.14.2 Seller is not a party to any contract or agreement with any labor organization regarding, nor has Seller agreed to recognize any union or other collective bargaining unit regarding, nor has any union or other collective bargaining unit been certified as representing any employees of Seller as related to the Stations. Seller has no knowledge of any organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of Seller as related to the Stations.

7.14.3 Except as disclosed in Schedule 7.14, in the operation of the Stations, Seller has complied in all material respects with all laws relating to the employment of labor, including, without limitation, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and those laws relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity and payment and withholding of taxes.

7.15 Litigation Except as set forth in Schedule 7.15, Seller is not subject to, or in material default under, any judgment, award, order, writ, injunction, arbitration decision or decree relating to the conduct of the business or the operation of any of the Stations or any of the Station Assets, and there is no litigation, administrative action, arbitration, proceeding or investigation pending or, to the best knowledge of Seller, threatened against Seller or any of the Stations in any federal, state or local court, or before any administrative agency or arbitrator (including, without limitation, any proceeding which seeks the forfeiture of, or opposes the renewal of, any of the Station Licenses), or before any other tribunal duly authorized to resolve disputes that affects the Stations or the Station Assets or could materially affect the ability of Seller to perform its obligations under this Agreement. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or proceedings pending or, to the best knowledge of Seller, threatened before the FCC or any other governmental organization with respect to the business or operations of the Stations.

7.16 Compliance With Laws. Except as set forth in Schedule 7.16 or with respect to laws, regulations and governmental orders which are addressed by the representations and warranties negotiated by Buyer and Seller in Sections 7.5, 7.6, 7.8, 7.11 and 7.17, Seller is not in violation of, and has not received any notice asserting any non-compliance by it in connection with the operation any of the Stations or use or ownership of any of the Station Assets with, any applicable statute, rule or regulation, whether federal, state or local. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes which relate to the transactions contemplated hereby. Except as set forth in Schedule 7.16 or with respect to laws, regulations and governmental orders which are addressed by the representations and warranties negotiated by Buyer and Seller in Sections 7.5, 7.6, 7.8, 7.11 and 7.17, Seller is in full compliance with all laws, regulations and governmental orders applicable to the conduct of the business and operations of the Stations, and its present use of the Station Assets does not violate any of such laws, regulations or orders in any material respect.

7.17 Employee Benefit Plans.

7.17.1 Schedule 7.17 contains a listing of each plan or arrangement (including each "employee benefit plan" as defined in Section 3(3) of ERISA, any "specified fringe benefit plan" as defined in Section 6039D of the Code and any "non-qualified deferred compensation plan" as defined in Section 409A(d) of the Code) maintained or contributed to by (i) the Seller or (ii) any entity which is (or at the relevant time was) a member of a "controlled group of corporations" with, under "common control" with or a member of an "affiliated service group" with, Seller as defined in Code Section 414(b), (c), (m) or (o) (an "ERISA Affiliate") and which provides benefits to any current or former employee of the Seller employed in connection with the operation of the Stations (collectively, "Employee Benefit Plans"). Schedule 7.17 contains a separate listing of any "group health plan" (as defined in Section 607 of ERISA) sponsored by the Seller or an ERISA Affiliate that is not already listed under the terms of the preceding sentence.

7.17.2 Each Employee Benefit Plan complies in all material respects in form and operation with all applicable laws including without limitation ERISA and the Code. Each Employee Benefit Plan which is intended to be qualified under Section 401(a) of the Code is so qualified. Neither the Seller nor any ERISA Affiliate has ever contributed to a "multiemployer plan" as defined in Section 3(37) or 4001(a) of ERISA and has no withdrawal liability under any such

multiemployer plan. Neither the Seller nor any ERISA Affiliate has incurred or reasonably expects to incur any liability under Title IV of ERISA. Neither the Seller nor any ERISA Affiliate maintains or has ever maintained any employee welfare benefit plan (as defined in ERISA) providing medical, health or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or dependents. Neither the Seller nor any ERISA Affiliate has any announced plan or legally binding commitment to terminate or modify any Employee Benefit Plan.

7.18 Commissions or Finder's Fees. Neither Seller, nor any person or entity acting on behalf of Seller, 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, and the fees of any such person or entity shall be paid by Seller and Seller shall hold harmless and indemnify Buyer therefor.

7.19 Conduct of Business in Ordinary Course: Adverse Change. (a) Since the Financial Statement Date and except as set forth on Schedule 7.19: (i) Seller has conducted the business of the Stations only in the ordinary course consistent with past practices; (ii) there has not been any material adverse effect in the business, assets, properties, prospects or condition (financial or otherwise) of Seller or the Stations, or any damage, destruction, or loss materially affecting any of the Station Assets; and (iii) Seller has not created, assumed, or suffered any Liens on any of the Station Assets other than Liens that shall be discharged at Closing or Permitted Liens.

7.20 Undisclosed Liabilities. No liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, relating to Seller, the Stations or the Station Assets exists which could, after the Closing result in any form of transferee liability against Buyer or subject the Station Assets to any Liens, other than Permitted Liens, or otherwise materially affect the full, free and unencumbered use of the Station Assets by Buyer.

7.21 Full Disclosure. No representation or warranty made by Seller contained in this Agreement or 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 omits or will omit to state any material fact required to make any statement contained herein or therein not misleading. Seller is not aware of any impending or contemplated event or occurrence that would cause any of the foregoing representations not to be true and complete on the date of such event or occurrence as if made on that date.

7.22 Insurance. Schedule 7.22 attached hereto set forth a list of all material insurance policies covering the Stations and the Station Assets, the general scope and amounts of coverage for each such policy, and the date of renewal or expiration. Seller now has in force adequate fire and other risk insurance covering the full replacement value of the Station Assets and shall cause such insurance to be maintained in full force until the Closing Date. Seller also shall maintain in full force until the Closing Date, adequate general public liability insurance in amounts consistent with broadcasting industry standards for similar stations. None of the Station Assets have been materially and adversely affected in any way as a result of fire, explosion, earthquake, accident, fraud, rain, storm, drought, riot, Act of God or public enemy or any other casualty, whether or not covered by insurance.

Whenever in this Article 7 a warranty or representation is qualified by a word or phrase referring to Seller's knowledge, it shall mean to the best of the actual knowledge of Peter H. Ottmar, John Maguire, Michael Rea or Jon Symonds, after having made due inquiry of the directors, officers, employees, representatives and agents of Seller who would be expected to have knowledge of the matter, and with respect to the condition of any Station Assets, records or other object, if such person inspected it.

The Schedules shall be arranged in sections and subsections corresponding to the numbered and lettered sections and subsections contained in this Article 7 and this Agreement. The disclosures in any section or subsection of the Schedules shall qualify other sections and subsections in this Article 7 to the extent it is reasonably clear from a reading of the disclosure that such disclosure is applicable to such other sections and subsections.

For purposes of this Agreement, a "material adverse effect" means a material adverse effect on the business, financial condition or results of operations of the Stations, individually or taken as a whole (other than changes, effects, or circumstances that have a negative impact generally on the radio broadcast industry in the United States).

ARTICLE 8 COVENANTS OF BUYER

8.1 Closing. Subject to Article 11 hereof, on the Closing Date, Buyer shall purchase the Station Assets from Seller as provided in Article 1 hereof and shall assume the Assumed Liabilities of Seller as provided in Article 2 hereof.

8.2 Notification. Buyer shall provide Seller prompt written notice of any change in any of the information contained in the representations and warranties made in Article 6. Buyer shall also notify Seller of any litigation, arbitration or administrative proceeding pending or, to its knowledge, threatened against Buyer which challenges the transactions contemplated hereby.

8.3 No Inconsistent Action. Buyer shall not take any action which (i) is materially inconsistent with its obligations under this Agreement, (ii) would cause any representation or warranty of Buyer contained herein to be or become false or invalid, or (iii) would unreasonably hinder or delay the consummation of the transactions contemplated by this Agreement.

8.4 Accounts Receivable. Buyer acknowledges that all accounts receivable arising prior to the Closing Date in connection with the operation of the Stations, including but not limited to accounts receivable for advertising revenues for programs and announcements performed prior to the Closing Date and other broadcast revenues for services performed prior to the Closing Date, shall remain the property of Seller (the "Seller Accounts Receivable") and that Buyer shall not acquire any beneficial right or interest therein or responsibility therefor. For a period of sixty (60) days from the Closing Date ("Collection Period"), Buyer agrees to use reasonable efforts to assist Seller in collection of the Seller Accounts Receivable in the normal and ordinary course of Buyer's business and will apply all such amounts collected to the debtor's oldest account receivable first, except that

any such accounts collected by Buyer from persons who are also indebted to Buyer may be applied to Buyer's account if so directed by the debtor if the debtor certifies in writing specifying the grounds for so believing, that there is a bona fide dispute between Seller and such account debtor with respect to such account and in which case the Buyer shall notify the Seller of such dispute and after such notification Seller shall have the sole right to pursue collection of such account and to avail itself of all legal remedies available to it. Buyer's obligation and authority shall not extend to the institution of litigation, employment of counsel or a collection agency or any other extraordinary means of collection. After the Collection Period, Buyer agrees to reasonably cooperate with Seller, at Seller's expense, as to any litigation or other collection efforts instituted by Seller to collect any delinquent Seller Accounts Receivable. Any amounts relating to the Seller Accounts Receivable that are paid directly to the Seller shall be retained by the Seller (less any commissions and/or other expenses due thereon, which Seller agrees to timely pay), but Seller shall provide Buyer with prompt notice of any such payment. Every thirty (30) days during the Collection Period, Buyer shall make a payment to Seller equal to the amount of all collections of Seller Accounts Receivable during such thirty (30) day period less any commissions and/or other expenses due thereon (which Buyer is hereby directed to pay on Seller's behalf). At the end of the 60-day collection period, any remaining Seller Accounts Receivable shall be returned to Seller for collection.

Buyer shall afford Seller, its agents and representatives, upon reasonable advance notice by Seller, reasonable access to all of Buyer's records which relate or pertain to Buyer's post-Closing cash receipts from any account or person who was indebted to Seller prior to the Closing Date and who remains indebted to Seller pursuant to any uncollected Seller Account Receivable. Seller shall be permitted, at its expense and upon reasonable request, to make extracts from, or copies of such records. Seller shall be entitled to receive confirmation by telephone from an employee of Buyer designated by Buyer with respect to the status of any receipts from such persons.

8.5 Station Divestiture.

8.5.1 Commencing on the date hereof, Buyer shall use commercially reasonable efforts to sell the Divestiture Stations subject to any required FCC consent, (which shall include a Final Order of such FCC consent) and any other required governmental or administrative consents.

8.5.2 If the same has not already been filed as of the time of the execution hereof, then Buyer shall use commercially reasonable efforts to, no later than ten (10) business days after the execution of this Agreement, file an application with the FCC for the FCC consent with respect to the sale or transfer of the Divestiture Stations.

ARTICLE 9 COVENANTS OF SELLER

9.1 Seller's Pre-Closing Covenants. Seller covenants and agrees with respect to the Stations that, between the date hereof and the Closing Date, except as expressly permitted by this Agreement or with the prior written consent of Buyer, Seller shall cause Seller to, act in accordance with the following:

9.1.1 Seller shall conduct the business and operations of the Stations in all material respects in the ordinary and prudent course of business consistent with past practice and

with the intent of preserving the ongoing operations and assets of the Stations, including but not limited to maintaining the independent identity of each of the Stations, retaining the current format and programming (including the content thereof) of the Stations and using its commercially reasonable efforts to retain the services of all active employees, consultants and agents.

9.1.2 Seller shall preserve the operation of the Stations intact in all material respects and use commercially reasonable efforts to preserve the business of the Stations' advertisers, customers, suppliers and others having business relations with the Stations and continue to conduct financial operations of the Stations, including its credit and collection and pricing policies and practices, in the ordinary course of business consistent with past practices.

9.1.3 Seller shall operate the Stations in all material respects in accordance with FCC rules and regulations and the Station Licenses and with all other laws, regulations, rules and orders, and shall not cause or permit by any act, or failure to act, any of the Station Licenses or other licenses, permits or authorizations listed in Schedule 7.4 to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the Station Licenses, or fail to prosecute with due diligence any pending applications to the FCC.

9.1.4 Should any fact relating to Seller which would cause the FCC to deny its consent to the transactions contemplated by this Agreement come to Seller's attention, Seller will promptly notify Buyer thereof and shall use its commercially reasonable efforts to take such steps as may be necessary to remove any such impediment to the FCC's consent to the transactions contemplated by this Agreement.

9.1.5 Seller shall not: (a) sell, lease or dispose of or commit to sell, lease or dispose of any of the Station Assets, except as permitted pursuant to Section 1.1.2 hereof; (b) sell broadcast time on a prepaid basis (other than in the general course of existing credit practices); (c) except as required by applicable law, grant or agree to grant any general increases in the rates of salaries or compensation payable to employees of the Stations; (d) grant or agree to grant any specific bonus or increase in compensation to any executive or management employee of the Stations who is to be employed by Buyer; (e) provide for any new pension, retirement or other employment benefits for employees of the Stations or any increases in any existing benefits that are not to be discharged by Seller at or prior to Closing; (f) modify, change, renew or terminate any Contract; (g) change the advertising rates in effect as of the date hereof except in accordance with ordinary course of business pricing policies; (h) create, assume or permit to exist any Liens or rights affecting any of the Station Assets, except for Permitted Liens or those in existence on the date of this Agreement and disclosed in Schedule 7.8 or Schedule 7.9(a); (i) change the call letters of the Stations; or (j) take any action which would cause any representation or warranty contained herein to be or become false or invalid or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

9.1.6 Seller shall provide Buyer prompt written notice of any change in any of the information contained in the representations and warranties made in Article 7 or any Schedule.

9.1.7 In order that Buyer may have full opportunity to make such investigation as it reasonably desires of the affairs of the Stations, including the right to audit the Financial

Statements and review the Interim Financial Statements of Seller, Seller shall give or cause the Stations to give Buyer and Buyer's counsel, accountants, engineers and other representatives, at Buyer's reasonable request and upon reasonable notice, full and reasonable access during normal business hours to all of Seller's personnel, properties, books, Contracts, reports and records (including, without limitation, financial information and tax returns relating to the Stations, and environmental audits in existence with respect to the Station Assets), real estate, buildings and equipment relating to the Stations and to the Stations' employees, and to furnish Buyer with information and copies of all documents and agreements relating to the Stations and the operation thereof (including but not limited to financial and operating data and other information concerning the financial condition, results of operations and business of the Stations) that Buyer may reasonably request in order to perform its due diligence in regard to the Stations. The rights of Buyer under this Section 9.1.7 shall not be exercised in such a manner as to interfere unreasonably with the business of the Stations. Any investigation by Buyer in accordance with the foregoing shall not diminish or negate, in any way, any of the representations or warranties of Seller set forth in this Agreement or in connection herewith.

9.1.8 Within thirty (30) days of the end of each calendar month, Seller shall deliver to Buyer an unaudited statement of revenue and expenses of Seller and a balance sheet for the month then ended (collectively, the "Interim Financial Statements"). Seller shall also furnish to Buyer any and all information customarily prepared by Seller concerning the financial condition and results of operations of the Stations.

9.1.9 Seller shall cooperate, and use its commercially reasonable efforts to cause its independent auditors to reasonably cooperate, with Buyer in order to enable Buyer, at its expense, to have independent auditors (as that term is defined in the Securities Act and the published rules and regulations thereunder) selected by Buyer prepare audited and/or reviewed financial statements for the Stations for the most recently completed fiscal year-end and any interim period(s) to the extent Buyer determines such financial statements are required by the Securities Act and/or Exchange Act, and which financial statements comply with the applicable accounting requirements of the Securities Act and Exchange Act. Without limiting the generality of the foregoing, Seller agrees that it will: (i) consent to the use or incorporation of such audited and /or reviewed financial statements in any registration statement or other document filed by Buyer or any of its Affiliates under the Securities Act or the Exchange Act, (ii) execute and deliver, and cause its officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as Seller's or Buyer's independent accountants may reasonably request under the circumstances, and (iii) cooperate, and use its commercially reasonable efforts to cause its independent auditors to reasonably cooperate in consenting to the use or incorporation of the audited financials of Buyer or any of its Affiliates under the Securities Act or the Exchange Act whether before or after the Closing. Seller's duty to cooperate pursuant to this Section 9.1.9 is between the date hereof and the Closing Date, as well as after the Closing Date to the extent Buyer reasonably requests Seller's cooperation.

9.1.10 Seller shall use its reasonable best efforts to obtain (i) any third party consents necessary for the assignment of any Contract (which shall not require any payment to any such third party except for such amounts contemplated by the Contract to be assigned, any amount then owing by Seller to such third party or the reasonable expenses incurred by such third party in connection with such assignment), and (ii) estoppel certificates from any and all lessors who are

party to the Real Estate Contracts listed on Schedule 7.8 and identified as being material to the operation of the Stations and obtaining a valid estoppel certificate of which is a condition to the consummation of the transactions contemplated hereby (the "Material Real Estate Contracts").

9.1.11 Seller shall use its commercially reasonable efforts to transfer to Buyer any discounts or other benefits which it enjoys under any arrangement as described in Section 7.9 of this Agreement.

9.2 Notification Seller agrees to notify Buyer of any litigation, arbitration or administrative proceeding pending or, to the best of its knowledge, threatened, which challenges the transactions contemplated hereby. Seller shall promptly notify Buyer if any of the normal broadcast transmissions of any of the Stations are materially interrupted, interfered with or impaired, and shall provide Buyer with prompt written notice of the problem and the measures being taken to correct such problem. If such Station or Stations is not restored so that operation is resumed to full licensed power and antenna height within five (5) days of such event, or if more than five (5) such events occur within any thirty (30) day period, or if the Station or Stations shall be off the air for more than seventy-two (72) consecutive hours, then Buyer shall have the right to (A) terminate this Agreement, or (B) postpone the Closing for a period of up to sixty (60) days while Seller attempts to cure the transmission interruption (in which case Seller shall be responsible for all associated complete repair and replacement costs associated with the cure of the transaction interruption ("Out-of-Pocket-Costs")), and if such cure occurs within such sixty (60) day period or shorter period if designated by Buyer, then the parties shall consummate the transaction at the earliest practicable date after such cure occurs, or (C) close with the Station Assets in their then current condition and Buyer shall receive a reduction in the Purchase Price in an amount mutually agreed to by Buyer and Seller as a reasonable estimate of Out-of-Pocket-Costs, and Buyer shall have the responsibility to cure the transmission interruption at its sole expense. Buyer shall not be entitled to seek indemnification from Seller pursuant to Article 15 hereof with respect to the specific transmission interruption(s) under this Section 9.2, and Seller shall be entitled to all insurance proceeds or claims relating thereon, if (i) cured by Seller pursuant to clause (B) above or (ii) Buyer closes pursuant to clause (C) above. If Buyer terminates this Agreement pursuant to clause (A) above, Buyer shall not be entitled to liquidated damages pursuant to Section 16.3 below unless the cause of such transmission interruption is a breach by Seller under this Agreement; provided, however, Seller shall not be in breach, with respect to this Section 9.2 only, if such transmission interruption is due to acts of God, strikes or threats thereof, or due to causes reasonably beyond Seller's control

9.3 No Inconsistent Action Seller shall not take any action which is materially inconsistent with its obligations under this Agreement, or take any action which would cause any representation or warranty of Seller, contained herein to be or become false or invalid or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

9.4 Closing Subject to Article 12 hereof, on the Closing Date, Seller shall transfer, convey, assign and deliver to Buyer the Station Assets and the Assumed Liabilities as provided in Articles 1 and 2 of this Agreement and Buyer shall make the payments therein provided.

9.5 Other Items Except as otherwise specifically contemplated by this Agreement, until the Closing Date, Seller shall not, without the written consent of Buyer: (a) waive or release any right relating to the business or operations of the Stations, except for adjustments or settlements

made in the ordinary course of business consistent with past practices; (b) transfer or grant any material rights under any of the Station Licenses; (c) enter into any commitment for capital expenditures in excess of \$5,000 for which Buyer would become liable after the Closing Date; (d) introduce any material changes in the broadcast hours or in the format of the Stations or any other material change in the Stations' programming policies, including without limitation any change in its current practices with respect to the amount of airtime available to broadcast commercials on the Stations; and (e) enter into any transaction or make or enter into any contract or commitment with respect to the Stations or the Station Assets which by reason of its size or otherwise is not in the ordinary course of business consistent with past practices.

9.6 Exclusivity. Seller agrees that, commencing on the date hereof through the Closing or earlier termination of this Agreement, Buyer shall have the exclusive right to consummate the transactions contemplated herein, and during such exclusive period, Seller agrees that neither Seller, nor any officer, employee or other representative or agent of Seller, or member or manager of Seller: (a) will initiate, solicit or encourage, directly or indirectly, any inquiries, or the making or implementation of any proposal or offer with respect to a merger, acquisition, consolidation or similar transaction involving, or any purchase of, all or any portion of the Station Assets or any securities of Seller (any such inquiry, proposal or offer being hereinafter referred to as an "Acquisition Proposal" and any such transaction being hereinafter referred to as an "Acquisition"); (b) will engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement an Acquisition Proposal; or (c) will continue any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any Acquisition Proposal or Acquisition and will take the necessary steps to inform the individuals or entities referred to above of the obligations undertaken by them in this Section 9.6.

9.7 Studio Equipment. Any equipment that is located at Seller's studios, including but not limited to those items list on Schedule 7.7, that is not a fixture shall be sold to Buyer on the Closing Date and shall be physically removed by Buyer or its agents within five (5) business days thereafter. Such equipment is being sold F.O.B. Seller's studios just prior to unbolting, lifting or other physical removal by Buyer or its agents and Seller or Seller's agent shall assist Buyer with the unbolting, lifting or other physical removal of the equipment. Such equipment shall be made available for delivery to Buyer, within one (1) day after the Closing Date. The Seller shall have no liability to Buyer for any loss of or damage to such equipment after Buyer picks up such equipment from Seller's studio. Buyer shall provide Seller with a written receipt for all such equipment delivered to it by Seller. Seller or its contractors shall have the right to attend and inspect the removal of such equipment. Any items of such equipment not physically removed within fourteen (14) business days after the Closing Date shall be deemed to have been abandoned by Buyer, and Seller shall have the right to use or dispose of such equipment as it may deem fit and at its sole expense, with all proceeds from such use, sale or disposition being kept for its own account, and Buyer shall have no right to receive or share in any of such proceeds.

ARTICLE 10
JOINT COVENANTS

Buyer and Seller hereby covenant and agree that between the date hereof and the Closing Date, each shall act in accordance with the following:

10.1 Confidentiality.

10.1.1 Subject to the requirements of applicable law, Buyer (until the Closing) and Seller shall each keep confidential all information obtained by it with respect to the other parties hereto in connection with this Agreement and the negotiations preceding this Agreement ("Confidential Information"); provided that, the parties hereto may furnish such Confidential Information to its employees, agents and representatives who need to know such Confidential Information (including its financial and legal advisers, its banks and other lenders) (collectively, "Representatives"). Each party hereto shall, and shall cause each of such party's Representatives to, use the Confidential Information solely in connection with the transactions contemplated by this Agreement. If the transactions contemplated hereby are not consummated for any reason, each party shall return to such other party hereto, without retaining a copy thereof, any schedules, documents or other written information obtained from such other party in connection with this Agreement and the transactions contemplated hereby.

10.1.2 Notwithstanding anything contained in Section 10.1.1, no party shall be required to keep confidential or return any Confidential Information which: (a) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party; (b) is or becomes publicly known through no fault of the receiving party or its agents; (c) is required to be disclosed pursuant to an order or request of a judicial or governmental authority (provided the disclosing party is given reasonable prior notice of the order or request and the purpose of the disclosure); or (d) is developed by the receiving party independently of the disclosure by the disclosing party.

10.1.3 Notwithstanding anything to the contrary in this Agreement, Buyer and its Affiliates shall, in accordance with their respective legal obligations, including but not limited to filings permitted or required by the Securities Act of 1933 and the Securities Exchange Act of 1934, the New York Stock Exchange and other similar regulatory bodies, make (i) such press releases and other public statements and announcements ("Releases") as Buyer or its Affiliates, after discussion with Buyer's legal counsel, deems necessary and appropriate in connection with this Agreement and the transactions contemplated hereby, and (ii) any and all statements Buyer deems in its sole judgment to be appropriate in any and all filings, reports, prospectuses and other similar documents filed with the Securities and Exchange Commission or other regulatory bodies. Buyer shall use reasonable efforts to provide Seller with a copy of any Releases before any publication of same; provided that, if the content of the Release is, in the sole judgment of Buyer reasonably exercised, after discussion with Buyer's legal counsel, substantially similar to the content of a Release previously provided to Seller, Buyer shall have no obligation to provide Seller with a copy of such Release. Seller may make comments to Buyer with respect to any such Releases provided to Seller, provided however, Buyer is not required to incorporate any such comments into the Releases.

10.1.4 Notwithstanding anything contained in this Agreement to the contrary, any and all Confidential Information may be disclosed by Buyer to any prospective assignee of Buyer, provided that such prospective assignee agrees to abide by the terms of this Section 10.1 with regard to such Confidential Information disclosed to it.

10.2 Cooperation. Subject to express limitations contained elsewhere herein, Buyer and Seller agree to cooperate fully with one another in taking any reasonable actions (including without limitation, reasonable actions to obtain the required consent of any governmental instrumentality or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the satisfaction of any condition to closing set forth herein.

10.3 Control of Stations. Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Stations prior to the Closing. Such operations, including complete control and supervision of all Stations' programs, employees and policies, shall be the sole responsibility of Seller.

10.4 Consents to Assignment. To the extent that any Contract identified in the Schedules is not capable of being sold, assigned, transferred, delivered or subleased without the waiver or consent of any third person (including a government or governmental unit), or if such sale, assignment, transfer, delivery or sublease or attempted sale, assignment, transfer, delivery or sublease would constitute a breach thereof or a violation of any law or regulation, this Agreement and any assignment executed pursuant hereto shall not constitute a sale, assignment, transfer, delivery or sublease or an attempted sale, assignment, transfer, delivery or sublease thereof. Subject to the provisions of Section 11.5 in regards to Material Contracts, in those cases where consents, assignments, releases and/or waivers have not been obtained at or prior to the Closing to the transfer and assignment to Buyer of the Contracts, this Agreement and any assignment executed pursuant hereto, to the extent permitted by law, shall constitute an equitable assignment by Seller to Buyer of all of Seller's rights, benefits, title and interest in and to the Contracts, and where necessary or appropriate, Buyer shall be deemed to be Seller's agent for the purpose of completing, fulfilling and discharging all of Seller's rights and liabilities arising after the Closing Date under such Contracts. Seller shall use its commercially reasonable efforts to provide Buyer with the financial and business benefits of such Contracts (including, without limitation, permitting Buyer to enforce any rights of Seller arising under such Contracts), and Buyer shall, to the extent Buyer is provided with the benefits of such Contracts, assume, perform and in due course pay and discharge all debts, obligations and liabilities of Seller under such Contracts to the extent that Buyer was to assume those obligations pursuant to the terms hereof.

10.5 Filings. In addition to the covenants of the parties set forth in Article 5 hereto, as promptly as practicable after the execution of this Agreement, Buyer and Seller shall use their reasonable best efforts to obtain, and to cooperate with each other in obtaining, all authorizations, consents, orders and approvals of any governmental authority that may be or become necessary in connection with the consummation of the transactions contemplated by this Agreement, and to take all commercially reasonable actions to avoid the entry of any order or decree by any governmental authority prohibiting the consummation of the transactions contemplated hereby, and each shall furnish to one another all such information in its possession as may be necessary for the completion of the reports or notifications to be filed by the other.

10.6 Bulk Sales Laws. Buyer hereby waives compliance by Seller with the provisions of the "bulk sales" or similar laws of any state. As provided in Section 15.2.1(c), Seller agrees to indemnify Buyer and hold it harmless from any and all loss, cost, damage and expense (including but not limited to, reasonable attorney's fees) sustained by Buyer as a result of any failure of Seller to comply with any "bulk sales" or similar laws.

10.7 Employee Matters.

10.7.1 The parties acknowledge and agree that Buyer shall have the right (but not the obligation) to interview and to elect which of the employees, if any, of Seller that it will hire. In that regard, Seller shall provide Buyer access to its personnel records and personnel files, and shall provide such other information regarding Seller's employees (consistent with applicable law) as Buyer may reasonably request prior to the Closing Date. Buyer shall have the sole and exclusive right to establish the wage, any other compensation and all other terms and conditions of employment of any person hired by Buyer. All employees of Seller who are offered and accept employment with Buyer shall be considered terminated employees of Seller and shall not be entitled to receive from Buyer credit for any accrued vacation days, sick days, personal days, paid time off or other such days.

10.7.2 Seller shall be responsible for the payment of all compensation and accrued employee benefits payable to all employees through the Closing Date. Seller also shall be responsible for providing any notice required by the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §2101 et seq., or any state statute requiring notice to terminated or laid off employees, whether such notice is required to be given before or after the Closing Date. Buyer, as purchaser of the Station Assets, shall assume no employee benefit plans, programs, policies, or practices, whether or not set forth in writing, maintained by Seller at any time.

10.7.3 Seller acknowledges and agrees that it, and not Buyer, is and shall after Closing remain solely responsible for any and all wages, compensation, commission, bonuses, severance pay, insurance, supplemental pension, deferred compensation, retirement and any other benefits, premiums and claims, due, to become due, committed, accrued or otherwise promised to any person who, as of the Closing Date, is a retiree, former employee, current employee of Seller, relating to the period up to and including the Closing Date.

10.7.4 Seller acknowledges and agrees that it, and not Buyer, shall be responsible for making COBRA continuation coverage (as described in Section 601 of ERISA) available to all persons who are classified as M & A qualified beneficiaries (as such term is defined in Treasury Regulation Section 54.4980B-9) as a result of the sale contemplated by this Agreement. If Seller fails to provide the COBRA continuation coverage to any M & A qualified beneficiary as required in the preceding sentence, Buyer shall provide such COBRA continuation coverage; provided that Buyer would have been responsible to provide such coverage under the terms of Treasury Regulation Section 54.4980B-9 in the absence of the preceding sentence and provided further that Seller shall be responsible to reimburse Buyer for the amount of benefits paid on behalf of such M & A qualified beneficiary for the period of the COBRA continuation coverage in excess of the premiums charged to such M & A qualified beneficiary for such period. Seller agrees to notify Buyer prior to termination of any group health plan providing COBRA continuation coverage to any M& A qualified beneficiaries under this Agreement.

ARTICLE 11
CONDITIONS OF CLOSING BY BUYER

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date or such earlier date as specifically provided below, of each of the following conditions:

11.1 Representations, Warranties and Covenants.

11.1.1 All representations and warranties of Seller made in this Agreement or in any Exhibit, Schedule or document delivered pursuant hereto, shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date, except for changes expressly permitted or contemplated by the terms of this Agreement.

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

11.1.3 Buyer shall have received a certificate, dated as of the Closing Date, from Seller, executed by a duly authorized officer of Seller, to the effect that: (a) except for changes expressly permitted or contemplated by the terms of this Agreement, the representations and warranties of Seller contained in this Agreement are true and complete in all material respects on and as of the Closing Date as if made on and as of that date; and (b) Seller has complied with or performed in all material respects all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

11.2 Governmental Consents. The FCC Consent shall have been obtained and, subject to the provisions of Section 4.1 hereof, shall have become a Final Order.

11.3 Governmental Authorizations. Seller shall be the holder of the Station Licenses and all other licenses, permits and other authorizations listed in Schedule 7.4, and there shall not have been any modification of any of such licenses, permits and other authorizations which has a material adverse effect on the Stations or the operations thereof. No proceeding shall be pending which seeks or the effect of which reasonably could be to revoke, cancel, fail to renew, suspend or adversely modify the Station Licenses or any other material licenses, permits or other authorizations listed in Schedule 7.4.

11.4 Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending or threatened against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto which: (a) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (b) questions the validity or legality of any transaction contemplated hereby; (c) seeks to enjoin any transaction contemplated hereby; (d) seeks material damages on account of the consummation of any transaction contemplated hereby; or (e) is a petition of bankruptcy by or against Seller, an assignment by Seller for the benefit of its creditors, or other similar proceeding.

11.5 Third-Party Consents and Estoppel Certificates. All Contracts shall be in full force and effect on the Closing Date. Seller shall have obtained and shall have delivered to Buyer all third-party consents to the assignment of the Material Contracts, and an estoppel certificate in substantially the form attached hereto as Exhibit F from the lessor under each of the Material Real Estate Contracts.

11.6 Closing Documents. Seller shall have delivered or caused to be delivered to Buyer, on the Closing Date, all bills of sale, endorsements, assignments and other instruments of conveyance and transfer reasonably satisfactory in form and substance to Buyer, effecting the sale, transfer, assignment and conveyance of the Station Assets to Buyer, including, without limitation, each of the documents required to be delivered by them pursuant to Article 14.

11.7 Environmental Inspections. Buyer shall have received, within sixty (60) days of the execution of this Agreement, completed Phase I environmental audit reports (the "Phase I Reports") at Buyer's sole expense regarding the real estate subject to the Real Estate Contracts, which Phase I Reports shall be satisfactory to Buyer in all respects in its sole discretion. If Buyer determine, in its sole discretion, that Phase II environmental audit reports ("Phase II Reports") are necessary or appropriate in light of the contents of the Phase I Reports, Buyer shall obtain such Phase II Reports, at Buyer's sole expense, which shall be satisfactory to Buyer in all respects. In the event that a Phase I Report and/or a Phase II report discloses an environmental condition or matter which is unsatisfactory to Buyer in its sole discretion, including without limitation, violations of Environmental Laws or the presence of Hazardous substances in concentrations objectionable to Buyer, Seller shall take any and all actions necessary to remediate and eliminate such condition or matter and bring such real estate subject to the Real Estate Contracts into compliance with all Environmental Laws, all of which shall be done to the satisfaction of Buyer as soon as possible and in no event later than forty-five (45) days following the discovery of the condition or matter; provided, however, that in the event any such condition or matter exists on the Closing Date (i.e., all other conditions to close having been satisfied or waived), then notwithstanding any other provision hereto, Buyer at its option may (i) terminate the Agreement; (ii) extend the Closing Date for a period of up to sixty (60) days until such time as Seller shall have remediated such condition or matter to the satisfaction of Buyer, or (iii) deduct from the Purchase Price that amount which Buyer reasonably determines to be sufficient to cover any remediation clean-up costs and other actual and potential Damages (as defined in Section 15.2.1) and close the transaction on the Closing Date; provided that any such deduction from the Purchase Price shall not constitute Buyer's sole remedy under this Section 11.7.

11.8 Title Insurance and Surveys. Within sixty (60) days of the date of this Agreement, Buyer shall have received (at Seller's expense): (a) commitments for ALTA title insurance policies with respect to the real property subject to the Real Estate Contracts acceptable to Buyer (the "Titles"); and (b) staked-on-ground boundary surveys of the real estate subject to the Real Estate Contracts acceptable to Buyer, certified current as of the date of delivery thereof, prepared by a duly licensed and registered land surveyor acceptable to Buyer (the "Surveys"). The Titles and the Surveys will be ordered by the Buyer, and shall in all respects be acceptable to Buyer in its sole discretion. Seller shall pay all costs and expenses of obtaining the Titles and the Surveys, including without limitation, all title insurance premiums associated therewith. The Surveys shall be made and prepared in accordance with the Minimum Standard Detail requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1986. In the event that the

Titles and/or Surveys are unsatisfactory to Buyer in its sole discretion, Seller shall take any and all actions necessary to remedy and/or eliminate such unsatisfactory condition or matter to the satisfaction of Buyer in its sole discretion as soon as possible and in no event later than forty-five (45) days following the discovery of the condition or matter; provided, however, that in the event any such condition or matter exists on the Closing Date (i.e., all other conditions to close having been satisfied or waived), then notwithstanding any other provision hereto, Buyer at its option may (i) terminate the Agreement; (ii) extend the Closing Date for a period of up to sixty (60) days until such time as Seller shall have remediated such condition or matter to the satisfaction of Buyer, or (iii) deduct from the Purchase Price that amount which Buyer reasonably determines to be sufficient to cover any costs and actual and potential Damages and close the transaction on the Closing Date; provided that any such deduction from the Purchase Price shall not constitute Buyer's sole remedy under this Section 11.8.

11.9 No Material Adverse Effect. No change in condition or status of the Stations or Station Assets having a material adverse effect shall have occurred between the date of this Agreement and the Closing Date, or be threatened or be reasonably likely to occur.

11.10 Station Divestiture. Buyer, or an Affiliate of Buyer, shall have divested itself of any and all assets, including FCC licenses, related to the Divestiture Stations after receipt of a Final Order from the FCC and the consummation of such transaction shall have occurred prior to or simultaneous with the Closing set forth herein.

ARTICLE 12 CONDITIONS OF CLOSING BY SELLER

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

12.1 Representations, Warranties and Covenants

12.1.1 All representations and warranties of Buyer made in this Agreement or in any Exhibit, Schedule or document delivered pursuant hereto, shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date, except for changes expressly permitted or contemplated by the terms of this Agreement.

12.1.2 All the terms, covenants and conditions to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

12.1.3 Seller shall have received a certificate, dated as of the Closing Date, executed by a duly authorized officer of Buyer, to the effect that: (a) the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects on and as of the Closing Date as if made on and as of that date; and (b) that Buyer has complied with or performed in all material respects all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

12.2 Governmental Consents. The FCC Consent shall have been obtained and, subject to the provisions of Section 4.1 hereof, shall have become a Final Order.

12.3 Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending or threatened against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto which: (a) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (b) questions the validity or legality of any transaction contemplated hereby; (c) seeks to enjoin any transaction contemplated hereby; or (d) seeks material damages on account of the consummation of any transaction contemplated hereby.

12.4 Closing Documents. Buyer shall have delivered or caused to be delivered to Seller, on the Closing Date, each of the documents and Purchase Price required to be delivered by it pursuant to Article 14.

12.5 Station Divestiture. Either Buyer, or an Affiliate of Buyer, shall have divested itself of any and all assets, including FCC licenses, related to the Divestiture Stations.

ARTICLE 13 TRANSFER TAXES; FEES AND EXPENSES

13.1 Expenses. Except as set forth in Section 13.2 and 13.3 hereof or otherwise expressly set forth in this Agreement, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement including, but not limited to the costs and expenses incurred pursuant to Article 5 hereof and the fees and disbursements of counsel and other advisors.

13.2 Transfer Taxes and Similar Charges. All costs of transferring the Station Assets in accordance with this Agreement, including recordation, transfer and documentary taxes and fees, and any excise, sales or use taxes, shall be paid by Seller.

13.3 Governmental Filing or Grant Fees. Any filing or grant fees imposed by any governmental authority the consent of which or the filing with which is required for the consummation of the transactions contemplated hereby shall be paid equally by Buyer and Seller.

ARTICLE 14 DOCUMENTS TO BE DELIVERED AT CLOSING

14.1 Seller's Documents. At the Closing, Seller shall deliver or cause to be delivered to Buyer the following:

14.1.1 Certified resolutions of the shareholders and/or members of Seller approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby;

14.1.2 A certificate of Seller, dated the Closing Date, in the form described in Section 11.1.3;

14.1.3 Governmental certificates showing that each Seller: (a) is duly organized and in good standing in the State of Delaware, and authorized to do business in the State of Illinois, and (b) has filed all returns, paid all taxes due thereon and is currently subject to no assessment in such states, each certified as of a date not more than ten (10) business days before the Closing Date in the case of (a), or thirty (30) business days before the Closing Date, in the case of (b);

14.1.4 Such certificates, bills of sale, assignments, documents of title and other instruments of conveyance, assignment and transfer (including without limitation any necessary consents to conveyance, assignment or transfer), and Lien releases, all in form reasonably satisfactory to Buyer and Buyer's counsel, as shall be effective to vest in Buyer good, marketable and insurable title in and to the Station Assets, free, clear and unencumbered;

14.1.5 An Assignment and Assumption Agreement in the form of Exhibit C effectuating the assignment and assumption of the Assumed Liabilities (the "Assignment and Assumption Agreement");

14.1.6 A Noncompetition and Confidentiality Agreement in the form of Exhibit B between Buyer, Seller, Peter H. Ottmar and John Maguire (the "Noncompetition Agreement"), such Noncompetition Agreement shall not include restrictions on Seller with respect to radio stations WXCL-FM, WDQX-FM, WWCT-FM, WIHN-FM, WYST-FM, WRPW-FM and WDQZ-FM, licensed to Peoria or Bloomington Illinois or their vicinity by the FCC ("Seller's Stations") so long a Seller holds the FCC licenses to the Seller's Stations.

14.1.7 Originals and all copies of all program, operations, transmission or maintenance logs and all other records required to be maintained by the FCC with respect to the Stations, including the public files of the Stations, which shall be left at the Stations at the time of Closing and thereby delivered to Buyer;

14.1.8 A written opinion of Seller's counsel in the form of Exhibit D, dated as of the Closing Date;

14.1.9 A written opinion of Seller's FCC counsel in the form of Exhibit E, dated as of the Closing Date;

14.1.10 Estoppel certificates substantially in the form of Exhibit F obtained from the lessors under the Material Real Estate Contracts; and

14.1.11 Such additional information, materials, agreements, documents and instruments as Buyer and its counsel may reasonably request in order to consummate the Closing.

14.2 Buyer's Documents. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

14.2.1 Certified resolutions of the Board of Directors of Buyer approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby;

14.2.2 A certificate of Buyer, dated the Closing Date, in the form described in Section 12.1.3.

14.2.3 The Assignment and Assumption Agreement;

14.2.4 The Noncompetition Agreement;

14.2.5 The Purchase Price in accordance with Section 3.1 hereof; and

14.2.6 Such additional information, materials, agreement, documents and instruments as Seller and its counsel may reasonably request in order to consummate the Closing.

ARTICLE 15

SURVIVAL; INDEMNIFICATION; ETC.

15.1 Survival of Representations, Etc. It is the express intention and agreement of the parties to this Agreement that all covenants and agreements (together, "Agreements") and all representations and warranties (together, "Warranties") made by Buyer and Seller in this Agreement shall survive the Closing (regardless of any knowledge, investigation, audit or inspection at any time made by or on behalf of Buyer or Seller) as follows:

15.1.1 The Agreements shall survive the Closing without limitation.

15.1.2 The Warranties in the third sentence of Section 7.7, the first sentence of Section 7.8.3 and Section 7.11 shall survive the Closing without limitation.

15.1.3 The Warranties in Section 7.6 or otherwise relating to the federal, state, local or foreign tax obligations of Seller shall survive the Closing until thirty (30) days following the period of the applicable statute of limitations, plus any extensions or waivers granted or imposed with respect thereto.

15.1.4 All other Warranties shall survive for a period of eighteen (18) months from the Closing Date.

15.1.5 The right of any party to recover Damages pursuant to Section 15.2 shall not be affected by the expiration of any Warranties as set forth herein, provided that written notice of the existence of any Damages (but not necessarily the fixed amount of any such Damages) has been given by the indemnified party to the indemnifying party prior to such expiration.

15.1.6 Notwithstanding any provision hereof to the contrary, there shall be no contractual time limit in which Buyer or Seller may bring any action for actual fraud (a "Fraud Action"), regardless of whether such actual fraud also included a breach of any Agreement or Warranty; provided, however, that any Fraud Action must be brought within the period of the applicable statute of limitations plus any extensions or waivers granted or imposed with respect thereto.

15.2 Indemnification

15.2.1 Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or related to: (a) any breach of the Agreements or Warranties given or made by Seller in this Agreement; (b) the Retained Liabilities; (c) any failure of the parties to comply with any "bulk sales" laws applicable to the transactions contemplated hereby; (d) the conduct of the business and operations of the Stations or any portion thereof or the use or ownership of the Station Assets prior to the Closing Date; and (e) the failure of Buyer to hire any employee of Seller.

15.2.2 Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or related to: (a) any breach of the Agreements and Warranties given or made by Buyer in this Agreement; (b) the Assumed Liabilities; (c) the conduct of the business and operations of the Stations or any portion thereof or the use or ownership of any of the Station Assets on or after the Closing Date; and (d) the transactions contemplated by Section 17.4.2.

15.3 Procedures: Third Party and Direct Indemnification Claims. The indemnified party agrees to give written notice within a reasonable time to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (hereinafter collectively "Claims," and individually a "Claim"), it being understood that the failure to give such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, unless the indemnifying party's ability to contest, defend or settle with respect to such Claim is thereby demonstrably and materially prejudiced. The parties also agree that any claim for Damages arising directly between the parties relating to this Agreement may be brought at any time within the period specified in Section 15.1, and that the only notice required with respect thereto shall be as specified in Section 15.1.5.

The obligations and liabilities of the parties hereto with respect to their respective indemnities pursuant to Section 15.2 resulting from any Claim shall be subject to the following additional terms and conditions:

15.3.1 The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

15.3.2 In the event that the indemnifying party shall elect not to undertake such defense or opposition, or within ten days after notice of any such Claim from the indemnified party shall fail to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

15.3.3 Anything in this Section 15.3 to the contrary notwithstanding: (a) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (b) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any

judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the indemnified party of a release from all liability in respect of such Claim; and (c) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

15.3.4 The parties agree that all claims not disputed by the indemnifying party shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. As used in this Section 15.3.4, a final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by all of the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties.

15.3.5 No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

15.4 Limitations. Notwithstanding the foregoing:

15.4.1 Each party shall (and shall cause its Affiliates to) use commercially reasonable efforts to pursue all legal rights and remedies available in order to minimize the Damages for which indemnification is provided to it under this Article 15.

15.4.2 Neither party shall be liable for indemnification to the other party except if and solely to the extent (if any) that the amount of the indemnified party's post-closing claims for Damages exceeds Seventy Five Thousand Dollars (\$75,000) and then indemnifying party shall be responsible for all Damages from the first dollar, except to the extent relating to fraud or intentional breach and for Damages under Sections 15.1.3, 15.2.1(b) and (c) and 15.2.2(b) and (d), as to which there shall be no deductible amount.

15.4.3 In no event shall any indemnifying party be responsible or liable for punitive damages with respect to any Claims or Damages under this Article 15.

15.4.4 The Indemnification Escrow Deposit shall be the sole source of payment for indemnification claims of Buyer unless such Claims are Claims that relate to Section 7.4.2 or 15.1.6 hereof.

15.4.5 Buyer's indemnification obligations to Seller pursuant to this Section 15 shall be limited to Six Hundred Twenty Five Thousand Dollars (\$625,000).

ARTICLE 16 TERMINATION RIGHTS

16.1 Termination This Agreement may be terminated at any time prior to Closing as follows:

16.1.1 Upon the mutual written consent of Buyer and Seller, this Agreement may be terminated on such terms and conditions as so agreed; or

16.1.2 By written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements herein contained and such breach or default shall not be cured within thirty (30) days of the date of notice of breach or default served by Buyer; or

16.1.3 By written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements herein contained and such breach or default shall not be cured within thirty (30) days of the date of notice of breach or default served by Seller; or

16.1.4 By written notice of Buyer to Seller or Seller to Buyer, if the FCC denies the FCC Application or designates it for a hearing; or

16.1.5 By written notice of Buyer to Seller, or Seller to Buyer, if any court of competent jurisdiction shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, or by Buyer, if any court, legislative body or governmental or regulatory authority has taken, or is reasonably expected to take, action that would make the consummation of the transactions contemplated hereby inadvisable or undesirable as determined by Buyer in its sole discretion; or

16.1.6 By written notice of Buyer to Seller or Seller to Buyer, if the Closing shall not have been consummated on or before one (1) year from the date of FCC issuance of public notice of the acceptance of the filing of the FCC Application; or

16.1.7 By written notice of Buyer to Seller if it shall become apparent in Buyer's judgment reasonably exercised that any condition to Buyer's obligation to close as set forth in Article 11 hereof will not be satisfied on or before the first anniversary of the date of this Agreement and such condition shall not be cured within thirty (30) days of the date of notice of such condition served by Buyer; or

16.1.8 By written notice of Buyer to Seller under the conditions set forth in Section 9.2, 11.7, 11.8 or 17.1 hereof;

16.1.9 By written notice of Buyer to Seller that any of the conditions to Closing as set forth in Sections 11.9 or 11.10 have not been satisfied;

16.1.10 By written notice of Buyer to Seller, if Seller has breached its covenants under Section 9.1.9 which breach has (a) prevented Buyer from receiving an unqualified auditor's report from either Buyer's or Seller's independent auditors, as provided in Section 9.1.9, or (b) prevented such auditors from agreeing to execute any and all consents to the incorporation of the audited financial statements by Buyer in any of Buyer's or its Affiliates filings under the Securities Act or Exchange Act, and such condition shall not be cured within thirty (30) days of the date of notice of such condition served by Buyer, provided, all such expenses associated with the cure of such breach shall be paid by Seller; or

16.1.11 By written notice of Buyer to Seller, if Buyer shall have not received an unqualified auditor's report from either Buyer's or Seller's independent auditors, as provided in Section 9.1.9, or such auditors shall not have agreed to execute any and all consents to the incorporation of the audited financial statements by Buyer in any of Buyer's or its Affiliates filings under the Securities Act or Exchange Act.

Notwithstanding the foregoing, no party hereto may effect a termination hereof if such party is in material default or breach of this Agreement.

16.2 Liability. Except as set forth in Section 16.4 below, the termination of this Agreement under Section 16.1 shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

16.3 Monetary Damages, Specific Performance and Other Remedies. The parties recognize that if Seller refuses to perform under the provisions of this Agreement or Seller otherwise breaches such that the Closing has not occurred, monetary damages alone will not be adequate to compensate Buyer for its injury. Buyer shall therefore, at Buyer's option, be entitled to obtain (i) specific performance of the terms of this Agreement or (ii) monetary damages equal to One Million Dollars (\$1,000,000), which amount shall constitute liquidated damages. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law. In the event of a default by Seller which results in the filing of a lawsuit for damages, specific performance, or other remedy, Buyer shall be entitled to reimbursement by Seller of reasonable legal fees and expenses incurred by Buyer in enforcing its rights and interest at the prime rate on the amount of any judgment obtained against Seller from the date of default until the date of payment of the judgment.

16.4 Seller's Liquidated Damages. If the parties hereto shall fail to consummate this Agreement on the Closing Date due solely to Buyer's material breach of this Agreement or Buyer's termination of the Agreement pursuant to Section 16.1.11, and Seller is not at that time in material breach hereof, then Seller shall be entitled to retain the Escrow Deposit, which amount shall constitute liquidated damages. It is understood and agreed that such liquidated damages amount represents Buyer's and Seller's reasonable estimate of actual damages and does not constitute a

penalty. Recovery of liquidated damages shall be the sole and exclusive remedy of Seller against Buyer for failing to consummate this Agreement as a result of Buyer's material breach hereof and shall be applicable regardless of the actual amount of damages sustained and all other remedies are deemed waived by Seller.

ARTICLE 17 MISCELLANEOUS PROVISIONS

17.1 Risk of Loss. The risk of loss or damage to any of the Station Assets prior to the Closing Date shall be upon Seller, except for matters governed by Section 9.2 above. Seller shall repair, replace and restore any such damaged or lost Station Asset to its prior condition as soon as possible and in no event later than thirty (30) days following the loss or damage; provided, however, that in the event any loss or damage of the Station Assets exists on the Closing Date, the Buyer, at its option, shall either (A) extend the Closing Date until such time as Seller shall have repaired, replaced and restored any such damaged or lost Station Asset to its prior condition, or (B) to the extent the Out-of-Pocket Costs associated with such Station Asset are not greater than Two Hundred Fifty Thousand Dollars (\$250,000), close with the Station Assets in their then current condition, in which case Buyer shall receive a reduction in the Purchase Price in an amount mutually agreed upon by Seller and Buyer as a reasonable estimate of the Out-of-Pocket Costs, and Buyer shall have the responsibility to repair, replace or restore any such damaged Station Assets at its sole expense, or (C) if the Out-of-Pocket Costs exceed Two Hundred Fifty Thousand Dollars (\$250,000) and Seller exercises its right to decline in writing to be responsible for losses or damages in excess of that amount, then Buyer shall be entitled to terminate this Agreement upon written notice to Seller. Buyer shall not be entitled to seek indemnification from Seller pursuant to Article 15 hereof with respect to the specific loss or damage under this Section 17.1, and Seller shall be entitled to all insurance proceeds or claims relating thereto, if (i) repaired, replaced or restored by Seller pursuant to clause (A) above or (ii) Buyer closes pursuant to clause (B) above. If Buyer terminates this Agreement pursuant to clause (C) above, Buyer shall not be entitled to liquidated damages pursuant to Section 16.3 below unless the cause of such loss or damage is a breach by Seller under this Agreement; provided, however, Seller shall not be in breach, with respect to this Section 17.1 only, if such loss or damage is due to acts of God, strikes or threats thereof, or due to causes reasonably beyond Seller's control.

17.2 Certain Interpretive Matters and Definitions. Unless the context otherwise requires: (a) all references to Sections, Articles, Schedules or Exhibits are to Sections, Articles, Schedules or Exhibits of or to this Agreement and the term "herein" refers to this Agreement; (b) each term defined in this Agreement has the meaning assigned to it; (c) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with generally accepted accounting principles as in effect on the date hereof; (d) "or" is disjunctive but not necessarily exclusive; (e) words in the singular include the plural and vice versa; (f) the term "Affiliate" has the meaning given it in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended; and (g) all references to "\$" or dollar amounts will be to lawful currency of the United States of America.

17.3 Further Assurances. After the Closing, Seller shall from time to time, at the request of and without further cost or expense to Buyer, execute and deliver such other instruments of

conveyance and transfer and take such other actions as may reasonably be requested in order more effectively to consummate the transactions contemplated hereby to vest in Buyer good and marketable title to the Station Assets being transferred hereunder, free, clear and unencumbered, and Buyer shall from time to time, at the request of and without further cost or expense to Seller, execute and deliver such other instruments and take such other actions as may reasonably be requested in order more effectively to relieve Seller of any obligations being assumed by Buyer hereunder.

17.4 Benefit and Assignment.

17.4.1 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Seller may not voluntarily or involuntarily assign its interest under this Agreement without the prior written consent of Buyer. Buyer shall have the right to assign and/or delegate all or any portion of its rights and obligations under this Agreement, including, without limitation, assignments as collateral, provided that no such assignment and/or delegation shall relieve Buyer of its obligations hereunder in the event that its assignee fails to perform the obligations delegated. In the event Buyer finds it necessary or is required to provide to a third party a collateral assignment of the Buyer's interest in this Agreement and/or any related documents, Seller shall reasonably cooperate with the Buyer and any third party requesting such assignment including but not limited to Seller signing a consent and acknowledgment of such assignment. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and permitted assigns of the parties hereto.

17.4.2 In the event that Buyer, at or prior to the Closing, assigns its rights and obligations under this Agreement (in whole or in part) to a "qualified intermediary" (as defined in Treas. Reg. Section 1.1031(k)-1(g)(4)) with the intention that all or part of the Station Assets will constitute "replacement property" (as defined in Treas. Reg. Section 1.1031(k)-1(a)) for purposes of Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), Buyer will provide written notice of such assignment to Seller. Seller shall reasonably cooperate with all reasonable requests of the Buyer's qualified intermediary as necessary to consummate the transaction contemplated hereby as one which qualifies as part of a like-kind exchange pursuant to Section 1031 of the Code, and shall promptly provide Buyer with a written acknowledgement of any such notice. However, except for the obligations of Seller set forth in this Agreement, Seller shall have no liability to Buyer for the failure of any transaction of Buyer to qualify as a like-kind exchange under Section 1031 of the Code or for any other matter related to such transaction. Further, an assignment to a qualified intermediary by Buyer shall not relieve Buyer of any of its obligations hereunder or delay the Closing Date. All reasonable out-of-pocket costs incurred by Seller in performing under this Section 17.4.2 shall be borne by Buyer as an adjustment to the Purchase Price.

17.5 Amendments. 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.

17.6 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.

17.7 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Illinois without giving effect to the choice of law provisions thereof. Any action, suit or proceeding brought by any party to this Agreement relating to or arising out of this Agreement or any other agreement, instrument, certificate or other document delivered pursuant hereto (or the enforcement hereof or thereof), other than the Deposit Escrow Agreement or the Indemnification Escrow Agreement, must be brought and prosecuted as to all parties in, and each of the parties hereby consents to service of process, personal jurisdiction and venue in, the state and Federal courts of general jurisdiction located in Peoria County, Illinois.

17.8 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, including by facsimile, and shall be deemed to have been duly delivered and received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when dispatched by facsimile transmission (with the facsimile transmission confirmation being deemed conclusive evidence of such dispatch) and shall be addressed to the following addresses, or to such other address as any party may request, in the case of Seller, by notifying Buyer, and in the case of Buyer, by notifying Seller:

To Buyer: Regent Broadcasting of Peoria, Inc.
100 East RiverCentre Boulevard
9th Floor
Covington, KY 41011
Fax:: (859) 292-0352
Attention: President

Copy to: Graydon Head & Ritchey LLP
1900 Fifth Third Center
511 Walnut Street
Cincinnati, Ohio 45202
Attention: John J. Kropp, Esq.
Fax: (513) 651-3836

To Seller: AAA Entertainment LLC
1110 Central Ave.
Pawtucket, Rhode Island 02861
Attention: Chairman
Fax: (401) 728-1865

Copies to: Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109
Attention: Edward Young, Esq.
Fax: 617-526-5000

17.9 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.

17.10 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

17.11 Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

17.12 Entire Agreement. This Agreement and the exhibits hereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

[signatures on following pages]

SIGNATURE PAGE TO ASSETS PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

REGENT BROADCASTING OF PEORIA, INC.

By:



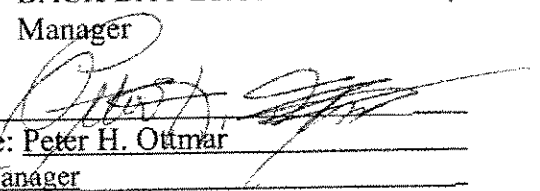
William L. Stakelin, President

SIGNATURE PAGE TO ASSETS PURCHASE AGREEMENT

AAA ENTERTAINMENT LLC

By: AAA ENTERTAINMENT
HOLDINGS, LLC, Manager

By: BACK BAY BROADCASTERS, LLC
Manager

By: 
Name: Peter H. Ottmar
Its: Manager

AAA ENTERTAINMENT LICENSING LLC

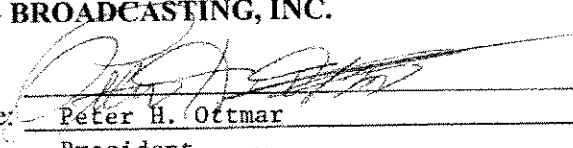
By: AAA ENTERTAINMENT LLC,
Manager

By: AAA ENTERTAINMENT
HOLDINGS, LLC, Manager

By: BACK BAY BROADCASTERS, LLC
Manager

By: 
Name: Peter H. Ottmar
Its: Manager

B&G BROADCASTING, INC.

By: 
Name: Peter H. Ottmar
Title: President