

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of July 15, 2008, is entered into by and among NEXTMEDIA OPERATING, INC., a Delaware corporation ("Operating"), NM LICENSING LLC, a Delaware limited liability company ("Licensing" and together with Operating, the "Sellers"), SUNRISE BROADCASTING LLC., a North Carolina limited liability company (the "Buyer") and, solely for the purpose of guaranteeing the obligations of the Buyer pursuant and subject to Section 13.15 of this Agreement, CAPITOL BROADCASTING COMPANY, INCORPORATED, a North Carolina corporation and the 100% parent of the Buyer ("Capitol").

WITNESSETH:

WHEREAS, Licensing is the licensee of the radio broadcast stations WKXB(FM), Facility Id. No. 59481, Burgaw, NC, WILT(FM), Facility Id. No. 74159, Wilmington, NC, WAZO(FM), Facility Id. No. 59480, Southport, NC, WFSM(FM) Facility Id. No. 48626, Oak Island, NC, WLGD(FM), Facility Id. No. 47884, Jacksonville, NC, and WMFD (AM), Facility Id. No. 61701, Wilmington, NC, each serving the Wilmington, North Carolina Arbitron Metro Market (collectively, the "Stations"), pursuant to certain authorizations held by Licensing and issued by the Federal Communications Commission (the "FCC"), and Operating owns or leases all other assets used in connection with the operation of the Stations; and

WHEREAS, the Sellers desire to sell, assign and transfer the Stations, the FCC authorizations for the Stations, and the assets and businesses of the Stations, and the Buyer

desires to acquire the Stations, such FCC authorizations, and such assets and businesses, all on the terms and subject to the conditions hereinafter set forth.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1

DEFINITIONS

“Accounting Firm” has the meaning set forth in Section 2.6 hereof.

“Adjustment Time” has the meaning set forth in Section 2.6 hereof.

“Advertising Contracts” means all orders and agreements for the sale of advertising time on or pertaining to the Stations for cash and all trade, barter, and similar agreements for the sale of advertising time on or pertaining to the Stations other than for cash, and all such orders and agreements for advertising time entered into between the date hereof and the Closing Date, each in the ordinary course of business, and to the extent the foregoing have not been performed as of the Closing Date, in each case to which Operating or any of the Stations is a party.

“Agreement” has the meaning set forth in the preamble hereto.

“Allocation Schedule” has the meaning set forth in Section 2.5 hereof.

“Assignment” has the meaning set forth in Section 3.1 hereof.

“Assignment and Assumption Agreements” has the meaning set forth in Section 2.7 hereof.

“Assignment Application” has the meaning set forth in Section 3.2(a) hereof.

“Assumed Contracts” has the meaning set forth in Section 2.7 hereof.

“Authorizations” means the Commission Authorizations and the Other Authorizations.

“Books and Records” means all books and records, whether in hard copy or computer format, relating to the businesses or operations of the Stations, including, without limitation, books of account, engineering information, blueprints, sales and promotional literature, advertising studies, marketing and demographic data, manuals, sales and purchase correspondence, lists of present suppliers, lists of present customers, filings with the FCC, logs, public inspection files, and all records required by the FCC to be kept by the Stations.

“Buyer” has the meaning set forth the preamble hereto.

“Buyer Documents” has the meaning set forth in Section 5.2 hereof.

“Closing” has the meaning set forth in Section 8.1(a) hereof.

“Closing Date” means the date of the Closing.

“Closing Date Adjustments” has the meaning set forth in Section 2.6 hereof.

“Closing Documents” means all instruments, documents and agreements delivered at the Closing in accordance with the terms of this Agreement.

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

“Commission Authorizations” means all licenses, permits, approvals, construction permits, and authorizations issued or granted by the FCC for, or used principally in connection with, the operation of any of the Stations and any and all auxiliary and/or supportive transmitting and/or receiving facilities, boosters, and repeaters used by any of the Stations, including, without limitation, all of those listed in Schedule 4.6(b)(i) hereto, together with any applications therefor, renewals, extensions, or modifications thereof and additions thereto.

“Communications Act” means the Communications Act of 1934, as amended.

“Contracts” means all contracts, agreements, orders, commitments, arrangements and understandings, written or oral, to which Operating or any affiliate or predecessor of Operating, in connection principally with the operation of the Stations or any of the Stations, is a party, including, without limitation, all leases, program licenses, contracts to broadcast product or programs on the Stations, and confidentiality agreements, Advertising Contracts, Real Property Leases and Personal Property Leases.

“Cure Period” has the meaning set forth in Section 10.1(b) hereof.

“Documentation” means all documentation, records, and software, whether in electronic or print form, in the possession or under the control of Operating evidencing, representing, or containing or relating to any Program principally used in the operation of the Stations, including, without limitation, any manuals, functional and design specifications, user

and programmer instructions, coding, testing notes, error reports and logs, patches and patch instructions, itemizations of development tools, and all other similar writings.

“Environmental Complaint” means any complaint, order, citation or other communication, whether from a governmental authority, citizens group, employee or otherwise with regard to Environmental Liabilities or any environmental, health, or safety matter affecting any of the Real Property or the operation of the Stations.

“Environmental Liabilities” means the presence of any Hazardous Substance on, at or under any of the Real Property, involving, without limitation, the use, management, handling, transport, treatment, storage, spill, escape, leakage, emission, release, discharge, remediation or clean up of any such Hazardous Substance on, onto, from, or beneath any of the Real Property, in each case, which requires correction or remediation action under or pursuant to environmental laws, rules, ordinances or regulations, on or prior to the Closing Date, the failure to obtain any license or permit required in connection with any such Hazardous Substance or discharge on, about or from or used in connection with any such Station or any of the Real Property or the retention, disposal, treatment or use thereof, and/or arising out of any noncompliance with any Environmental Requirement, and/or any Environmental Complaint of a governmental authority on or prior to the Closing Date.

“Environmental Requirement” means any federal, state, local or foreign laws, regulations or other legal requirement relating to pollution or protection of human health or the environment (including, without limitation, any ambient air, surface water, ground water, wetlands, land surface, subsurface strata, natural resources and indoor and outdoor workplace), including laws and regulations relating to emissions, discharges, releases, or threatened releases

of any Hazardous Substance or the importation, manufacture, processing, formulation, testing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

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

“ERISA Affiliate” means with respect to a Person, any other Person that is required to be aggregated with such Person under Section 4.14(b) or (c) of the Code at any time prior to the Closing Date.

“Escrow Agent” has the meaning set forth in Section 2.3(b) hereof.

“Escrow Agreement” has the meaning set forth in Section 2.3(b) hereof.

“Escrow Deposit” has the meaning set forth in Section 2.3(b) hereof.

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

“Excluded Contracts” means all Contracts listed on Schedule 1.1(c) hereto and all other Contracts other than the Assumed Contracts.

“Excluded Liabilities” has the meaning set forth in Section 2.7 hereof.

“Excluded Receivables” has the meaning set forth in Section 2.2(g) hereof.

“FCC” has the meaning set forth in the recitals hereto.

“FCC Logs” has the meaning set forth in Section 2.1(j) hereof.

“Final Order” means an action of the FCC which is not reversed, stayed, enjoined, or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing, or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition, or notice of appeal or for review by the FCC, and for any reconsideration, stay, or setting aside by the FCC on its own motion or initiative, has expired.

“Financial Statements” has the meaning set forth in Section 4.4 hereof.

“General Warranty Deed(s)” has the meaning set forth in Section 6.12 hereof.

“Hazardous Substance” has the meaning set forth in Section 4.13(a) hereof.

“Indemnification Cap” means \$1,800,000.00.

“Indemnification Threshold” means \$160,000.00, subject to any reduction pursuant to Section 2.6(b).

“Indemnified Party” has the meaning set forth in Section 11.3 hereof.

“Indemnifying Party” has the meaning set forth in Section 11.3 hereof.

“Initial Order” has the meaning set forth in Section 3.1 hereof.

“Insurance Proceeds” means all insurance proceeds and rights thereto derived from loss, damage, or destruction of or to any Tangible Personal Property or Real Property, to the extent not utilized prior to the Closing to repair or replace the lost, damaged, or destroyed items to be transferred as part of the Purchased Assets.

“Intangibles” means the call letters of each of the Stations, and all copyrights, trademarks, trade names, logos, slogans, jingles, service marks, applications for any of the foregoing, trade secrets, confidential or proprietary information, and other intangible property held for use principally by or for the Stations and/or Operating principally in connection with the business or operation of the Stations, and any and all universal resource locators (“URLs”), web sites, or domain names of or maintained principally by or for any of the Stations, and any web site or home page of or maintained principally by or for any of the Stations, and all property and assets (tangible or intangible) used or necessary to create and publish any such web site or home page and all goodwill associated with any of the above, including, without limitation, the property set forth on Schedule 4.12.

“Knowledge” (i) with respect to each of the Sellers individually means the actual knowledge, after reasonable inquiry, of Steve Dinetz, Jeff Dinetz, Eric Neumann, David Patella and Walter Howard, and (ii) with respect to the Buyer means the actual knowledge, after reasonable inquiry of James F. Goodmon.

“Licensing” has the meaning set forth in the preamble hereto.

“Lien Release Instruments” has the meaning set forth in Section 6.9 hereof.

“Liens” means any liens, pledges, claims, charges, mortgages, security interests or encumbrances of others of every kind and description.

“Losses” has the meaning set forth in Section 11.1(a) hereof.

“Material Adverse Effect” means a material adverse effect on the business, operations, financial condition or results of operation of the Stations, taken as a whole, exclusive of changes affecting the radio broadcasting industry in general.

“Material Contracts” means all Contracts set forth on Schedule 1.1(a).

“Operating” has the meaning set forth in preamble hereto.

“Other Authorizations” means all licenses, permits, variances, franchises, certifications, approvals, construction permits, and authorizations issued or granted by any administrative body or licensing authority or governmental or regulatory agency, other than Commission Authorizations, used principally in connection with the operation of any of the Stations and/or the ownership of any of the Purchased Assets, including, without limitation, all of those listed in Schedule 4.6(b)(ii) hereto, together with any applications therefor, renewals, extensions, or modifications thereof and additions thereto.

“Payment Date” has the meaning set forth in Section 2.6 hereof.

“Permitted Liens” means those Liens listed in Schedule 1.1(b) hereto.

“Personal Property Leases” has the meaning set forth in Section 4.8(c) hereof.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, estate, unincorporated organization or other legal entity.

“Programs” means all computer systems (including without limitation, management information and order systems, hardware, software (other than over the counter

“shrink-wrap” software), servers, computers, printers, scanners, monitors, peripheral and accessory devices, and the related media, manuals, documentation, and user guides) of or used principally by or in the operation of the Stations, and all of the right, title, and interest (including by reason of license or lease) of Operating or the Stations in or to any software, computer program, or software product owned, used, developed, or being developed principally by or for any of the Stations, whether for internal use or for sale or license to others, and any software, computer program, or software product licensed by Operating for use principally by the Stations, and all proprietary rights of Operating or the Stations, whether or not patented or copyrighted, associated therewith.

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

“Purchase Price” has the meaning set forth in Section 2.3(a) hereof.

“Real Property” means all land, buildings, improvements, fixtures, and transmitting towers (to the extent they constitute fixtures or other interests in real property and not Tangible Personal Property) and other real property owned by Operating, and all leaseholds and other interests in real property and the buildings and improvements thereon and appurtenances thereto, including, without limitation, easements, variances, air rights, and the like, used, or held for use principally by or for the Stations and/or Operating principally in connection with the operation of any of the Stations, including, without limitation, the properties, leaseholds and interests set forth on Schedules 4.8(a) and 4.8(b).

“Real Property Leases” has the meaning set forth in Section 4.8(b) hereof.

“Remittance Period” has the meaning set forth in Section 2.9 hereof.

“Remittances” has the meaning set forth in Section 2.9 hereof.

“Sellers” has the meaning set forth in the preamble hereto.

“Seller Documents” has the meaning set forth in Section 4.2 hereof.

“Special Warranty Deed(s)” has the meaning set forth in Section 6.12 hereof.

“Station Benefit Plans” means any pension, retirement, profit-sharing, deferred compensation, stock option, employee stock ownership, severance pay, vacation, bonus or other incentive plan; any medical, vision, dental or other health plan; any life insurance plan or any other employee benefit plan or fringe benefit plan; whether funded or unfunded, including, without limitation, any “employee benefit plan,” as that term is defined in Section 3(3) of ERISA that is currently maintained, sponsored in whole or in part, or contributed to by any of the Sellers for the benefit of, providing any remuneration or benefits to, or covering any current or former employee or retiree of Operating at any of the Stations..

“Stations” has the meaning set forth in the recitals hereto.

“Tangible Personal Property” means all fixed and tangible personal property used, or held for use, principally by or for any of the Stations and/or Operating principally in connection with the business or operation of the Stations, including, but not limited to, all physical assets and equipment, leasehold improvements, machinery, vehicles, furniture, fixtures, transmitters, antennas, office materials and supplies, spare parts, and music libraries, including, without limitation, those listed in Schedule 4.8(c) hereto, together with all replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date.

“Taxes” or “Tax” has the meaning set forth in Section 4.17 hereof.

“Transferred Employees” has the meaning set forth in Section 6.11 hereof.

ARTICLE 2

PURCHASE AND SALE OF BUSINESS AND ASSETS;

PURCHASE PRICE PAYMENT; ASSUMPTION OF OBLIGATIONS

2.1 Purchased Assets. Subject to and upon the terms and conditions contained in this Agreement, the Sellers hereby covenant and agree to sell, transfer, convey, assign, grant and deliver to the Buyer, and the Buyer hereby covenants and agrees to purchase, at the Closing, free and clear of any Liens, except for the Permitted Liens, all right, title and interest of the Sellers in and to all business, properties, assets, machinery, equipment, furniture, fixtures, franchises, goodwill and rights of the Sellers, of every nature, kind and description, tangible and intangible, owned or leased, wheresoever located and whether or not carried or reflected on the books or records of any of the Sellers, to the extent the foregoing are principally used or held for use in connection with the operation of the Stations and any replacements of or additions to such assets made between the date of this Agreement and the Closing, but excluding the Excluded Assets. All of the foregoing are herein collectively referred to as the “Purchased Assets” and include, without limitation, all of the Sellers’ right, title and interest in and to the following:

- (a) all Commission Authorizations;
- (b) all Other Authorizations;
- (c) all Tangible Personal Property;

- (d) all Real Property;
- (e) all Assumed Contracts;
- (f) all Intangibles;
- (g) all Insurance Proceeds;
- (h) all Programs;
- (i) all Documentation;
- (j) all FCC logs and similar records that relate to the operation of the Stations (“FCC Logs”) and other Books and Records;
- (k) all goodwill in and going concern value of the Stations; and
- (l) all keys, passcards, and other similar items, as well as a list of all passcodes, combinations, account numbers, and other similar information, necessary to access or operate any of the Purchased Assets or access any property that is owned Real Property or leased Real Property.

2.2 Excluded Assets. The Purchased Assets shall not include the following (the “Excluded Assets”):

- (a) All cash, cash equivalents, or similar type investments of Operating, such as certificates of deposit, Treasury bills, and other marketable securities on hand and/or in banks, unearned insurance premiums and security deposits;

(b) Any and all policies of insurance including, without limitation, any and all rights thereunder, unless otherwise agreed herein;

(c) All rights of Operating under this Agreement and the other agreements, instruments and documents executed in connection herewith;

(d) The Certificate of Incorporation of Operating, the limited liability company operating agreement of Licensing, any other governing documents of the Sellers, the Sellers' tax records, records having to do with the organization and capitalization of the Sellers, and financial records not primarily related to the Stations;

(e) Items of incidental personal property or personal effects, which may be located at the offices of the Sellers, but which are owned by any employees of Operating in their personal capacity;

(f) All inoperable or obsolete Tangible Personal Property, sold or disposed of, and all inventories, supplies and similar items consumed in the ordinary course of business and in accordance with Section 6.1 hereof between the date of this Agreement and the Closing Date;

(g) All accounts receivable of Operating and/or the Stations, as of and through 11:59 p.m., local time, on the day prior to the Closing Date, in respect of air time broadcast by Operating prior to the Closing Date ("Excluded Receivables");

(h) All Station Benefit Plans;

(i) The Excluded Contracts;

- (j) Any assets not used principally in the operations of the Stations;
- (k) All rights to claims for refunds for Taxes with respect to periods ending prior to the Closing Date;
- (l) All rights necessary to defend and discharge the Excluded Liabilities, and all causes of action of any of the Sellers in respect thereof or in respect of the Excluded Assets; and
- (m) All assets described in Schedule 2.2(m) hereto.

2.3 Purchase Price; Escrow Deposit.

(a) Subject to and upon the terms and conditions contained in this Agreement, and in reliance on the representations, warranties, covenants, and agreements of the Sellers contained herein, and in payment and consideration for the sale, conveyance, assignment, transfer, and delivery of the Purchased Assets as described herein by the Sellers, the Buyer shall pay to the Sellers an aggregate purchase price (the “Purchase Price”) in the amount of Twelve Million United States Dollars (U.S. \$12,000,000.00), and assume certain obligations of the Sellers as provided in Section 2.7 hereof.

(b) Concurrently with the execution and delivery of this Agreement, the Buyer shall deposit with Media Venture Partners, LLC as escrow agent (the “Escrow Agent”), as a good faith deposit, cash in the amount of Six Hundred Thousand United States Dollars (U.S. \$600,000.00) (such \$600,000 cash, plus any earnings thereon, the “Escrow Deposit”). The Escrow Deposit shall be held and disbursed by the Escrow Agent, pursuant to the terms of an escrow agreement in the form of Exhibit A hereto (the “Escrow Agreement”), which

Escrow Agreement shall be executed and delivered by the Buyer, the Sellers and the Escrow Agent simultaneously with the execution and delivery of this Agreement. The Escrow Deposit shall be held and disbursed in accordance with, and the parties' rights and obligations with respect to the Escrow Deposit shall be governed by, Section 10.3 hereof and the Escrow Agreement and the terms and conditions thereof; provided that if the Closing occurs, the Escrow Deposit shall be released to the Sellers at Closing and applied to the Purchase Price.

2.4 Payment. At Closing, an amount equal to the Purchase Price, as such amount may be adjusted pursuant to Sections 2.6 and 6.13 hereof, less the Escrow Deposit, shall be paid to Sellers, in immediately available funds, in cash by the Buyer by wire transfer pursuant to written wire transfer instructions delivered by the Sellers to the Buyer no later than three (3) days prior to Closing or such other means as the Sellers and the Buyer shall agree, and the Sellers and Buyer shall jointly instruct the Escrow Agent to release the Escrow Deposit to Sellers to be applied to the Purchase Price.

2.5 Allocation. The Sellers and the Buyer agree to allocate the Purchase Price among the Purchased Assets in accordance with the allocation schedule to be attached hereto as Schedule 2.5, which allocation schedule will be determined prior to the Closing (the "Allocation Schedule"). Buyer shall deliver to Sellers a proposed Allocation Schedule within thirty calendar days after execution of this Agreement. Sellers shall have thirty calendar days to accept Buyer's proposal or to deliver to Buyer an alternative Allocation Schedule. If the parties are unable to agree on the final Allocation Schedule within 60 days after the date of this Agreement, a third-party appraiser mutually acceptable to the Sellers and the Buyer, the fees of which shall be borne equally by the Buyer, on the one hand, and the Sellers, on the other hand, shall resolve the allocation of the consideration to any items with respect to which there is a dispute between the

parties. The Sellers and the Buyer will each file an IRS Form 8594 consistent with the Allocation Schedule.

2.6 Certain Closing Prorations and Adjustments.

(a) All income and normal operating expenses arising from the operation of the Stations, including, without limitation, assumed liabilities and prepaid expenses, trade and barter, Taxes and assessments (but excluding Taxes arising by reason of the sale of the Purchased Assets hereunder, which shall be paid as set forth in Section 6.6), monthly rental payments under leases of Real Property to be assumed by the Buyer pursuant to this Agreement, monthly equipment rental payments under Personal Property Leases to be assumed by the Buyer pursuant to this Agreement, annual regulatory fees payable to the FCC, power and utilities charges, and similar prepaid and deferred items shall be prorated between the Sellers and the Buyer in accordance with generally accepted accounting principles to reflect the principle that the Sellers shall be entitled to all income and be responsible for all expenses arising from the operation of the Stations through 11:59 p.m., local time, on the day prior to the Closing Date (the “Adjustment Time”), and the Buyer shall be entitled to all income and be responsible for all expenses arising from the operation of the Stations after the Adjustment Time. All special assessments and similar charges or liens imposed against the Purchased Assets in respect of any period of time through the Adjustment Time, whether payable in installments or otherwise, shall be the responsibility of the Sellers, and amounts with respect to such special assessments, charges or liens in respect of any period of time after the Adjustment Time shall be the responsibility of the Buyer, and such charges shall be adjusted as required hereunder. The prorations and adjustments to be made pursuant to this Section 2.6 are referred to as the “Closing Date Adjustments.” Ten (10) business days prior to the Closing Date, Sellers shall estimate all

Closing Date Adjustments pursuant to this Section 2.6 and shall deliver a statement of their estimates to the Buyer (which statement shall set forth in reasonable detail the basis for those estimates). By way of example only, Sellers have attached hereto as Schedule 2.6(a) a statement of their estimates of all adjustments required to the Purchase Price pursuant to this Section 2.6 assuming that the Closing was held May 31, 2008. At the Closing, the net amount due to the Buyer or the Sellers as a result of the estimated Closing Date Adjustments (excluding any item that is in good faith dispute) shall be applied as an adjustment to the Purchase Price as appropriate. Within sixty (60) days after the Closing, the Buyer shall deliver to the Sellers a statement of any adjustments to Operating's estimate of the Closing Date Adjustments, and no later than the close of business on the twentieth (20th) day after the delivery to the Sellers of Buyer's statement (the "Payment Date"), the Buyer shall pay to the Sellers, or the Sellers shall pay to the Buyer, as the case may be, any amount due as a result of the adjustment (or, if there is any good faith dispute, the undisputed amount). Except with respect to items that the Sellers notify the Buyer that they object to prior to the close of business on the Payment Date, the adjustments set forth in the Buyer's statement shall be final and binding on the parties effective at the close of business on the Payment Date. If the Sellers dispute the Buyer's determinations, the parties shall confer with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties within thirty (30) business days after such agreement (or, if they are unable to resolve the matter, they shall select a recognized firm of independent certified public accountants agreed to by the Buyer and the Sellers ("Accounting Firm") to resolve the matter, whose decision on the matter shall be binding and whose fees and expenses shall be borne equally by the parties, and an appropriate adjustment and payment shall be made based on the resolution by the Accounting Firm within thirty (30) business days

after such resolution). If the amount of Taxes which are to be prorated pursuant to this Section 2.6 is not known by sixty (60) days after the Closing Date, then the amount of such Taxes will be estimated as of such date and once the amount of such Taxes is known, the Buyer shall promptly pay to the Sellers, or the Sellers shall promptly pay to the Buyer, as the case may be, the net amount due as a result of the actual apportionment of such Taxes.

(b) The Buyer has commissioned a tower inspection report regarding the WLGD-FM, WSFM-FM and WKXB-FM towers and has provided such report to Sellers. Schedule 2.6(b) attached hereto identifies certain actions ("Tower Improvements") to be taken with respect to the WLGD-FM, WSFM-FM and WKXB-FM towers, which actions are recommended in that report. Buyer and Sellers have agreed on a budget for each of the Tower Improvements as set forth on Schedule 2.6(b) (the "Budget Amounts") Buyer shall select the contractor(s) to perform the Tower Improvements (the "Tower Contractor(s)"), subject to Sellers' reasonable consent, such consent not to be unreasonably withheld or delayed. Operating shall provide Buyer and the Tower Contractor(s) all necessary access to the Real Properties to perform the Tower Improvements. Buyer shall use its commercially reasonable efforts to cause each Tower Improvement to be completed for no more than the applicable Budget Amount; provided that Buyer may cause the expenditures for any Tower Improvement to exceed the Budget Amount to the extent necessary or advisable to bring the towers into compliance with legal requirements or generally accepted safety requirements, as determined by Buyer in its sole discretion. All materials and workmanship comprising each Tower Improvement shall be of good quality and shall conform to all applicable governmental requirements. The cost and expenses of each Tower Improvement shall be paid in full by Buyer and no lien shall attach to the Purchased Assets as a result of any Tower Improvement, other than statutory liens securing payment not yet delinquent or the validity of which are being contested in good faith, any of which shall be Permitted Liens. All costs and expenses paid by Buyer for each Tower Improvement, up to the applicable Budgeted Amount, shall reduce the amount of the Indemnification Threshold on a dollar for dollar basis, but in no case more than \$91,500

total. If this Agreement is terminated prior to Closing, then Operating shall upon demand reimburse Buyer for all costs and expenses paid by Buyer for the Tower Improvements, up to the applicable Budgeted Amounts , but in no case more than \$91,500 total.

2.7 Assumed Obligations. The Buyer shall, at the Closing, execute and deliver to each of Operating or Licensing, as applicable, an Assignment and Assumption Agreement (the “Assignment and Assumption Agreements”), in a form mutually-acceptable to the parties hereto, pursuant to which (i) Operating shall assign to the Buyer its rights in the contracts identified therein, which shall include at a minimum all contracts set forth on Schedules 1.1(a) and 4.9(a) and all Advertising Contracts, other than any such contracts that have expired or been terminated in accordance with Section 6.1 hereof (the “Assumed Contracts”) and the Buyer shall assume all obligations arising under such Assumed Contracts to be performed on or after the Closing Date, excluding any obligations arising as a result of any previous breach or default by Operating (or any of its affiliates or predecessors) thereunder and excluding any obligations that relate to stations other than the Stations, and (ii) Licensing shall assign to the Buyer its rights in the Commission Authorizations identified therein and the Buyer shall assume all obligations under such Commission Authorizations to be performed on or after the Closing Date, excluding any obligations arising as a result of a previous breach or default by Licensing (or any of its affiliates or predecessors) thereunder. Except as expressly provided in Section 2.6(a) and this Section 2.7, the Buyer shall not and does not assume any liability or obligation of the Sellers of any nature, known or unknown, fixed or contingent, disclosed or undisclosed (collectively the “Excluded Liabilities”), all of which shall be retained by the Sellers. Excluded Liabilities will include without limitation (i) all Environmental Liabilities; (ii) any and all debts, liabilities and obligations of the Sellers and any and all violations of Contracts, laws, rules, regulations, codes or orders by the Sellers which exist prior to the Closing Date or which arise on or after the Closing Date but which are based upon or arise from any act, transaction, circumstance, sale or providing of air time, goods or services, state of facts or other condition which occurred or existed, or the content of any program, advertisement or transmission broadcast or aired,

before the Closing Date, whether or not then known; (iii) any trade payable or accounts payable of Operating (except to the extent of any adjustment to the Purchase Price pursuant to Section 2.6 hereof); (iv) any obligations or liabilities of Operating to any of its employees or to any other Person under any collective bargaining agreement, employment contract or Station Benefit Plan, or for wages, salaries, bonus payments, other compensation or employee benefits, or with respect to compliance with applicable federal, state or local laws, rules or regulations relating to minimum wages, overtime rates, labor or employment; (v) all liabilities and responsibility for “COBRA” healthcare continuation coverage required to be offered and provided under Section 4980B of the Code and Sections 601-608 of ERISA and equivalent state laws, if any, to employees and former employees of the Sellers and any other COBRA or state-law qualified beneficiaries under the Sellers’ group health plan(s) who have elected or are eligible to elect COBRA or state-law continuation coverage as of or prior to the Closing Date or who incur a COBRA or state-law qualifying event in connection with the transactions contemplated by this Agreement; (vi) any litigation arising from or relating to facts, circumstances or any conduct of the Sellers prior to the Closing Date, including, without limitation, all litigation set forth on Schedules 4.5 and all litigation arising out of the events the subject of such litigation; (vii) all liabilities in respect of or arising out of any and all Taxes of the Sellers in respect of the Purchased Assets prior to the Closing Date; and (viii) all liabilities under Excluded Assets. The Buyer shall not be required to defend any suit or claim arising out of any act, event, or transaction occurring prior to the Closing in connection with the ownership or operations of or otherwise relating to the Stations or the Sellers.

2.8 Assignments of Assumed Contracts. The Buyer and Operating acknowledge that those Assumed Contracts listed on Schedule 4.9 with an asterisk, and the rights and benefits thereunder necessary or appropriate or relating to the conduct of the business and activities of Operating and/or any of the Stations, may not, by their terms, be assignable without the consent of the third party thereto or may not be assignable at all. Anything in this Agreement or in the Assignment and Assumption Agreements to the contrary notwithstanding, this Agreement shall

not constitute an agreement to assign any such Assumed Contract, and the Buyer shall not be deemed to have assumed the same or to be required to perform any obligations thereunder, if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach thereof or in any way affect the rights under any such Assumed Contract of the Buyer or Operating thereunder. In such event, Operating will cooperate with the Buyer to provide for the Buyer all benefits to which Operating is entitled under such Assumed Contracts, the Buyer will perform all such Assumed Contracts in accordance with their terms in the ordinary course of business and any transfer or assignment to the Buyer by Operating of any such Assumed Contract or any right or benefit arising thereunder or resulting therefrom which shall require the consent or approval of any third party shall be made subject to such consent or approval being obtained. Operating will use its commercially reasonable efforts prior to, and if requested by the Buyer after, the Closing Date to obtain all necessary consents to the transfer and assignment of the Assumed Contracts. Nothing in this Section 2.8 shall constitute a waiver by the Buyer of the conditions set forth in Section 7.1(g) hereof.

2.9 Remittance of Receivables. At or as soon as is reasonably practicable following the Closing, Operating will deliver to the Buyer a schedule of Excluded Receivables (other than Excluded Receivables that are then more than 120 days old). The Buyer agrees to use its commercially reasonable efforts to remit to Operating any payments received with respect to the Excluded Receivables (other than Excluded Receivables that are then more than 120 days old); provided, however, that Buyer shall not be required to collect any Excluded Receivables nor, under any circumstances, shall Buyer be required to hire attorneys or collection agencies or initiate litigation or other proceedings to collect such Excluded Receivables. From the Closing Date through the 120 day period following the Closing (the “Remittance Period”), the Buyer

shall remit to Operating the cash proceeds received by Buyer from the Excluded Receivables (the “Cash Proceeds”). Any collections from any account debtor who is an account debtor on any of the Excluded Receivables shall be credited against the account of such account debtor in the order the accounts receivable owing therefrom with respect to any of the Stations were invoiced, except to the extent a legitimate dispute exists with respect to a particular receivable and the Buyer promptly notifies Operating of such dispute. Within ten (10) business days after the end of each calendar month during the Remittance Period, the Buyer shall deliver to Operating (i) a statement or report showing all Cash Proceeds during such calendar month, (ii) a wire transfer in an amount equal to the aggregate amount of the Cash Proceeds during such calendar month, and (iii) all records of outstanding Excluded Receivables. Within ten (10) business days after the end of the Remittance Period, the Buyer shall deliver to Operating (i) a final statement or report showing all Cash Proceeds during the Remittance Period, (ii) a wire transfer in an amount equal to any remaining Cash Proceeds which had not been previously remitted to Operating, and (iii) all records of outstanding Excluded Receivables, and thereafter the Buyer shall have no further obligations with respect thereto. In the event the Buyer receives payment of any Excluded Receivable after the Remittance Period, the Buyer shall promptly remit the same to Operating. The Buyer shall not agree to any settlement, discount or reduction of any of the Excluded Receivables without the prior written consent of Operating. The Buyer shall not assign, pledge or grant a security interest in any of the Excluded Receivables to any third party or claim a security interest or right in or to any of the Excluded Receivables and the Buyer’s obligations to make payment to Operating of the Cash Proceeds shall not be subject to any set-off whatsoever. Operating shall remain liable for and shall pay all commissions it might owe in respect of any Excluded Receivable. At or as soon as is reasonably practicable following the Closing,

Operating will deliver to the Buyer a schedule of accounts payable as of the Closing Date. Operating agrees to pay such accounts payable as and when due, and within ten (10) business days after the end of each broadcast month during the Remittance Period, Operating shall deliver to the Buyer a statement or report showing all accounts payable paid and outstanding during such broadcast month.

ARTICLE 3

APPLICATION TO AND CONSENT BY FCC

3.1 FCC Consent. Prior to Closing, the FCC shall have issued its approval, without any condition adverse to the Buyer or any of its affiliates with respect to the assignment of the Commission Authorizations to the Buyer or the continued operation of the Stations by the Buyer, of the assignment (the “Assignment”) of the Commission Authorizations to the Buyer in accordance with the terms of this Agreement (the “Initial Order”). The parties recognize that Buyer’s common ownership of the Stations would contravene the FCC’s Local Radio Ownership Rule but that pursuant to the FCC’s policy concerning the assignment of grandfathered radio station combinations in MB Docket 07-294, Buyer may own all of the Stations provided that within 12 months of Closing, Buyer files an application to assign one of the FM stations to an “eligible entity,” as that term is defined by the FCC, or to an irrevocable divestiture trust for purpose of ultimate assignment to an “eligible entity.” The provision of the foregoing condition or grant of a special temporary authority or waiver of the ownership rules to allow the assignment to Buyer of the Commission Authorizations in the Initial Order shall not constitute condition adverse to Buyer or its affiliates for purposes of this Section 3.1.

3.2 Application for FCC Consent.

(a) The Sellers and the Buyer agree to use their commercially reasonable efforts and to cooperate with each other in preparing and filing the Assignment Application (defined below) and in causing the grant of the Initial Order to become a Final Order. Within three (3) business days following the execution of this Agreement, each party shall prepare and file with the FCC an application for the Assignment (the “Assignment Application”) and all information, data, exhibits, resolutions, statements, waiver requests, STA requests and other materials necessary and proper in connection with obtaining staff grant through delegated authority of such Assignment Application and Final Order. Each party further agrees to expeditiously prepare and file with the FCC any amendments or any other filings required by the FCC in connection with the Assignment Application whenever such amendments or filings are reasonably required to obtain expeditious processing and grant of the Assignment Application. Without limiting the foregoing, to the extent the FCC’s Enforcement Bureau has placed an assignment hold (an “Enforcement Hold”) on any of the Stations due to a pending complaint, investigation, or otherwise (a “Pending Complaint”), Sellers shall expeditiously resolve such Enforcement Hold with the FCC in a manner necessary to obtain expeditious grant of the Assignment Application, including, if necessary, entering into an escrow agreement with the FCC or other agreements required by the FCC to ensure that Sellers’ retain any liability relating to any Pending Complaint. Buyer shall have no obligation to assume any liability with respect to a Pending Complaint and shall otherwise not be required to enter into any agreement with the FCC relating to the Enforcement Hold or the Pending Complaint.

(b) Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing, and prosecution of its

respective portion of the Assignment Application. All filing fees and grant fees imposed shall be paid one-half (½) by Operating and one-half (½) by the Buyer.

(c) The Buyer, on the one hand, and the Sellers, on the other hand, each at its own respective expense, shall use its respective commercially reasonable efforts to oppose any efforts or any requests by third parties for reconsideration or judicial review of the grant by the FCC of the Initial Order.

3.3 Notice of Application. The Sellers shall, at their expense, give due notice of the filing of the Assignment Application by such means as may be required by the rules and regulations of the FCC.

3.4 Absence of FCC Consent. This Agreement, prior to Closing, may be terminated by the Sellers, on the one hand, or the Buyer, on the other hand, upon written notice to the other, if an Initial Order as to the Assignment Application has not come into existence and effect within six (6) months after the date hereof; provided, however, that neither the Sellers nor the Buyer, as the case may be, may terminate this Agreement if any of the Sellers, or the Buyer, as the case may be, is in material default or breach under this Agreement, or if a delay in any decision or determination by the FCC respecting the Assignment Application has been caused or materially contributed to (i) by any failure of any of the Sellers, or the Buyer, as the case may be, to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by the Sellers, or the Buyer, as the case may be, of incorrect, inaccurate or incomplete information to the FCC; or (iii) by any other action taken by any of the Sellers, or the Buyer, as the case may be, for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

3.5 Other FCC Matters. Prior to Closing, the Sellers shall take all actions necessary to remedy the matters set forth in numbered paragraph 2 of Schedule 4.6(b)(iii) in a manner that is reasonably satisfactory to Buyer, and shall promptly make all necessary filings and applications with the FCC in connection therewith. The Sellers shall keep the Buyer informed as to their progress on remedying such matters and shall consult with the Buyer as reasonably requested by Buyer. Prior to submitting any filings or applications with the FCC related to such matters, the Sellers shall provide the Buyer with a reasonable opportunity to review and comment on such filings or applications.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SELLER

Sellers jointly and severally represent and warrant to the Buyer that:

4.1 Organization, Standing, and Qualification; No Subsidiaries.

(a) Operating is a corporation validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business and is in good standing as a foreign corporation in North Carolina. Operating is not required to be qualified as a foreign corporation to do business in any other jurisdiction in connection with the operation of any of the Stations where the failure to be so qualified would have a Material Adverse Effect. Operating has all requisite corporate power and authority to own, lease, and operate its properties and to carry on its business as and in the places such properties are, in connection with the operation of the Stations, now owned, leased, or operated and where such business is presently conducted.

(b) Licensing is a limited liability company validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business and is in good standing as a foreign limited liability company in North Carolina. Licensing is not required to be qualified as a foreign limited liability company to do business in any other jurisdiction in connection with the operation of the Stations where the failure to be so qualified would have a Material Adverse Effect. Licensing has all requisite limited liability company power and authority to carry on its business as and in the places where such business is presently conducted.

(c) Except with respect to Licensing's ownership of the Commission Authorizations for the Stations, the operations of the Stations have not been conducted through any direct or indirect subsidiary, shareholder, or affiliate of the Sellers, none of the Purchased Assets are held, owned, used, or conducted by any shareholder or affiliate of the Sellers and all of the Purchased Assets (other than the Commission Authorizations) are owned or held by Operating.

4.2 Authority. Each of the Sellers has all requisite corporate or limited liability company power, as the case may be, and corporate or limited liability company authority, as the case may be, to execute, deliver, and perform this Agreement and each other agreement, document, and instrument to be executed, delivered, or performed by any of the Sellers in connection with this Agreement (the "Seller Documents") and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at the Closing, each other Seller Document will constitute, the legal, valid, and binding obligation of each of the Sellers as is party thereto, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time affecting the

enforcement of creditors' rights generally. All corporate or limited liability company and shareholder or member proceedings, as the case may be, and any other action required to be taken by the Sellers relating to the execution, delivery, and performance of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby have been duly taken.

4.3 No Conflict; Consents. Except for the filing of the Assignment Application, the granting of the Initial Order and the Final Order, and except as indicated in Schedule 4.3 hereto, the execution, delivery and performance of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the Certificate of Incorporation, Certificate of Formation, bylaws, or limited liability company operating agreement, as applicable, of any of the Sellers; (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any Material Contract or instrument of any debt or obligation to which either of the Sellers is a party or to or by which either of the Sellers or any of the Purchased Assets is subject or bound, or result in the loss or adverse modification of any of the Authorizations or Intangibles; (iii) require the consent of any party to any Material Contract; (iv) result in the creation or imposition of any Lien upon any of the Purchased Assets; (v) violate any law, rule or regulation in any material respect, or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which any of the Sellers or any of the Purchased Assets is subject or bound; or (vi) other than as contemplated in Section 3.1 hereof, require that any consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority is required to be obtained or made by the Sellers in

connection with the execution, delivery and performance of this Agreement or the Seller Documents or the consummation of the transactions contemplated hereby and thereby other than in respect of immaterial permits and licenses.

4.4 Financial Statements. Attached as Schedule 4.4 hereto are copies of Operating's unaudited statements of broadcast cash flow with respect to the Stations for the calendar year ended December 31, 2007 and for the five (5) month period ended May 31, 2008 and unaudited selected balance sheets with respect to the Stations as of December 31, 2007 and May 31, 2008 (collectively, the "Financial Statements"). The Financial Statements (i) are in accordance with the books and records of the Stations, (ii) have been prepared in accordance with GAAP except as disclosed otherwise, (iii) fairly present in all material respects the financial condition of the Stations as of the dates indicated and the results of its operations and cash flows for the periods then ended, (iv) do not contain any types of special or nonrecurring income, or any other income, not earned in the ordinary course of business, and (v) reflect no operations or business other than those of the Stations, except as expressly specified therein.

4.5 Litigation. Except as disclosed in Schedule 4.5 hereto, there is no material action, suit, proceeding, or arbitration pending, or to the Knowledge of Operating, threatened, or to the Knowledge of Operating any investigation pending or threatened against or affecting any of the Sellers in respect of the operation of any of the Stations or any assets, properties, business or employees of the Stations or the transactions contemplated by this Agreement. There is not outstanding any material order, writ, injunction, award or decree of any court or arbitrator or any federal, state, municipal or other governmental department, commission, board, agency or instrumentality to which any of the Stations or the Sellers in connection with the operation of any of the Stations is subject or otherwise applicable to any of the Stations or the Purchased Assets or

any employee of any of the Stations, nor is any of them in default with respect to any such order, writ, injunction, award or decree. Operating shall amend Schedule 4.5 after the date hereof to reflect any litigation arising after the date hereof that otherwise would have been required to be disclosed on Schedule 4.5 had such litigation existed on or prior to the date hereof.

4.6 Compliance; Properties; Authorizations.

(a) Except as set forth in Schedule 4.6(a) hereto, Sellers, in connection with the operation of the Stations, have complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to them in respect of the Stations, the employees thereof, the Purchased Assets and the Stations' operations.

(b) Licensing holds all of the Commission Authorizations, all of which are identified in Schedule 4.6(b)(i) hereto and the Sellers have all material Other Authorizations, all of which are identified in Schedule 4.6(b)(ii) hereto. Such Commission Authorizations are validly existing authorizations for the operation of the facilities described therein under the Communications Act. The Commission Authorizations identified in Schedule 4.6(b)(i) hereto constitute all of the licenses and authorizations required under the Communications Act or the current rules, regulations, and policies of the FCC in connection with the operation of the Stations as currently operated. The Commission Authorizations are in full force and effect, have not been revoked, suspended, canceled, rescinded, or terminated, have not expired without the timely filing of a license renewal application, and are unimpaired by any act or omission of any of the Sellers or any partners, members, officers, directors, employees, or agents of any of the Sellers. To the knowledge of Sellers and except as disclosed on Schedule 4.6(b)(iii), there are no conditions imposed by the FCC as part of any Commission Authorization that are neither set

forth on the face thereof as issued by the FCC nor contained in the rules and regulations of the FCC applicable generally to stations of the type, nature, class or location of the respective Stations. All FCC regulatory fees for each of the Stations have been paid, and, to the extent required by the rules, regulations and policies of the FCC, the broadcast towers from which each Station operates have been duly registered with the FCC. Except as disclosed on Schedule 4.6(b)(iii), there is no action pending nor, to the Knowledge of Sellers, threatened by or before the FCC or other body to revoke, refuse to renew, suspend, or modify any of the Commission Authorizations, or any action which may result in the denial of any pending application, the issuance of any cease and desist order, or the imposition of any administrative sanction with respect to any of the Stations or its operation, except for the Assignment Application before the FCC to transfer the Commission Authorizations to be filed pursuant hereto. Except as disclosed on Schedule 4.6(b)(iii), there is not pending to the Knowledge of Sellers, any investigation, by or before the FCC, or any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint by, before or with the FCC against any of the Sellers or partners, members, officers, directors, stockholders or affiliates of any of the Sellers nor, to the Knowledge of Sellers, are any of the foregoing threatened. Except as disclosed on Schedule 4.6(b)(iii), the Stations are, and for the time during which Operating has owned the Stations and during which Licensing has held the Commission Authorizations for the Stations have been, operating in material compliance with the Commission Authorizations, the Communications Act, and the current rules, regulations, and policies of the FCC. Except as disclosed on Schedule 4.6(b)(iii), the Sellers have timely filed all reports, forms and statements required to be filed with the FCC. All applications for the Authorizations submitted by the Sellers were true and correct when made in all material respects. Except as disclosed on

Schedule 4.6(b)(iii), the Sellers have not received any notice with respect to any of the Commission Authorizations or the compliance by any of the Stations with the Communications Act that might reasonably be expected to cause the FCC not to consent to the assignment by Licensing of the Commission Authorizations as contemplated by this Agreement.

4.7 Title to Assets. Except for the assets and properties leased to Operating pursuant to the leases identified in Schedule 4.8(b) and Schedule 4.8(d) hereto, Operating has good and marketable title to all of the Purchased Assets (except for the Commission Authorizations issued to Licensing). Operating has good and marketable leasehold title to the leased Real Property. None of the Purchased Assets is subject to any Lien except for Liens securing indebtedness, all of which will be discharged in full by Sellers at or prior to Closing, and Permitted Liens. At Closing, the Buyer will acquire from Sellers good and marketable fee simple title to all of the owned Real Property, good and marketable leasehold title to all of the leased Real Property and good title to all of the remaining Purchased Assets, in each case free and clear of all Liens other than Permitted Liens. The Purchased Assets are, in all material respects, in good operating condition and repair, are suitable for the purposes used, and are adequate and sufficient for the current operations of the Stations.

4.8 Properties.

(a) Schedule 4.8(a) contains a list of all owned Real Property. All improvements situated on the Real Property comply in all material respects with all applicable laws, ordinances, regulations and orders (including those applicable to zoning, land use and building codes) in effect as of the time the improvements were made to the Real Property and in effect as of the time such improvements and leasehold improvements were altered, renovated and

modified by Sellers after the original built date. True and correct copies of all deeds, title insurance policies (together with copies of all exception documents), surveys, and environmental studies in Seller's possession or control with respect to the owned Real Property have been delivered to Buyer. Sellers have good and marketable fee simple title to all of the owned Real Property, free and clear of all Liens other than Liens securing indebtedness, all of which will be discharged in full by Sellers at or prior to Closing, and Permitted Liens.

(b) Schedule 4.8(b) contains a true, complete and accurate list of all leases and subleases of Real Property under which Operating holds any leasehold or other interest or right to the use thereof (the "Real Property Leases") or pursuant to which Operating has leased, assigned, sublet or granted any rights therein or with respect thereto. True and correct copies of all leases and of all environmental studies commissioned by Sellers or in Sellers' possession with respect to leased Real Property, if any, have been delivered to Buyer. Each Real Property Lease constitutes a valid, binding and enforceable obligation of the Sellers and is in full force and effect and neither the Sellers nor to the Knowledge of Sellers any other party thereto is in material default under such Real Property Lease. The rental set forth in each of the Real Property Leases is the actual rental being paid, and there are no separate agreements or understandings with respect to same. Subject to the terms and conditions of the Real Property Leases, the Sellers enjoy peaceful and quiet possession of the leased Real Property, and, to the Sellers' Knowledge there are no facts which would negate the validity of the Sellers' leasehold estate in the leased Real Property. No brokerage or leasing commission or other similar compensation is due as of the date hereof to any person by the Sellers with respect to any Real Property Lease or will become due with respect to any renewal or extension of any Real Property Lease existing as of the date hereof. To the extent that any of the Real Property Leases are

subject to estoppel certificates or subordination agreements for the benefit of any lender of Sellers, such matters are noted on Schedule 4.8(b).

(c) Except for Liens securing indebtedness, all of which will be discharged in full by Sellers at or prior to Closing, and any Permitted Liens, (i) the Sellers have not granted to any party an option or right of first refusal to purchase or to sublease all or any portion of the owned Real Property or Real Property Leases; and (ii) with the exception of the tower income agreements identified in Schedule 1.1(a), the Sellers have not subjected the owned Real Property or Real Property Leases to any easements, rights, duties, obligations, covenants, conditions, restrictions, limitations, or agreements. To the Sellers' Knowledge, there are no impairments or structural defects on the Real Property. There are no proceedings (condemnation or otherwise) pending or, to the Knowledge of Operating, threatened, with respect to the Real Property, that would materially impair Buyer's full use thereof pursuant. Sellers have sufficient access to all of the Real Property for the current use and enjoyment thereof for the Stations as currently operated and consistent with the past use and enjoyment thereof. All Real Property (including the improvements thereon) (i) is in operating condition and repair consistent with its present use, past practice and the past practice of Sellers in their business (in each case, with respect to the improvements thereon, reasonable wear and tear excepted), (ii) is available for immediate use in the conduct of the business of the Stations, and (iii) to the Sellers' Knowledge, has been constructed in compliance in all material respects with all applicable (as of the date of construction) federal, state, or local statutes, laws, ordinances, regulations, rules, codes, orders, or requirements (including any building, zoning, or environmental laws or codes) affecting such property. To the Sellers' Knowledge, there are no material structural, electrical, mechanical, plumbing, air conditioning, heating, or other defects in the buildings located on the Real

Property. To the Sellers Knowledge, the owned Real Property and leased Real Property and the present use and condition thereof do not violate any applicable deed restrictions or other covenants, restrictions, license or permit conditions, agreements, existing site plan approvals, zoning or subdivision regulations, or urban redevelopment plans applicable thereto as modified by any duly issued variances. To the Sellers' Knowledge, no permits, licenses, or certificates pertaining to the ownership or operation by Sellers of the owned Real Property or leased Real Property, other than those which are transferable therewith, are required by any governmental entity having jurisdiction over the owned Real Property or leased Real Property or their operation. The Real Property located at 25 N. Kerr Avenue, Wilmington, North Carolina contains a sufficient main studio facility for each of the Stations that is geographically located and otherwise in compliance with the Commission's main studio rule.

(d) Schedule 4.8(d)(1) contains a true, complete and accurate list of (i) all items of machinery, equipment, vehicles, furniture, fixtures, transmitting towers, transmitters, antennas, office materials and supplies, spare parts, music libraries and other Tangible Personal Property owned, leased or used by Operating in connection with the operation of any of the Stations and included in the Purchased Assets, except for items having a value of less than \$5,000 which do not, in the aggregate, have a total value of more than \$50,000, and (ii) any lease relating thereto (collectively, the "Personal Property Leases"). Schedule 4.8(d)(2) sets forth the gross and depreciated cost of such assets.

(e) Except as indicated in Schedule 4.8(e), the Purchased Assets, in all material respects, comprise all the assets required to operate the business of the Stations in the ordinary course as currently conducted by the Sellers as of the date hereof and are in good repair and condition, reasonable and ordinary wear and tear excepted.

4.9 Contracts.

(a) Schedule 4.9(a) lists all Contracts as of the date hereof excluding (A) purchase orders for supplies or services and air time sales orders for cash made in the ordinary course of business (on customary terms and conditions and consistent with past practice) involving payments or receipts by Operating of less than \$20,000 in any single case or series of related orders, (B) contracts entered into in the ordinary course of business on customary terms and conditions which are terminable by Operating on less than 30 days' notice without any penalty or consideration and involving payments or receipts during the entire life of such contracts of less than \$20,000 in the case of any single contract but not more than \$125,000 in the aggregate, and (C) Advertising Contracts. Operating shall be permitted to amend Schedule 4.9(a) after the date hereof to reflect any Contracts permitted following the date hereof pursuant to Section 6.1 hereof and necessary to prevent the failure of the condition set forth in Section 7.1(b) hereof.

(b) True and complete copies of all Contracts required to be listed pursuant to this Section 4.9 (to the extent in writing or if not in writing, an accurate summary thereof), together with any and all amendments thereto, have been made available to the Buyer. All of the Material Contracts (other than those which have been fully performed) are in full force and effect and are binding on Sellers and the other parties thereto. There is not under any Material Contract any existing default by Operating, or to the Knowledge of Operating, any event which, after notice or lapse of time, or both, would constitute a default or result in a right to accelerate or loss of rights. Operating is not a party to any agreement, contract, or commitment outside the ordinary course of business which obligates it or could obligate it to provide advertising time on any of the Stations on or after the Closing Date as a result of the

failure of such Station to satisfy specified ratings or any other performance criteria, guarantee, or similar representation or warranty.

4.10 Insurance. Operating carries fire, theft, casualty and liability insurance policies with respect to the Stations. The coverage under each such policy of insurance is in full force and effect, all premiums due and payable thereon have been paid, all obligations of Operating thereunder have been performed, and no notice of cancellation or nonrenewal with respect to any such policy has been received by Operating. Schedule 4.10 sets forth a true, correct and complete list of all insurance policies carried for the benefit of the Stations as of the date hereof, specifying the insurer, the amount of and nature of coverage and the deductible amount (if any).

4.11 Operations Since May 31, 2008. Except as set forth in Schedule 4.11 hereto, since May 31, 2008, through the execution of this Agreement, Operating has conducted the business of the Stations only in the ordinary course in a manner consistent with past practices and there has been no Material Adverse Effect.

4.12 Intangibles. Except as set forth on Schedule 4.12, the Sellers own or possess rights necessary to use the call letters set forth on Schedule 4.12, together with all copyrights, trademarks, trade names, logos, slogans, jingles, service marks, and other proprietary rights and Intangibles currently used by the Sellers in connection with the operation of the Stations as presently operated. Operating is not infringing upon or otherwise acting adversely, nor has Operating received notice that it is infringing upon or otherwise acting adversely, to any copyrights, trademarks, trademark rights, service marks, service mark rights, trade names, service names, slogans, call letters, logos, jingles, licenses, or any other proprietary rights owned by any other Person or entity. Schedule 4.12 lists all registered trademarks, trademark

registrations, and applications therefor, registered service marks, service mark registrations, and applications therefor, patents and patent applications, copyright registrations, and applications therefor, domain names, and any and all sites, wholly or partially owned, held or used by Operating and related principally to the Stations, and any other intellectual property which is material to the business of the Stations, excluding any intellectual property with the “NextMedia” name or logo.

4.13 Environmental Matters.

Except as set forth in Schedule 4.13 hereto, (i) no Hazardous Substance has been stored (in a manner requiring correction or remediation action under or pursuant to environmental laws, rules, ordinances or regulations), treated, released, disposed of or discharged on, onto, about, from, under or affecting any of the Real Property in any material respect, by Operating or to Operating’s Knowledge, by any other party, (ii) there is not presently and, to Operating’s Knowledge, there has never been an underground storage tank on any of the Real Property, and (iii) no claim or liability has been asserted or adjudicated against Operating which is based upon or related to the environmental conditions under or about any of the Real Property other than immaterial liabilities, nor has Operating established any financial reserve for any such claim or liability. Except as set forth in Schedule 4.13 hereto, Operating has all material permits required by environmental laws, rules, ordinances and regulations necessary for the operation of the Stations and has complied in all material respects with all environmental, health and safety laws applicable to the Real Property. The term “Hazardous Substance” as used in this Agreement shall include, without limitation, oil and other petroleum products, explosives, radioactive materials, chemicals, pollutants, contaminants, wastes, toxic substances, genetically modified organisms, and related and similar materials, and any other substance or material

defined as a hazardous, toxic or polluting substance or material by any federal, state or local law, ordinance, rule or regulation, including asbestos and asbestos-containing materials.

4.14 Employees. Schedule 4.14 lists as of the date hereof, the names and current annual salary rates and commission schedules of all persons (including independent commission agents) employed or engaged by Operating at or in connection with the operation of any of the Stations, and showing separately for each such person the amounts paid or payable as salary, bonus payments and direct and indirect compensation for the year ended December 31, 2007 and for the four (4) months ended April 30, 2008. Schedule 4.14 also lists all written employment agreements Operating has with any of the employees listed thereon. Sellers have disclosed to Buyer their North Carolina unemployment insurance rate effective on the date of this Agreement, and in accordance with Section 96-9(c)(4)(a)(2) of the North Carolina General Statutes, and Sellers hereby consent to the transfer to Buyer of that distinct and severable portion of their unemployment insurance account that relates solely to the employees of the Stations, which Sellers shall transfer to Buyer at Buyer's option.

4.15 Employee Benefits.

(a) (i) None of the Sellers has contributed in the past five years to a multiemployer plan (for employees assigned to any of the Stations) within the meaning of Section 414(f) of the Code, (ii) no Station Benefit Plan is a multiple employer plan within the meaning of Section 413(c) of the Code, and (iii) no employee welfare benefit plan for any of the Stations is a multiple employer welfare arrangement as defined in Section 3(40) of ERISA.

(b) No assets of any of the Sellers are subject to any lien for past due liability in respect of Station employees or any Station Benefit Plan or in respect of an employee

benefit plan of an ERISA Affiliate, under Section 412(n) of the Code or Section 4068 of ERISA (other than inchoate liens in respect of Excluded Liabilities).

4.16 Labor Matters. Within the last three (3) years, Operating has not been the subject of any union activity or labor dispute, nor has there been any strike of any kind called or threatened to be called against it in respect of the Stations. Operating has not violated, other than in any material respects, any applicable federal or state law or regulation relating to labor or labor practices.

4.17 Taxes. All taxes, fees, assessments and charges, including, without limitation, income, property, sales, use, franchise, added value, employees' income withholding and social security taxes, imposed by the United States or by any foreign country or by any state, municipality, subdivision or instrumentality of the United States or of any foreign country, or by any other taxing authority, which are due and payable by any of the Sellers, in respect of or in connection with any of the Stations and all interest and penalties thereon (collectively, "Taxes" or "Tax"), have been paid in full, and all deposits required by law to be made by Operating with respect to employees' of the Stations and other withholding Taxes have been duly made.

4.18 Transactions with Affiliates. Except as set forth on Schedule 4.18, there are no Contracts or business arrangements between Sellers, on the one hand, and any affiliate of Sellers, on the other hand, in connection with, relating to or otherwise affecting the Stations that will remain effective with respect to the Stations after the Closing.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Sellers that:

5.1 Organization and Standing. The Buyer is a limited liability company validly existing and in good standing under the laws of the State of North Carolina.

5.2 Authority of the Buyer. The Buyer has all requisite limited liability company power and authority to enter into this Agreement and each other agreement, document, and instrument to be executed or delivered by the Buyer in connection with this Agreement (the “Buyer Documents”) and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at the Closing, each other Buyer Document will constitute, the legal, valid, and binding obligation of the Buyer, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws in effect from time to time affecting the enforcement of creditors’ rights generally. All limited liability company proceedings and actions required to be taken by the Buyer relating to the execution, delivery, and performance of this Agreement and the Buyer Documents and the consummation of the transactions contemplated hereby and thereby shall have been duly taken.

5.3 Litigation. There is no action, suit, arbitration, investigation or proceeding pending, or to the Knowledge of the Buyer, threatened against the Buyer, which in any case or in the aggregate materially adversely affects the ability of the Buyer to consummate the transactions contemplated hereby.

5.4 No Violation. Except for the filing of the Assignment Application, and the granting of the Initial Order and the Final Order:

(a) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, will not (i) conflict with or violate any provision of the certificate of formation, operating agreement, regulations or other governing documents of the Buyer, (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any material contract or instrument or any debt or obligations to which the Buyer is a party or subject in a way that could reasonably be expected to adversely affect the ability of the Buyer to consummate the transactions contemplated hereby, or (iii) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which the Buyer is subject or bound, all in a way that could reasonably be expected to adversely affect the ability of the Buyer to consummate the transactions contemplated hereby.

(b) No consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority is required to be obtained or made by the Buyer in connection with the execution, delivery and performance of this Agreement or the Buyer Documents or the consummation of the transactions contemplated hereby and thereby.

5.5 FCC Qualifications. The Buyer is qualified under the Communications Act and the existing rules, regulations, policies and procedures of the FCC, to become the licensee for the Stations to be assigned to it and to consummate the transactions contemplated by this

Agreement; there are no facts, to the Knowledge of the Buyer, which, under the Communications Act or any of the existing rules, regulations, policies and procedures of the FCC would (i) disqualify the Buyer from becoming the holder of the Commission Authorizations or an owner or operator of the Stations or (ii) disqualify or restrict the Buyer from consummating the transactions contemplated by this Agreement; the Buyer has not received any notice that, to the Knowledge of the Buyer, could reasonably be expected to cause the FCC not to consent to the assignment by Licensing of the Commission Authorizations as contemplated by this Agreement; provided, however, the representations and warranties in this Section 5.5 are subject to the following limitation: absent a STA or waiver of the FCC's Local Radio Ownership Rule or application of the FCC's policy concerning the assignment of grandfathered radio station combinations in MB Docket 07-294, Buyer is ineligible to own more than four (4) FM stations in the Wilmington Arbitron Metro Market.

5.6 Financing. The Buyer has, and as of the Closing Date will have, all funds necessary to consummate the transactions contemplated by this Agreement.

ARTICLE 6

CERTAIN COVENANTS

6.1 Conduct of Business. During the period from the date of this Agreement to and including the Closing Date, except as set forth on Schedule 6.1, Operating shall cause the Stations to be operated and conducted in all material respects in the ordinary and usual course of business and consistent with past practices. Without limiting the foregoing, prior to the Closing, Operating, without the prior written consent of the Buyer which consent shall not be

unreasonably withheld or delayed, shall not (with respect to the Stations) and shall not permit any of the Stations to:

(a) by any act or omission surrender, modify adversely, forfeit, or fail to renew under regular terms any of the Commission Authorizations, or give the FCC grounds to institute any proceeding for the revocation, suspension, or modification of any of the Commission Authorizations, or fail to prosecute with due diligence any pending application with respect to any of the Authorizations;

(b) dissolve, liquidate, merge, or consolidate, or sell, transfer, lease, or otherwise dispose of any of the Purchased Assets, other than inoperable or obsolete assets and supplies consumed in the ordinary and customary course of business, or obligate itself to do so;

(c) amend, modify, change, alter, terminate, rescind, or waive any rights or benefits under any Material Contract in any material respect;

(d) fail to maintain the Purchased Assets in all material respects in good repair and condition, reasonable and ordinary wear and tear and force majeure events excepted; or fail to renew or replace any of the current insurance policies or any of the coverage thereunder maintained for the protection of any of the Purchased Assets;

(e) grant, create, incur, or suffer to exist any new Lien on the Purchased Assets which will not be discharged in full at or prior to Closing;

(f) increase in any manner the compensation of, or enter into any bonus or incentive arrangement with, any of its employees or pay or agree to pay any additional benefit under any benefit plan of Sellers to any of its employees or increase the benefits provided

under any benefit plan of Sellers, except in the ordinary course of business consistent with past practice;

(g) default or suffer to exist any event or condition that with notice or the lapse of time or both could constitute a default under any Material Contract;

(h) enter into any Contract that would be required to be listed on Schedule 4.9(a) hereto; or

(i) authorize, or commit or agree to take, any of the foregoing actions.

6.2 Operations. During the period from the date of this Agreement to the Closing Date, Operating shall have sole responsibility for the Stations and their operations, and during such period, Operating shall:

(a) operate the Stations in accordance with the rules and regulations of the FCC and the Commission Authorizations in all material respects and file all ownership reports, employment reports, applications, responses, and other documents required to be filed during such period and maintain and promptly deliver to the Buyer true and complete copies of the Stations' required filings;

(b) deliver to the Buyer within five (5) days after filing thereof with the FCC copies of any and all reports, applications, and/or responses relating to the Stations which are filed with the FCC on or prior to the Closing Date, including a copy of any FCC inquiries to which the filing is responsive (and in the event of an oral FCC inquiry, Operating will furnish a written summary thereof);

(c) maintain in full force and effect all material permits which are presently held and are required for the operation of any of the Stations as presently conducted;

(d) by the twentieth day of each calendar month, provide the Buyer with unaudited statements of broadcast cash flow with respect to the Stations for the prior month period and for the period in calendar year 2008 through the prior month, which statements shall be in the same form as the Financial Statements, which statements shall fairly present in all material respects the results of operations and cash flows of the Stations for the periods specified therein;

(e) comply in all material respects with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to the Stations and the employees thereof; and

(f) upon any damage, destruction or loss to any material Purchased Asset, apply any insurance proceeds received with respect thereto to the repair, replacement, and restoration thereof to the condition of such Purchased Asset before such event.

6.3 Changes in Information. During the period from the date of this Agreement to the Closing Date, Operating shall give the Buyer prompt written notice of any material change in, or any of the information contained in, the representations and warranties made in or pursuant to this Agreement or of any event or circumstance which, if it had occurred on or prior to the date hereof, would cause any of such representations or warranties not to be true and correct in any material respect.

6.4 Restrictions on Buyer. Nothing contained in this Agreement shall give the Buyer any right to control the programming or operations of any of the Stations prior to the Closing Date and Operating shall have complete control of the programming and operation of the Stations between the date hereof and the Closing Date.

6.5 Brokerage or Finder's Fee. Except as set forth on Schedule 6.5 hereto, the Buyer represents and warrants to the Sellers, and Operating represents and warrants to the Buyer, that no Person or entity is entitled to any brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement as a result of any action taken by the representing party or any of the affiliates, officers, directors, or employees thereof. The Sellers shall be solely and exclusively responsible for all commissions, finder's fees, or other compensation claimed by the Persons identified on Schedule 6.5 hereto.

6.6 Sales and Other Transfer Taxes. The Sellers on one hand and the Buyer on the other hand shall each pay one half of all sales taxes, transfer taxes, and intangibles taxes and similar government charges, filing fees, and recording and registration fees applicable to the transactions contemplated by this Agreement, including, without limitation, all taxes and similar charges, if any, payable upon the transfer of title to any Purchased Assets. The foregoing shall not apply to taxes, governmental charges, or fees incurred upon the granting or recording of mortgages or deeds of trust by the Buyer to the Buyer's lenders, which shall be the responsibility of the Buyer. The Buyer and the Sellers will cooperate to prepare and file with the proper public officials, as and to the extent necessary, all appropriate sales tax exemption certificates or similar instruments as may be necessary to avoid the imposition of sales, transfer, and similar taxes on the transfer of the Purchased Assets pursuant hereto. The provisions of this Section 6.6 shall not apply to filing and grant fees associated with the Assignment Application. The payment of such

fees shall be governed by Section 3.2(b) hereof. Notwithstanding any other provision in this Agreement, the Sellers shall be solely responsible for all income taxes associated with the transactions contemplated hereby incurred by Sellers or their affiliates.

6.7 No Shop. The Sellers agree that from and after the date hereof and until the termination of this Agreement, they will not sell, transfer, or otherwise dispose of any direct or indirect interest in any assets (except for dispositions of assets in the ordinary course of business as expressly permitted elsewhere in this Agreement) of the Sellers to be included in the Purchased Assets (or any rights in any such assets), and will not respond to inquiries or proposals, or enter into or pursue any discussions, or enter into any agreements (oral or written), with respect to the sale, lease or other disposition of all or any portion of the Purchased Assets. Sellers shall immediately notify Buyer in the event Sellers receive any such inquiries or proposals. The provisions of this Section 6.7 shall not be deemed (x) to limit or negate any other obligations of the Sellers under this Agreement, or (y) to apply to sale or transfers of equity interests in Sellers or their affiliates that do not result in a long form transfer of control of the Stations.

6.8 Preservation of Business. During the period from the date of this Agreement to the Closing Date. Operating shall use its commercially reasonable efforts to preserve intact the goodwill and staff of Operating relative to the Stations, and the relationships of Operating with advertisers, customers, suppliers, employees, contracting parties, governmental authorities and others having business relations with Operating relative to the Stations.

6.9 Satisfaction of Liens. At the Closing, Operating shall cause all Liens other than Permitted Liens on or relating to any of the Purchased Assets to be released, extinguished, and

discharged in full and shall deliver to the Buyer instruments releasing, extinguishing, and discharging all such Liens, and all rights and claims of any holder(s) of any of such Liens with respect to any of the Purchased Assets, all in such form and substance as the Buyer shall reasonably require (collectively the “Lien Release Instruments”).

6.10 Nonsolicitation. For a period of one (1) year following the Closing Date, none of the Sellers shall, without the express prior written consent of the Buyer, directly or indirectly employ or attempt to employ or knowingly arrange or solicit to have any other Person employ any Transferred Employees.

6.11 Employment Offers. The Buyer will notify the Sellers in writing of the names of the Sellers’ employees to whom the Buyer shall offer employment as soon as reasonably practicable following the execution of this Agreement and in no event later than ten (10) days prior to the Closing (such employees, the “Transferred Employees”). At the Closing, the Sellers shall terminate each of the Transferred Employees. Additionally, Sellers shall be responsible for all obligations or liabilities relating to Seller’s employees, including, but not limited to, compensation, severance, if any, and accrued vacation and sick days. The Buyer shall be responsible for all compensation of those former employees of Seller who are offered and accept employment with Buyer accruing from the time such persons become employees of Buyer, and all severance, vacation and sick days accruing from the time such persons become employees of the Buyer. As of the Closing Date, the Buyer may hire each of the Transferred Employees on such terms and conditions satisfactory to the Buyer in its sole and absolute discretion.

6.12 Real Property. At the Closing, Operating shall deliver to the Buyer a general warranty deed for each parcel of the owned Real Property identified in numbered paragraph 2 of

Schedule 4.8(a) (the WLGD transmitter and tower site), in a form mutually-acceptable to the parties hereto, conveying good and marketable fee simple title, free and clear of all Liens, except for the Permitted Liens (the “General Warranty Deed(s)”). At the Closing, Operating shall deliver to the Buyer a special warranty deed for each parcel of the owned Real Property identified in numbered paragraph 1 of Schedule 4.8(a) (the WKXB transmitter and tower site), in a form mutually-acceptable to the parties hereto, conveying good and marketable fee simple title, free and clear of all Liens, except for the Permitted Liens (the “Special Warranty Deed(s)”).

6.13 Environmental Audits. Within forty-five (45) days after the date hereof, the Buyer may, at the Buyer’s expense, perform a Phase I, Phase II or other environmental audit on each of the owned Real Property sites and, subject to the terms of any lease for the leased Real Property Sites, each of the leased Real Property sites; provided that Buyer shall use its commercially reasonable efforts to cause such audits to be completed as soon as practicable following the date hereof. If as a result of such initial environmental audits, Buyer determines that additional testing or investigation is warranted, Buyer may perform a Phase II or other non-Phase I environmental audit of each of the owned Real Property sites and, subject to the terms of any lease for the leased Real Property Sites, each of the leased Real Property sites; provided that the Buyer shall use its commercially reasonable efforts to cause such audits to be completed as soon as practicable following the date hereof and in no case longer than 90 days following the date hereof. The Sellers shall commercially reasonably cooperate in scheduling such audits and providing reasonable access to the sites and shall use their commercially reasonable efforts to enable Buyers to have access as expeditiously as possible following the date hereof to the leased Real Property sites. In the event the Buyer, acting through a licensed, professional, independent environmental consultant (“Environmental Consultant”), discovers the existence of any

Hazardous Substances or other potential or actual environmental condition ("Environmental Condition") on a Real Property site during such ninety (90) day period, the Buyer shall, as soon as practicable following such discovery but in all cases prior to the expiration of such ninety (90) day period, notify the Sellers in writing of such discovery. If such discovery relates to an owned Real Property Site, Sellers shall have the option, at their cost and expense, to remediate such Real Property site, such remediation to be satisfactory to Buyer. In the event that the Sellers fail to remediate such Environmental Conditions on owned Real Property site(s), the Buyer shall have the option to either (x) terminate this Agreement, or (y) consummate the transactions contemplated by this Agreement subject to the terms and conditions hereof and, at the Closing, the Purchase Price shall be reduced by an amount equal to the lesser of the actual cost of remediation, or \$250,000 plus one-half of the actual cost of the remediation, up to \$500,000, that is in excess of \$250,000, but in no case more than \$375,000. If such discovery relates to a leased Real Property Site and the estimated cost of remediation determined by Buyer for all such leased Real Property sites exceeds \$250,000, Buyer may elect to terminate this Agreement. If Buyer is not afforded reasonable access to any of the leased Real Property sites to conduct audits in accordance herewith within 20 days of the date hereof, Buyer may within 45 days of the date hereof elect to terminate this Agreement. If the Buyer closes the transactions in accordance with the terms hereof, then, with respect to the owned Real Property sites only, the Buyer shall not make a claim for indemnification pursuant to Article 11 against Sellers for (i) a breach by Sellers of the representation in Section 4.13 as a result of any matter specifically identified in Buyer's applicable Phase I or Phase II or other environmental audit as requiring remediation or (ii) an Excluded Liability as a result of any matter specifically identified in Buyer's applicable Phase I or Phase II or other environmental audit as requiring remediation. If the Buyer closes the

transactions in accordance with the terms hereof, then, with respect to the leased Real Property sites only, the Buyer shall not make a claim for indemnification pursuant to Article 11 against Sellers for (i) a breach by Sellers of the representation in Section 4.13 as a result of any matter specifically identified in Buyer's applicable Phase I or Phase II or other environmental audit as requiring remediation or (ii) an Excluded Liability as a result of any matter specifically identified in Buyer's applicable Phase I or Phase II or other environmental audit as requiring remediation, other than for Buyer's actual incurred losses, costs and expenses. Buyer may extend the Closing Date in order to allow Buyer to complete its audits in accordance with the terms of this Section 6.13 for 20 days, but not to exceed the 90 day period following the date hereof and either Buyer or Sellers may extend the Closing Date by up to 40 days to enable Sellers to complete any remediation undertaken in accordance with this Section 6.13. The parties agree that any Purchase Price adjustment made pursuant to Sections 6.13 hereof shall be independent of, and shall not affect or be affected by, the provisions of Section 11.2(c).

6.14 WARN Act. The Buyer shall be responsible for liabilities and obligations under the United States Federal Worker Adjustment and Retraining Act of 1988, any successor United States federal law, and any applicable federal or state plant closing notification laws with respect to a layoff or plant closing relating to the Stations that occurs on or after the Closing Date and which results from the acts or omissions of the Buyer in connection with its employment of the Transferred Employees.

6.15 Title Insurance.

(a) For the purpose of this Agreement, "good and marketable fee simple title" shall mean such title as is insurable by a title insurance company licensed to do business in North

Carolina, under its standard form of ALTA owner's policy of title insurance, at its standard rates, subject only to the following: (i) the standard or printed exclusions in the form of owner's policy of title insurance referenced above; (ii) such matters as would be disclosed by a current and accurate survey and inspection of the Property; (iii) the lien for Taxes not due and payable on or before the Closing Date; (iv) the Permitted Title Exceptions as determined pursuant to this Section 6.15 which shall be deemed Permitted Liens for purposes of this Agreement. For the purpose of this Agreement, "good and marketable leasehold title" shall mean such title as is insurable by a title insurance company licensed to do business in North Carolina, under its standard form of ALTA lessee's policy of title insurance, at its standard rates, subject only to the following: (i) the standard or printed exclusions in the form of lessee's policy of title insurance referenced above; (ii) such matters as would be disclosed by a current and accurate survey and inspection of the Property; (iii) the lien for Taxes not due and payable on or before the Closing Date; (iv) the Permitted Title Exceptions as determined pursuant to this Section 6.15 which shall be deemed Permitted Liens for purposes of this Agreement.

(b) Buyer shall use its commercially reasonable efforts, at its sole cost and expense, to obtain an owner's or lessee's, as applicable, commitment for policy of title insurance (each a "Commitment") and survey for each tract of Real Property as expeditiously as possible subject to any cooperation or assistance required from Sellers and any owners of the Real Property. In connection with the foregoing, Operating shall use its commercially reasonable efforts to assist the Buyer, prior to Closing, in obtaining commitments for such owner's or lessee's title insurance policies and surveys. Within sixty (60) days after the date hereof, Buyer shall give Seller written notice of any objections which render Seller's title or leasehold interest, as applicable, less than good and marketable in Buyer's sole discretion; provided that Buyer shall

use its commercially reasonable efforts to notify Sellers of any objections as soon as possible following the date hereof. Buyer may reexamine title or leasehold interest, as applicable, to the Real Property through and including the date of Closing and give Sellers written notice of any additional objections appearing of record subsequent to the date of Buyer's initial examination, but Buyer's failure to specify in its initial notice of title or leasehold interest objections, as applicable, any objection appearing of record as of the effective date of the applicable Commitment shall be deemed to be, and shall constitute, a waiver of any such objection, and such objection shall thereafter constitute a "Permitted Title Exception." Subject to the terms of Section 6.15(c) hereof, the failure by Buyer to provide to Sellers Buyer's written notice of its initial examination of Seller's title or leasehold interest, as applicable, within the sixty (60) day window described above shall constitute a waiver of Buyer's right to object to any matter appearing of record as of the date which is sixty (60) days following the date hereof. Notwithstanding anything to the contrary contained herein, Buyer shall be permitted to object to any matter first appearing of record after the sixtieth (60th) day following the date hereof, without regard to whether Buyer noticed its initial objections to Seller within the time period set forth above. In the event that such objection to a matter first appearing of record after the sixtieth (60th) day following the date hereof is received by Seller, it shall be evaluated by Seller pursuant to Section 6.15(c) and, subject to Sellers' response to Buyer's objections, if any, Buyer shall have the rights set forth in Section 6.15(c).

(c) Sellers shall have fifteen (15) days after receipt of Buyer's initial or any subsequent, as the case may be, notice of title or leasehold interest objections, as applicable, in which to review such notice, commence to cure and/or, if Sellers elect, to give Buyer written notice of any objections which Sellers do not intend to attempt to satisfy or cure. If Sellers

notify Buyer in writing that Sellers do not intend to attempt to satisfy or cure such objections, or Sellers fail to notify Buyer or commence to cure such objections within such fifteen day period, Buyer shall have the option to either (x) terminate this Agreement or (y) accept title or leasehold interest, as applicable, subject to such unsatisfied objections and consummate the transactions contemplated by this Agreement subject to the terms and conditions hereof.

(d) Sellers shall have until the Closing to satisfy to Buyer's reasonable satisfaction all objections specified in Buyer's notice(s) pursuant to Section 6.15(c) so long as Sellers have commenced cure within the fifteen-day period following Buyer's notice(s), and if Sellers fail to so satisfy any such objections, then, at the option of Buyer, Buyer may either: (i) terminate this Agreement or (ii) waive such satisfaction and performance and accept title or leasehold interest, as applicable, subject to such unsatisfied objections and consummate the transactions contemplated by this Agreement subject to the terms and conditions hereof, in which event all unsatisfied objections shall constitute Permitted Title Exceptions.

(e) Buyer assumes all responsibility for Buyer's acts and the acts of Buyer's agents and representatives in exercising the rights provided in Section 6.15(b) with respect to obtaining surveys of the Real Property and in Section 6.13 with respect to environmental testing done by Buyer on the Real Property and agrees to indemnify, defend and hold Sellers harmless from and against any and all damage to property and persons directly resulting from the actions of Buyer and its agents and representatives on the Real Property; but in all cases excluding any Losses suffered by Sellers related to or in connection with the results of or information provided by such surveys and environmental testing.

6.16 Multiple Ownership Remedy. Pursuant to the FCC's policy concerning the assignment of grandfathered radio station combinations in MB Docket 07-294, Buyer shall file a proposed divestiture trust agreement in connection with the Assignment Application to allow the Commission to evaluate the proposed trust which will be used for purpose of ultimate assignment to an "eligible entity," as that term is defined by the FCC, in the event Buyer is unable to file an application to assign one of the FM stations directly to an "eligible entity" within 12 months of Closing.

6.17 Access to Information and Purchased Assets. Between the date hereof and the Closing Date, Sellers shall furnish Buyer with such information relating to the Purchased Assets as Buyer may reasonably request, at Buyer's expense and provided such request does not interfere unreasonably with the business of the Stations. Between the date hereof and the Closing Date, upon prior reasonable notice, Sellers shall give Buyer and its representatives reasonable access to the Purchased Assets during regular business hours.

6.18 Further Actions. Upon the terms and subject to the conditions set forth in this Agreement, the Sellers and the Buyer shall each use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate actions and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable to consummate the transactions contemplated hereby as expeditiously as possible. Each party further understands and agrees that it shall not take, or cause to be taken, any action that is materially inconsistent with the terms of this Agreement, nor shall a party take any action that might delay or hinder the timely receipt of the Initial Order and Final Order or the consummation of the transactions contemplated hereby. Each party shall use its commercially

reasonable efforts to satisfy as soon as practicable all of the conditions required to be satisfied by it hereunder in order to consummate the transactions contemplated hereby.

6.19 Estoppel Certificates. The Sellers shall use commercially reasonable efforts to obtain an estoppel certificate, in a form to be mutually agreed upon by the parties, from each of the third party landlords listed on Schedule 4.8(b) (“Estoppel Certificates”).

ARTICLE 7

CLOSING CONDITIONS

7.1 Conditions Precedent to the Obligations of the Buyer. The obligations of the Buyer under this Agreement to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to Closing of each of the following conditions:

(a) no action, suit, or proceeding shall have been instituted against any of the Sellers or against the Buyer by, in or before any court, tribunal, or governmental body or agency, and be unresolved, and no order shall have been issued to restrain, prevent, enjoin, or prohibit, or to obtain substantial damages by reason of, any of the transactions contemplated hereby;

(b) all of the representations and warranties of Sellers made in this Agreement or in any exhibit, schedule or document delivered pursuant hereto, shall be true and correct in all material respects (except those representations and warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and on the Closing Date as if made on and as of that date, except for those given as of a specified date (all of which are set forth on Schedule 7.1(b)) which shall have been true and correct in all material

respects (except those representations and warranties qualified by materiality, which shall be true and correct in all respects) as of such specified date;

(c) each covenant, agreement, and obligation required by the terms of this Agreement to be complied with and performed by the Sellers at or prior to the Closing shall have been duly and properly complied with and performed in all material respects, and the Sellers shall deliver a certificate dated as of the Closing Date certifying the fulfillment of this condition and the condition set forth under Section 7.1(b) above;

(d) the Sellers shall have delivered to the Buyer all of the Closing Documents and items specified in Section 8.2, all of which documents shall be dated as of the Closing Date, duly executed, in a form customary in transactions of this type and reasonably acceptable to the Buyer;

(e) the Initial Order shall have been granted and, unless waived by Buyer, shall have become a Final Order;

(f) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby shall have been approved by all regulatory authorities whose approvals are required by law;

(g) all consents necessary to the assignment to the Buyer of those Assumed Contracts listed in Schedule 7.1(g) hereto shall have been obtained, and there shall have been delivered to the Buyer executed counterparts reasonably satisfactory in form and substance to the Buyer of such consents;

(h) Buyer shall have obtained, at Buyer's expense, (x) a commitment for a title insurance policy, insuring good and marketable fee simple title to the owned Real Property, free and clear of all title defects or objections, Liens or other encumbrances of any nature whatsoever, except for Permitted Liens and the title company's standard printed exceptions, and (y) a commitment for a lessee's title insurance policy, insuring good and marketable leasehold interest in the leased Real Property, free and clear of all title defects or objections, Liens or other encumbrances of any nature whatsoever, except for Permitted Liens and the title company's standard printed exceptions; provided however that Buyer may not rely upon this condition of Closing unless Buyer has used its commercially reasonable efforts, at its sole cost and expense, to obtain an owner's or lessee's, as applicable, policy of title insurance and survey for each tract of Real Property as expeditiously as possible subject to any cooperation or assistance required from Sellers and any owners of the Real Property.

(i) The Commission Authorizations (i) shall be valid and existing authorizations for the full terms thereof and without any conditions attached except as set forth on the face thereof prior to the date hereof or contained in the rules and regulations of the FCC generally applicable to stations of the type, nature, class or location of the respective Stations, (ii) shall contain no adverse modifications, and (iii) except for proceedings that effect the radio broadcasting industry generally and matters disclosed in Schedule 4.6(b)(iii), shall not be the subject of any current proceeding for revocation, suspension or modification or any pending complaint, notice of violation, forfeiture or fine, and neither Sellers nor Buyer shall have received any notice that any governmental authority intends to institute any such proceedings; and

(j) since the date of this Agreement, no event, circumstance or condition shall have occurred which has had or would be reasonably expected to have a Material Adverse Effect.

7.2 Sellers' Conditions Precedent. The obligations of the Sellers under this Agreement to consummate the transactions contemplated hereby are subject to the satisfaction, at or prior to Closing, of each of the following conditions:

(a) no action, suit, or proceeding shall have been instituted against the Sellers or against the Buyer by, in or before any court, tribunal, or governmental body or agency, and be unresolved, and no order shall have been issued, to restrain, prevent, enjoin, or prohibit, or to obtain substantial damages by reason of, any of the transactions contemplated hereby;

(b) all of the representations and warranties of the Buyer made in this Agreement or in any exhibit, schedule or document delivered pursuant hereto, shall be true and correct in all material respects (except those representations and warranties qualified by materiality, which shall be true and correct in all 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 those given as of a specified date which shall have been true and correct in all material respects (except those representations and warranties qualified by materiality, which shall be true and correct in all respects) as of such specified date;

(c) each covenant, agreement, and obligation required by the terms of this Agreement to be complied with and performed by the Buyer at or prior to the Closing shall have been duly and properly complied with and performed in all material respects, and the Buyer

shall deliver a certificate dated as of the Closing Date certifying the fulfillment of this condition and the condition set forth under Section 7.2(b) above;

(d) the Buyer shall have delivered to the Sellers all of the Closing Documents specified in Section 8.3, all of which documents shall be dated as of the Closing Date, duly executed, in a form customary in transactions of this type and reasonably acceptable to the Sellers;

(e) the Initial Order shall have been granted and, unless waived by Sellers, shall have become a Final Order; and

(f) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby shall have been approved by all regulatory authorities whose approvals are required by law.

ARTICLE 8

CLOSING; DELIVERIES

8.1 Closing.

(a) The closing under this Agreement (the "Closing") shall take place (by electronic exchange of the documents to be delivered at the Closing) on the second (2nd) business day after the Initial Order becomes a Final Order, provided that all other conditions to Closing have been met, or such other date, place, or time as the parties hereto shall mutually agree upon. The Closing shall be effective as of 12:00 a.m. on the Closing Date.

(b) All proceedings to be taken and all documents to be executed and delivered by the parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

8.2 Sellers' Deliveries. At the Closing, the Sellers shall deliver to the Buyer:

(a) a Bill of Sale, in a form mutually-acceptable to the parties hereto, duly executed by Operating;

(b) written instructions to the Escrow Agent instructing the Escrow Agent to (i) return the Escrow Deposit, and any earnings thereon, to the Buyer or (ii) at the election of the Buyer, to pay such amount to the Sellers in partial payment of the Purchase Price;

(c) the Assignment and Assumption Agreements, duly executed by Operating or Licensing, as applicable;

(d) all Assumed Contracts, including, without limitation, all of the Real Property Leases and all other Contracts set forth on Schedule 4.9 subject to Section 2.8, FCC Logs, and Books and Records;

(e) copies of the resolutions of the board of directors of Operating and the board of managers of Licensing authorizing the execution and delivery of this Agreement and each exhibit hereto, and the consummation of the transactions contemplated hereby and thereby;

(f) certificates of good standing with respect to each of the Sellers, each issued no more than fifteen (15) days prior to Closing by the Secretary of State of the State of Delaware;

(g) all Lien Release Instruments;

(h) such other good and sufficient instruments of conveyance, assignment, and transfer as the Buyer shall reasonably require, each in form and substance reasonably required by the Buyer, and as shall be effective to vest in the Buyer title to the Purchased Assets as contemplated by this Agreement;

(i) a General Warranty Deed or Special Warranty Deed, as per Section 6.12, with respect to each parcel of owned Real Property duly executed by Operating;

(j) all Lien affidavits and indemnifications and all evidence of authority and approval reasonably requested by Buyer's title insurance companies;

(k) all required real estate transfer declaration or exemption certificates and any other documents as may be otherwise necessary or appropriate to transfer title of the owned Real Property;

(l) an affidavit of Operating, stating, under penalty of perjury, Operating's United States taxpayer identification number and that Operating is not a foreign Person, in the form required by Section 1445(b)(2) of the Code and the treasury regulations thereunder;

(m) all other documents required by the terms of this Agreement to be executed and delivered by any of the Sellers to the Buyer at the Closing;

(n) Landlord consent and Estoppel Certificates with respect to leased Real Property;

(o) endorsed vehicle titles conveying the vehicles included in the Purchased Assets; and

(o) keys, passcards, and other similar items, as well as a list of all passcodes, combinations, account numbers, and other similar information, necessary to access or operate any of the Purchased Assets or access any Real Property.

8.3 Buyer's Deliveries. At the Closing, the Buyer will deliver:

(a) the Purchase Price required to be paid pursuant to Sections 2.3 and 2.4 hereof;

(b) written instructions to the Escrow Agent instructing the Escrow Agent to (i) return the Escrow Deposit, and any earnings thereon, to the Buyer or (ii) at the election of the Buyer, to pay such amount to the Sellers in partial payment of the Purchase Price;

(c) the Assignment and Assumption Agreements, duly executed by the Buyer;

(d) a certificate of good standing with respect to the Buyer, issued no more than fifteen (15) days prior to Closing by the Secretary of State of North Carolina;

(e) copies of all necessary resolutions of the Buyer authorizing the execution and delivery of this Agreement and each exhibit hereto and the consummation of the transactions contemplated hereby and thereby; and

(f) all other documents required by the terms of this Agreement to be delivered to the Sellers at the Closing.

8.4 Further Assurances. At any time and from time to time after the Closing, at the Buyer's request, and without further consideration, the Sellers will execute and deliver such other instruments of sale, transfer, conveyance, assignment, and confirmation, and take such actions, as the Buyer may reasonably deem necessary to transfer, convey, and assign to the Buyer, and to confirm the Buyer's title to, all of the Purchased Assets free and clear of all Liens other than Permitted Liens, and to put the Buyer in actual possession and operating control thereof.

ARTICLE 9

SPECIFIC PERFORMANCE

The Sellers agree that the Purchased Assets include unique property that cannot be readily obtained on the open market and that the Buyer will be irreparably injured if the Closing under this Agreement does not occur as provided herein. Therefore, the Buyer shall have the right specifically to enforce the performance of the Sellers' obligations under this Agreement to effect the Closing in accordance with the terms and conditions of this Agreement without the necessity of posting any bond or other security, and the Sellers hereby waive the defense in any such suit that the Buyer has an adequate remedy at law and agree not to interpose any opposition, legal, or otherwise, as to the propriety of specific performance as a remedy. If Buyer's specific

performance remedy is granted, the Closing shall occur as contemplated by this Agreement and the parties shall have all of their rights and obligations hereunder as if the Closing had occurred without exercise of Buyer's right to specific performance under this Article 9. Buyer's specific performance remedy pursuant to this Article 9 shall be in lieu of any remedy at law for damages or other relief for Sellers' breach of this Agreement prior to Closing. Notwithstanding any other provision in this Agreement, in the event the Closing occurs, whether pursuant to Buyer's exercise of its remedies under this Article 9 or as contemplated by Section 8.1 hereof or otherwise, Buyer shall have and be entitled to exercise each and every right it has under this Agreement and at law or in equity, including, without limitation, the right to be indemnified by Sellers for breaches of representations, warranties and covenants in accordance with Article 11 hereof, regardless of whether such breaches occurred prior to or after Closing and Sellers shall be bound by all of their obligations and representations and warranties under this Agreement. In the event that Buyer brings an action for specific performance pursuant to this Article 9, the prevailing party in such action (which shall be deemed to be Buyer if Sellers do not oppose any such action by Buyer) shall be entitled to recover its attorneys' fees and expenses in connection with such action.

ARTICLE 10

TERMINATION

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

- (a) by mutual written consent of the Buyer and the Sellers;

(b) by written notice from a party that is not then in material breach of this Agreement if the other party has continued in material breach of this Agreement for thirty (30) days after written notice of such breach from the terminating party is received by the other party and such breach is not cured by the last day of such thirty (30) day period (the “Cure Period”); provided, however, that (x) if such breach cannot be reasonably cured within such thirty (30) day period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date and (y) none of the Sellers, on the one hand, or the Buyer, on the other hand, shall be deemed to be in material breach of this Agreement for purposes of this Article 10 if such breach does not entitle the other party to elect not to consummate the transactions contemplated hereby by reason of the failure of the conditions set forth in Sections 7.1(b) or 7.1(c) or Sections 7.2(b) or 7.2(c), as applicable, hereof;

(c) as provided in Section 3.4;

(d) by written notice of a party to the other party if the Closing shall not have been consummated on or before the last day of the one (1) year period following the date of this Agreement, provided that such notifying party is not then in material breach or default under this Agreement;

(e) as provided in Sections 6.13 and 6.15; or

(f) as provided in Article 12.

10.2 Effect of Termination.

(a) Except as set forth in Section 10.3 below, if this Agreement is validly terminated for any reason pursuant to and in accordance with Section 10.1, no party to this Agreement shall have any liability to any other party to this Agreement, and this Agreement shall be deemed null and void and of no further force and effect (except for the provisions of Section 13.5, which shall survive termination).

10.3 Escrow Deposit. If the Sellers terminate this Agreement prior to Closing pursuant to Section 10.1(b), then the Buyer shall cause the Escrow Agent to pay to the Sellers the Escrow Deposit. In the event that the Agreement is terminated by the Sellers pursuant to Section 10.1(b) hereof, the Buyer shall, in addition to the Escrow Deposit, promptly pay to the Sellers the reasonable attorneys' fees actually incurred by the Sellers in enforcing their rights under this Agreement. In the event that the Agreement is terminated by the Buyer pursuant to Section 10.1(b) hereof, the Sellers shall promptly pay to the Buyer the reasonable attorneys' fees actually incurred by the Buyer in enforcing its rights under this Agreement. Recovery of an amount equal to the Escrow Deposit, (whether recovered by the Sellers from the payment of the Escrow Deposit or otherwise), plus recovery of attorneys' fees, as aforesaid, shall be the sole and exclusive remedy of the Sellers and constitute liquidated damages in such amount. It is understood and agreed that such liquidated damages amount represents the Buyer's and the Sellers' reasonable estimate of actual damages and does not constitute a penalty. The Buyer agrees to promptly provide the Escrow Agent with written notice directing it to pay the Escrow Deposit to the Sellers as herein provided. If this Agreement is terminated pursuant to Section 10.1 (other than by Sellers pursuant to Section 10.1(b) due to a material breach by Buyer), then Sellers shall promptly cause the Escrow Agent to pay to Buyer the Escrow Deposit.

ARTICLE 11
INDEMNIFICATION

11.1 Obligation to Indemnify.

(a) Following the Closing, and subject to the limitations set forth in this Article 11, the Buyer hereby agrees to save, indemnify, defend, and hold harmless the Sellers from and against, and shall on demand reimburse the Sellers for all loss, liability, claim, damage, deficiency, injury and all costs and expenses (including all attorneys' fees and other defense costs) (collectively "Losses") suffered by the Sellers or incurred in respect of any failure by the Buyer to comply with the Assignment and Assumption Agreements; or any misrepresentation or breach of warranty by Buyer or nonfulfillment of any covenant or agreement to be performed or complied with by the Buyer under this Agreement or in any Closing Documents executed by the Buyer and delivered to the Sellers pursuant to or in connection with this Agreement.

(b) Following the Closing, and subject to the limitations set forth in this Article 11, Operating hereby agrees to save, indemnify, defend, and hold harmless the Buyer from, against and in respect of, and shall on demand reimburse the Buyer for all Losses suffered or incurred by the Buyer in respect of (i) any misrepresentation, breach of warranty, or nonfulfillment of any covenant or agreement to be performed or complied with by the Sellers under this Agreement or any Closing Documents executed by the Sellers and delivered to the Buyer pursuant to or in connection with this Agreement, (ii) the Excluded Liabilities, (iii) the matters identified on Schedule 4.6(b)(iii).

11.2 Survival and Other Matters.

(a) The representations and warranties of each of the parties hereto shall survive the Closing for two (2) years. The covenants and agreements of the parties contained in Article 11 of this Agreement shall remain operative and in full force and shall survive until the performance by the applicable party hereto of such covenant and agreement. The covenants and agreements of the parties contained in Sections 2.5, 2.6, 2.8, 2.9, 6.5, 6.6, 6.10, 6.11, 8.4 and 13.5 of this Agreement shall remain operative and in full force and shall survive until the performance by the applicable party hereto of such covenant and agreement but not longer than two years following the Closing. Other than the covenants and agreements specifically referred to in the immediately preceding two sentences, no other covenants and agreements in this Agreement shall survive the Closing. No claim may be made against any party hereto, and no party hereto shall have any liability to any other party hereto, arising out of or resulting from a representation, warranty, covenant or agreement contained in this Agreement after the survival period specified above shall have expired, except that if a claim shall have been made by a party hereto against another party hereto prior to the expiration of the applicable survival period specified above, then, in each case, such survival period shall be extended as it relates to such claim until such claim is resolved.

(b) Anything to the contrary in this Agreement notwithstanding, except as provided in Article 9 hereof, Operating shall be solely and exclusively responsible and liable for all obligations of any of the Sellers. Licensing shall not have or incur any liability whatsoever, arising out of this Agreement or any of the Closing Documents or any of the transactions contemplated hereby or thereby, other than the obligation to assign the Commission Authorizations to Buyer at Closing.

(c) Notwithstanding anything to the contrary contained in this Agreement, in no event shall Sellers or the Buyer have any liabilities under, pursuant to or in respect of this Agreement or any of the Closing Documents or any of the transactions contemplated hereby for any misrepresentation or breach of representations or warranties in excess of the Indemnification Cap. Notwithstanding anything herein to the contrary, in no event shall the Buyer, on the one hand, or any of the Sellers, on the other hand, be entitled to indemnification pursuant to Section 11.1 hereof for any misrepresentation or breach of representations or warranties, unless and then only to the extent that the aggregate of all Losses for which indemnification is required pursuant to Section 11.1 exceeds the Indemnification Threshold.

(d) In the event that the Closing occurs, the sole and exclusive rights and remedies of the parties under or arising out of this Agreement and/or any of the Closing Documents and/or any of the transactions contemplated hereby or thereby (including without limitation, with respect to Environmental Liabilities) shall be as set forth in and only to the extent expressly provided for in this Article 11; provided that during the two year survival period following Closing nothing contained in this Agreement shall (i) relieve or limit the liability of a party hereto for fraud committed in connection with the transactions contemplated herein or (ii) limit the availability of specific performance of Sections 2.5, 2.6, 2.8, 2.9, 6.5, 6.6, 6.10, 6.11, 8.4 and 13.5 of this Agreement.

11.3 Provisions Regarding Indemnification. If, within the survival period, any third party shall notify any party (the “Indemnified Party”) with respect to any third party claim which may give rise to a claim for indemnification against any other party (the “Indemnifying Party”) under this Article 11, then the Indemnified Party shall notify the Indemnifying Party

thereof promptly; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any liability or obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is materially prejudiced. In the event any Indemnifying Party notifies the Indemnified Party within twenty (20) days after the Indemnified Party has given notice of the matter that the Indemnifying Party is assuming the defense thereof, (a) the Indemnifying Party will defend the Indemnified Party against the matter with counsel of its choice reasonably satisfactory to the Indemnified Party, (b) the Indemnified Party may retain separate co-counsel at its sole cost and expense, (c) the Indemnified Party will not consent to any settlement with respect to the matter without the written consent of the Indemnifying Party (not to be withheld unreasonably), and (d) without the written consent of the Indemnified Party, the Indemnifying Party will not consent to the entry of any judgment with respect to the matter, or enter into any settlement unless the Indemnifying Party pays all amounts in full and such judgment or settlement includes a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto.

ARTICLE 12

RISK OF LOSS

The risk of loss, damage or destruction to the Purchased Assets from fire or other casualty or cause shall be borne by Operating at all times up to the Closing. It shall be the responsibility of Operating prior to the Closing to use commercially reasonable efforts to repair or cause to be repaired and to restore the affected property to its condition prior to any such loss, damage or destruction. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss payable under any insurance policy maintained by Operating with respect

thereto shall be used to repair, replace or restore any such property to its former condition subject to the conditions stated below. In the event that property reasonably required for the normal operation of any of the Stations is not repaired, replaced, or restored prior to the Closing in accordance with the terms and conditions of this Article 12, the Buyer, at its sole option, and as the Buyer's sole remedy with respect to any of the foregoing, upon written notice to Operating: (a) may elect to postpone Closing until such time as the property has been repaired, replaced, or restored, or (b) may elect to consummate the Closing and accept the property in its then condition, in which event Operating shall assign to the Buyer all proceeds of insurance theretofore, or to be, received, covering the property involved; and if the Buyer shall extend the time for Closing pursuant to clause (a) above, and the repairs, replacements, or restorations are not completed within sixty (60) days after the date on which Initial Order has come into existence and effect, the Buyer may, as its sole right and remedy, terminate this Agreement by giving written notice thereof to Operating, without any party having any liability or obligation under or in respect of this Agreement.

ARTICLE 13

MISCELLANEOUS

13.1 Binding Agreement. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns.

13.2 Assignment. This Agreement and all rights of the Buyer shall be assignable by the Buyer to one or more subsidiaries or affiliates of the Buyer upon prior written notice to Operating, and as collateral to lenders of the Buyer. Buyer may assign its rights under this

Agreement to an unrelated third party, but only to the extent necessary to bring Buyer into compliance with the Local Radio Ownership Rule. This Agreement and all rights and interests of the Sellers hereunder shall be assignable by the Sellers, in whole or in part, upon prior written notice to the Buyer. No assignment shall relieve the assigning party of its obligations hereunder. No assignment shall delay the consummation of the transactions contemplated in this Agreement.

13.3 Law To Govern. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to principles of conflict of laws.

13.4 Notices. All notices shall be in writing (including facsimile transmission) and shall be deemed to have been duly given if delivered personally, when received by facsimile communications equipment or when deposited in the mail if mailed via registered or certified mail, return receipt requested, postage prepaid to the other party hereto at the following addresses:

if to any of the Sellers, to:

NextMedia Operating, Inc.

NM Licensing LLC

6312 S. Fiddler's Green Circle, Suite 205E

Englewood, Colorado 80111

Attn: Eric Neumann

Fax: (303) 694-4940

with a copy to:

Matthew Leibowitz, Esq.
Leibowitz & Associates, P.A.
One Southeast Third Avenue
Suite 1450
Miami, FL 3331
Fax: (305) 530-1322

if to the Buyer or Capitol, to:

Capitol Broadcasting Company Incorporated
2619 Western Boulevard
Raleigh, North Carolina 27606
Attn: General Counsel
Fax: (919) 821-8733

with a copy to:

Wade H. Hargrove, Esq.
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.
1600 Wachovia Capitol Center
150 Fayetteville Street
Raleigh, NC 27601
Fax: (919) 839-0304

or to such other addresses as any such party may designate in writing in accordance with this Section 13.4.

13.5 Fees and Expenses. Except as expressly set forth in this Agreement, each of the parties shall pay its own fees and expenses with respect to the transactions contemplated hereby.

13.6 Entire Agreement. This Agreement, together with the Escrow Agreement and any other agreements expressly contemplated by this Agreement to be entered into in connection herewith, set forth the entire understanding of the parties hereto in respect of the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement signed by all of the parties hereto. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter.

13.7 Waivers. Any failure by any party to this Agreement to comply with any of its obligations hereunder may be waived by Operating in the case of a default by the Buyer and by the Buyer in case of a default by the Sellers. No waiver shall be effective unless in writing and signed by the party granting such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

13.8 Severability. Any provision of this Agreement which is rendered unenforceable by a court of competent jurisdiction shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Agreement.

13.9 No Third-Party Beneficiaries. Nothing herein, express or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other

than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement or any documents executed in connection with this Agreement.

13.10 Affiliate. For purposes of this Agreement, the term “affiliate” when used with respect to any Person, shall mean any Person which directly or indirectly, alone or together with others, controls, is controlled by or is under common control with such Person. For purposes of the definition of affiliate above, the term “control” including its various tenses and derivatives (such as “controlled” and “controlling”) means (i) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise and (ii) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security.

13.11 Drafting. No party shall be deemed to have drafted this Agreement but rather this Agreement is a collaborative effort of the undersigned parties and their attorneys. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

13.12 Counterparts. This Agreement may be executed in any number of counterparts (including by means of facsimile or electronic mail), each of which shall be deemed an original but all of which shall constitute one and the same agreement.

13.13 Headings. The Section and paragraph headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said Sections and paragraphs.

13.14 Use of Terms. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the words “include” or “including” in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof. Unless otherwise indicated, reference in this Agreement to a “Section” or Article” means a Section or Article, as applicable, of this Agreement. When used in this Agreement, words such as “herein”, “hereinafter”, “hereof”, “hereto”, and “hereunder” shall refer to this Agreement as a whole, unless the context clearly requires otherwise. The use of the words “or,” “either” and “any” shall not be exclusive.

13.15 Capitol Guaranty.

(a) Capitol, including its successors and assigns, absolutely, irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the due and punctual performance of all obligations of the Buyer under this Agreement. Capitol further agrees that the obligations of the Buyer hereunder may be extended, amended, modified or renewed, in whole or in part, without notice to or further assent from Capitol, and that Capitol will remain bound upon its guarantee notwithstanding any extension, amendment, modification or renewal of any such obligation by the Buyer. Capitol acknowledges that (i) Buyer is a

wholly-owned subsidiary of Capitol, (ii) Capitol is benefiting from the transactions contemplated hereby, and (iii) Sellers are relying on this guaranty from Capitol in connection with Sellers entering into this Agreement. Capitol waives all notices with respect to Buyer's obligations under this Agreement, including presentment to Buyer of any of its obligations hereunder.

(b) Capitol represents and warrants to Sellers as follows:

(i) Capitol is a corporation validly existing and in good standing under the laws of the State of North Carolina;

(ii) Capitol has all requisite corporate power and authority to enter into this Agreement with respect to this Section 13.15 and to carry out its obligations under this Section 13.15;

(iii) Section 13.15 of this Agreement constitutes the legal, valid, and binding obligation of Capitol, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws in effect from time to time affecting the enforcement of creditors' rights generally; and

(iv) The execution, delivery and performance of its obligations under Section 13.15 of this Agreement by Capitol will not (x) conflict with or violate any provision of the articles of incorporation or bylaws of Capitol, (y) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any material contract or instrument or any debt or obligations to which Capitol is a party or

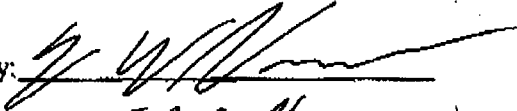
subject in a way that could reasonably be expected to adversely affect the ability of Capitol to perform its obligations under this Section 13.15, or (z) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which Capitol is subject or bound, all in a way that could reasonably be expected to adversely affect the ability of Capitol to perform its obligations under this Section 13.15.

13.16 Specific Performance Following the Closing. Each of the Sellers, on the one hand, and the Buyer, on the other hand, agree that money damages would not be a sufficient remedy for any breach of the following Sections of this Agreement by the other party following the Closing, and that, during the two year survival period following the Closing, each party shall be entitled to specific performance with respect to the provisions set forth in Sections 2.5, 2.6, 2.8, 2.9, 6.5, 6.6, 6.10, 6.11, 8.4 and 13.5 of this Agreement. After the Closing, this remedy of specific performance shall be the only remedy available to the parties for a breach or default of the sections of this Agreement set out in this Section 13.16.

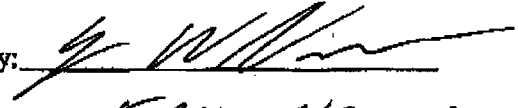
[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

NEXTMEDIA OPERATING, INC.

By: 
Name: ERIC NEUMANN
Title: SVP CFO

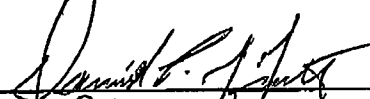
NM LICENSING LLC

By: 
Name: ERIC NEUMANN
Title: SVP CFO

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

SUNRISE BROADCASTING LLC

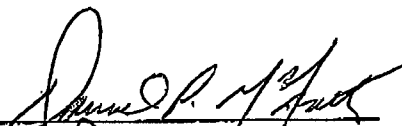
By: **CAPITOL BROADCASTING
COMPANY, INCORPORATED**

By: 

Name: DANIEL P. MCGARRY

Title: VICE PRESIDENT

**CAPITOL BROADCASTING COMPANY,
INCORPORATED**

By: 

Name: DANIEL P. MCGARRY

Title: VICE PRESIDENT

EXHIBIT A

FORM ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "**Agreement**") is made and entered into as of this 15th day of July, 2008, by and among NextMedia Operating, Inc., a Delaware corporation (the "**Operating**"), NM Licensing LLC, a Delaware limited liability company ("**Licensing**"), and collectively with Operating, "**Sellers**"), Sunrise Broadcasting LLC (the "**Buyer**"), and Media Venture Partners LLC, a California Limited Liability Company (the "**Escrow Agent**").

Buyer and Sellers have entered into an Asset Purchase Agreement, dated as of even date herewith (the "**Purchase Agreement**"), for the sale of radio broadcast stations: WKXB(FM), Facility Id. No. 59481, Burgaw, NC, WILT(FM), Facility Id. No. 74159, Wilmington, NC, WAZO(FM), Facility Id. No. 59480, Southport, NC, WFSM(FM) Facility Id. No. 48626, Oak Island, NC, WLGD(FM), Facility Id. No. 47884, Jacksonville, NC, and WMFD (AM), Facility Id. No. 61701, Wilmington, NC (each a "**Station**" and collectively, the "**Stations**")

Section 2.3(b) of the Purchase Agreement contemplates that the sum of Six Hundred Thousand Dollars (\$600,000) cash (the "**Escrow Deposit**") be deposited with Escrow Agent upon execution of the Purchase Agreement.

Escrow Agent has agreed to accept, hold and disburse the Escrow Deposit in accordance with this Agreement.

NOW THEREFORE, in consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the parties, intending to be bound legally, agree as follows:

1. **Delivery of Escrow Deposit.** Once Buyer delivers the Escrow Deposit to Escrow Agent, Escrow Agent agrees to accept, provide Buyer and Sellers and acknowledgement of receipt of, and maintain on deposit the Escrow Deposit in accordance with the terms and conditions hereof. The Escrow Deposit together with all earnings thereon shall be referred to as the "Escrow Amount."

2. **Investment of the Escrow Deposit.** Escrow Agent shall invest and reinvest the Escrow Deposit in Permitted Investments. "Permitted Investments" shall mean (a) investments in direct obligations of the United States of America, or any agency thereof, or obligations guaranteed as to principal and interest by the United States of America, or any agency thereof, in each case having a maturity of no more than 90 days from the date of acquisition thereof; (b) certificates of deposit and other time deposits of, and bankers' acceptances (provided that such time deposit or bankers' acceptance shall mature within 90 days after the date so acquired), and other bank accounts with, any bank having total capital in excess of \$100,000,000 and (c) commercial paper rated A-2 or better by Standard & Poor's Corporation or P-2 or better by Moody's Investors Service, Inc.

3. **Disposition of the Escrow Amount.** The Escrow Amount shall be distributed as follows:

(a) Upon receipt by Escrow Agent of a joint notice from Sellers and Buyer stating that the closing under the Purchase Agreement has occurred, Escrow Agent shall immediately pay, without deduction, set-off or counterclaim, the Escrow Amount to Sellers.

(b) Upon receipt by Escrow Agent of any other joint notice from Sellers and Buyer, Escrow Agent shall immediately pay, without deduction, set-off or counterclaim, the Escrow Amount to such persons or entities at such addresses and in such amounts as are provided in such instructions.

(c) Upon receipt by Escrow Agent of a notice from Buyer stating that Buyer is entitled to return of the Escrow Amount and following the failure of Sellers to make a timely protest after receipt of notice from Escrow Agent pursuant to Paragraph 3(e) hereof, Escrow Agent shall immediately pay the Escrow Deposit in immediately available funds to Buyer.

(d) Upon receipt by Escrow Agent of a notice from Sellers stating that Sellers are entitled to the Escrow Amount and following the failure of Buyer to make a timely protest after receipt of notice from Escrow Agent pursuant to Paragraph 3(e) hereof, Escrow Agent shall immediately pay the Escrow Deposit in immediately available funds to Sellers.

(e) In the event that Buyer or Sellers (for purposes of this paragraph referred to as the "Demanding Party") gives notice to Escrow Agent as provided in Paragraph 3(c) or 3(d) hereof and makes demand upon Escrow Agent for delivery of the Escrow Deposit, Escrow Agent shall forthwith serve upon the other party (the "Notified Party"), a copy of the Demanding Party's notice. Unless the Notified Party protests such delivery in a writing delivered to Escrow Agent within 15 days after the Notified Party's receipt of the Demanding Party's notice from Escrow Agent, Escrow Agent shall thereupon make delivery to the Demanding Party as required by such demand in accordance with Paragraph 3(c) or 3(d) hereof. If the Notified Party timely and duly protests, Escrow Agent shall hold the Escrow Deposit until the disagreement is resolved and Escrow Agent receives joint notice from Sellers and Buyer as set forth in Section 3(b). If Escrow Agent has any reasonable doubt as to whether or not a notice of protest has been timely made, then Escrow Agent shall hold the Escrow Deposit as though such protest has been timely made.

4. Limitations on Liability of Escrow Agent.

(a) The duties and obligations of Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement, and no implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent. Escrow Agent shall be under no obligation to refer to the Purchase Agreement or to any other documents between the parties related in any way to this Escrow Agreement, except as specifically provided herein.

(b) Escrow Agent shall not be liable to anyone by reason of any error of judgment, any action or omission by Escrow Agent, or any mistake of fact or law, unless caused by or arising out of Escrow Agent's gross negligence or bad faith.

(c) Escrow Agent shall be entitled to rely upon, and shall be protected in acting in reasonable reliance upon, any writing furnished to Escrow Agent by any party in accordance with the terms hereof and shall be entitled to treat as genuine any letter, paper or other document furnished to Escrow Agent by any party and reasonably believed by Escrow Agent to be genuine and to have been signed by the proper party and/or parties as required.

(d) Escrow Agent may consult with Escrow Agent's own counsel with respect to any questions relating to its duties or responsibilities hereunder and shall not be liable for any action taken or omitted in good faith on advice of such counsel. Any reasonable expense so incurred shall be for the account of Buyer and Sellers and will be reimbursed equally by them upon Escrow Agent's request.

(e) In the event of any disagreement between the parties to this Escrow Agreement resulting in adverse claims and demands being made in connection with or against the Escrow Amount, Escrow Agent shall refuse to comply with the claims or demands of any party until such disagreement is finally resolved by mutual agreement of the parties or by a court of competent jurisdiction, and, in so doing, Escrow Agent shall not be or become liable to any party. The Escrow Agent shall be permitted, at its option, to file an action or bill in interpleader, or similar action for such purpose, in a court of competent jurisdiction and pay the escrow funds and all income earned or accrued thereon into said court, in which event, the Escrow Agent's duties, responsibilities and liabilities with respect to the escrow fund, proceeds therefrom and this Agreement shall terminate. Sellers and Buyer agree to jointly and severally indemnify Escrow Agent against all costs and other expenses (including, without limitation, reasonable legal fees and expenses) incurred by Escrow Agent in connection with or as a result of any disagreement among or between the parties hereto or the performance by Escrow Agent of its duties hereunder.

(f) The Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any cash or security deposited with it.

(g) Buyer and Sellers agree each to pay one half of the escrow agent's out-of-pocket costs within fifteen (15) days of presentment, including reasonable attorneys fees which the escrow agent may expend or incur in any dispute or action. Should Buyer or Sellers fail to reimburse escrow agent for such out-of-pocket costs and/or attorney's fees, the escrow agent, at its option, may choose to deduct said expenses from any escrow funds disbursed from the escrow account

(h) Any action requested to be taken by Escrow Agent hereunder and not otherwise specifically set forth herein shall require the agreement of Sellers, Buyer and Escrow Agent.

(i) If Escrow Agent desires to resign as Escrow Agent, it shall provide 15-days written notice (a "**Resignation Notice**") of its intention to resign to Buyer and Sellers. Such resignation shall be effective following the expiration of 15 days following the date of the Resignation Notice. Notwithstanding the foregoing, if following the resignation of such Escrow

Agent there would be no replacement escrow agent hereunder, the resignation shall not be effective until Sellers and Buyer shall have mutually agreed in writing to the appointment of a replacement escrow agent and such appointment shall have been accepted in writing. Sellers and Buyer agree to pay to any such replacement escrow agent its reasonable fees for the performance of its duties hereunder. If the parties hereto are unable to agree upon a successor escrow agent within thirty (30) days after such notice, the Escrow Agent shall be authorized to appoint its successor. The Escrow Agent shall continue to serve until its successor accepts the escrow by written notice to the parties hereto and the Escrow Agent deposits the escrow fund with such successor escrow agent.

(j) Escrow Agent shall not be entitled to any fee for performance of its duties under this Agreement.

5. **Term.** The term of this Agreement shall commence on the date first above written, and shall terminate upon the delivery of the entire Escrow Amount.

6. **Amendments.** This Escrow Agreement cannot be changed or terminated orally, and no waiver of compliance with any provisions or condition hereof shall be effective unless evidenced by a written instrument duly executed by all of the parties hereto.

7. **Effect of this Escrow Agreement.** This Escrow Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and legal representatives. The paragraph headings of this Escrow Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intentions of the parties. The construction and performance of this Agreement shall be governed by the law of the State of California without regard to its principles of conflict of law.

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

If to Sellers: NextMedia Operating, Inc.
6312 S. Fiddler's Green Circle, Suite 205E
Englewood, Colorado 80111
Attention: Eric Neumann
Facsimile: (303) 694-4940

With a copy (which shall not constitute notice) to:

Leibowitz & Associates
1 SE Third Avenue, Suite 1450
Miami, FL 33131
Attention: Matthew Leibowitz, Esq.
Facsimile: (305) 530-9417

If to Buyer:

Capitol Broadcasting Company Incorporated
2619 Western Blvd.
Raleigh, NC 27606
Attention: General Counsel
Facsimile: 919-821-8733

With a copy (which shall not constitute notice) to:

Wade H. Hargrove, Esq.
Brooks, Pierce, McLendon, Humphrey
& Leonard, L.L.P.
1600 Wachovia Capitol Center
150 Fayetteville Street
Raleigh, NC 27601
Facsimile: (919) 839-0304

If to Escrow Agent:

Media Venture Partners, LLC
244 Jackson Street, 4th Floor
San Francisco, CA 94111
Facsimile: (415) 391-4912

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

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.

[The Remainder of this Page Intentionally Left Blank]

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

SUNRISE BROADCASTING LLC

By: CAPITOL BROADCASTING COMPANY,
INCORPORATED

By: _____
Name: _____
Title: _____

Daniel R. [Signature]
VICE PRESIDENT

NEXTMEDIA OPERATING, INC.

By: _____
Name: _____
Title: _____

NM LICENSING, INC.

By: _____
Name: _____
Title: _____

Media Venture Partners, LLC

By: _____
Name: Elliot Evers
Title: Managing Partner


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

SUNRISE BROADCASTING LLC


By: **CAPITOL BROADCASTING COMPANY,
INCORPORATED**

By: _____
Name: _____
Title: _____

NEXTMEDIA OPERATING, INC.

By: 
Name: **ERIC NEUMANN**
Title: **SVP CFO**

NM LICENSING, INC.

By: 
Name: **ERIC NEUMANN**
Title: **SVP CFO**

Media Venture Partners, LLC

By: _____
Name: **Elliot Evers**
Title: **Managing Partner**

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

SUNRISE BROADCASTING LLC

By: CAPITOL BROADCASTING COMPANY,
INCORPORATED

By: _____
Name:
Title:

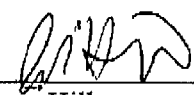
NEXTMEDIA OPERATING, INC.

By: _____
Name:
Title:

NM LICENSING, INC.

By: _____
Name:
Title:

Media Venture Partners, LLC

By:  _____
Name: Jason Hill

Title: Managing Director

SCHEDULE 4.6(b)(i)

COMMISSION AUTHORIZATIONS

1. WAZO, Facility ID 59480, South Port, North Carolina
 - a. Main License: BLH-19890419KC expiring 12/1/11
 - b. License renewal: BRH-20030801BQC
 - c. STL: WPNF647, WPWL620
 - d. Remote Pickup: WPSL264, WPSL267
 - e. Tower not owned - ASRN: 1003045
2. WILT, Facility ID 74159, Wilmington, North Carolina
 - a. Main License: BLH-19990629KC, expiring 12/1/11
 - b. License renewal: BRH-20030731AKA
 - c. STL: WLJ848, WMV626
 - d. Remote Pickup: KPK949, WPUE316
 - e. Tower not owned - ASRN: 1012341
3. WKXB, Facility ID 59481, Burgaw, North Carolina
 - a. Main License: BLH-20061013AAW, expiring 12/1/11
 - b. License renewal: BRH-20030801BRC
 - c. STL: WCG728, WPWP659
 - d. Aural Intercity Relay: WPNF662
 - e. Remote Pickup: WPSL210, WPSL266
 - f. ASRN: 1024421
4. WLGD, Facility ID 47884, Jacksonville, North Carolina
 - a. Main License: BLH-19990401KE, expiring 12/1/11

- b. Auxiliary Antenna: BXLH-20031021AAA
 - c. License Renewal: BRH-20030801AQT
 - d. STL: WLF804
 - e. Remote Pickup: KPH727
 - f. ASRN: 1006934
5. WMFD, Facility ID 61701, Wilmington, North Carolina
- a. Main License: BL-20030724AGW, expiring 12/1/11
 - b. License renewal: BR-20030731AKE
 - c. STL: WLO551
 - d. Remote Pickup: KD5179, KGZ968, KGZ969, KIN877, WPUE315
 - e. ASRN: 1214419, 1214421, 1214422
6. WSFM, Facility ID 48626, Oak Island, North Carolina
- a. Main License: BLH-20000807AHJ, expiring 12/1/11
 - b. License renewal: BRH-20030731AJM
 - c. Remote Pickup: WPUE311
 - d. ASRN: 1206031
7. Main Studio STL Tower
- a. ASRN: 1234599

SCHEDULE 4.6(b)(ii)

OTHER AUTHORIZATIONS

City of Wilmington Business License WAZO
City of Wilmington Business License WILT
City of Wilmington Business License WSFM
City of Wilmington Business License WMFD
City of Wilmington Business License WLGD
City of Wilmington Business License WKXB

SCHEDULE 4.8(e)

SUFFICIENCY OF PURCHASED ASSETS

None