

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and executed on and as of April ____, 2001 by **MORTENSON BROADCASTING COMPANY**, an Ohio corporation (hereinafter referred to as "Seller"), and **STEEL CITY RADIO, INC.**, a South Carolina corporation (hereinafter referred to as "Purchaser").

R E C I T A L S:

A. Seller is the licensee and operator of AM broadcast station WWNL 50 KW, for operation on 1080 Kilohertz at Pittsburgh, Pennsylvania (hereinafter referred to as the "Station").

B. Seller desires to sell and assign to Purchaser and Purchaser desires to purchase substantially all of the assets of Seller used exclusively in the operation of the Station and acquire the authorizations issued by the Federal Communications Commission (the "Commission") for the operation of the Station.

C. The authorizations issued by the Commission for the operation of the Station may not be assigned to Purchaser without the prior written consent of the Commission.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the parties do hereby agree as follows:

1. **ASSETS TO BE CONVEYED.** On the Closing Date (as defined in Paragraph 12), Seller will sell, assign, transfer, convey and deliver to Purchaser, its successors, and assigns, or its nominee, and Purchaser agrees to purchase, by duly executed and acknowledged bill of sale, assignment or other instrument of conveyance, for the consideration hereinafter provided, all of the Seller's right, title and interest in and to the following assets (the "Purchased Assets"):

A. **LICENSES AND AUTHORIZATIONS.** The licenses, permits, permissions and other authorizations including without limitation the right to the use of the Station's call letters which are issued by the Commission and any other federal, state or local regulatory agencies which are used or useful in the operation of the Station, and all applications for extension or renewal thereof which are pending on the Closing Date as listed in **Exhibit A** (the "Station Licenses").

B. **PERSONAL PROPERTY.** The fixed and tangible personal property owned by Seller, used exclusively in the operation of the Station including, but not limited to, those assets listed in **Exhibit B** attached hereto, together with replacement thereof and improvements and additions thereto made between the date here of and the Closing Date (excluding those assets described in Paragraph 1.H. herein below).

C. **REAL PROPERTY.** The land and buildings owned by Seller used exclusively in the operation of the Station and described in **Exhibit C** attached hereto (the “Real Property”).

D. **AGREEMENTS AND CONTRACTS.** The rights of Seller under agreements, leases or contracts, written or oral, listed in **Exhibit D** attached hereto and which are in effect on the Closing Date, together with all cash advertising contracts in effect on the Closing Date (the “Contracts”).

E. **PROMOTIONAL RIGHTS.** All of Seller’s rights in the call letters, “WWNL” and in any slogans, jingles, trademarks, trade names, service marks, logos, copyrights or similar materials or rights used exclusively in the operation of the Station as listed on **Exhibit E** (“Promotional Rights”).

F. **INTANGIBLE PROPERTY.** The goodwill and other intangible assets used exclusively in the operation of the Station including, but not limited to, business phone numbers, business lists, trade secrets, and sales and operating plans (“Intangible Property”).

G. **BUSINESS RECORDS.** All business records of Seller (including but not limited to logs, books of account, public file materials, and engineering records) relating exclusively to or used exclusively in the operation of the Station.

H. **EXCLUDED ASSETS.** Any assets of Seller not expressly described as Purchased Assets shall be deemed Excluded Assets. The following assets, without limitation, are not included in the Purchased Assets and shall not be conveyed to Purchaser:

(1) Seller’s cash and cash equivalents on hand and in banks, certificates of deposit, money market funds, securities, and similar type investments;

(2) Seller’s accounts receivable; and

(3) All contracts that have terminated or expired prior to the Closing Date in the ordinary course of business and as permitted under the terms of this Agreement.

2. **PURCHASE PRICE AND METHOD OF PAYMENT.** The total purchase price for the Purchased Assets shall be Nine Hundred Thousand and 00/100 Dollars (\$900,000.00) payable as follows:

At signing, Purchaser shall deposit Forty-Five Thousand and 00/100 Dollars

(\$45,000.00) with the National Bank of South Carolina, escrow agent, in Spartanburg, South Carolina; and

At closing, Purchaser shall pay to Seller by certified funds the balance of the purchase price, adjusted as provided herein.

3. **LIABILITIES NOT ASSUMED.** Purchaser shall not assume or become liable for the payment of any debts, liabilities, or other obligations of Seller of any kind or nature, which shall remain sole responsibility of Seller. Except as herein provided, and except for those contracts described in **Exhibit D**. Purchaser specifically does not assume responsibility for any of Seller's liens, taxes, debts, accounts payable or contracts.

4. **APPLICATION FOR COMMISSION CONSENT.** Within Five (5) days from the date of this Agreement, Seller and Purchaser shall join in an application to be filed with the Commission requesting its written consent to the assignment of the Station Licenses from Seller to Purchaser (the "Assignment Application"), and they will diligently take all steps necessary or desirable and proper to expeditiously prosecute the Assignment Application and to obtain the Commission's determination that grant of the Assignment Application will serve the public interest, convenience and necessity. The failure by either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Seller and Purchaser shall pay an equal share of the Commission's filing fee for the transfer of the Station Licenses in connection with the Assignment Application.

5. **CONTROL OF STATION.** This Agreement shall not be consummated until after the Commission has given its written consent thereto, and between the date of this Agreement and the Closing Date, Purchaser shall not directly or indirectly control, supervise or direct, or attempt to control, the operation of the Station. Such operation shall be the sole responsibility of Seller. Purchaser shall, however, be entitled to reasonable inspection of the property, books and records of the Station.

6. **TERMINATION.**

A. **ABSENCE OF COMMISSION CONSENT.** If the written consent of the Commission is not evidenced by a Final Order (that is, a grant not subject to reconsideration or judicial review and after all applicable waiting periods) within eight (8) months of the acceptance for filing of the Application, this Agreement may be terminated at the option of either party upon ten (10) days written notice to the other, provided that the party seeking to terminate is not in material default hereunder and has satisfied any and all requests by the Commission for additional information directly connected with the Application.

B. **COMMISSION HEARING.** If the Commission designates the Application

for hearing, either party shall have the option of terminating this Agreement upon ten (10) days written notice to the other prior to the commencement of the hearing, provided that the party giving such notice is not in material, default hereunder. Upon termination pursuant to this Paragraph, the parties shall be released and discharged of all obligations hereunder.

7. CONDITIONS TO PURCHASER'S OBLIGATIONS. The Purchaser's obligations as set forth in this Agreement shall be expressly conditioned upon the delivery, performance and fulfillment, upon terms satisfactory to the Purchaser and its counsel, in their sole discretion, of the following matters:

A. TITLE OF ASSETS. Seller has good and marketable title to the Purchased Assets, free and clear of all liens or encumbrances of any kind, and no person, firm or corporation, including federal, state, county or municipal governments, has any undisclosed adverse interest therein.

B. COMMISSION CONSENT. The Commission shall have granted the Assignment Application, such grant shall have become a Final Order, and such grant shall be in full force and effect.

C. VALIDITY OF LICENSES. Seller shall be the owner and holder of the Station Licenses to the extent that such licenses can be owned or held by Seller under the Commissions Act of 1934, as amended, and the Station Licenses shall be in unconditional full force and effect and valid for the remainder of a full license term.

D. REPRESENTATIONS AND WARRANTIES. All of the representations and warranties of Seller made in this Agreement or to be made in connection with this transaction shall be true, complete and correct in all material respects as of the Closing Date. Seller shall have performed all of its obligations with respect to this transaction, to the satisfaction of the Purchaser and its counsel.

E. COMPLIANCE WITH CONDITIONS. There shall have been no change subsequent to the date of this Agreement in the station operation or condition, financial or otherwise, of the Station or the Purchased Assets except for changes in the ordinary course of business, none of which individually or in the aggregate shall be materially adverse.

F. DELIVERY OF ASSETS. At closing, Seller shall deliver or cause to be delivered to Purchaser all of the Purchased Assets.

G. CLOSING DOCUMENTS. At closing, Seller shall deliver to Purchaser all of the closing documents specified in Paragraph 13 A.B.C.D.E.F.G.H. herein, all of which shall be duly executed.

H. OPINION OF THE SELLER'S COUNSEL. At closing, Seller shall furnish Purchaser with the written opinion of Seller's counsel, dated the Closing Date, in scope and form satisfactory to Purchaser, to the following effect:

(1) To the knowledge of counsel, there is no outstanding judgement, suit, action or claim which is pending, threatened, or probable of assertion, or governmental proceeding (except those affecting the radio broadcasting business generally) which would have an adverse effect upon the Station's business or upon the Station Licenses or other Purchased Assets after closing.

(2) To the knowledge of counsel, no action or proceeding is pending or threatened which questions or affects the validity of any action to be taken by Seller pursuant to this Agreement, or which seeks to restrain Seller from carrying out the transaction contemplated by this Agreement or Seller's obligations hereunder.

8. SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Seller hereby makes the following representations, warranties and covenants, each of which shall be deemed to be a separate representation, warranty, and covenant, all of which have been made for the purpose of inducing Purchaser to join in and execute this Agreement, and in reliance on which Purchaser has entered into this Agreement.

A. EXISTENCE AND POWER. Seller is a corporation duly organized and validly existing under the laws of the State of Ohio with full power to carry on his business as now being conducted and to enter into and to perform this Agreement.

B. DUE AUTHORIZATION. Seller has the power and authority to enter in this Agreement, and this Agreement has been duly executed and delivered to Purchaser and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms.

C. LICENSES AND AUTHORIZATIONS. The Station Licenses constitute all the Commission authorizations which Seller holds with respect to the Station, and are all of the Commission authorizations used in the operation of the Station or necessary for the lawful current operation of the Station. The Station Licenses are in unconditional full force and effect, valid for the balance of a full license term, and are unimpaired by any acts or omissions of Seller or his employees, or agents. All ownership reports, employment reports, NRSC reports, tower(s) registrations, and other documents required to be filed by

Seller with the Commission have been filed, and all required proofs of performance or measurements have been completed and filed at the Station or the Commission, if required. All such reports and documents are complete and correct in all material respects. There are no proceedings or complaints pending before the Commission relating to the business or operations of the Station.

D. TITLE TO PERSONAL PROPERTY. On the Closing Date, Seller will convey good and marketable title to all of the Personal Property, free and clear of all liens, pledges and encumbrances whatsoever. Together with all improvements, replacements and additions thereto from the date hereof to the Closing Date will, at closing, constitute all the tangible personal property owned by Seller and used in the operation of the Station or necessary to operate the Station in accordance with the Station Licenses.

E. CONDITION OF PERSONAL PROPERTY. Each item of tangible personal property owned by Seller shall, as of the Closing Date, be operating in conformance with the requirements of the Station Licenses and applicable rules, regulations and policies of the Commission. The Station's transmitters, phasor, intermodulation filter assembly, antenna monitor, towers, tuning units, tower bases, studio equipment and production equipment shall, as of the Closing Date, be operating in accordance with the standards of good engineering practice, the terms and conditions of the Station Licenses and all underlying construction permits, and the rules, regulations, and policies of the Commission. Without limiting the generality of the foregoing: (i) Station WWNL's ground system contains the number and type of ground radials required by that station's most recent construction permit or license, and all such ground radials are in good condition and repair, ordinary wear and tear excepted; (ii) the Station is in compliance with all Commission regulations governing human exposure to radio frequency radiation; (iii) the station's towers are constructed in accordance with the station's most recent construction permit or license, and the towers are in good condition and repair, ordinary wear and tear excepted; and (iv) all required Commission equipment authorizations have been obtained.

F. CONTRACTS. The contracts listed in **Exhibit C** are freely assignable, or, if consent of the other contracting party to the assignment is required, such consents will be secured at Seller's sole expense prior to the Closing Date. Those contracts whose stated duration extends beyond the Closing Date will, at closing, be in full force and effect and unimpaired by any acts or omissions of Seller, its employees or agents. The Contracts will not be modified without Purchaser's written consent.

G. REAL PROPERTY. Seller shall deliver to Purchaser all documents necessary to convey the Real Property which is acceptable to Purchaser and Purchaser's counsel. To the best of Seller's knowledge, the ground radials, guy wires, guy anchors, and fences constructed on the Real Property do not encroach upon any adjoining real

estate. Seller's use and occupancy of all of the Real Property complies in all material respects with all regulations, codes, ordinances, and statutes of all applicable governmental authorities, including, without limitation, all environmental protection and sanitary regulations, occupational safety and health regulations, and electrical codes. To the best of Seller's knowledge, there are no structural defects in the buildings, structures, and improvements located on any of the Real Property and no hazardous substances are located, or have been located, on the Real Property. At closing, Seller shall deliver to Purchaser all architectural, structural, mechanical and electrical plans and specifications in its possession for such buildings, structures and improvements.

H. PATENTS, TRADEMARKS, COPYRIGHTS. All call signs, copyrights, patents, trademarks, trade names, current slogans, logos, service marks, and other similar intangible property rights owned by or licensed or franchised to Seller and used to promote or identify the Station are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of such property, or of the use of any call sign, slogan or logo currently used by the Station. To the best of Seller's knowledge, the operations of the Station do not infringe, and no one has asserted to Seller that such operations infringe any copyright, patent, trademark, trade name, service mark, or similar right of any other party.

I. INSURANCE. All insurance policies held by Seller with respect to the Purchased Assets and the Station shall be kept in full force and effect until the Closing Date.

J. DISPOSAL OF ASSETS. Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of any of the Purchased Assets other than in the ordinary course of business and only if such assets are replaced, prior to the Closing Date, by other assets of equal or greater worth and utility. All inventories of supplies, tubes and spare parts for the Station shall, on the Closing Date, be at levels at least equal to those existing as of the date of this Agreement.

K. COMPLIANCE WITH LABOR LAWS. Seller has, in the conduct of the affairs of the Station, complied with all applicable laws, rules and regulations relating to the employment of labor, including those relating to wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of social security and similar taxes, and is not liable for any arrears of wages or any tax penalties for failure to comply with any of the foregoing.

L. EMPLOYEE. No employee of the Station is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and to the best of Seller's knowledge, there has been no concerted effort to unionize any of the Station's employees. There are

no material controversies pending or threatened between the Seller and any of the Station's employees, and Seller is not aware of any facts which could reasonably result in any such controversy. Except as listed in **Exhibit E**, Seller has no written or oral retirement, pension, bonus, termination pay, hospitalization, vacation, or other employee benefit plan, practice, agreement, or understanding. Seller has delivered to Purchaser an accurate list of all persons currently employed by the Station together with a description of the terms and conditions of their respective employment as of the date of this Agreement. Seller will advise Purchaser of any changes in the Station's employees which occur prior to closing.

M. **NO BREACH.** The execution and performance of this Agreement will not violate any order, rule, judgement or decree to which Seller is subject or breach any contract, agreement, or other commitment to which Seller is a party or by which Seller is bound.

N. **LITIGATION.** There is no litigation, action, suit, investigation or other proceeding pending or threatened which may give rise to any claim against any of the Purchased Assets or adversely affect Seller's ability to perform in accordance with the terms of this Agreement, and Seller is not aware of any facts which could reasonably result in any such proceeding.

O. **INSOLVENCY PROCEEDINGS.** No insolvency proceedings of any character, including, without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the Purchased Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute a valid basis for, the institution of any such insolvency proceedings.

P. **ADMINISTRATIVE VIOLATIONS.** If Seller receives an administrative or other order prior to closing which states that any aspect of Station operations violates any rules or regulations of the Commission or any other federal, state, or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity (and Administrative Violation), Seller will promptly notify Purchaser of such order, use its best efforts to remove or correct the Administrative Violation and will be responsible for all costs associated therewith, including the payment of any fines or back pay that may be assessed. As of the date hereof, Seller is not aware of any Administrative Violations, any pending investigations concerning possible Administrative Violations, or of any facts which could reasonably result in any Administrative Violations.

Q. **TAXES.** Seller has, or by the Closing Date will have, paid and discharged all taxes, assessments, excises and other levies relating to the Assets, which, if due and not

paid, would interfere with Purchaser's full enjoyment of the Purchased Assets, except such taxes, assessments, and other levies which will not be due until after the Closing Date and which are to be prorated between Seller and Purchaser.

R. PRESERVATION OF BUSINESS. Seller shall use its best efforts to (i) maintain the present character and entertainment format of the Station and the quality of its programs; (ii) preserve the business organization and makeup of the Station; (iii) and preserve the Station's present customers, audience rankings, and business relations.

S. OPERATIONS PRIOR TO CLOSING. Between the date hereof and the Closing Date, the Station shall be operated in the normal and usual manner in accordance with the rules, regulations, and policies of the Commission, and the Station's business shall be conducted only in the ordinary course. No increase shall be made in the compensation payable or to become payable to any employee or agent of the Station other than in the ordinary course of business consistent with Seller's past practice. No employment contract shall be entered into by Seller or on behalf of the Station unless the same is terminable at will and without penalty. No other contract, lease, or agreement which would be binding on Purchaser after closing (except sales agreements for Station advertising) shall be entered into by Seller or on behalf of the Station without the prior written consent of Purchaser.

T. ADVERSE DEVELOPMENTS. Seller shall promptly notify Purchaser, in writing, of any unusual or materially adverse developments with respect to the business or operations of the Station.

U. ACCESS. Between the date hereof and the Closing Date, Seller will give Purchaser or representative of Purchaser reasonable access to the Purchased Assets and to the other properties, titles, contracts, books, records and affairs of Seller relating to the operation of the Station. It is expressly understood that, pursuant to this Paragraph, Purchaser shall be entitled to make an engineering and inventory inspection of the Station and an inspection of the Station's advertising contracts prior to Closing. No investigation made by or on behalf of Purchaser, however, shall affect Seller's representation, warranties and covenants hereunder.

V. NO MISLEADING STATEMENTS. No statement made by Seller to Purchaser and no information provided or to be provided by Seller to Purchaser pursuant to this Agreement or in connection with the negotiations covering the purchase and sale contemplated herein contains or will contain any untrue statement of a material fact or omits or will omit a material fact. There are no facts or circumstances known to Seller that, either individually or in the aggregate, will materially adversely affect after the closing the business or condition (financial or otherwise) of the Station or the Purchased Assets.

9. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

Purchaser hereby makes the following representations, warranties, and covenants to Seller for the purpose of inducing Seller to enter into this Agreement:

A. **EXISTENCE AND POWER.** Seller is a corporation duly organized and validly existing under the laws of the State of South Carolina with full power to carry on his business as now being conducted and to enter into and perform this Agreement. This Agreement has been duly executed and delivered to Seller and constitutes a legal, valid, and binding agreement, enforceable in accordance with its terms.

B. **LICENSEE QUALIFICATIONS.** To the best of Purchaser's knowledge, there is no fact which would under present law (including the Communications Act of 1934, as amended) and the present rules and regulations of the Commission, disqualify Purchaser from being the assignee of the Station Licenses or the owner and operator of the Station, and Purchaser will not take any action that Purchaser knows, or has reason to know, would result in such disqualification. Should Purchaser become aware of any such fact, it will so inform Seller and will use its best efforts to remove any such disqualification.

C. **NO BREACH.** The execution and performance of this Agreement will not violate any order, rule, judgement or decree to which Purchaser is subject or breach any contract, agreement, or other commitment to which Purchaser is a party or by which Purchaser is bound.

D. **LITIGATION.** There is no action, suit, investigation or other proceeding pending or threatened which may adversely affect Purchaser's ability to perform in accordance with the terms of this Agreement, and Purchaser is not aware of any facts which could reasonably result in any such proceeding.

E. **COOPERATION WITH RESPECT TO ASSIGNMENT OF CONTRACTS AND ASSUMED LIABILITIES.** Purchaser shall provide Seller with such information as Seller reasonably requests and shall otherwise cooperate with Seller in good faith to assist Seller in securing the required consents to Purchaser's assumption of the Contracts.

10. PRORATIONS AND ADJUSTMENTS.

A. **APPORTIONMENT OF INCOME AND EXPENSE.** Seller shall be entitled to all income received, and shall be responsible for all expenses arising out of the operations of the Station until 12:00 midnight on the day of the Closing Date. Purchaser shall be entitled to all income received, and shall be responsible for all expenses arising out of, the operations of the Station after 12:00 midnight on the day of the Closing Date. All

overlapping items of income or expense, including the following, shall be prorated between the Seller and Purchaser as of 12:00 midnight on the day of the Closing Date (the "Prorations"):

(1) Advance payments received from advertisers prior to closing for services to be rendered in whole or in part after closing;

(2) Prepaid expenses and deposits arising from payments made for goods or services prior to closing where all or part of the goods or services have not been received or used as of closing.

(3) Liabilities customarily accrued, arising from expenses incurred but unpaid as of closing (e.g., payroll, payroll taxes, and earned vacation time of Station employees who enter into Purchaser's employ after closing, frequency discounts, rents, sales commissions, and fees for business and professional services);

(4) Deposits and unearned prepayments received by Seller in connection with any agreement assumed by Purchaser; and

(5) All other items normally prorated in the sale of the assets of a business and of a radio broadcast station in particular including, but not limited to, property taxes, and the annual license fees due to the Commission.

B. DETERMINATION AND PAYMENT. As to Prorations that cannot be made on the Closing Date, within sixty (60) days after the closing, Purchaser shall determine all such Prorations and shall deliver a statement of its determinations to Seller, which statement shall set forth in reasonable detail the basis for such determinations, and within ten (10) days thereafter Purchaser shall pay to Seller or Seller shall pay to Purchaser, as the case may be, the net amount due. If Seller does not concur with Purchaser'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. If the parties are unable to resolve the matter, it shall be referred to a firm of independent certified accountants, mutually acceptable to Seller and Purchaser, whose decision shall be final, and whose fees and expenses shall be paid one-half by Seller and one-half by Purchaser.

C. CREDIT FOR OFFICE EQUIPMENT AND FURNITURE. At closing, Purchaser shall receive a credit against the purchase price for the purchase of office equipment and furniture for the Station; provided, however, the maximum credit allowed to Purchaser shall be Four Thousand Nine Hundred and 00/100 Dollars (\$4,900.00).

11. INDEMNIFICATION.

A. PURCHASER'S RIGHT TO INDEMNIFICATION. Seller undertakes and agrees to hold Purchaser harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Purchaser arising from (i) breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or representations contained in this Agreement; (ii) all liabilities of Seller not assumed by Purchaser pursuant to this Agreement; (iii) all liens, charges, or encumbrances on any of the Purchased Assets; (iv) all claims, potential claims, and litigation arising from action or inaction prior to closing; (v) all Administrative Violations and alleged Administrative Violations occurring prior to closing; and (vi) all liabilities of Seller not assumed by Purchaser pursuant to this Agreement which accrue prior to closing under the Contracts, Sales Agreements, and Trade Agreements. The foregoing indemnity is intended by Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth and shall be without limitation as to amount. This provision shall survive the closing of the purchase, and this agreement for indemnity shall be in addition to all other remedies Purchaser may have for breach of this Agreement.

B. SELLER'S RIGHTS TO INDEMNIFICATION. Purchaser undertakes and agrees to hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Seller arising from (i) breach, misrepresentation, or other violation by Purchaser of any of the covenants, warranties or representations contained in this Agreement; (ii) the Assumed Indebtedness to the extent assumed by Purchaser pursuant to this Agreement; (iii) all liabilities of Purchaser; and (iv) all liabilities accruing after closing under the Contracts, Sales Agreements, and Trade Agreements. The foregoing indemnity is intended by Purchaser to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth and shall be without limitation as to amount.

C. PROCEDURE. If any claim or procedure covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification (the "Indemnified Party") shall give written notice thereof to the other party promptly in no event more than ten (10) days after it learns of the existence of such claim or proceeding and the party from whom indemnification is sought shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against any such claim or proceeding or to compromise, settle or otherwise dispose of the same, if the Indemnifying Party deems it advisable to do so, all at the expense of the Indemnifying Party. The parties will fully cooperate in any such action, making available to each other books or records for the defense of any such claim or proceeding. If a party from who indemnification is sought fails to acknowledge in writing its obligation to defend against or

resist such claim or proceeding within twenty (20) days after receiving notice of the claim from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Indemnified Party shall be free to dispose of the matter, at the expense of the Indemnifying Party, in any way which the Indemnified Party deems in its best interest.

D. INDEMNIFICATION NOT TO BE SOLE REMEDY. The right to indemnification hereunder shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties, or covenants, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which either party may otherwise be entitled as a result of any such breach.

12. CLOSING DATE. The Closing Date of this Agreement shall be no later than the seventh (7th) business day after the date on which the Commission's approval of the Assignment Application becomes the Final Order. In the absence of a mutual agreement of Seller and Purchaser to the contrary, the Closing shall take place on such seventh (7th) business day, commencing at 10:00 a.m., at the offices of Purchaser's counsel in Spartanburg, South Carolina.

13. SELLER'S DELIVERIES AT THE CLOSING. At the Closing, Seller will deliver to Purchaser the following instruments and executed documents, in form and content satisfactory to the Purchaser and its counsel:

A. An assignment transferring all of the interest of Seller in and to the Station Licenses and all other licenses, permits, and authorizations issued by any federal, state, or local regulatory agencies which are used or useful in the operation of the Station;

B. One or more bills of sale transferring and conveying to Purchaser all of the Personal Property in a form usual and customary in the State of Pennsylvania;

C. One or more deeds of sale transferring and conveying to Purchaser the land and building(s) in a for usual and customary in the State of Pennsylvania;

D. One or more assignments, together with all required consents, assigning to Purchaser all of the Contracts, Sales Agreements, and Trade Agreements;

E. An assignment conveying the Promotional Rights and the Intangible Property;

F. An opinion of Seller's counsel as set forth in Paragraph 7.H.(1) & (2):

G. Such other instruments and documents as may be reasonably required to fulfill the Seller's obligations herein.

H. Convent not to compete in the metro market of Pittsburgh, Pennsylvania from Jack Mortenson, provided, however, this covenant shall not apply to AM broadcast station WPGR, 1510 Kilohertz at Pittsburgh, Pennsylvania..

14. PURCHASER'S DELIVERIES AT THE CLOSING. At the closing, Purchaser will deliver to Seller the following instruments and executed documents, in form and content satisfactory to Seller and its counsel

A. The cash due at closing, to be paid as provided in Paragraph 2.

B. Such other instruments and documents as may be reasonable required to fulfill the Purchaser's obligations herein.

15. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Except as otherwise specifically provided herein to the contrary, the several representations and warranties of the parties contained herein shall survive the closing.

16. DAMAGE. The risk of loss or damage to the fixed and tangible assets to be sold to Purchaser hereunder shall be upon Seller at all times prior to closing. In the event of such loss or damage, Seller shall promptly notify Purchaser thereof and repair, replace or restore any such property to its former condition as soon as possible after its loss and prior to the Closing Date. If damage has occurred and such repair or restoration of any such damage has not been completed prior to the Closing Date, Purchaser may, at its option: (a) elect to consummate the closing in which event Seller shall pay to Purchaser the cost of such repair, replacement, or restoration as is required to restore the property to its former condition and against such obligation shall assign to Purchaser all of Seller's rights under any applicable insurance policies. Purchaser shall in such event submit to Seller an itemized list of the cost of such repair, replacement or restoration. If the parties are unable to agree upon such costs, the matter shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Purchaser who is a member of the Association of Federal Communications Consulting Engineers, whose decision as to the costs shall be final, and whose fees and expenses shall be paid one-half by Seller and one-half by Purchaser; or (b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the Commission if necessary, to permit Seller to make such repairs, replacement, or restoration as is required to restore the property to its former condition. If after the expiration of the extension period granted by Purchaser the property has not been adequately repaired, replaced or restored, Purchaser may terminate this Agreement. If the parties disagree as to whether the property has been adequately repaired, replaced or restored, the matter shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Purchaser who is a member of the Association of Federal Communications Consulting Engineers, whose decision as to the costs shall be final, and whose fees and expenses shall be paid one-half by Seller and one-half by Purchaser.

17. **EXPENSES.** Seller shall pay for the preparation of all closing documents. Purchaser shall pay for Purchaser's counsel to prepare this Agreement. Except as otherwise provided herein, each party shall bear their respective legal fees, engineering fees and all expenses involved in the preparation and consummation of this Agreement; provided, however, Seller agrees to pay for a new survey of the Real Property if required by the Purchaser's lender.

18. **BULK SALES PROVISION.** Seller will be responsible for compliance with the provisions of any bulk sales or fraudulent conveyance statute applicable to the transaction contemplated by this Agreement, and will indemnify and hold Purchaser harmless against any such costs or expense as a result of a failure to comply with any such statute. This provision shall survive the closing of the purchase and shall be in addition to all other remedies Purchaser may have for breach of this Agreement.

19. **TRANSFER TAXES AND FEES.** All applicable documentary and filing taxes and fees that may be due or payable as a result of the conveyance, assignment, transfer or delivery of the Purchased Assets shall be borne by the Seller.

20. **MISCELLANEOUS PROVISIONS.**

A. **OBLIGATION OF SELLER.** Except as specifically set forth in this Agreement, nothing herein shall be construed to impose upon Purchaser the assumption of any claim against or liability or obligation of Seller, arising out of the business and operations of the Seller, or the use, operation or possession of the Purchased Assets, whether such claims shall have arisen before or after the closing of this transaction.

B. **BOOKS AND RECORDS.** All records pertaining to the Purchased Assets and the Station shall be delivered to, and become the property of Purchaser, subject to the right of Seller to have reasonable access to and make exact copies of all such records and documents that it may need for winding up its operations and/or filing appropriate tax returns.

C. **BROKERAGE.** The parties mutually represent that there are no finders, consultants or brokers involved in this transaction, except for John Pierce and Company whose fee will be paid by the Seller.

D. **ASSIGNABILITY.** Neither party may assign its rights hereunder without the prior written consent of the other party.

E. **NOTICES.** All necessary notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed duly given if mailed by certified mail, postage prepaid, addressed as follows:

Jack M. Mortenson
Mortenson Broadcasting Company
3270 Blazer Parkway, Ste. 10
Lexington, Kentucky 40509

Robert L. Wilkins, President
Steel City Radio, Inc.
Post Office Box 444
Spartanburg, South Carolina, 29304

F. ENTIRE AGREEMENT. This Agreement supersedes any prior agreements between the parties and sets the entire understanding and agreement of the parties. This agreement may not be changed, modified or terminated except by a supplemental agreement in writing executed by both parties.

G. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall constitute an original.

H. SITUS AND CONSTRUCTION. This Agreement and any other agreements to be made and entered into pursuant hereto shall be construed in accordance with and governed by the laws of the State of Pennsylvania.

I. BINDING EFFECT. All of the Covenants, conditions, agreements and undertakings set forth in this Agreement shall extend to and be binding upon the parties hereto and their respective heirs, successors and assigns.

J. EXHIBITS. The exhibits attached to this Agreement are a material part hereof and are incorporated by reference herein.

K. SEVERABILITY. In the event that any one or more of the provisions contained herein should be held to be invalid, illegal or unenforceable in any respect, such invalid, illegal or unenforceable provision shall be deemed severed from this Agreement, and shall not affect or impair the remaining provisions contained herein. If this Agreement requires construction or interpretation by any Court or other person, the parties agree that interpretation and construction of this Agreement shall not be subject to the rule that an agreement shall be construed more strictly against the party which itself or through its agents prepared the same, the parties agreeing that each participated equally in the preparation hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on and as of the date set forth above.

IN THE PRESENCE OF:

**MORTENSON BROADCASTING
COMPANY**

Witness

JACK M. MORTENSON
PRESIDENT

Witness

ATTEST:

_____, SECRETARY

STEEL CITY RADIO, INC.

Witness

ROBERT L. WILKINS, JR.
PRESIDENT

Witness

ATTEST:

_____, SECRETARY