

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of December 29, 2006 among CITICASTERS CO., an Ohio corporation, CITICASTERS LICENSES, L.P., a Nevada limited partnership, and CLEAR CHANNEL BROADCASTING, INC., a Nevada corporation (collectively, "Seller") and RINCON BROADCASTING, LLC, a California limited liability company ("Buyer").

### Recitals

A. Seller owns and operates the following radio broadcast stations (each a "Station" and collectively the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KIST-FM Santa Barbara, CA  
KIST-AM Santa Barbara, CA  
KSBL-FM Carpinteria, CA  
KSPE-FM Ellwood, CA  
KTMS-AM Santa Barbara, CA  
KTYD-FM Santa Barbara, CA  
KBKO(AM), Santa Barbara, CA

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

### Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

#### ARTICLE 1: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Sections 1.2 and 1.3, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets and properties of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations, including without limitation those

listed on *Schedule 1.1(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business (the “Tangible Personal Property”);

(c) all of Seller’s real property used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1(c)* (the “Real Property”);

(d) all agreements for the sale of advertising time on the Stations entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of the Stations’ business, including without limitation those listed on *Schedule 1.1(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the “Station Contracts”), it being understood that if Seller received a special discounted rate with respect to any of the Station Contracts due to Seller’s being an affiliate of another party thereto, then the fees assumed thereunder shall be the rate set forth therein, but only for a period the shorter of (i) the balance of the term thereof, or (ii) twelve (12) months from the Closing Date and if the balance of the term thereof exceeds twelve (12) months, at the end of said twelve (12) month period, and thereafter throughout the remaining term thereof, the fees thereunder shall be the then current rates the other party is charging its non-affiliated entities for comparable services or such other rates as the parties mutually agree;

(e) all of Seller’s rights in and to the intangible property listed on *Schedule 1.1(e)*, including without limitation all intangible property, websites and domain names used or held for use in the operation of the Stations (the “Intangible Property”); and

(f) Seller’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations’ local public files, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to Excluded Assets (defined below).

At Closing, Seller shall sell, assign, transfer, convey and deliver the Station Assets to Buyer free and clear of liens, claims and encumbrances (“Liens”) except for Assumed Obligations (defined in Section 1.4), liens for taxes not yet due and payable, liens that will be released at or prior to Closing, and, with respect to the Real Property, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Stations (collectively, “Permitted Liens”).

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the “Excluded Assets”):

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;

(c) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;

(d) Seller's corporate and trade names unrelated to the operation of the Stations (including the name "Clear Channel"), charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Stations, and all records not relating to the operation of the Stations;

(e) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;

(f) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

(g) the Stations' accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Effective Time (defined below) or commencement of the LMAs (defined below), as applicable, or otherwise arising during or attributable to any period prior to the Effective Time or commencement of the LMAs, as applicable (the "A/R");

(h) any non-transferable shrinkwrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Stations;

(i) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Stations and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;

(j) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent Seller receives a credit therefor under Section 1.7;

(k) computers and other assets located anywhere other than at the Stations' studios or transmitter sites, and any other operating systems and related assets that are used in the operation of Seller's other stations or other business units;

(l) all studio, tower and other assets used or held for use in the operation of any other radio or television station owned or operated by Seller or an affiliate of Seller;

(m) any shares of stock in Broadcast Music, Inc. held by Seller;

(n) if any Station has a Fox News contract that may not be assigned, then such contract is an Excluded Asset, but before Closing Buyer shall enter into a new contract with Fox for such Station effective as of Closing, which contract shall include all Fox terms that are applicable to the affected Station as owned by Buyer;

(o) if any Station has an agreement with LAN International for use of the Viero software, then such agreement is an Excluded Asset, but at Closing Buyer will enter into a new license agreement for such Station substantially in the form attached hereto as *Exhibit A*;

(p) if any Arbitron contract is replaced with a new agreement pursuant to Section 1.3(c), then the superseded contract is an Excluded Asset;

(q) all intercompany arrangements among Seller and its affiliates that are not listed on *Schedule 1.1(c)* or *Schedule 1.1(d)*; and

(r) the assets listed on *Schedule 1.2*.

With respect to the mark “LA PRECIOSA” (and any variation thereof) and any other marks or similar Intangible Property used in the operation of the Stations that are used in whole or in part in the operation of any other station, the Station Assets include only the right to use such items in the manner used by Seller at the applicable Station on a basis exclusive in the market but non-exclusive in that no right is granted to Buyer with respect to other markets (some of which may overlap), and such right (i) is limited to the extent of Seller’s transferable rights, (ii) may not be assigned by Buyer except to a transferee of the applicable Station who assumes Buyer’s obligations in respect thereof (and any such assignment shall not relieve Buyer of any obligation or liability), (iii) may be used by Buyer only in a manner that does not diminish the quality of such items, and only without violating law or any third party rights (and Buyer shall be solely responsible for such use and the related services), and (iv) shall terminate for noncompliance or non-use, but otherwise shall be coterminous with Seller’s rights. If any party requests further documentation of such rights, then upon Closing the parties shall enter into a separate license agreement that provides such rights in accordance with this Agreement.

### 1.3. Shared Assets.

(a) Some of the Station Contracts may be used in the operation of multiple stations or other business units (the “Shared Contracts”). The rights and obligations under the Shared Contracts shall be equitably allocated among stations and such other business units in a manner reasonably determined by Seller in accordance with the following equitable allocation principles:

(i) any allocation set forth in the Shared Contract shall control;

(ii) if none, then any allocation previously made by Seller in the ordinary course of Station operations shall control;

(iii) if none, then the quantifiable proportionate benefit to be received by the parties after Closing shall control; and

(iv) if not quantifiable, then reasonable accommodation shall control.

(b) Buyer shall cooperate with Seller (and any third party designated by Seller) in such allocation, and the Station Contracts (and Assumed Obligations (defined below)) will include only Buyer’s allocated portion of the rights and obligations under the Shared Contracts (without need for further action and whether such allocation occurs before or after Closing). If designated by Seller, such allocation will occur by termination of the Shared Contract and execution of new contracts. Buyer’s allocated portion of the Shared Contracts will not include any group discounts or similar benefits specific to Seller or its affiliates. Completion of documentation of any such allocation is not a condition to Closing.

(c) Buyer's allocated portion of such shared contracts will not include any group discounts or similar benefits specific to Seller or its affiliates. Without limiting the foregoing, any Arbitron agreements assigned hereunder may not include any rate discount or other terms specific to Seller's umbrella contracts with Arbitron. With respect to each Arbitron contract, if requested by Arbitron, then prior to Closing Buyer shall enter into a new contract with Arbitron effective as of Closing on the Arbitron terms that are applicable to the Stations as owned by Buyer. Whether new or assumed, no Arbitron contract will include Seller's discount or other group terms.

1.4. Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts, the obligations described in Section 5.7 and any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.7 (collectively, the "Assumed Obligations"). Except for the Assumed Obligations and except as provided in the LMAs, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations").

1.5. Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of Seventeen Million Three Hundred Thousand Dollars (\$17,300,000.00), subject to adjustment pursuant to Section 1.7 (the "Purchase Price").

1.6. Deposit. On the date of this Agreement, Buyer shall make a cash deposit in immediately available funds in the amount of One Million Seven Hundred Thirty Thousand Dollars (\$1,730,000) (the "Deposit") with Bank of America, N.A. (the "Escrow Agent") pursuant to the Escrow Agreement (the "Escrow Agreement") of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by either party pursuant to Section 10.1(d) or by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller as contemplated by Section 10.5. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply entitling Seller to immediately terminate this Agreement.

1.7. Prorations and Adjustments.

(a) Except as provided in the LMAs, all prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles ("GAAP") as of 12:01 a.m. on the day of Closing (the "Effective Time"). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Seller shall receive a credit for all of the Stations' deposits and prepaid expenses to the extent such prepayment applies

to periods commencing after the Effective Time. Sales commissions related to the sale of advertisements broadcast on the Stations prior to Closing or commencement of the LMAs, as applicable, shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing or commencement of the LMAs, as applicable, shall be the responsibility of Buyer. There shall be no adjustment for accrued employee leave, except as provided by *Schedule 5.7*. Prorations and adjustments shall be made no later than ninety (90) calendar days after Closing

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services assumed by Buyer pursuant to Section 1.1(d), if at Closing the Stations have an aggregate negative barter balance (*i.e.*, the amount by which the value of air time to be provided by the Stations after the Effective Time exceeds the fair market value of corresponding goods and services), there shall be no proration or adjustment, unless the negative barter balance of the Stations as an aggregate exceeds \$100,000, in which event such excess shall be treated as prepaid time sales of Seller and adjusted for as a proration in Buyer's favor. In determining barter balances, the value of air time shall be based upon Seller's rates as of Closing, and corresponding goods and services shall include those to be received by the Stations after Closing *plus* those received by the Stations before Closing to the extent conveyed by Seller to Buyer as a part of the Station Assets.

1.8. Allocation. Each party shall allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). Each of Buyer and Seller shall file a tax return reflecting its allocation as and when required under the Code.

1.9. Closing.

(a) The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place on or before the first business day after the date of the last to occur of the date the FCC Consent becomes Final (defined below), HSR Clearance (defined below), or on such other day as Buyer and Seller may mutually agree, subject to the satisfaction or waiver of the conditions set forth in Articles 6 or 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

(b) If Closing occurs prior to a Final FCC Consent, and prior to becoming Final the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets, and Seller shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing.

(c) Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the contracts and leases assigned and assumed at Closing) and

make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

(d) For purposes of this Agreement, the term “Final” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

#### 1.10. Governmental Consents.

(a) Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the “FCC Application”) requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the “FCC Consent”. Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) If applicable, within ten (10) business days after the date of this Agreement, Buyer and Seller shall make any required filings with the Federal Trade Commission and the United States Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”) with respect to the transactions contemplated hereby (including a request for early termination of the waiting period thereunder), and shall thereafter promptly respond to all requests received from such agencies for additional information or documentation. Expiration or termination of any applicable waiting period under the HSR Act is referred to herein as “HSR Clearance.”

(c) Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. The FCC Consent and HSR Clearance are referred to herein collectively as the “Governmental Consents”.

(d) In connection with any merger agreement or other strategic transaction, notwithstanding anything to the contrary set forth in this Agreement, if Seller notifies Buyer at any time prior to Closing, whether before or after the Governmental Consents are obtained, that it is necessary to specify a new transferor or otherwise change the FCC Application or any filing under the HSR Act, the parties shall amend, withdraw and re-file, or otherwise modify the FCC Application and any filing under the HSR Act, when requested by Seller to make such change, whether minor or major. In addition, notwithstanding anything to the contrary set forth in this Agreement, Seller may assign this Agreement and convey all or any part of the Station Assets to a divestiture trust pursuant to which the trustee assumes this Agreement, either in whole or in part, as to such assets.

(e) The main station FCC Licenses expire on the dates set forth on *Schedule 1.1(a)*. Seller shall continue to prosecute the KTYD FCC renewal application. The parties acknowledge that under current FCC policy, either the FCC will not grant an assignment application while a renewal application is pending, or the FCC will grant an assignment application with a renewal condition. If the FCC Application is granted subject to a renewal condition, then the term “FCC Consent” shall mean FCC consent to the FCC Application and satisfaction of such renewal condition.

1.11. Ownership.

(a) Seller’s ownership of the Stations is grandfathered under the FCC’s radio multiple ownership rules. To acquire the stations as a group, Buyer must qualify as an eligible entity (as defined in the FCC’s Report and Order and Notice of Proposed Rulemaking in MB Docket No. 02-227). If it does not qualify, then to comply with the FCC’s multiple ownership rules, Buyer must consummate the divestiture of one of the Stations simultaneously with Closing. Whether by qualification as an eligible entity or by simultaneous divestiture of a Station, Buyer shall ensure compliance with the FCC’s multiple ownership rules to permit Closing not later than the Outside Date (defined below).

(b) The FCC Application shall reflect Buyer’s compliance with FCC multiple ownership rules by qualification or divestiture. Buyer represents and warrants to Seller that within five (5) business days of the date of this Agreement Buyer will enter into a definitive agreement providing for such divestiture, being the sale of one of the Stations to an FCC-qualified third party. Buyer shall cause such third party buyer to file all FCC applications necessary in connection therewith not later than the time provided by Section 1.10(a). The FCC Consent may contain a condition to the effect that Buyer must consummate such divestiture prior to or simultaneously with Closing.

(c) Buyer may designate such FCC-qualified third-party buyers to acquire all or any part of the Station Assets at Closing pursuant to this Agreement, provided that (i) Buyer gives Seller written notice thereof together with the designee’s written agreement to be bound by the terms of Sections 1.10 and 5.1, (ii) any such designation shall be for purposes of identifying a transferee only and shall not release Buyer of any obligation or liability under this Agreement, and (iii) any such designation shall not delay Closing beyond the Outside Date.

1.12. Outside Date. Section 10.1(d) provides that either party may terminate this Agreement if Closing does not occur by the Outside Date. As used in this Agreement, the term “Outside Date” means the later of (i) the date eight (8) months after the date of this Agreement or (ii) the date KTYD’s FCC license renewal becomes Final, except as provided below. Buyer may elect to extend the Outside Date by one or more periods of six (6) months each (but not more than four such extensions) by paying Seller as follows: (i) \$2,595,000 for the first such extension, and (ii) \$3,460,000 per extension for each subsequent extension. Each such payment shall be made by wire transfer of immediately available funds not later than the then-current Outside Date, and shall be final and non-refundable. If Closing occurs, each such payment (if any) shall be credited as a partial payment of the Purchase Price. If KTYD’s FCC License renewal is not granted by the date twelve (12) months after the date of this Agreement or it is granted within such time but does not become Final within forty-five (45) days after public



notice of initial FCC grant thereof, then Seller may terminate this Agreement by written notice to Buyer, in which event the Deposit and any interest accrued thereon shall be disbursed to Buyer.

1.13. Agreement with Katz. Except as otherwise described in this Section, Buyer shall not be obligated to assume, and shall be released from all liability related to, the national sales representation agreements in place between Katz Communications, Inc. and Seller with respect to the Stations, copies of which are attached hereto as *Schedule 1.13* (the “Katz Agreements”). Notwithstanding the foregoing, in the event that Buyer or any of its affiliates, at any time within three (3) years of Closing shall enter into a national sales representation agreement with any third party with respect to any of the Stations, Buyer shall be obligated to pay to Katz Communications, Inc. all Termination Obligations, as defined in the Katz Agreements, for each Station that Buyer enters into with a third party a national sales representation agreement. Notwithstanding anything herein to the contrary, the obligations under this Section shall survive Closing without limitation.

1.14. LMAs. If Seller enters into a Local Programming and Marketing Agreement with Santa Barbara Community Broadcasting Company for KIST(AM), Santa Barbara, California, then Seller and Buyer shall simultaneously enter into a Local Programming and Marketing Agreement with respect to the Stations other than KIST. The terms of such LMAs shall commence at the same time and thereafter be concurrent. Pursuant to each such agreement, among other things, and subject to the terms and conditions of the agreement, from and after the commencement date set forth therein, Buyer and Santa Barbara Community Broadcasting Company will provide programming for, and be entitled to receive the revenue from the sale of advertising time on, the applicable Stations. As used herein, such Local Programming and Marketing Agreements are each an “LMA” and collectively the “LMAs.”

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the “Seller Ancillary Agreements”) and to consummate the transactions contemplated hereby.

2.2. Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. No Conflicts. Except as set forth on *Schedule 2.3* and except for the Governmental Consents and consents to assign certain of the Station Contracts, the execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby does not conflict with any organizational documents of Seller, any contract or agreement to which Seller is a party or by which it is bound, or any law, judgment, order, or decree to which Seller is subject, or require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4. FCC Licenses. Except as set forth on *Schedule 1.1(a)*:

(a) Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Stations or against Seller with respect to the Stations that could result in any such action. The Stations are operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC.

(b) All material reports and filings required to be filed with the FCC by Seller with respect to the Stations have been timely filed. All such reports and filings are accurate and complete in all material respects. Seller maintains appropriate public inspection files at the Stations as required by FCC rules.

(c) The broadcast towers for the Stations that are owned by Seller are in compliance in all material respects with all applicable laws, including without limitation, the Federal Aviation Act and all rules and regulations promulgated thereunder, and have been registered with the FCC.

2.5. Taxes. Seller has, in respect of the Stations' business, filed when due or with appropriate extensions all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6. Personal Property. *Schedule 1.1(b)* contains a list of material items of Tangible Personal Property included in the Station Assets. Except as set forth on *Schedule 1.1(b)*, Seller has good and marketable title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on *Schedule 1.1(b)*, all material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted. The Station Assets include all assets that are owned or leased by Seller and used or held for use in the operation of the Stations in all material respects as currently operated, except for the Excluded Assets.

2.7. Real Property. *Schedule 1.1(c)* contains a description of all Real Property included in the Station Assets. Seller has good and marketable fee simple title to the owned Real Property described on *Schedule 1.1(c)* (the “Owned Real Property”) free and clear of Liens other than Permitted Liens. *Schedule 1.1(c)* includes a description of each lease of Real Property or similar agreement included in the Station Contracts (the “Real Property Leases”). To Seller’s knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. The Owned Real Property and the Real Property Leases are the only real property now used by Seller in the operation of the Stations. The Owned Real Property includes, and the Real Property Leases provide, access to the Stations’ facilities necessary for the operation of the Stations in the ordinary course of business consistent with past practices.

2.8. Contracts. *Schedule 1.1(d)* contains a list of all contracts that are used in the operation of the Stations other than contracts that when combined with any Station Contracts executed after the date of this Agreement do not exceed the limitations set forth in Section 4.1 and agreements for the sale of advertising time entered into in the ordinary course of business. The Station Contracts requiring the consent of a third party to assignment are identified with an asterisk on *Schedule 1.1(c)* and *Schedule 1.1(d)*. Each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Seller and, to Seller’s knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors’ rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller’s knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

2.9. Environmental. Except as set forth on *Schedule 1.1(c)* or in any environmental report delivered by Seller to Buyer prior to the date of this Agreement, to Seller’s knowledge, no hazardous or toxic waste, substance, material or pollutant (collectively, “Hazardous Material”) as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC § 9601 *et seq.*, the Toxic Substances Control Act, as amended, 15 USC § 2601 *et seq.*, the Resource Conservation and Recovery Act of 1976, as amended, 42 USC § 6901 *et seq.*, the Clean Water Act, as amended, 42 USC § 1251 *et seq.*, the Clean Air Act, as amended, 42 USC § 7401 *et seq.*, or any other applicable federal, state or local environmental protection, health or safety laws, or any regulations or policies adopted pursuant to such laws (the foregoing laws, regulations and policies collectively referred to as the “Environmental Laws”) has been released, emitted or discharged or is currently located in, on or under the Real Property in violation of any Environmental Laws. Except as set forth on *Schedule 1.1(c)* or in any environmental report delivered by Seller to Buyer prior to the date of this Agreement, to Seller’s knowledge, the Station Assets and Seller’s use thereof are not in material violation of any Environmental Laws, including but not limited to FCC rules, policies and guidelines concerning RF radiation. Seller has not received any notice, summons, citation, directive, letter, demand or other written communication from any governmental authority concerning the release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping or disposing of Hazardous Materials by Seller in violation of Environmental Laws on, above or under the Real Property.

2.10. Intangible Property. *Schedule 1.1(e)* contains a description of the material Intangible Property included in the Station Assets. Except as set forth on *Schedule 1.1(e)*, (i) to Seller’s knowledge, Seller’s use of the Intangible Property does not infringe upon any third party

rights in any material respect, (ii) no material Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings claiming infringement or unauthorized use, and (iii) Seller has not received any written notice that its use of any material Intangible Property is unauthorized or infringes upon the rights of any other person. Except as set forth on *Schedule 1.1(e)*, to Seller's knowledge, Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.11. Employees. Except as set forth on *Schedule 2.11*, (i) there is no unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or, to Seller's knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations business, and (ii) Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Station, and to Seller's knowledge, no union represents or claims to represent or is attempting to organize such employees.

2.12. Insurance. Seller maintains insurance policies or other arrangements with respect to the Stations and the Station Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time.

2.13. Compliance with Law. Except as set forth on *Schedule 2.13*, (i) Seller has complied in all material respects and is in compliance in all material respects with all laws, rules and regulations, including without limitation all FCC and Federal Aviation Administration rules and regulations applicable to the Station Assets or the operation of the Stations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Stations, and (ii) to Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Stations except those affecting the industry generally.

2.14. Litigation. Except as set forth on *Schedule 2.14*, there is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Stations or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Stations or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

2.15. Financial Statements. Seller has provided to Buyer copies of its statements of operations for the Stations for the years ended December 31, 2004 and December 31, 2005 and the calendar year to date through October 31, 2006. Such year-end statements are the statements included in the audited consolidated financial statements of Seller and its affiliates (but such statements are not separately audited and the year to date statements are not audited). Shared operating expenses and revenue from combined sales are allocated among the Stations and other stations and business units as determined by Seller. Such statements may reflect the results of intercompany arrangements that are Excluded Assets. Except for the foregoing and except for the absence of footnotes, such statements have been prepared in accordance with GAAP

consistently applied and in the aggregate present fairly in all material respects the results of operations of the Stations as operated by Seller for the respective periods covered thereby.

### ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the “Buyer Ancillary Agreements”) and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. No Conflicts. Except for the Governmental Consents, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or is by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4. Litigation. There is no action, suit or proceeding pending or, to Buyer’s knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5. Qualification. Subject to Section 1.11, (i) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act and the rules, regulations and policies of the FCC and to enter into the LMA described herein to be entered into by Buyer and assume the role of programmer thereunder, (ii) there are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations or as the programmer under such LMA, (iii) no waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained, and (iv) there are no matters which might reasonably be expected to result in the FCC’s denial or delay of approval of the FCC Application.

#### ARTICLE 4: SELLER COVENANTS

4.1. Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall, subject to the LMAs (as applicable):

(a) operate the Stations in the ordinary course of business and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses;

(c) not other than in the ordinary course of business and except as provided by Section 1.10(d), sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Tangible Personal Property in the ordinary course of business;

(e) upon reasonable notice, give Buyer and its representatives reasonable access during normal business hours to the Station Assets, and furnish Buyer with information relating to the Station Assets that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Stations;

(f) except in the ordinary course of business and as otherwise required by law, not (i) enter into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing or (ii) increase the compensation payable to any employee of the Stations, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement (if any); and

(g) not enter into new Station Contracts that will be binding upon Buyer after Closing or amend any existing Station Contracts, except for (A) new time sales agreements and other Station Contracts made in the ordinary course of business that are terminable on ninety days notice or less without penalty, (B) other Station Contracts made with Buyer's prior consent, and (C) other Station Contracts that do not require post-Closing payments by Buyer of more than \$250,000 (in the aggregate for all such new contracts).

For purposes of calculating the amount of said post-Closing payments by Buyer, if a contract is terminable by giving advance notice, then such amount shall include only the post-Closing amount that would be payable if a termination notice were given at Closing (whether or not such notice is in fact given), but in no event shall such amount be more than the amount payable absent such termination notice.

#### ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement. Buyer may disclose confidential information with respect to the applicable Station to any designee in accordance with Section 1.11(c) on a confidential basis and on the same terms as this Section 5.1.

5.2. Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except that the parties shall cooperate to make a mutually agreeable announcement concerning the transactions contemplated hereby.

5.3. Control. Subject to the LMAs, Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4. Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) If prior to the Effective Time any item of Tangible Personal Property is damaged or destroyed or otherwise not in the condition described in Section 2.6 in any material respect, then:

(i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business; and

(ii) if such repair or replacement is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall promptly repair or replace such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation), except that if such damage or destruction materially disrupts Station operations, then Buyer may postpone Closing until the date five (5) business days after operations are restored in all material respects, subject to Section 10.1.

(c) If prior to Closing a Station is off the air or operating at a power level that results in a material reduction in coverage (a "Broadcast Interruption"), then Seller shall use commercially reasonable efforts to return such Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the

contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer may postpone Closing until the date five (5) business days after the Station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1.

5.5. Environmental.

(a) With respect to any owned or ground leased Real Property site for which Seller has not delivered to Buyer a 2006 Phase I environmental assessment, Buyer may at its expense conduct such an assessment (each a “Phase I”) prior to Closing, provided that such assessments are conducted during normal business hours upon reasonable prior notice (and subject to landlord consent if necessary), but completion of such assessments (or the results thereof) is not a condition to Closing.

(b) If any Phase I or any item set forth on *Schedule 1.1(c)* or any environmental report provided by Seller to Buyer prior to the date of this Agreement identifies a condition requiring remediation under, applicable environmental law, then:

(i) except as set forth below, Seller shall at its expense use commercially reasonable efforts to remediate such condition in accordance with applicable law in all material respects in the ordinary course of business; and

(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with Seller’s representations and warranties deemed modified to take into account any such condition) and after Closing Seller shall at its expense remediate such condition in accordance with applicable law in all material respects (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation).

(c) Notwithstanding anything herein to the contrary, if at any time prior to Closing any such condition exists and the reasonably estimated cost to remedy all such conditions in the aggregate exceeds \$100,000, then, unless Buyer waives Seller’s obligations with respect to such condition within five (5) business days after Seller’s notice of intent to terminate, Seller may terminate this Agreement upon written notice to Buyer.

5.6. Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party), and (ii) execution of reasonable estoppel certificates by lessors under any Real Property Leases requiring consent to assignment, but no such consents or estoppel certificates are conditions to Closing except for the Required Consents. Receipt of consent to assign to Buyer the Stations’ main tower leases designated with a diamond on *Schedule 1.1(c)* is a condition precedent to Buyer’s obligation to close under this Agreement (the “Required Consents”).

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Seller and



Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller's obligations arising under the Station Contract from and after Closing in accordance with its terms.

5.7. Employees.

(a) Seller has provided Buyer a list showing employee positions and basic compensation for employees of the Stations. Except as set forth on *Schedule 1.1(d)*, Buyer may, but is not obligated to, offer post-Closing or post-LMA commencement employment to such employees. With respect to each such employee, Buyer shall notify Seller in writing whether or not it is hiring such employee upon Closing or commencement of the LMAs, as applicable. Such notice shall be given at least ten (10) business days prior to Closing or commencement of the LMAs, as applicable, to enable Seller to give appropriate notices to employees without need to pay severance.

(b) With respect to employees of the Stations hired by Buyer ("Transferred Employees"), Seller shall be responsible for all compensation and benefits arising prior to the Effective Time or commencement of the LMAs, as applicable (in accordance with Seller's employment terms), and Buyer shall be responsible for all compensation and benefits arising after the Effective Time or commencement of the LMAs, as applicable (in accordance with Buyer's employment terms). Except as provided by *Schedule 5.7*, Buyer shall grant credit to each Transferred Employee for all unused vacation and sick leave accrued as of the Effective Time or commencement of the LMAs, as applicable, as an employee of Seller, and Buyer shall assume and discharge Seller's obligation to provide such leave to such employees (such obligations being a part of the Assumed Obligations).

(c) Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its "employee welfare benefit plans" (including without limitation health insurance plans) and "employee pension benefit plans" (as defined in ERISA) in which similarly situated employees are generally eligible to participate, with coverage effective immediately upon Closing or commencement of the LMAs, as applicable (and without exclusion from coverage on account of any pre-existing condition), with service with Seller deemed service with Buyer for purposes of any length of service requirements, waiting periods, vesting periods and differential benefits based on length of service, and with credit under any welfare benefit plan for any deductibles or co-insurance paid for the current plan year under any plan maintained by Seller.

(d) Buyer shall also permit each Transferred Employee who participates in Seller's 401(k) plan to elect to make direct rollovers of their account balances into Buyer's 401(k) plan as soon as administratively feasible after Closing or commencement of the LMAs, as applicable, including the direct rollover of any outstanding loan balances such that they will continue to make payments under the terms of such loans under Buyer's 401(k) plan, subject to compliance with applicable law and subject to the reasonable requirements of Buyer's 401(k) plan.

5.8. Accounts Receivable. For a period of ninety (90) days after Closing or commencement of the LMAs, as applicable (the “Collection Period”), Buyer shall, without charge to Seller, use commercially reasonable efforts to collect the A/R in the ordinary course of business and shall apply all amounts collected from the Stations’ account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. Any amounts relating to the A/R that are paid directly to Seller shall be retained by Seller. Buyer shall not discount, adjust or otherwise compromise any A/R and Buyer shall refer any disputed A/R to Seller. Within ten calendar days after the end of each month, Buyer shall deliver to Seller a report showing A/R collections for the prior month and Buyer shall make a payment, without offset, to Seller equal to the amount of all such collections. At the end of the Collection Period, any remaining A/R shall be returned to Seller for collection.

5.9. 1031 Exchange. To facilitate a like-kind exchange under Section 1031 of the Code, Seller may assign its rights under this Agreement (in whole or in part) to a “qualified intermediary” under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Seller of its obligations under this Agreement) and any such qualified intermediary may re-assign to Seller. If Seller gives notice of such assignment, Buyer shall provide Seller with a written acknowledgment of such notice prior to Closing and pay the Purchase Price (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing and otherwise reasonably cooperate therewith.

5.10 Actions. After Closing, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Stations, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request.

#### ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

6.1. Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement; and the representations and warranties of Buyer made in this Agreement that are qualified by materiality shall be true and correct as written as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3. FCC Authorization. The FCC Consent shall have been obtained and become Final.

6.4. Hart Scott Rodino. If applicable, the HSR Clearance shall have been obtained.

6.5. Deliveries. Buyer shall have complied with its obligations set forth in Section 8.2.

#### ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

7.1. Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement; and the representations and warranties of Seller made in this Agreement that are qualified by materiality shall be true and correct as written as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

7.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3. FCC Authorization. The FCC Consent shall have been obtained and become Final.

7.4. Hart Scott Rodino. If applicable, the HSR Clearance shall have been obtained.

7.5. Deliveries. Seller shall have complied with its obligations set forth in Section 8.1.

7.6. Consents. The Required Consents shall have been obtained.

#### ARTICLE 8: CLOSING DELIVERIES

8.1. Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation;

(ii) a certificate executed by Seller's secretary or assistant secretary evidencing authorization by Seller's board of directors for the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iii) the certificate described in Section 7.1(c);

(iv) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;

(v) an assignment and assumption of contracts assigning the Station Contracts from Seller to Buyer;

(vi) an assignment and assumption of leases assigning the Real Property Leases from Seller to Buyer;

(vii) special warranty deeds conveying the Owned Real Property from Seller to Buyer;

(viii) an assignment of marks assigning the Stations' registered marks listed on *Schedule 1.1(e)* (if any) from Seller to Buyer;

(ix) domain name transfers assigning the Stations' domain names listed on *Schedule 1.1(e)* from Seller to Buyer following customary procedures of the domain name administrator;

(x) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property from Seller to Buyer;

(xi) a bill of sale conveying the other Station Assets from Seller to Buyer;

(xii) a noncompetition agreement in the form of *Exhibit B* (the "Noncompete");  
and

(xiii) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

8.2. Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

- (i) the Purchase Price in accordance with Section 1.5 hereof;
- (ii) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation;
- (iii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (iv) the certificate described in Section 6.1(c);
- (v) an assignment and assumption of contracts assuming the Station Contracts;
- (vi) an assignment and assumption of leases assuming the Real Property Leases;
- (vii) domain name transfers assuming the Stations' domain names listed on *Schedule 1.1(e)* following customary procedures of the domain name administrator;
- (viii) any new license agreements required by Section 1.2, any Fox agreement required by Section 1.2, and any new Arbitron agreements required by Section 1.3(c);
- (ix) the Noncompete; and
- (x) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

#### ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Sections 2.5 (Taxes), 2.6 (Personal Property) and 2.7 (Real Property) insofar as those sections address Seller's title to the Station Assets, and 2.9 (Environmental), which shall survive until the expiration of any applicable statute of limitations, and (ii) that if within such twelve (12) month period or period of any applicable statute of limitations, as applicable, the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

#### 9.2. Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages,

liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

(i) any breach by Seller of its representations and warranties made under this Agreement; or

(ii) any default by Seller of any covenant or agreement made under this Agreement; or

(iii) the Retained Obligations; or

(iv) the business or operation of the Stations before the Effective Time, except for the Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under clause (i) of Section 9.2(a) until Buyer's aggregate Damages exceed an amount equal to \$250,000 (after which Seller shall be liable for all such Damages from the first dollar thereof), and (ii) the maximum aggregate liability of Seller under Section 9.2(a) shall be an amount equal to 25% of the Purchase Price.

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties made under this Agreement; or

(ii) any default by Buyer of any covenant or agreement made under this Agreement; or

(iii) the Assumed Obligations; or

(iv) the business or operation of the Stations after the Effective Time.

### 9.3. Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) If the indemnifying party acknowledges in a writing delivered to the indemnified party its obligation, without condition, to reimburse, defend, indemnify and hold harmless the indemnified party with respect to all Damages arising in connection with such Claim, the indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense,

opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment that either (A) includes any remedy other than the payment of money or (B) does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

#### ARTICLE 10: TERMINATION AND REMEDIES

10.1. Termination. Subject to Section 10.3, this Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligations to make the Deposit on the date hereof, to timely make any payment it may elect under Section 1.12 and to pay the Purchase Price at Closing;

(d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the Outside Date; or

(e) as provided by Section 5.5(c).

10.2. Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty

(20) calendar days thereafter or (ii) the Closing Date determined under Section 1.9; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.9, 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 determined under Section 1.9.

10.3. Survival. Except as provided by Section 10.5, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.6 (Deposit) (and Section 10.5 with respect to the Deposit), 5.1 (Confidentiality) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.4. Specific Performance. In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

10.5. Liquidated Damages. In the event of a material breach by Buyer of its representations, warranties, covenants and agreements under this Agreement, Seller shall, as its sole remedy, be entitled to payment as liquidated damages (which shall not be construed as a penalty) of the Deposit made by Buyer pursuant to Section 1.6 (in addition to retention by Seller of all payments under Section 1.12), and Buyer acknowledges that Seller's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

#### ARTICLE 11: MISCELLANEOUS

11.1. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to any requests for Governmental Consents shall be shared equally by Buyer and Seller. Buyer shall be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement (but not Seller's income taxes and not the Stations' pre-Closing responsibilities with respect to sales taxes, if any, which shall be the sole responsibility of Seller). Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

11.2. Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3. Assignment. Except as provided by Section 5.9 (1031 Exchange) and Section 1.10(d), and except that Buyer may designate a qualified third-party transferees pursuant to



Section 1.11, neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller, provided that (i) any such assignment does not delay processing of the FCC Application, grant of the FCC Consent or Closing, (ii) any such assignee delivers to Seller a written assumption of this Agreement, and (iii) Buyer shall remain liable for all of its obligations hereunder. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller: Clear Channel Broadcasting, Inc.  
200 E. Basse Road  
San Antonio, TX 78209  
Attention: Jerry Kersting  
Facsimile: (210) 822-2299

with a copy (which shall not constitute notice) to: Clear Channel Broadcasting, Inc.  
Legal Department  
200 E. Basse Road  
San Antonio, TX 78209  
Attention: Christopher M. Cain, Esq.  
Facsimile: (210) 832-3433

and to: Wiley Rein & Fielding LLP  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attention: Doc Bodensteiner  
Facsimile: (202) 719-7049

if to Buyer: Rincon Broadcasting, LLC  
715 Broadway, Suite 320  
Santa Monica, CA 90401  
Attention: John Hearne, Manager  
Facsimile: (310) 451-1423

with a copy (which shall not constitute notice) to: Davis Wright Tremaine LLP  
1500 K Street NW  
Washington, D.C. 20005-1272  
Attention: David D. Oxenford, Esq.  
Facsimile: (202) 508-6699

and to: Edwards Angell Palmer & Dodge LLP  
111 Huntington Avenue  
Boston, MA 02199

Attention: Leonard Q. Slap, Esq.  
Facsimile: (617) 227-4420

11.5. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6. Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties with respect to the Stations, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. Without limiting the generality of the foregoing, Seller makes no representation or warranty to Buyer with respect to any projections, budgets or other estimates of the Stations' revenues, expenses or results of operations, or, except as expressly set forth in Article 2, any other financial or other information made available to Buyer with respect to the Stations.

11.7. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8. No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person (including without limitation any employees of Seller) or entity other than the parties hereto and their successors and permitted assigns.

11.9. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Texas without giving effect to the choice of law provisions thereof.

11.10. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

12584432

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: RINCON BROADCASTING, LLC

By: John Hearn  
Name: JOHN HEARNE  
Title: MANAGER

SELLER: CITICASTERS CO.

By: \_\_\_\_\_  
Name:  
Title:

CITICASTERS LICENSES, L.P.  
By: CITICASTERS FCC HOLDINGS, INC.,  
Limited Partner

By: \_\_\_\_\_  
Name:  
Title:

CLEAR CHANNEL BROADCASTING, INC.

By: \_\_\_\_\_  
Name:  
Title:

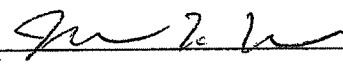
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: RINCON BROADCASTING, LLC

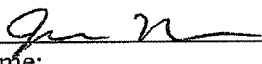
By: \_\_\_\_\_  
Name:  
Title:

SELLER: CITICASTERS CO.

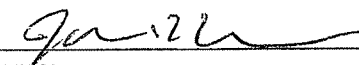
By:   
Name: **John Tippit**  
Title: **Senior Vice President**

CITICASTERS LICENSES, L.P.

By: CITI GP, LLC,  
General Partner

By:   
Name:  
Title: **John Tippit**  
**Senior Vice President**

CLEAR CHANNEL BROADCASTING, INC.

By:   
Name:  
Title: **John Tippit**  
**Senior Vice President**

**EXHIBIT B**

**FORM OF NONCOMPETE**

## EXHIBIT B

### NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT (this "Agreement") is made as of [INSERT CLOSING DATE] among CITICASTERS CO., an Ohio corporation, and CITICASTERS LICENSES, L.P., a Nevada limited partnership (collectively, "Seller") and RINCON BROADCASTING, LLC, a California limited liability company ("Buyer").

#### Recitals

A. Buyer and Seller are parties to an Asset Purchase Agreement (the "Purchase Agreement") with respect to the following radio broadcast stations (the "Stations"):

KIST-FM, Santa Barbara, CA  
KIST(AM), Santa Barbara, CA  
KSBL(FM), Carpinteria, CA  
KSPE-FM, Ellwood, CA  
KTMS(AM), Santa Barbara, CA  
KTYD(FM), Santa Barbara, CA  
KBKO(AM), Santa Barbara, CA

B. This Agreement is made pursuant to the Purchase Agreement.

C. As used in this Agreement, the term "Market" means the area within the primary service contours (the 1.0 mV/m contour) of the Stations.

#### Agreement

NOW, THEREFORE, taking the foregoing recitals into account and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Noncompetition. Subject to the limitations set forth in Sections 2 and 3, for a period of two (2) years from the date hereof, Seller shall not own or operate a terrestrial radio station that is licensed to a community in the Market, except any station hereafter acquired by Seller in a transaction that includes one or more stations not licensed to a community in the Market.

2. Limitations. Nothing set forth herein restricts Seller from owning or operating any radio station in any other market, some of which may overlap with the Market. In addition, nothing set forth herein restricts Seller from any other activity within the Market or elsewhere, including without limitation ad sales agency services, programming services, operating systems and services, television broadcasting, outdoor advertising, satellite radio, Internet media and any other media, all of which may compete within the Market and elsewhere. This Agreement does not restrict ownership of any interest that does not constitute an attributable interest under FCC rules.

3. Severability. Each restriction or covenant contained in Section 1 is severable. If the time period, geographical area specified, or any of the substantive provisions thereof should be adjudicated as unreasonable in any legal proceeding, the time period shall be reduced by such number of months or years, the geographical area shall be reduced by the elimination of such portion thereof, or the substance shall be reduced in scope, or a combination of the foregoing, so that each such restriction or covenant may be enforced for such time period, in such geographical area and to the maximum extent as is adjudicated to be reasonable.

4. Remedies. In the event that Seller defaults under this Agreement, then Buyer shall be entitled to injunctive relief. Seller acknowledges that any breach of this Agreement is likely to result in an injury of a nature which would justify the entry of an injunction and a temporary restraining order to restrain such breach, and that Buyer shall be entitled to institute and prosecute proceedings in any court of competent jurisdiction and to enjoin Seller from activities in violation of this Agreement.

5. Successors and Assigns. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and assigns. Neither party may assign or delegate all or any part of its obligations hereunder.

6. Amendments. The provisions of this Agreement may be changed, amended, or modified only by a written instrument executed by the parties. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same.

7. Waivers. No waiver by any party of any provision contained in this Agreement is valid unless in writing signed by the party waiving compliance, and no waiver in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such provision or any other provision of this Agreement.

8. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be given in the manner and to the addresses set forth in the Purchase Agreement. Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

9. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the state in which the Stations are located without giving effect to principles of conflicts of laws.

10. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to its subject matter and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written,

relating to its subject matter. The express terms hereof control and supersede any course of performance or usage of trade inconsistent with any of the terms hereof.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same Agreement.

[SIGNATURE PAGE FOLLOWS]

12573485



SIGNATURE PAGE TO NONCOMPETITION AGREEMENT

IN WITNESS WHEREOF, Seller and Buyer have duly executed this Agreement as of the date first set forth above.

BUYER: RINCON BROADCASTING, LLC

By: \_\_\_\_\_  
Name:  
Title:

SELLER: CITICASTERS CO.

By: \_\_\_\_\_  
Name:  
Title:

CITICASTERS LICENSES, L.P.

By: \_\_\_\_\_  
Name:  
Title: