

ASSET PURCHASE AGREEMENT

AGREEMENT entered into as of _____, 2001, by **A&D BROADCASTING, INC.**, a South Carolina corporation with a mailing address at 2300 David McLeod Boulevard, Florence, South Carolina 29501 ("Seller"); and **MILLER COMMUNICATIONS, INC.** ("Buyer"), with a principal office located at Post Office Box 1269, Sumter, South Carolina 29150. Certain capitalized terms defined herein are indexed in Section 10 hereof.

RECITALS:

WHEREAS, Seller is holder of an approved license application for WDKD(AM) [FCC Facility ID No. 15835] and WWKT-FM [FCC Facility ID No. 15836], Kingstree, South Carolina, (collectively, the "Stations");

WHEREAS, Seller holds valid authorizations for the operation of the Stations from the Federal Communications Commission (together with any successor thereto, the "FCC"), and owns all of the tangible and intangible personal property used or useful in connection with the operation of the Stations;

WHEREAS, Seller desires to sell, and Buyer desires to purchase, substantially all of the properties and assets used or useful in connection with the operation of the Stations, all subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the parties agree as follows:

SECTION 1. PURCHASE AND SALE OF ASSETS

1.1. Sale of Assets. (a) Subject to the provisions of this Agreement, Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase and accept from Seller, on the Closing Date (as defined in Section 1.4 hereof), all of the assets and rights of every kind and nature, real, personal, and mixed, tangible and intangible, now or hereafter owned by Seller or in which Seller now or hereafter have an interest used or useful in connection with the business and operation of the Stations, including all such assets and rights acquired by Seller or arising between the date hereof and the Closing Date (but excluding any Excluded Property, as defined in Section 1.1(b)), and including, without limitation, the following:

(i) All tangible personal property and physical assets wherever located (collectively, the "Tangible Assets"), used or useful in connection with the business and operation of the Stations, including without limitation, all Tangible Assets located on the real estate owned by the Seller and used by the Stations;

(ii) All governmental licenses, franchises, approvals, certificates, authorizations, permits and rights and applications therefor (collectively, the "Licenses");

(iii) The real estate leases (the "Real Estate Leases"), the equipment leases, towers, syndication agreements, programming and other contracts relating to the Stations described in the Schedule of Contracts attached hereto as Schedule 1.1(a)(iii); all agreements for the sale of advertising time on the Stations for cash, billed at rates consistent with Seller's past practices; the agreements for the sale of advertising time on the Stations at rates then charged to unaffiliated third parties consistent with Seller's past practices in exchange for merchandise or services (collectively, "Trade-Out Agreements") specified as such on Schedule 1.1(a)(iii) (collectively, the "Assumed Trade-Out Agreements"); such other contracts, business agreements, leases and arrangements existing on the Closing Date and entered into by Seller with persons or entities other than its affiliates, in the ordinary course of business consistent with past practices between the date hereof and the Closing Date which in the aggregate involve consideration payable or receivable not in excess of \$1,000; and those additional contracts, business agreements, leases and arrangements used in the operation of the Stations which are not specifically disclosed in this Agreement or the Schedules hereto or which are entered into by Seller between the date hereof and the Closing Date which, in either case, Buyer may, in its discretion, agree in writing to assume (all of the foregoing, including the Assumed Trade-Out Agreements, being herein collectively referred to as the "Assumed Contracts");

(iv) Originals or, if originals are unavailable, copies of Seller's files, books, and records relating to the Subject Assets (as hereinafter defined), including, without limitation, tapes, computer disks and electronic data processing software used or usable in the operation of the Stations, accounting journals and ledgers, FCC filings, customer lists, and the Stations' log books;

(v) All of Seller's rights in and to all copyrights, logos, trademarks, service marks, trade names, current slogans, jingles, computer programs to the extent owned by Seller or its affiliates, non-governmental licenses, intellectual property, and other intangible property rights owned by, or licensed or franchised to, Seller and used by the Stations, including those described in the Schedule of Intangible Assets attached hereto as Schedule 1.1(a)(v);

(vi) All of Seller's rights and interests to the use of the call letters of the Stations as call letters or as part of a tradename;

(vii) All goodwill relating to the Stations; and

(viii) All non-cash accounts receivable in respect of Assumed Trade-Out Agreements.

(b) There shall, however, be excluded from such purchase and sale the following property owned by Seller (the "Excluded Property");

(i) Cash, notes receivable, cash and cash equivalents or money market instruments, including unprocessed checks, savings and other deposits and certificates of deposit, all to the extent derived from the operation of the Stations prior to the Closing Date, subject to

the provisions of clause (iii) below (Accounts receivable will be transferred according to Paragraph 1.3);

(ii) Seller's corporate franchise, stock record books, corporate record books, including minutes of meetings of directors and stockholders, and such other records as deal exclusively with Seller's organization or stock capitalization; and

(iii) Assets sold by Seller following the date hereof and prior to the Closing Date in accordance with the provisions of this Agreement; provided, however, that, any proceeds of such sales shall not constitute Excluded Property.

(c) The assets of the Seller to be sold to and purchased by the Buyer under this Agreement are hereinafter collectively referred to as the "Subject Assets."

1.2. Assumption of Liabilities. Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution, delivery and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement, except for (a) the loans outlined in Paragraph 1.3; (b) obligations accruing after the Closing under the Assumed Contracts; and (c) items for which Buyer received a proration credit at Closing, including, without limitation, those liabilities and obligations of Seller assumed by Buyer on the Closing Date, at Buyer's election (such assumption of liability being limited to the amount of the credit so received). Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter other than liabilities and obligations arising following the Closing under such employment agreements, if any, as constitute Assumed Contracts. Seller covenants and agrees to pay when due prior to and following the Closing all of Seller's debts, liabilities and other obligations to trade creditors and employees except to the extent such debts, liabilities and obligations shall have been expressly assumed by Buyer in writing at the Closing.

1.3. Purchase Price. Buyer will agree to repay all outstanding indebtedness owed by Seller to BB&T and any other lender with a security interest in the Tangible Assets.

1.4. Time and Place of Closing. The closing of the purchase and sale provided for in this Agreement (herein referred to as the "Closing") shall take place within thirty (30) days after the conditions set forth in Section 6.1 shall have been satisfied (the "Closing Date"). The Closing shall be held at the offices of Turner, Padgett, Graham & Laney, P.A., 1831 West Evans Street, 4th Floor, Florence, South Carolina, or at such other place or in such other manner as the parties may agree.

1.5. Closing. At the Closing:

(a) Seller shall convey, transfer, and assign to Buyer, and shall deliver to Buyer such instruments of conveyance, transfer, and assignment, in form and substance reasonably satisfactory to Buyer and its counsel (the "Transfer Instruments"), and any required consents of third parties (including, without limitation, satisfactory estoppel language as to the absence of defaults and the completeness of documentation of the respective lessors, landowners and any other persons or entities whose consents may be required to permit Seller to assign or Buyer to assume the liabilities, contracts, leases, licenses, understandings and agreements constituting the Assumed Contracts), as shall be sufficient to convey, transfer and assign to Buyer sole and exclusive right, title and interest in and to all the Subject Assets, in each case free and clear of all liens, pledges, encumbrances and claims of third parties, except for (x) liens for taxes and assessments in respect of the Leased Real Estate not yet due and payable and for which a proration has been made pursuant to Section 1.7; and (y) easements, restrictions and encumbrances specifically designated in the Schedule of Encumbrances attached hereto as continuing following the Closing, such instruments to include a warranty assignment of the Real Estate Leases and other contracts and agreements and warranty bills of sale with respect to the Subject Assets, in each case in form consistent with the terms of this Agreement;

(b) Buyer shall deliver to Seller the Purchase Price, as adjusted pursuant to Section 1.7, less the Post-Closing Escrow;

(c) Buyer shall assume the Assumed Liabilities pursuant to instruments of assumption in form and substance reasonably satisfactory to Seller and their counsel (the "Assumption Agreement");

(d) Seller shall cause to be delivered the opinions, certificates and other documents required to be delivered pursuant to this Agreement;

(e) Seller shall deliver to Buyer all of Seller's files and records which relate to the Subject Assets, including, without limitation, all log books relating to the Stations, and Seller shall put Buyer in actual possession of the Subject Assets and such files and records; and

(f) The purchase and sale of the Real Estate shall have been consummated in accordance with the terms of this Agreement.

1.6. Covenants To Be Performed After the Closing. After the Closing, each of Seller and Buyer shall, from time to time upon the other party's request, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, all such further deeds, assignments, documents, instruments, transfers, conveyances, discharges, releases, assurances and consents, and to take or cause to be taken such further actions, as such other party may reasonably request to carry out the transactions contemplated by, and the purposes of, this Agreement. After the Closing, each of Seller and Buyer shall allow the other party reasonable access, upon reasonable notice and during normal business hours, to such of the files and records (including financial records) as relate to the Subject Assets or the Stations for purposes of

preparing such party's tax returns, securities filings and for all other proper purposes, and shall give such other party at least thirty (30) days' prior written notice of any proposed destruction thereof, upon which notice such other party shall have the right to take possession of such files and records for the foregoing purposes.

1.7 Proration of Expenses; Adjustments to Purchase Price. (a) All costs and expenses arising from the operations of the Stations up to and including 11:59 p.m. of the day prior to the Closing Date (the "Cut Off Time"), will be prorated between Buyer and Seller so that Seller shall be responsible for all expenses, costs, liabilities and obligations allocable to the conduct of the business and the operation of the Stations for the period prior to the Cut-Off Time; and Buyer (x) shall be entitled to receive all income and revenues and all refunds from and after the Cut-Off Time, and (y) shall be responsible for all expenses, costs, liabilities and obligations allocable to the conduct of the businesses and the operation of the Stations for the period after the Cut-Off Time. Items to be apportioned pursuant to this paragraph shall include, without limitation, the following:

(i) all personal property taxes, real estate taxes, water taxes, ad valorem, and other property taxes or assessments on or with respect to the assets and property interests to be transferred or assigned to Buyer hereunder;

(ii) business and license fees including any FCC Regulatory Fees (and any retroactive adjustments thereof); wages, salaries and benefits of employees (including accruals up to the Cut-Off Time for insurance premiums, bonuses, commissions, sick pay, vacation pay and the like and related payroll taxes) and similarly prepaid and deferred items;

(iii) sewer rents and charges for water, electricity and other utility expenses and fuel;

(iv) property and equipment rentals, applicable copyright or other fees, sales and other charges; and

(v) rents, additional rents and similar prepaid and deferred items, taxes and other items payable under any lease, contract, commitment or other agreement or arrangement to be assigned and assumed hereunder and all other income and expenses attributable to the ownership and operation of the Stations.

Taxes to be apportioned pursuant to this Section 1.7 shall be apportioned in proportion to (x) the number of days in the taxable period before and including the Cut-Off Time and (y) the number of days in the taxable period after the Cut-Off Time. No apportionment shall be made pursuant to this Section 1.7 of any federal, state, foreign or local income taxes. Any tax refunds or rebates accruing before the Cut-Off Time for taxes that were paid prior to Closing shall remain the property of Seller, whether such refund is paid before or after the Closing Date.

(b) Time for Payment. The prorations and adjustments contemplated by this Section 1.7, to the extent practicable, shall be made on the Closing Date, effective as of the Cut-Off

Time. Not less than three (3) business days prior to the Closing Date, Seller shall submit to Buyer a written estimate of adjustments and prorations to be made in accordance with Section 1.7. Prior to the Closing, Buyer and Seller will attempt in good faith to agree on an amount of any adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within 90 days of the Closing Date.

(c) Assumption of Obligations. On the Closing Date, Buyer may, in its sole discretion, elect to assume such liabilities and obligations of Seller outstanding as of the Closing Date as Buyer shall specify in writing delivered to Seller at or prior to the Closing. In such event, the Purchase Price shall be adjusted downward to reflect those liabilities and obligations of Seller the payment and performance of which Buyer has elected in writing to assume. Such adjustment to the Purchase Price shall be equal to the aggregate amount of the liabilities and obligations assumed by Buyer.

(d) Dispute Resolution. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in Section 1.7 and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties whose determination shall be final, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

1.8 Termination.

(a) This Agreement may be terminated at any time by:

(i) the mutual written consent of the parties hereto;

(ii) either Buyer or Seller if the Closing does not occur within six (6) months from the date the Assignment Application (as hereinafter defined) is accepted by the FCC;

(iii) Buyer, if any of the conditions precedent to Buyer's obligations to close shall not have been either fulfilled or waived by Buyer on or before the Closing, or if Seller shall have breached any of its representations, warranties or obligations hereunder which are qualified by a standard of materiality or words of similar import, or if Seller shall have breached in any material respect any other representation, warranty or obligation hereunder and, in either case, such breach shall not have been cured in all material respects or waived prior to the earlier of the Closing Date and thirty (30) days after the Buyer has given notice to Seller of such breach; or

(iv) Seller, if any of the conditions precedent to Seller's obligations to close shall not have been either fulfilled or waived by Seller on or before the Closing, or if Buyer shall have breached any of its representations, warranties or obligations hereunder which are qualified by a standard of materiality or words of similar import, or if Buyer shall have breached in any material respect any other representation, warranty or obligation hereunder and, in either case, such breach shall not have been cured in all material respects or waived prior to the earlier of the Closing Date and thirty (30) days after Seller have given notice to Buyer of such breach.

(b) In the event of the termination of this Agreement by Buyer or Seller pursuant to this Section 1.8, written notice thereof shall promptly be given to the other party and, except as otherwise provided herein, the transactions contemplated by this Agreement shall be terminated, without further action by any party. Nothing in this Section 1.8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or to impair the right of Buyer to compel specific performance of Seller of their obligations under this Agreement.

(c) Notwithstanding the provisions of Sections 1.8(a) and (b) above, no party may terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the FCC respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the FCC; and (iii) by any other action taken by such party for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller represents and warrants, jointly and severally, to Buyer that:

2.1. Organization and Qualification of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina, and is duly qualified to transact business in South Carolina and in every other jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification.

2.2. Authority of Seller. Seller has the corporate power or other power and authority to execute, deliver and perform this Agreement, the Escrow Agreement, the Assumption Agreement, the Transfer Instruments and all other agreements, documents and instruments to be executed and delivered by such Seller pursuant hereto (collectively, the "Seller Agreements") and to own the Subject Assets and operate the Stations prior to the consummation of the transactions contemplated hereby. Seller has taken all necessary corporate action to authorize the execution, delivery and performance by such Seller of this Agreement and the Seller Agreements.

2.3. Binding Effect. This Agreement and the Escrow Agreement constitute, and upon execution on the Closing Date the other Seller Agreements will constitute, the legal, valid, and binding obligations of Seller enforceable in accordance with their terms subject to bankruptcy, reorganization and similar laws affecting the rights of creditors generally (the "Enforceability Exception").

2.4. No Violation. Neither the execution and delivery by Seller of this Agreement and the Seller Agreements, nor the consummation of the transactions contemplated hereby or thereby, violate any provision of law or any order, judgment or decree of any court or other agency of government, including, without limitation, the FCC, or any provision of the corporate charter or by-laws of Seller, or conflict with or will result in any breach of any term, condition or provision

of, or constitute or will constitute (with due notice or lapse of time or both) a default under, or will result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of Seller pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which any Seller is a party or by which or to which any Seller or any of its assets are subject or bound.

2.5. Title to Properties; Liens; Condition of Properties.

(a) All Real Estate Leases and all leases of personal property to which Seller is a party are valid, binding and enforceable against such Seller subject to the Enforceability Exception and, to the best of Seller's knowledge, all other parties thereto in accordance with their terms, and neither such Seller nor, to the best of Seller's knowledge, any other party thereto is in default thereunder. All of the towers, guy anchors, ground systems and buildings relating to the Stations' tower and transmitter are located on the Real Estate. The Subject Assets include all of the property and property rights used in the operation of the Stations as presently conducted, and are in compliance with all applicable laws and regulations. Seller own the sole and exclusive right, title and interest in and to all Subject Assets free and clear of all security interests, mortgages, pledges, liens, conditional sales agreements, leases, encumbrances, easements, charges or claims of third parties of any nature whatsoever, except as set forth in Schedule 1.5, all of which (other than those specifically designated as continuing following the Closing) shall be released or discharged at or prior to the Closing.

(b) All Tangible Assets of Seller, and Seller' use of the same, (i) comply in all material respects with all laws, ordinances, codes, regulations and other requirements, including without limitation, all requirements of insurance carriers, of any governmental or other authority having jurisdiction over such Subject Assets, including but not limited to building, safety, environmental and health laws, ordinances, codes, regulations and other requirements of any such authorities; and (ii) meet, and will as of the Closing Date meet the requirements, standards, rules and regulations of the FCC and of all Licenses.

(c) All Real Estate and Seller' use of the same, (i) comply in all material respects with all laws, ordinances, codes, regulations and other requirements of any governmental or other authority having jurisdiction over such Subject Assets, including but not limited to building, safety, environmental and health laws, ordinances, codes, regulations and other requirements of any such authorities; and (ii) meet, and will as of the Closing Date meet the requirements, standards, rules and regulations of the FCC and of all Licenses.

(d) The transmitters for the Stations are operating in accordance with and within the parameters established by the FCC and the Stations' Licenses. The broadcast towers for the Stations are in compliance with all applicable laws, including, without limitation, the Federal Aviation Act and all rules and regulations promulgated thereunder and have been timely filed with the FCC. The description of the towers and the antenna structure registrations are identical to the facilities described on the FCC Licenses. The Tangible Assets being conveyed pursuant to this Agreement are, and at the Closing will be, in adequate operating condition and repair and suitable for use in the operation of the Stations, ordinary wear and tear excepted.

(e) Seller have access to all Real Estate pursuant to valid easements included as part of the Subject Assets or pursuant to public rights of way. All utilities servicing the Stations have access to the properties of the Stations pursuant to valid easements or public rights of way. To Seller's knowledge, no condemnation proceedings are pending or threatened with respect to the Real Estate, nor has any such property been condemned.

2.6. Tax Matters. All federal, state, county and local tax returns, reports and declarations of estimated tax or estimated tax deposit forms required to be filed by Seller in connection with its operations, personal property or payroll have been duly and timely filed (after taking into account any extensions therefor); Seller have paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it, and has paid all installments of estimated taxes due; and all taxes, levies and other assessments which Seller is required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental authorities or are held by Seller for such payment.

2.7. Licenses. The Licenses constitute all material licenses, permits, antenna structure registrations and governmental authorizations and approvals necessary for the operation of the Stations. Seller have duly obtained and legally and validly holds all Licenses, all of which are valid and in full force and effect as presently operated. No proceeding (judicial, administrative or otherwise) has been commenced or, to Seller's knowledge, threatened against any Seller, any of its affiliates, the Stations or in respect of any License which could lead to a revocation, suspension or limitation of the rights under any License. Seller is in compliance with each of the Licenses licensed to such Seller and knows of no state of facts relating to any Seller, its affiliates, the Stations or the Licenses which could lead to any such revocation, suspension or limitation of any License. Seller has no reason to believe that any License will not be renewed, nor has any person or entity informed any Seller that such person or entity intends to oppose any such renewal. For purposes of this Agreement, all Licenses, permits and authorizations issued or required by the FCC shall be deemed to be material.

2.8. Compliance with Laws; Compliance with FCC Regulation.

(a) Seller has complied with all laws, regulations and orders and all requirements of insurance carriers applicable to the Stations, and the present uses by such Seller of the Stations' assets and properties do not violate any such laws, regulations, orders or requirements. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, board of arbitration or other governmental authority. Seller is not, or to Seller's knowledge threatened with, a charge of or under investigation with respect to, any violation of any provision of any federal, state, local or municipal law or administrative ruling or regulation relating to the Stations.

(b) The operation of the Stations and all of the Subject Assets are in compliance with (i) all applicable engineering standards required to be met under applicable FCC rules, and (ii) all other applicable federal, state and local rules, regulations, requirements and policies, including all applicable FCC rules.

2.9. Copyrights, Patents, Trademarks, Other Intangibles. Schedule 1.1(a)(v) lists all copyrights, patents, trademarks, service marks, trade names, current slogans, logos, jingles, computer programs, program rights, non-governmental licenses or other intangible property rights owned by, or licensed or franchised to or used by, Seller and used by the Stations, all of which are in good standing and uncontested. No Seller has knowledge of any infringement or unlawful or unauthorized use of such property and, to the best of each Seller's knowledge, the operations of the Stations do not infringe, and no one has asserted to any Seller that such operations infringe upon, any copyright, patent, trademark, tradename, service mark or other similar right of any other party.

2.10. Contracts.

(a) Schedule 1.1(a)(iii) contains a true and complete description of all existing Assumed Trade-Out Agreements, including the dollar amount of the broadcasting time (computed at billing rates currently charged to unaffiliated third parties consistent with Seller's past practices) owed by each Stations under each such agreement as of the date of this Agreement.

(b) Seller has delivered to Buyer complete and correct copies of all the Assumed Contracts listed on Schedule 1.1(a)(iii) (including all amendments thereto and modifications thereof). Except for the Assumed Contracts, no Seller is party to any contracts, agreements or arrangements, written or oral, express or implied, which are material to the operation of the Stations.

(c) Seller is not a party to, or bound by or negotiating any collective bargaining agreement affecting the Stations, nor is any Seller aware of any current solicitations of its employees with respect thereto.

(d) Seller and, to the best of Seller's knowledge, each other party thereto have complied in all material respects with all respective provisions of the Assumed Contracts required to be complied with by them and neither any Seller nor, to the best of each Seller's knowledge, any such other party is in noncompliance in any respect thereunder, and no event has occurred which, but for the passage of time or giving of notice or both would or might constitute such a default thereunder by Seller or any such other party, and there is no outstanding notice of default or termination under any Assumed Contract. The Assumed Contracts are valid, binding and enforceable in accordance with their respective terms subject to the Enforceability Exception, and the sale of the Subject Assets as contemplated herein will in no way affect the validity, enforceability and continuity of any such contracts or agreements if properly assigned to Buyer as contemplated hereby.

2.11. Litigation. There is no litigation, action, suit, investigation or proceeding (collectively "Proceedings") pending or, to the best of each Seller's knowledge, threatened against any Seller, any of its affiliates or the Stations or in respect of the Licenses before or by any court or the FCC or any other governmental agency or any board of arbitration. None of the

Proceedings could, individually or in the aggregate, have a material adverse effect upon any Seller or the Subject Assets.

2.12. Employee Information. Seller has heretofore delivered to Buyer: (i) accurate information pertaining to all persons employed at each Stations and their present positions and start dates; (ii) all compensation arrangements respecting those employees subject to an employment agreement previously delivered to Buyer; and (iii) all employee benefit plans or arrangements, hospitalization and other insurance programs, and vacation, sick leave and termination policies. Seller neither maintains, participates in, or is subject to an employee pension plan (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended).

2.13. Material Facts. No representation or warranty made by Seller in this Agreement and no statement made by Seller (a) in any certificate, exhibit, schedule, or other writing executed and delivered by Seller, (b) in any Seller Agreement or other document or writing furnished in connection with the transactions herein contemplated and referred to herein or in the Schedules attached hereto, or (c) in any document or other writing delivered to Buyer after the date hereof and on or prior to the Closing Date by or on behalf of any Seller, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in order to make the statements contained herein or therein not misleading.

2.14. Broker's Fee. Seller has not incurred any broker's commission for this transaction.

2.15. Consents. Other than the consents and approvals of the FCC referred to in Section 3.1, consents of third parties to Assumed Contracts specified on Schedule 1.1(a)(iii), and other consents and filings required by this Agreement or otherwise obtained or completed at or prior to the Closing, Seller are not required to obtain any material consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency or any third party in connection with the execution of this Agreement or any of the Seller Agreements or the consummation of the transactions contemplated hereunder.

2.16. Environmental Compliance.

(a) Seller, Seller's subtenants and any other occupants or users of the Real Estate during Seller's control thereof, and except as set forth in Schedule 2.16, to the best of Seller's knowledge, all owners, previous owners, tenants, subtenants, occupants or users of any of the parcels of Real Estate or any other persons, have conducted their respective business, operations and activities upon such Real Estate in compliance with all Environmental Requirements, including, without limitation, requirements in any way involving the handling, manufacture, treatment, storage, use, generation, release, discharge, refining, dumping or disposal of any Hazardous Materials, the clean-up or removal of which is required, the maintenance of which is prohibited or penalized or for which corrective action of any kind is required.

(b) Without limiting the foregoing, no Hazardous Material is currently, or has been located in, on, under or about any of the Real Estate, whether originating from an on-site or off-site location or activity, in a manner which violates any Environmental Requirement or which requires clean-up or corrective action of any kind.

(c) Without limiting the foregoing, all aboveground and underground storage tanks (including the piping servicing same) containing a Hazardous Material and located on or serving the Leased Real Estate are in compliance with Environmental Requirements and are not leaking or otherwise discharging Hazardous Materials therefrom, all such storage tanks being listed on Schedule 2.16.

(d) Seller has not received any notice of violation, lien, complaint, suit, order or other notice or communications concerning any notice from any regulatory agency or other third party, whether in the form of a letter, complaint, verbal communication, administrative enforcement action or other notice mechanism, of alleged violation of any Environmental Requirement ("Environmental Notice") with respect to Seller's use of the Real Estate, which has not been fully satisfied and complied with in a timely fashion so as to bring such Real Estate in full compliance with all Environmental Requirements. To the best of each Seller's knowledge, there has not been any Environmental Notice with respect to any of the Real Estate received by any prior owner or occupant of any of the Real Estate which has not been fully satisfied and complied with in a timely fashion so as to bring such Real Estate in fully compliance with all Environmental Requirements.

(e) Seller has all material permits and licenses required under any Environmental Requirement to be issued to it by any governmental authority on account of any or all of its activities on any of the Real Estate and is in compliance with the terms and conditions of such permits and licenses. Any and all such permits and licenses are in full force and effect. To the best of each Seller's knowledge, no change in facts or circumstances reported or assumed in the application for or granting of such permits or licenses exists.

(f) No portion of the Real Estate used by Seller, has been listed, designated or identified in the National Priorities List (NPL) or the CERCLA Information System ("CERCLIS"), both as published by the United States Environmental Protection Agency, or any similar list of sites published by any Federal, state or local authority proposed for or requiring clean-up, or remedial or corrective action under any Environmental Requirement.

(g) As used herein "Environmental Requirements" shall mean all now existing applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, policies and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative and regulatory decrees, judgments and orders relating to the protection of human health or environmental, including, without limitation, the Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), Emergency Planning and Community right to Know Act, Federal Water Pollution Control Act, National Historic Preservation Act, Occupational Safety and Health

Act, Oil Pollution Act, Pollution Prevention Act, Resource Conservation and Recovery Act ("RCRA"), Safe Drinking Water Act, and the Toxic Substance Control Act ("TOSCA"), all as amended from time to time.

(h) As used herein "Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous waste, toxic substances or related materials, including, without limitation, asbestos, polychlorinated biphenyls, ureas formaldehyde, radon, and any substance defined as or included in the definition of (a) any "hazardous waste" as defined pursuant to RCRA; (b) any "hazardous substance" as defined by CERCLA; (c) any "toxic substance" as defined pursuant to TOSCA; (d) any oil or other petroleum product; and (e) any other substance, pollutant, contaminant, chemical or industrial toxic or hazardous substance or waste, including, without limitation, hazardous materials, within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended.

(i) Nothing contained in this Section 2.16 shall be interpreted to limit Buyer's right to indemnification by Seller up to \$250,000 as is provided under Section 7.1(a), for alleged noncompliance with Environmental Requirements arising by reason of acts or omissions occurring prior to the Closing.

2.17. Insolvency. Seller is not insolvent within the meaning of the Federal Bankruptcy Code or any applicable fraudulent transfer law and will not be rendered insolvent by virtue of the transactions contemplated herein. Without limiting the foregoing, the Purchase Price exceeds the total amount of Seller's liabilities, and Seller will not make any payments or distributions of any kind, whether in respect of indebtedness, or otherwise, of any portion of the Purchase Price to Seller's stockholders or their affiliates until all of Seller's liabilities to others (excluding Assumed Liabilities) shall have been paid or satisfied in full or until adequate provision has been made for the payment or satisfaction thereof.

SECTION 3. COVENANTS OF SELLER

Seller covenants and agrees that from the date hereof until the Closing Date:

3.1. Approvals. Upon the execution of this Agreement, Seller shall prepare for filing with the FCC Seller's portion of an appropriate application (the "Assignment Application") for FCC consent to the assignment of the Licenses, which shall be filed with the FCC on or after October 15, 2001. Seller shall diligently prosecute the Assignment Application and use all reasonable efforts to obtain consent and approval of the FCC (the "FCC Consent") as expeditiously as practicable. Seller shall not intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the Assignment Application or cause the FCC Consent not to become a Final Action.

3.2. Access. Buyer shall have the right, itself or through its representatives, during normal business hours and after reasonable written notice, to inspect Seller's properties relating to

the Stations and to inspect and make abstracts and reproductions of all Seller' books and records relating to the Stations, including, without limitation, applications and reports to the FCC, and Seller shall furnish Buyer with such information respecting the Subject Assets and Seller' business and financial records relating to the Stations as Buyer may, from time to time, reasonably request.

3.3. Conduct of Business. Seller shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the Subject Assets valued in excess of \$1,000 in the aggregate;

(b) refrain from modifying, amending, altering or terminating any of the other Assumed Contracts or waiving any default or breach thereunder or modifying, altering or terminating, any other right relating to or included in the Subject Assets;

(c) maintain insurance on the Subject Assets against loss or damage by fire and all other hazards and risks in an amount consistent with the existing policy amounts described in Schedule 3.3(c);

(d) maintain its books and records in accordance with prior practice; maintain the Subject Assets in adequate condition, ordinary wear and tear excepted; maintain supplies of inventory and spare parts relating to the Stations consistent with past practices; and, except as otherwise specifically provided in this Agreement, otherwise operate the Stations in the ordinary course in accordance with past practices;

(e) refrain from taking any action which is not in the usual and ordinary course of business regarding the Subject Assets or which could reasonably be expected to materially adversely affect the value of the Subject Assets;

(f) refrain from hiring, firing, releasing or transferring any employee of the Stations without prior written notice to Buyer;

(g) refrain from (i) increasing the compensation payable or to become payable to any of Seller' employees or agents, except upon prior written notice to Buyer or (ii) entering into any contract or renewal or amendment of any existing contract for the employment of any employee or agent of Seller except with Buyer's approval, which shall not be unreasonably withheld or delayed;

(h) promptly notify Buyer upon any Seller becoming aware of the resignation or contemplated resignation of any supervisory employee of the Stations;

(i) refrain from changing its certificate of incorporation or by-laws in any way which would adversely affect its corporate power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;