

NOTE PURCHASE AND EXCHANGE AGREEMENT

NOTE PURCHASE AND EXCHANGE AGREEMENT (this "**Agreement**"), dated as of March 5, 2004, by and among BELA, LLC, a Florida limited liability company (the "**Company**"), and the persons or entities set forth on the signature pages hereto (collectively, the "**Purchasers**" and each individually a "**Purchaser**").

RECITALS:

A. Pan Atlantic Bank & Trust, Ltd. (the "**Senior Purchaser**") desires to purchase and the Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, a senior secured convertible promissory note in the principal amount of Twenty-Four Million Dollars (\$24,000,000) to be used to fund the KADY Purchase (as defined below in Section 4(b)) and working capital.

B. Pursuant to a Note Purchase Agreement, dated September 10, 2003 (the "**Original Purchase Agreement**"), by and among the Company and the persons or entities set forth on Exhibit A (the "**Original Note Holders**"), the Original Note Holders, which include the Senior Purchaser, previously purchased (i) senior convertible notes of the Company, including the senior convertible notes purchased by the Senior Purchaser (the "**Pan Atlantic Original Note**"), secured by (y) a security interest in all of the assets in the Company granted under a Security Agreement, dated September 10, 2003 by and among the Company and the secured parties named therein (the "**Original Security Agreement**") and (z) a pledge of all of the membership interests in the Company pursuant to a Pledge Agreement, dated September 10, 2003, by and among the Company and the secured parties named therein (the "**Original Pledge Agreement**") ((y) and (z) are collectively referred to as the "**Security Interest**"); or (ii) junior convertible notes secured by the Security Interest. Additionally, on September 27, 2003, Robert Behar ("**Behar**") purchased a senior secured note in the principal amount of \$4,500,000 (the "**Behar Note**") and received a warrant to purchase certain securities of the Company dated September 27, 2003 (the "**Original Warrant**"). The Behar Note is currently secured by a Security Interest in all of the assets of the Company pursuant to a Security Agreement, dated September 27, 2003, between the Company and Behar (the "**Behar Security Agreement**"). In October 2003, Matthew Leibowitz purchased a junior convertible note secured by a Security Interest in the assets of the Company ("**Leibowitz Note**"). The Behar Note, the Leibowitz Note and all of the notes referenced in (i) and (ii) above, other than the Pan Atlantic Original Note, shall be referred to as the "**Original Notes**".

C. The Company has authorized the exchange of the Pan Atlantic Original Note for the Junior Note (as defined herein) and the Senior Purchaser wishes to exchange the Pan Atlantic Original Note for the Junior Note, all in accordance with the terms and conditions of this Agreement.

D. The Company has authorized the conversion of the Original Notes into Series B Preferred Membership Interests (as defined herein) of the Company and the holders of the

Original Notes wish to convert the Original Notes into Series B Preferred Membership Interests (the "**Converted Series B Holders**"), all in accordance with the terms and conditions of this Agreement.

E. The Company has authorized the issuance of Series B Preferred Membership Interests to certain persons or entities identified on Exhibit A (the "**New Series B Holders**") and the New Series B Holders wish to receive Series B Preferred Membership Interests, all in accordance with the terms and conditions of this Agreement.

F. The Company has authorized the exchange of the Original Warrant for Series C Preferred Membership Interests (as defined herein) and Behar wishes to exchange the Original Warrant for the Series C Preferred Membership Interests, all in accordance with the terms and conditions of this Agreement.

G. The Company and the Purchasers are executing and delivering this Agreement in reliance upon the exemption from securities registration under the Securities Act of 1933, as amended (the "**1933 Act**") and any other exemption from registration that may be available under the 1933 Act.

NOW THEREFORE, the Company and the Purchasers hereby agree as follows:

1. **ISSUANCE AND EXCHANGE OF SECURITIES.**

a. **Purchase of Senior Notes.** On the Closing Date (as defined below), the Company shall issue and sell to the Senior Purchaser, and the Senior Purchaser agrees to purchase from the Company, a senior secured convertible promissory note of the Company, in the form attached hereto as Exhibit B, in the principal amount of \$24,000,000 (together with any note(s) issued in replacement thereof or otherwise with respect thereto in accordance with the terms thereof, the "**Senior Note**"). On the Closing Date, the Senior Purchaser shall pay to the Company or its order by wire transfer of immediately available funds, in accordance with the Company's written wire transfer instructions, \$24,000,000 (the "**Purchase Price**") for the Senior Note, and the Company shall deliver the Senior Note duly executed on behalf of the Company, to the Senior Purchaser, against delivery of the Purchase Price.

b. **Exchange of Pan Atlantic Original Note for Junior Note.** On the Closing Date, the Company shall issue to the Senior Purchaser, in its capacity as the holder of the Pan Atlantic Original Note, a junior convertible promissory note of the Company, in the amount set forth in Exhibit C and in the form attached hereto as Exhibit D, in exchange for the Pan Atlantic Original Note (together with any note(s) issued in replacement thereof or otherwise with respect thereto in accordance with the terms thereof, each a "**Junior Note**" and together with the Senior Note, the "**Notes**"). On the Closing Date, the Senior Purchaser shall deliver to the Company the Pan Atlantic Original Note for cancellation, and the Company shall deliver such Junior Note duly executed on behalf of the Company, to the Senior Purchaser, against delivery of the Pan Atlantic Original Note.

c. **Conversion of Original Notes for Series B Preferred Membership Interests.** On the Closing Date, the Company shall convert the Original Notes into shares of Series B Preferred Membership Interests of the Company, in the amounts set forth on Exhibit C hereto (the "**Series B Preferred Membership Interests**"). On the Closing Date, the Converted Series B Holders shall deliver to the Company the Original Notes for cancellation, and the Converted Series B Holders shall receive Series B Preferred Membership Interests upon the terms set forth in that certain Amended and Restated LLC Agreement of the Company, effective as of March 5, 2004, in the form attached hereto as Exhibit E (the "**Amended LLC Agreement**").

d. **Issuance of Series B Preferred Membership Interests to New Series B Holders.** On the Closing Date, the Company shall issue to each New Series B Holder shares of Series B Preferred Membership Interests, in the amount set forth in Exhibit C hereto, pursuant to the terms of the Amended LLC Agreement.

e. **Exchange of Original Warrant for Series C Preferred Membership Interests.** On the Closing Date, the Company shall issue to Behar shares of Series C Preferred Membership Interests of the Company (the "**Series C Preferred Membership Interests**") as reflected in the Amended LLC Agreement, in exchange for the Original Warrant and the exercise price for full exercise of such Original Warrant. On the Closing Date, Behar shall deliver to the Company the Original Warrant, and Behar shall receive the Series C Preferred Membership Interests upon the terms set forth in the Amended LLC Agreement.

f. **Closing Date.** As used herein, the term "**Closing Date**" refers to March 5, 2004. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall occur on the Closing Date at such location as may be agreed to by the parties.

g. **Undelivered Original Notes.** If any Original Note Holder does not deliver to the Company at or prior to Closing such Original Note Holder's Original Note for cancellation, then such Original Note upon issuance of the Security exchanged therefore pursuant to this Agreement shall be deemed cancelled and of no further force and effect; provided, that each Original Note Holder of any such Original Note shall (i) indemnify and hold the Company and its successors harmless for the full amount of any loss or damage it may sustain as a result of the non-delivery of such Original Note Holder's Original Note, including all reasonable trial attorneys' and appellate attorneys' fees including those which may be incurred in the enforcement of this indemnity, and (ii) use commercially reasonable efforts to deliver such Original Note to the Company for cancellation as soon as practicable.

2. **REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS.** Each Purchaser, as to himself, herself or itself severally and not jointly with any other Purchaser represents and warrants to the Company that:

a. **Investment Purpose.** Such Purchaser is purchasing or obtaining (i) Notes, (ii) Series B Preferred Membership Interests, (iii) Series C Preferred Membership Interests, and (iv) with respect to the Notes, the equity securities issuable upon conversion of or otherwise pursuant to its Notes, as applicable (the "**Conversion Securities**," and together with

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the Series B Preferred Membership Interests, Series C Preferred Membership Interests and the Notes, the "Securities") for his, her or its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the 1933 Act and applicable state securities laws, and pursuant to the terms of this Agreement and the Amended LLC Agreement.

b. **Accredited Investor Status.** Such Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the 1933 Act (an "Accredited Investor").

c. **Information.** Such Purchaser and his, her or its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by such Purchaser or such advisors. Such Purchaser and his, her or its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigation conducted by any Purchaser or any of his, her or its advisors or representatives shall modify, amend or affect any Purchaser's right to rely on the Company's representations and warranties contained in Section 3 below.

d. **Governmental Review.** Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

e. **Transfer or Re-sale.** Such Purchaser understands that the sale or re-sale of the Securities has not been and is not being registered under the 1933 Act or any applicable state securities laws, and the Securities may not be transferred unless (i) (A) the Securities are sold pursuant to an effective registration statement under the 1933 Act, (B) a Purchaser shall have delivered to the Company an opinion of counsel (which opinion shall be in form, substance and scope reasonably satisfactory to the Company) to the effect that the Securities to be sold or transferred by him, her or it may be sold or transferred pursuant to an exemption from such registration, (C) the Securities are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the 1933 Act (or a successor rule) ("**Rule 144**")) of such Purchaser who agrees to sell or otherwise transfer the Securities only in accordance with this Section 2(e) and who is an Accredited Investor, or (D) the Securities are sold pursuant to Rule 144, and (ii) pursuant to this Agreement and the Amended LLC Agreement.

f. **Legends.** Such Purchaser understands that his, her or its Notes and/or Series B Preferred Membership Interests, Series C Preferred Membership Interests to the extent certificated and, until such time as the Conversion Securities have been registered under the 1933 Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Conversion Securities shall bear a restrictive legend in the following form (and a stop-transfer order may be placed against transfer of the certificates for such Securities):

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the

"Act"), or under applicable state securities laws. The securities may not be sold, transferred or assigned in the absence of an effective registration statement for the securities under the Act, or an opinion of counsel, in form, substance and scope reasonably satisfactory to the Company, that registration is not required under the Act or under applicable state securities laws or unless sold pursuant to Rule 144 under the Act, or unless sold pursuant to this Agreement and the Amended LLC Agreement."

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of any Security upon which it is stamped, if, unless otherwise required by applicable state securities laws, (a) such Security is registered for sale under an effective registration statement filed under the 1933 Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, or (b) such holder provides the Company with an opinion of counsel, in form, substance and scope reasonably satisfactory to the Company to the effect that a public sale or transfer of such Security may be made without registration under the 1933 Act and under applicable state securities laws and such sale or transfer is effected, or (c) such holder provides the Company with reasonable assurances that such Security can be sold pursuant to Rule 144.

g. **Organization; Authorization; Enforcement.** Such Purchaser, if an entity, is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized. This Agreement has been duly authorized (if necessary) and executed and delivered by or on behalf of such Purchaser, and this Agreement constitutes a valid and binding agreement of such Purchaser enforceable in accordance with its respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to, or affecting generally, the enforcement of creditors' rights and remedies or by other equitable principles of general application.

h. **Residency.** Such Purchaser is a resident of or has its principal place of business in the jurisdiction set forth in the address under his, her or its name on the signature page hereto. Such Purchaser, if set forth on **Schedule 2(h)**, is a foreign person or entity and will own the percentage interest of the Company on a diluted basis as provided opposite his, her or its name on such Schedule.

3. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company represents and warrants to each Purchaser that:

a. **Organization and Qualification.** The Company and each of its Subsidiaries (as defined below) is a limited liability company, or corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, with full power and authority to own, lease, use and operate its properties and to carry on its business as and where now and pursuant to the KADY Purchase owned, leased, used, operated and conducted. The Company and each of its Subsidiaries is duly qualified as a foreign entity to

do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted and to be conducted due to the KADY Purchase by it makes such qualification necessary. "Subsidiaries" means any corporation or other entity or organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, a majority equity or other ownership interest or otherwise controls.

b. **Authorization; Enforcement.** (i) The Company has all requisite power and authority to enter into and perform this Agreement, the Notes, the Security and Pledge Agreement, effective as of March 5, 2004, to be executed and delivered in connection with the Senior Note (in the form attached hereto as Exhibit F, the "Security Agreement"), and the Amended LLC Agreement, and all other documents executed in connection herewith (collectively, the "**Transaction Documents**") and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Notes, Series B Preferred Membership Interests and the Series C Preferred Membership Interests and the issuance and reservation for issuance of the Conversion Securities issuable upon conversion of the Notes) have been duly authorized by the Company's Board of Managers ("**Board of Managers**") and no further consent or authorization of the Company, its Board of Managers, or its members is required, (iii) the Transaction Documents have been duly executed and delivered by the Company, and (iv) the Transaction Documents will, upon execution and delivery by the Company, constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to, or affecting generally, the enforcement of creditors' rights and remedies or by other equitable principles of general application.

c. **Capitalization.** As of the date hereof, the capitalization of the Company on a fully-diluted basis after giving effect to the transactions contemplated hereby is as set forth on **Schedule 3(c)**. All of the outstanding equity securities of the Company are, or upon issuance will be, duly authorized, validly issued, fully paid and nonassessable. No equity securities of the Company are subject to preemptive rights or any other similar rights of the members of the Company that have not been waived or any liens or encumbrances imposed through the actions or failure to act of the Company other than those to be released as contemplated hereby or created under the Security Agreement. Except as contemplated by this Agreement and as disclosed in **Schedule 3(c)**, as of the date hereof, (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, convertible securities, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any membership interests or shares of capital stock of the Company or any of its Subsidiaries, or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional membership interests or shares of capital stock of the Company or any of its Subsidiaries, (ii) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its or their securities under the 1933 Act, (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement

providing rights to security holders) that will be triggered by the issuance of the Notes, the Series B Preferred Membership Interests, the Series C Preferred Membership Interests or the Conversion Securities, which have not been waived prior to the execution hereof and (iv) the Company has no indebtedness for borrowed money. The Company has furnished or made available to the Purchasers true and correct copies of the Company's Articles of Organization as in effect on the date hereof, the previous LLC Agreement of the Company dated May 17, 2003 ("**Old LLC Agreement**"), and the terms of all securities convertible into or exercisable for equity securities of the Company and the material rights of the holders thereof in respect thereto.

d. **Issuance of Securities.** Upon conversion of the Notes in accordance with their respective terms (including the payment of the consideration therefor), the Conversion Securities will be validly issued, fully paid and non-assessable, and free from all taxes, liens, claims and encumbrances with respect to the issue thereof, except for the Security Agreement or as set forth in the Amended LLC Agreement, and shall not be subject to preemptive rights or other similar rights of members of the Company.

e. **No Conflicts.** The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Conversion Securities) will not (i) conflict with or result in a violation of any provision of the Company's Articles of Organization or the Old LLC Agreement, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is or pursuant to the KADY Purchase will be a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (assuming the Purchasers are qualified to be holders of attributable interests in the Federal Communications Commission (the "FCC") licenses). Neither the Company nor any of its Subsidiaries is in violation of its charter documents, by-laws, operating agreements or other organizational documents and neither the Company nor any of its Subsidiaries is in default (and no event has occurred which with notice or lapse of time or both could put the Company or any of its Subsidiaries in default) under, and neither the Company nor any of its Subsidiaries has taken any action or failed to take any action that would give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party or by which any property or assets of the Company or any of its Subsidiaries is bound or affected after giving effect to the KADY Purchase. The businesses of the Company and its Subsidiaries are not being conducted in material violation of any law, ordinance or regulation of any governmental entity (assuming the Purchasers are qualified to be holders of attributable interests in the FCC licenses). Except as specifically contemplated by this Agreement and as required under the 1933 Act and any applicable federal, state or foreign securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court,

governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under the Transaction Documents in accordance with the terms hereof and thereof or to issue the Series B Preferred Membership Interests and Series C Preferred Membership Interests, and, in the case of the Notes, issue and sell the Notes, in accordance with the terms hereof and to issue the Conversion Securities upon conversion of the Notes. Except for filings that may be required under applicable federal, state or foreign securities laws in connection with the issuance and sale of the Securities, all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

f. **Conduct of Business; Liabilities.** Except as set forth on Schedule 3(f) and other than the negotiation, execution and delivery of this Agreement and the Transaction Documents, as of the Closing, the Company has not (i) conducted any business, (ii) incurred any expenses, obligations or liabilities (whether accrued, absolute, contingent, unliquidated or otherwise, whether or not known to the Company and whether due or to become due and regardless of when asserted), (iii) owned any assets, (iv) entered into any contracts or agreements, or (v) violated any material laws or governmental rules or regulations.

g. **ERISA.** The Company does not maintain or have any obligation to contribute to or any other liability with respect to or under (including but not limited to current or potential withdrawal liability), nor has it ever maintained or had any obligation to contribute to or any other liability, with respect to or under, (i) any plan or arrangement whether or not terminated which provides medical, health, life insurance or other welfare type benefits for current or future retired or terminated employees (except for limited continued medical benefit coverage required to be provided under Section 4980B of the IRC or as required under applicable state law), (ii) any "multiemployer plan" (as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, (as amended) ("**ERISA**"), (iii) any employee plan which is a tax-qualified "defined benefit plan" as defined in Section 3(35) of ERISA), whether or not terminated, (iv) any employee plan which is a tax-qualified "defined contribution plan" (as defined in Section 3(34) of ERISA), whether or not terminated, or (v) any other plan or arrangement providing benefits to current or former employees, including any bonus plan, plan for deferred compensation, employee health or other welfare benefit plan or other arrangement, whether or not terminated. For purposes of this Section 3(h), the term "**Company**" includes all organizations under common control with the Company pursuant to Section 414(b) or (c) of the Internal Revenue Code of 1986, as amended.

h. **Good Title to and Condition of Assets.** The Company has good and marketable title to all of its assets, free and clear of any lien or encumbrance, except for the Security Interests which will be released pursuant to the terms of this Agreement and the security interest granted pursuant to the Security Agreement and those Permitted Liens (as defined in the KADY Purchase Agreement (as defined in Section 3(v) below)). The Company's assets are in good operating condition, normal wear and tear excepted, and have been maintained in accordance with all applicable specifications and warranties. All assets used in the operation of the Company's business are assets owned by the Company, and no other Person owns any right,

title or interest in any assets used in the Company's business, except for assets owned by Behar and which are set forth on **Schedule 3(h)**.

i. **Absence of Certain Changes.** Other than as set forth on **Schedule 3(i)**, since December 31, 2003, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, or results of operations of the Company and its Subsidiaries, taken as a whole.

j. **Absence of Litigation.** Except as set forth on **Schedule 3(j)**, there is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, or their officers or directors in their capacity as such.

k. **Patents, Copyrights, Etc.** The Company and each of its Subsidiaries owns or possesses the requisite licenses or rights to use all patents, patent applications, patent rights, inventions, know-how, trade secrets, trademarks, trademark applications, service marks, service names, trade names and copyrights ("**Intellectual Property**") necessary to enable it to conduct its business as now operated; and there is no claim, action or proceeding pending, or to the Company's knowledge threatened, which challenges the right of the Company or of a Subsidiary with respect to any Intellectual Property necessary to enable it to conduct its business as now operated; and, to the best of the Company's knowledge, the Company's or its Subsidiaries' current and intended products, services and processes do not infringe on any Intellectual Property or other rights held by any person; and the Company has no knowledge of any facts or circumstances which would give rise to any of the foregoing. The Company and each of its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of their Intellectual Property.

l. **Tax Status.** The Company and each of its Subsidiaries has made or filed all federal, state and foreign income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject (if any) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company have no knowledge of any facts or circumstances that would give rise to any such claim. The Company has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, statute or local tax. None of the Company's tax returns is presently being audited by any taxing authority.

m. **Certain Transactions.** Except as set forth on **Schedule 3(m)** and for arm's length transactions pursuant to which the Company or any of its Subsidiaries makes payments in the ordinary course of business upon terms no less favorable than the Company or any of its Subsidiaries could obtain from third parties, none of the officers, directors, or

employees of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

n. **Disclosure.** All information relating to or concerning the Company or any of its Subsidiaries set forth in this Agreement and provided to the Purchasers in connection with the transactions contemplated hereby is true and correct in all material respects and the Company has not omitted to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or exists with respect to the Company or any of its Subsidiaries or its or their business, properties, prospects, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company on or before the date hereof but which has not been so publicly announced or disclosed.

o. **No Integrated Offering.** Neither the Company, nor any of its officers, directors or principal equity holders, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act or any state securities laws of the issuance of the Securities to the Purchasers. The issuance of the Securities to the Purchasers will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any shareholder or member approval provisions applicable to the Company or its securities.

p. **No Brokers.** The Company has taken no action which would give rise to any claim by any person for brokerage commissions, finder's fees or similar payments relating to this Agreement or the transactions contemplated hereby, except with respect to CGI, LLC or its affiliates.

q. **Permits; Compliance.** The Company and each of its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and to carry on its business as it is now being conducted or expected to be conducted immediately upon the consummation of the KADY Purchase (collectively, the "**Company Permits**"), and there is no action pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any of the Company Permits. Neither the Company nor any of its Subsidiaries is in conflict with, or in default or violation of, any of the Company Permits in any material respect. Neither the Company nor any of its Subsidiaries has violated any law or governmental regulation or requirement in any material respect, and since December 31, 2003, neither the Company nor any of its Subsidiaries has received any notification with respect to possible conflicts, defaults or violations of applicable laws.