

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of May 4, 2012, by and among PAMAL BROADCASTING, LTD. (“Pamal”), a New York corporation, 6 JOHNSON ROAD LICENSES, INC., a New York corporation (“6JRL”), 12 MARCUS POINTE HOLDINGS, LLC, a New York limited liability company (“MPH”, and together with Pamal and 6JRL, “Sellers”), CUMULUS BROADCASTING LLC, a Nevada limited liability company (“Buyer”), and CUMULUS LICENSING LLC, a Nevada limited liability company (“License Co.” and together with Buyer being hereinafter sometimes referred to as “Buyers”).

### WITNESSETH:

**WHEREAS**, Sellers are the owners of the radio broadcast stations WXBM-FM, (FCC Facility ID No. 32946) serving the Milton, Florida market and WMEZ(FM) (FCC Facility ID No. 73256) serving the Pensacola, Florida market (the “Stations”), pursuant to certain authorizations held by Sellers and issued by the Federal Communications Commission (the “FCC”) and Sellers own or lease certain assets used and/or held for use in connection with the operation of the Stations;

**WHEREAS**, Buyers’ ability to acquire the Commission Authorizations (as hereinafter defined) for the Stations is dependent on the FCC’s grant of an application (the “Modification Application”) which License Co. filed with the FCC to relocate WYOK(FM) in Atmore, Alabama (FCC Facility ID No. 8680) to a different community of license within the Mobile, Alabama Urbanized Area, FCC File No. BPH-20120131AJS; and

**WHEREAS**, Sellers agree to the sale, assignment, and transfer of the Stations, their FCC authorizations for the Stations, and the assets and business of the Stations, and Buyers desire to acquire the Stations, and such FCC authorizations and assets, all on the terms and subject to the conditions hereinafter set forth;

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements, representations, and warranties herein contained, and upon the terms and subject to the conditions hereinafter set forth, the Parties hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

“**6JRL**” has the meaning set forth in the Preamble.

“**Advertising Contracts**” means all orders and agreements for the sale of advertising time on or pertaining to the Stations for cash and all trade, barter, and similar agreements for the sale of advertising time on or pertaining to the Stations other than for cash, and all such orders and agreements for advertising time entered into between the date hereof and the Closing Date, each in the ordinary course of business, and to the extent the foregoing have

not been performed as of the Closing Date, in each case to which any Seller or any Station operated by Sellers is a party.

“**Affiliate**” or “**Affiliates**” means any Person which directly or indirectly, alone or together with others, controls, is controlled by or is under common control with such Person.

“**Agreement**” has the meaning set forth in the Preamble.

“**Agreement Ancillary to the Sale of Business**” has the meaning set forth in Section 2.13 hereof.

“**Allocation Schedule**” has the meaning set forth in Section 2.7 hereof.

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

“**Assignment and Assumption Agreement**” has the meaning set forth in Section 2.9 hereof.

“**Assignment Application**” has the meaning set forth in Section 3.2 hereof.

“**Assumed Contracts**” has the meaning set forth in Section 2.1(e) hereof.

“**Average Current Assets**” has the meaning set forth in Section 2.6(b) hereof.

“**Average Working Capital Liabilities**” has the meaning set forth in Section 2.6(a) hereof.

“**Authorizations**” means collectively, the Commission Authorizations and the Other Authorizations.

“**Bill of Sale**” has the meaning set forth in Section 8.2(a) hereof.

“**Business Day**” or “**Business Days**” means any calendar day, excluding Saturdays or Sundays, on which federally chartered banks in New York City, New York, are open for business.

“**Buyer**” has the meaning set forth in the Preamble.

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

“**Buyer’s Current Assets Statement**” has the meaning set forth in Section 2.6(b) hereof.

“**Buyer’s Working Capital Liabilities Statement**” has the meaning set forth in Section 2.6(a) hereof.

“**Buyers**” has the meaning set forth in the Preamble.

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

**“Closing Date”** means the date on which Closing occurs.

**“Closing Payment”** has the meaning set forth in Section 2.5 hereof.

**“COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

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

**“Commencement Date”** has the meaning set forth in the LMA.

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

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

**“Company Benefit Plans”** has the meaning set forth in Section 4.15(a) hereof.

**“Consents”** has the meaning set forth in Section 7.1(e) hereof.

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

**“Current Assets”** has the meaning set forth in Section 2.6(b) hereof.

**“Deposit”** has the meaning set forth in Section 2.4 hereof.

**“Documentation”** means all documentation, records, and software, whether in electronic or print form, pertaining to the Stations and in the possession or under the control of Sellers evidencing, representing, or containing or relating to any Program or used in or necessary to the operation of the Stations, including, without limitation, any manuals, functional and design specifications, user and programmer instructions, coding, testing notes, error reports and logs, patches and patch instructions, itemizations of development tools, and all other writings which would be necessary or helpful to a skilled programmer to understand, maintain, and enhance any Program.

**“Environmental Audits”** has the meaning set forth in Section 6.15 hereof.

**“Environmental Complaint”** means any complaint, order, citation or other communication received by or otherwise known to Sellers, whether from a governmental authority, citizens group, employee or other person with regard to Environmental Liabilities or any environmental, health, or safety matter affecting or relating to the Real Property leased by Sellers in connection with the Stations or the operation of the Stations.

**“Environmental Liabilities”** means any loss, liability, claim, damage, deficiency, cleanup or remediation obligation, injury, fine, penalty, cost (including cleanup or remediation costs) or expense (including attorneys’ fees) arising from or in connection with (i) the use, management, treatment, handling, disposal, transport, storage, spill, escape, leakage, emission, release, discharge or presence of any Hazardous Substance, including, without limitation, gasoline, oil or other petroleum products, asbestos, explosives, radioactive materials and related and similar material or any other material or substance defined as hazardous, toxic or polluting by any federal, state or local law, ordinance, rule or regulation on, at, from or under any of the Real Property prior to the Closing Date; (ii) the failure to obtain any license or permit required in connection with any such Hazardous Substance prior to the Closing Date; or (iii) any noncompliance with any Environmental Requirement, and/or any Environmental Complaint prior to the Closing Date.

**“Environmental Requirement”** means any federal, state, local or foreign laws rules, order or regulations relating to pollution or protection of human health or the environment (including, without limitation, any ambient air, surface water, ground water, wetlands, land surface, subsurface strata and indoor and outdoor workplace), including laws and regulations relating to emissions, discharges, releases, or threatened releases of any Hazardous Substance or the importation, manufacture, processing, formulation, testing, distribution, use, treatment, storage disposal, transport or handling of Hazardous Substances.

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

**“ERISA Affiliate”** means with respect to a Person, any other Person that is required to be aggregated with such Person under Section 414 (b) or (c) of the Code at any time prior to the Closing Date.

**“Escrow Agent”** has the meaning set forth in Section 2.4 hereof.

**“Escrow Agreement”** has the meaning set forth in Section 2.4 hereof.

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

**“Excluded Contracts”** means all Contracts other than the Assumed Contracts.

**“Excluded Liabilities”** has the meaning set forth in Section 2.9 hereof.

**“FCC”** means the Federal Communications Commission.

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

**“FCC Rules”** means the published rules, regulations, and policies of the FCC.

**“Final Current Assets Adjustment”** has the meaning set forth in Section 2.6(b) hereof.

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

**“Final Working Capital Liabilities Adjustment”** has the meaning set forth in Section 2.6(a) hereof.

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

**“GAAP”** means generally accepted accounting principles for financial reporting in the U.S.

**“Hazardous Substance”** means and includes without limitation, oil and other petroleum products, explosives, radioactive materials, chemicals, pollutants, contaminants, wastes, toxic substances, genetically modified organisms, and related and similar materials, and any other substance or material defined as a hazardous, toxic or polluting substance or material by any federal, state or local law, ordinance rule or regulation, including polychlorinated biphenyls, asbestos or asbestos containing materials.

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

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

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

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

**“Intangibles”** means the call letters of the Stations, and all copyrights, trademarks, trade names, logos, slogans, jingles, service marks, applications for any of the foregoing, telephone numbers and listings, trade secrets, confidential or proprietary information, and other intangible property used or held for use by or for the Stations and/or Sellers in connection with the business or operation of the Stations and set forth on Schedule 4.12 hereto, and any and all universal resource locators, web sites, domain names, of or maintained by or for the Stations, and any web site or home page of or maintained by or for the Stations, and all property and assets (tangible or intangible) used or necessary to create and publish any such web site or home page and set forth on Schedule 4.12 hereto, and all goodwill associated with any of the foregoing.

**“License Co.”** has the meaning set forth in the Preamble.

**“Lien Release Instruments”** has the meaning set forth in Section 6.12 hereof.

**“Liens”** means any liens, pledges, claims, charges, mortgages, security interests, restrictions, easements, liabilities, claims, title defects, encumbrances or rights of others of every kind and description.

**“LMA”** has the meaning set forth in Section 2.12 hereof.

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

**“Material Contracts”** has the meaning set forth in Section 4.9(b) hereof.

**“Modification Application”** has the meaning set forth in the Preamble.

**“MPH”** has the meaning set forth in the Preamble.

**“Neutral Accountant”** has the meaning set forth in Section 2.6(d) hereof.

**“Negotiation Period”** has the meaning set forth in Section 2.6(d) hereof.

**“Other Authorizations”** means all licenses, permits, variances, franchises, certifications, approvals, construction permits, and authorizations issued or granted by any administrative body or licensing authority or governmental or regulatory agency, other than Commission Authorizations, used or held for use in connection with the operation of the Stations and/or the ownership and/or use of the Purchased Assets and set forth on Schedule 4.6(b)(ii) hereto, together with any applications therefor, renewals, extensions, or modifications thereof and additions thereto.

**“Pamal”** has the meaning set forth in the Preamble.

**“Party”** or **“Parties”** means Buyers or Sellers, individually or collectively.

**“Permitted Liens”** means liens for taxes not yet due and payable and liens in respect of borrowed money that will be discharged at or prior to Closing.

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

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

**“Programs”** means all computer systems (including without limitation, management information and order systems, hardware, software, servers, computers, printers, scanners, monitors, peripheral and accessory devices, and the related media, manuals, documentation, and user guides) owned and used by Sellers in the operation of the Stations and set forth on Schedule 1.1 hereto, as well as all related claims, credits, and rights of recovery and set-off with respect thereto, and all of the right, title, and interest (including by reason of license or lease) of Sellers or the Stations in or to any software, computer program, or software product

owned, used, developed, or being developed by or for the Stations, whether for internal use or for sale or license to others, and any software, computer program, or software product licensed by Sellers for use by the Stations, and all proprietary rights of Sellers or the Stations, whether or not patented or copyrighted, associated therewith and set forth on Schedule 1.1 hereto.

**“Purchase Price”** has the meaning set forth in Section 2.3 hereof.

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

**“Real Property”** means all land, buildings, improvements, fixtures, and transmitting towers (to the extent they constitute fixtures or other interests in real property and not Tangible Personal Property) and other real property, and all leaseholds and other interests in real property and the buildings and improvements thereon and appurtenances thereto, including, without limitation, easements, variances, air rights, and the like, and all security deposits with respect to any of the foregoing.

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

**“Receivables”** means all accounts receivable of Sellers or any time broker in respect of the Stations and/or of the Stations generated in respect of air time broadcast as of 11:59 p.m. Eastern Time on the day immediately preceding the Commencement Date, or the Closing Date if the Closing Date occurs prior to the Commencement Date or if Buyer elects not to commence the LMA.

**“Sellers”** has the meaning set forth in Preamble.

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

**“Stations”** has the meaning set forth in Recitals.

**“Tangible Personal Property”** means all fixed and tangible personal property used or held for use by or for the Stations and/or Sellers in connection with the business or operation of the Stations, including, but not limited to, all physical assets and equipment, leasehold improvements, machinery, vehicles, furniture, fixtures, transmitters and antennae, office materials and supplies, spare parts, and music libraries set forth on Schedule 4.8(c) hereto, together with all replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date.

**“Taxes”** or **“Tax”** has the meaning set forth in Section 4.18 hereof.

**“Transferred Employees”** means any employee of the Stations who, at Buyer’s sole discretion, is offered employment by Buyer and accepts such employment.

**“Working Capital Liabilities”** means trade accounts payable and other payment obligations to suppliers of the Stations that are current liabilities in accordance with GAAP.

**“Working Capital Liability Amount”** has the meaning set forth in Section 6.3 hereof.

## ARTICLE II

### **PURCHASE AND SALE OF BUSINESS AND ASSETS; PURCHASE PRICE PAYMENT; ASSUMPTION OF OBLIGATIONS**

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

- (a) all Commission Authorizations;
- (b) all Other Authorizations;
- (c) all Tangible Personal Property;
- (d) all Real Property;
- (e) all Contracts set forth on Schedule 2.1(e) hereto (the “Assumed Contracts”);
- (f) all Intangibles;
- (g) all Insurance Proceeds;
- (h) all Programs;
- (i) all Current Assets;
- (j) all Documentation;
- (k) all FCC logs and similar records that relate to the operation of the Stations (“FCC Logs”); and
- (l) all goodwill in and going concern value of the Stations.

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



(a) all cash, cash equivalents, or similar type investments of Sellers, such as certificates of deposit, Treasury bills, and other marketable securities on hand and/or in banks;

(b) Sellers' corporate seal, minute books, organizational documents, and such books and records as pertain solely to the organization, existence, and capitalization of Sellers;

(c) all Company Benefit Plans;

(d) the Excluded Contracts;

(e) A disaster recovery 350kW mobile recovery generator and custom trailer;  
and

(f) all assets of other radio stations owned operated by Pamal.

2.3 Purchase Price. Subject to and upon the terms and conditions of this Agreement, in reliance on the representations, warranties, covenants, and agreements of Sellers contained herein, and in full payment for the sale, conveyance, assignment, transfer and delivery of the Purchased Assets as described herein by Sellers, Buyer shall pay to Sellers the sum of Six Million Five Hundred Thousand Dollars (\$6,500,000) (the "Purchase Price"), payable as provided in Section 2.5 below.

2.4 Deposit. On the date hereof, Buyer shall make a deposit in immediately available funds in an amount equal to Three Hundred Twenty-Five Thousand Dollars (\$325,000.00) (the "Deposit") with U.S. Bank National Association (the "Escrow Agent") pursuant to an escrow agreement between Sellers, Buyer and the Escrow Agent (the "Escrow Agreement"). The Deposit will be returned to Buyer by the Escrow Agent on the Closing Date upon the payment in full of the Purchase Price.

2.5 Payment. At Closing, Buyer shall pay to Sellers an amount equal to the Purchase Price less any adjustments pursuant to Sections 2.6 and 2.8 hereof (the "Closing Payment") in cash in immediately available funds by wire transfer pursuant to wire transfer instructions of Sellers to Buyer, which instructions shall be given to Buyer no later than two (2) days prior to the Closing Date.

## 2.6 Purchase Price Adjustments.

(a) Working Capital Liabilities Adjustment. Promptly (but not later than one hundred-twenty (120) days) following the Commencement Date, Buyer shall prepare and deliver to Sellers a statement (the "Buyer's Working Capital Liabilities Statement") setting forth Buyer's final determination of the average Working Capital Liabilities of the Stations over the twelve (12) month period prior to the Commencement Date (the "Average Working Capital Liabilities"). The Buyer's Working Capital Liabilities Statement shall be accompanied by (a) appropriate documentation setting forth Buyer's determination and calculation of the Average Working Capital Liabilities, (b) a balance sheet for the Stations as of the Commencement Date, and (c) supporting schedules setting forth in reasonable detail all assets and liabilities included therein for the determination of the Average Working Capital Liabilities. In the event that Sellers disagree with Buyer's Working Capital Liabilities Statement, or any of the information

set forth therein, as presented by Buyer, then Sellers shall submit a written notice of objection thereto to Buyer within thirty (30) days after the Sellers' receipt of the Buyer's Working Capital Liabilities Statement. If, within such thirty (30) day period, the Sellers do not submit such a notice of objection, the Average Working Capital Liabilities and the Final Working Capital Liabilities Adjustment, as set forth in the Buyer's Working Capital Liabilities Statement, shall be deemed accepted, but if the Sellers do timely object to the content of, or calculations contained in, the Buyer's Working Capital Liabilities Statement, such objections shall be resolved as provided in Section 2.6(d) below.

If the Average Working Capital Liabilities is greater than the Working Capital Liability Amount, then at Closing the Purchase Price shall be increased by an amount equal to such negative difference. If the Average Working Capital Liabilities is less than the Working Capital Liability Amount, then at Closing the Purchase Price shall be decreased by an amount equal to such positive difference. (Any such downward or upward adjustment, the "Final Working Capital Liabilities Adjustment"). Notwithstanding the above, if the Closing Date occurs before the Commencement Date or if Buyer elects not to commence the LMA, (i) the Average Working Capital Liabilities shall be calculated based on the twelve (12) month period prior to the Closing Date, (ii) the Buyer shall prepare and deliver to Sellers the Buyer's Working Capital Liabilities Statement promptly (but not later than one hundred-twenty (120) days) following the Closing Date; and (iii) Buyer or Sellers, as applicable, will pay the other party the amount of the Final Working Capital Liabilities Adjustment by wire transfer of immediately available funds within ten (10) business days of the final determination thereof.

(b) Current Assets Adjustment. Promptly (but not later than one hundred-twenty (120) days) following the Commencement Date, Buyer shall prepare and deliver to Sellers a statement (the "Buyer's Current Assets Statement") setting forth Buyer's final determination of (i) the value of the Receivables (net of an allowance for doubtful accounts), security deposits, and prepaid charges, fees and expenses of the Stations in accordance with GAAP (the "Current Assets") as of the Commencement Date, and (ii) the average value of the Current Assets over the twelve (12) month period immediately prior to the Commencement Date (the "Average Current Assets"). The Buyer's Current Assets Statement shall be accompanied by appropriate documentation setting forth Buyer's determination and calculation of the Current Assets and Average Current Assets, and supporting schedules setting forth in reasonable detail all assets included therein for the determination of the Current Assets and Average Current Assets. In the event that Sellers disagree with Buyer's Current Assets Statement, or any of the information set forth therein, as presented by Buyer, then Sellers shall submit a written notice of objection thereto to Buyer within thirty (30) days after the Sellers' receipt of the Buyer's Current Assets Statement. If, within such thirty (30) day period, the Sellers do not submit such a notice of objection, the Current Assets and Average Current Assets, as set forth in the Buyer's Current Assets Statement, shall be deemed accepted, but if the Sellers do timely object to the content of, or calculations contained in, the Buyer's Current Assets Statement, such objections shall be resolved as provided in Section 2.6(d) below.

If Current Assets are greater than the Average Current Assets, then at Closing the Purchase Price shall be increased by an amount equal to such positive difference. If Current Assets are less than the Average Current Assets, then at Closing the Purchase Price shall be decreased by an amount equal to such negative difference. (Any such downward or upward

adjustment, the “Final Current Assets Adjustment”). Notwithstanding the above, if the Closing Date occurs before the Commencement Date or if Buyer elects not to commence the LMA, (i) the Average Current Assets and Current Assets shall be calculated based on the twelve (12) month period prior to the Closing Date, (ii) the Buyer shall prepare and deliver to Sellers the Buyer’s Current Assets Statement promptly (but not later than one hundred-twenty (120) days) following the Closing Date; and (iii) Buyer or Sellers, as applicable, will pay the other party the amount of the Final Current Assets Adjustment by wire transfer of immediately available funds within ten (10) business days of the final determination thereof.

(c) Barter Adjustment. If the amount of barter trade payables as of the Commencement Date or, if the parties agree not to commence the LMA, the Closing Date exceeds the amount of barter trade receivables, Buyer shall receive advertising inventory or a purchase price adjustment based on the amount of such excess as follows: (i) for excess of \$40,000 or less, Buyer shall receive advertising inventory in the same amount of the excess; (ii) for excess between \$75,000 and \$40,000, Buyer shall receive advertising inventory for twice the amount of excess that is greater than \$40,000 plus advertising inventory in the amount described in (i); (iii) for excess above \$75,000, the Purchase Price shall be reduced by the amount of excess greater than \$75,000 plus Buyer shall receive advertising inventory in the amount described in (ii). The advertising inventory made available hereunder will be at times and on stations owned or operated by Pamal or its affiliates as determined by Buyers in their sole discretion at then existing rates generally charged for such time. Any dispute between the Parties with respect to barter trade receivables and barter trade payables shall be resolved by the Neutral Accountant in accordance with Section 2.6(d).

(d) Resolution of Adjustment Objections.

(i) Negotiations; Neutral Accountant. Buyer and Sellers shall negotiate in good faith to resolve any dispute arising under Section 2.6 above. Any objection timely made under Section 2.6 above that the Sellers and Buyer are unable to so resolve within thirty (30) days of the written notice of objection given by the Sellers (the “Negotiation Period”) shall be resolved by a Neutral Accountant.

A “Neutral Accountant” means such accountant that the parties shall designate by mutual agreement and who satisfies each of the following requirements: (A) neither the accountant nor the firm that employs the accountant shall have performed any accounting or consulting services for any party hereto or any Affiliate of any party at any time during the three (3) year period immediately preceding the date of the notice from Sellers under Section 2.6(a) above (except in its capacity as a Neutral Accountant hereunder); (B) the accountant is not related in any way to any party or any executive officer or director of any party; (C) the accountant has been a certified public accountant duly licensed to practice in the state where he or she has his or her primary office for a period of not less than ten (10) years; and (D) the accountant is willing to accept engagement as the Neutral Accountant on the terms and conditions of this Agreement.

Buyer and Sellers agree to use their commercially reasonable efforts in good faith to select a Neutral Accountant who is reasonably acceptable to both of them, not later than thirty (30) days after the expiration of the Negotiation Period.

(ii) Determination. The Neutral Accountant's role shall be limited to resolving any dispute as to the calculations described in Section 2.6. In resolving such objections, the Neutral Accountant shall apply the provisions of this Agreement. The parties shall provide the Neutral Accountant with all relevant documentation. The Neutral Accountant shall promptly provide written notice of its resolution of such objections to Buyer and Sellers and the resulting adjustments shall be deemed finally determined for purposes of Section 2.6. The Neutral Accountant shall be instructed to use reasonable efforts to perform its services within thirty (30) days of submission of the statement(s) and objection(s) to it and, in any case, as soon as practicable after such submission. If the Neutral Accountant selected as described above is unable or unwilling to act when called upon pursuant to this Section 2.6(d), then Buyer and Sellers shall promptly appoint a substitute to act in substitution for the original designee, (or if no substitute is so appointed within fifteen (15) days, then such dispute shall be resolved by a single arbitrator, sitting in Wilmington, Delaware, appointed by the American Arbitration Association upon application by either Buyer or Sellers), and, upon acceptance of such appointment, such substitute, or arbitrator so appointed, shall, for purposes of this Agreement, be deemed the Neutral Accountant, as applicable, and the time periods prescribed above in this Section 2.6 shall run from the date of such substitute's or arbitrator's acceptance of appointment hereunder.

(iii) Costs. The fees and expenses for the services of the Neutral Accountant shall be split equally between Buyer and Sellers.

2.7 Allocation. Sellers and Buyer agree to allocate the Purchase Price among the Purchased Assets in accordance with the allocation schedule to be attached hereto as Schedule 2.7, which allocation schedule will be determined prior to or within thirty (30) days of the date of this Agreement (the "Allocation Schedule"). If the Parties are unable to agree on the final Allocation Schedule, a third-party appraiser mutually acceptable to Buyer and Sellers, the fees of which shall be borne equally by Buyer and Sellers, shall resolve the allocation of the consideration to any items with respect to which there is a dispute between the Parties. Sellers and Buyer will each file an IRS Form 8594 consistent with the Allocation Schedule.

## 2.8 Certain Closing Prorations and Adjustments.

(a) Subject to and except as provided in the LMA, all utilities charges and personal property taxes, real property taxes, monthly rental payments under leases of Real Property to be assumed by Buyer pursuant to this Agreement at Closing, monthly equipment rental payments under Personal Property Leases assumed by Buyer pursuant to this Agreement at Closing, amounts payable in respect of Assumed Contracts, association dues, business, license, and annual FCC fees and similar prepaid items (to the extent included in the Purchased Assets) and similar accrued expenses, and those items, if any, specified in Schedule 2.8(a) hereto, shall be prorated between Sellers and Buyer as of 11:59 p.m. Eastern Time on the day immediately preceding the Closing Date, and the net amount resulting from the foregoing in favor of Buyer or Sellers, as the case may be, shall then be paid to such party at Closing or credited against the Closing Payment in the event Sellers are to pay Buyer any such amount. Buyer shall receive a credit at such Closing against the Closing Payment for a pro-rata portion of all accrued but unused vacation or sick time for any Transferred Employees. Alternatively, except as provided in or under the LMA, adjustments or prorations may be determined and paid on the Closing Date

based upon Buyer's calculation delivered to Sellers ten (10) days prior to the Closing Date and approved by Sellers, with final settlement and payment by the appropriate party occurring no later than sixty (60) days after the Closing Date. The determination of the amounts of any adjustment under this Section shall be made in accordance with generally accepted accounting principles, consistently applied. Upon such determination, within sixty (60) days after the Closing Date, Buyer shall submit such determination to Sellers for approval. If Buyer disagrees with the determination made by Sellers of the adjustment, Buyer shall give prompt written notice thereof, but in no event later than twenty (20) days after receipt of such determination, specifying in reasonable detail the nature and extent of such disagreement, and Buyer and Sellers shall have a period of thirty (30) days in which to resolve such disagreement.

(b) In the event of any dispute between the Parties as to prorations or adjustments under this Section 2.8, the amounts not in dispute shall nonetheless be paid and adjusted for at Closing, and such disputes shall be promptly presented for resolution to a Neutral Accountant. The Neutral Accountant's resolution of the dispute shall be final and binding on the Parties and a judgment may be entered thereon, provided, however, that any such accountant shall have no authority to assess damages or award attorneys' fees or costs. The fees and expenses of such accountant shall be borne equally by Sellers and Buyer. Within ten (10) Business Days following a final determination of any dispute hereunder, the Party obligated to make payment will make the payments so determined to be due and owing.

2.9 Assumed Obligations. Buyer shall, at Closing, execute and deliver to Sellers an Assignment and Assumption Agreement (the "Assignment and Assumption Agreement"), substantially in the form of Exhibit 2.9 hereto pursuant to which Sellers shall assign to Buyer its rights in the Assumed Contracts, together with any Contracts entered into by Sellers in accordance with this Agreement between the date hereof and such Closing Date and Buyer shall assume all obligations arising under such Assumed Contracts after such Closing Date but not as a result of any previous breach, or default thereof or performance thereunder. Except as expressly provided in the Assignment and Assumption Agreement, Buyer shall not and does not assume any liability or obligation of any nature, known or unknown, fixed or contingent, legal, statutory, contractual or otherwise, disclosed or undisclosed, of Sellers or otherwise relating to or arising from the Purchased Assets or the Stations, or the ownership or operation thereof by Sellers (collectively the "Excluded Liabilities"), all of which shall be retained and discharged by Sellers. Excluded Liabilities will include, without limitation, (i) all Environmental Liabilities; (ii) any and all debts, liabilities and obligations of Sellers of any nature; (iii) any and all violations of laws, rules, regulations, codes or orders by Sellers; (iv) any obligations or liabilities of Sellers to any of its employees or to any other Person under any collective bargaining agreement, employment contract or Company Benefit Plan, or for wages, salaries, other compensation or employee benefits, or with respect to compliance with applicable federal, state or local laws, rules or regulations relating to minimum wages, overtime rates, labor or employment; (v) any litigation arising from or relating to Sellers, or any facts or circumstances related to the ownership or operation of the Stations by Sellers; (vi) all liabilities in respect of or arising out of any and all Taxes of Sellers in respect of the Purchased Assets; and (vii) all liabilities under Excluded Contracts. Except as expressly provided by the Assignment and Assumption Agreement, Buyer shall not be required to defend any suit or claim arising out of any act, event, or transaction in connection with the ownership or operations of or otherwise

relating to the Purchased Assets and occurring prior to Buyers' ownership of such Purchased Assets, or Sellers.

2.10 Assignments of Assumed Contracts. Buyer and Sellers acknowledge that certain of the Assumed Contracts to be included in the Purchased Assets, and the rights and benefits thereunder necessary or appropriate or relating to the conduct of the business and activities of Sellers and/or the Stations, may not, by their terms, be assignable. Anything in this Agreement or in the Assignment and Assumption Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any such Assumed Contract, and Buyer shall not be deemed to have assumed the same or to be required to perform any obligations thereunder, if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach thereof or in any way affect the rights under any such Assumed Contract of Buyer or Sellers thereunder. In such event, Sellers will cooperate with Buyer to provide for Buyer all benefits to which Sellers are entitled under such Assumed Contracts, and any transfer or assignment to Buyer by Sellers of any such Assumed Contract or any right or benefit arising thereunder or resulting therefrom which shall require the consent or approval of any third party shall be made subject to such consent or approval being obtained. Sellers will use its commercially reasonable efforts prior to, and if requested by Buyer after, the Closing Date to obtain all necessary consents to the transfer and assignment of Assumed Contracts.

2.11 Certain Payables and Expenses. Subject to and except as provided in the LMA, on or prior to the Closing Date, Sellers shall pay and discharge all liabilities and obligations of Sellers owing or pertaining to all vendors and other persons and entities with which Buyer reasonably expects to maintain business relations at any time after such Closing.

2.12 Local Marketing Agreement. Buyer and Sellers shall execute and deliver to each other a Local Marketing Agreement ("LMA") in the form attached hereto as Exhibit 2.12 simultaneously with the execution of this Agreement providing for a Commencement Date of July 1, 2012; provided, however, Buyer in its sole discretion may elect not to commence the LMA.

2.13 Non-Compete. At Closing, Sellers shall execute and deliver to Buyers an agreement ancillary to the sale of business substantially in the form attached hereto as Exhibit 2.13 (the "Agreement Ancillary to the Sale of Business").

### **ARTICLE III**

#### **APPLICATION TO AND CONSENT BY FCC**

3.1 FCC Consent. Prior to Closing, the FCC shall have issued its approval, without any condition which Buyers reasonably determine to be adverse to Buyer, including, but not limited to, any condition that requires any Buyer to divest any radio station owned by such Buyer as of the date of this Agreement, of the assignment (the "Assignment") of the Commission Authorizations to License Co. in accordance with the terms of this Agreement (the "Initial Order").

### 3.2 Application for FCC Consent.

(a) Sellers and Buyers agree to use their reasonable efforts and to cooperate with each other in promptly preparing, filing and diligently prosecuting the Assignment Application and in causing the grant of the Initial Order to become a Final Order. The parties shall cooperate with each other in filing with the Commission an application for the Assignment (the "Assignment Application"), along with all information, data, exhibits, and other documents required by the application form or requested by the FCC staff at such time as designated by Buyer, but in any event within ten (10) Business Days after the date hereof. Each party further agrees to expeditiously prepare and file with the FCC any amendments or any other filings required by FCC Rules or requested by the FCC staff in connection with the Assignment Application. For purposes of this Agreement, each party shall be deemed to be using its reasonable efforts with respect to obtaining the Final Order, and to be otherwise complying with the foregoing provisions of this Section 3.2, so long as it truthfully and promptly provides information necessary in completing the application process, provides its comments on any filing materials, and uses its reasonable efforts to oppose attempts by third parties to petition to deny, to oppose, modify, or overturn the grant of the Assignment Application without prejudice to the Parties' termination rights under this Agreement, it being further understood that neither Sellers nor Buyers shall be required to expend any funds or efforts contemplated under this Article 3 unless the other of them is concurrently and likewise complying with its obligations under this Article 3.

(b) Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing, and prosecution of its respective portion of the Assignment Application. All filing fees and grant fees imposed shall be paid one-half (½) by Sellers and one-half (½) by Buyer.

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

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

3.4 Modification Application. Buyers shall implement the licensing change contemplated by the Modification Application promptly upon issuance of the initial order in respect of the Modification Application by the FCC.

## **ARTICLE IV**

### **REPRESENTATIONS AND WARRANTIES OF SELLERS**

Sellers represent and warrant to Buyer that:

4.1 Organization, Standing, and Qualification. Pamal is a corporation validly existing and in good standing under the laws of the State of New York and is qualified to conduct business and relative to the operation of the Stations is in good standing in the State of Florida. Each of 6JRL and MPH is a corporation or limited liability company, as applicable, validly

existing and in good standing under the laws of the State of New York. Sellers are not required to be qualified to do business in any other jurisdiction in connection with the operation of the Stations. Sellers have all requisite power and authority and are entitled to own, lease, and operate their respective properties and to carry on their respective business as and in the places such properties are now owned, leased, or operated and where such business is presently conducted.

4.2 Authority of Sellers. Sellers have all requisite corporate power and authority to execute, deliver, and perform this Agreement and each other agreement, document, and instrument to be executed, delivered, or performed by Sellers in connection with this Agreement (the "Seller Documents") and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at Closing, each other Seller Document will constitute, the legal, valid, and binding obligation of Sellers enforceable in accordance with its terms. All corporate proceedings and any action required to be taken by Sellers relating to the execution, delivery, and performance of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby shall have been duly taken at the time of Closing.

4.3 No Conflict; Consents. Except for the filing of the Assignment Application and the granting of the Initial Order and the Final Order, the execution, delivery and performance of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the respective Certificate of Incorporation or Articles of Organization, as applicable, or the Bylaws or Operating Agreement, as applicable, of each Seller, (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any agreement or instrument of any debt or obligation to which any Seller is a party or to or by which it or any of the Purchased Assets is subject or bound, or result in the loss or adverse modification of any of the Authorizations or Intangibles, (iii) require the consent of any party to any agreement or commitment to which any Seller is a party, or to or by which it or the Purchased Assets is subject or bound, (iv) result in the creation or imposition of any Lien upon any of the Purchased Assets, or (v) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which any Seller or any of the Purchased Assets is subject or bound; no consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority or any other third party is required to be obtained or made by any Seller in connection with the execution, delivery and performance of this Agreement or the Seller Documents or the consummation of the transactions contemplated hereby and thereby.

4.4 Financial Statements. Attached hereto as Schedule 4.4 are true and correct copies of the statements of income in respect of the Stations as at or for the twelve (12) month period ended February 29, 2012 (the "Financial Statements"). All of the Financial Statements fairly present the financial condition of the Stations as at their respective dates and the results of operations of the Stations for the periods covered thereby. Such Financial Statements do not contain any items of special or nonrecurring income or any other income not earned in the ordinary course of business, and reflect no operations or business other than those of the Stations, except as expressly specified therein. As of their respective dates, the Financial



Statements did not, and any financial statements delivered by Seller subsequent to the date hereof will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. The revenue pacing reports for the Stations heretofore delivered to Buyer are true and accurate. All accounts receivable reflected in the balance sheets of the Stations contained in the Financial Statements represent valid obligations arising in the ordinary course of business and are recorded at fair market value on such balance sheets. Sellers have provided Buyer with a true and correct aging of all accounts receivable reflected in the most recent Financial Statements.

4.5 Litigation. Except as set forth in Schedule 4.5 hereto, there is no action, suit, proceeding, arbitration or investigation pending, or to the knowledge of Sellers threatened, against or affecting Sellers or their respective operation of the Stations or the Stations or any assets, properties, business or employees of the Stations or the transactions contemplated by this Agreement. There is not outstanding any order, writ, injunction, award or decree of any court or arbitrator or any federal, state, municipal or other governmental department, commission, board, agency or instrumentality to which the Stations or Sellers in connection with their operation of the Stations are subject or otherwise applicable to the Stations or the Purchased Assets or any employee of the Stations, nor is any of them in default with respect to any such order, writ, injunction, award or decree.

4.6 Compliance; Properties; Authorizations.

(a) Except for noncompliance in immaterial respects, Sellers and the Stations have complied with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to Sellers in respect of the Stations, any of the employees thereof, and/or any aspect of Sellers' or the Stations' respective operations. Except as set forth in Schedule 4.6(a) hereto, neither the ownership nor use of the assets or properties of Sellers, nor the conduct of the business or the operation or use of the Stations or any of the Purchased Assets, conflicts with the rights of any other person or entity or violates, or with or without the giving of notice or the passage of time, or both, will violate, conflict with or result in a default, right to accelerate or loss of rights under, any terms or provisions of their respective Certificate of Incorporation or Articles of Organization, as applicable, or Bylaws or Operating Agreement, as applicable, or any lease, license, agreement, commitment, law, ordinance, rule or regulation, or any order, judgment or decree to which Sellers or the Stations is a party or by which it or any of the Purchased Assets may be bound or affected.

(b) Sellers currently hold all Commission Authorizations and all Other Authorizations. Such Commission Authorizations are validly existing authorizations for the operation of the facilities described therein under the Communications Act and FCC Rules. The Commission Authorizations identified in Schedule 4.6(b)(i) hereto constitute all of the licenses and authorizations required under the Communications Act and FCC Rules, in connection with the operation of the Stations as currently operated. The Commission Authorizations are in full force and effect, have not been revoked, suspended, canceled, rescinded, or terminated, have not expired, and are unimpaired by any act or omission of any Seller or any partners, officers, directors, employees, or agents of any Seller. There are no conditions on any Commission Authorization that are neither set forth on the face thereof as issued by the FCC nor contained in

the Communications Act or FCC Rules applicable generally to Stations of the type, nature, class or location of the Stations. All FCC regulatory fees for the Stations have been timely paid, and all broadcast towers from which the Stations operate have been duly registered with the FCC to the extent required by FCC Rules. There is no action pending nor, to the knowledge of Sellers, threatened by or before the FCC or other court or governmental authority of competent jurisdiction to revoke, refuse to renew, suspend, or modify any of the Commission Authorizations, or any action which may result in the denial of any pending application, the issuance of any cease and desist order, or the imposition of any administrative sanction with respect to the Stations or its operation, except for the Assignment Application before the FCC to assign the Commission Authorizations pursuant hereto. Except as set forth on Schedule 4.6(b)(iii), there is not pending by or before the FCC any investigation, order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture, complaint or any other proceeding against or with respect to any Seller, either Station or Seller's partners, officers, directors, stockholders or Affiliates of Seller nor, to the knowledge of Sellers, are any of the foregoing threatened. Except for noncompliance in immaterial respects, the Stations are, and for the last three (3) years have been, operating in compliance with the Commission Authorizations, the Communications Act, and FCC Rules. Sellers have timely filed all reports, forms and statements required to be filed with the FCC. All applications, reports and other documents submitted by Sellers on behalf of or with respect to the Stations were true and correct when made. Sellers have not received any notice with respect to any of the Commission Authorizations or the Stations' compliance with the Communications Act or FCC Rules that might cause the FCC not to consent to the assignment by Sellers of the Commission Authorizations as contemplated by this Agreement.

4.7 Title to Assets. Except for the assets and properties leased to Sellers pursuant to the leases identified in Schedule 4.8(b) hereto, Sellers have good and marketable title to all of the Purchased Assets subject only to the Permitted Liens. Sellers have good leasehold title to all Purchased Assets which are leased. Except as set forth on Schedule 4.7 hereto, none of the Purchased Assets is subject to any Lien except for the Permitted Liens. The Purchased Assets are in good operating condition and repair, are suitable for the purposes used, ordinary wear and tear excepted. The Purchased Assets comprise all assets used or held for use in the current operation of the Stations.

4.8 Properties.

(a) Schedule 4.8(a) contains a description of the owned Real Property used in the operation of or relating to the Stations.

(b) Schedule 4.8(b) contains a true, complete and accurate list of all leases and subleases of Real Property related to the Stations under which Sellers hold any leasehold or other interest or right to the use thereof (the "Real Property Leases") or pursuant to which Sellers have leased, assigned, sublet or granted any rights therein or with respect thereto.

(c) Schedule 4.8(c) contains a true, complete and accurate list of all Tangible Personal Property, except for items having a value of less than \$1,000 which do not, in the aggregate, have a total value of more than \$10,000, setting forth with respect to all such listed property all leases relating thereto (the "Personal Property Leases").

#### 4.9 Contracts.

(a) Schedule 4.9(a) lists all Contracts excluding (A) purchase orders for necessary supplies or services and air time sales orders for cash made in the ordinary course of business (on customary terms and conditions and consistent with past practice) involving payments or receipts by Sellers of less than \$2,500 in any single case or series of related orders, and (B) contracts entered into in the ordinary course of business on customary terms and conditions which are terminable by Sellers on less than 30 days' notice without any penalty or consideration and involving payments or receipts during the entire life of such contracts of less than \$2,500 in the case of any single contract but not more than \$15,000.00 in the aggregate.

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

4.10 Insurance. Schedule 4.10 lists all fire, theft, casualty, liability and other insurance policies insuring Sellers in respect of the Stations. The properties and assets of Sellers, which are of an insurable character and are used or held for use in the operation of the Stations, are insured at full replacement cost against loss or damage by fire or other risks, and Sellers maintain liability insurance, to the extent and in the manner and covering such risks as is customary for companies engaged in a business similar to the business of Sellers or owning assets similar to the Purchased Assets. The coverage under each such policy of insurance set forth in Schedule 4.10 hereto is in full force and effect, all premiums due and payable thereon have been paid, and no notice of cancellation or nonrenewal with respect to, or disallowance of any claim under, any such policy has been given to Sellers. Except as set forth in Schedule 4.10, there are no pending claims against such insurance policies as to which the insurers have denied liability and there exist no claims that have not been properly or timely submitted by Sellers to the related insurer.

4.11 Absence of Changes or Events. Subject to the LMA, since December 31, 2010 Sellers have conducted the business of the Stations only in the ordinary course in a manner consistent with past practices. Without limiting the foregoing, since such date, Sellers in respect of the Stations or otherwise have not, except as set forth on said Schedule 4.11:

(i) incurred any obligation or liability, absolute, accrued, contingent or otherwise, whether due or to become due, except current liabilities for trade or business obligations incurred in the ordinary course of business and consistent with its prior practice, none of which liabilities, in any case or in the aggregate adversely affects the Purchased Assets;

(ii) mortgaged, pledged or subjected to lien, charge, security interest or any other encumbrance or restriction any of the Purchased Assets;

(iii) sold, transferred, leased to others or otherwise disposed of any of the Purchased Assets other than inoperable or obsolete items;

(iv) received any notice of actual or threatened termination of any contract, lease or other agreement, or suffered any damage, destruction, or loss, which adversely affects the Purchased Assets;

(v) had any material change in its relations with its employees, agents, landlords, advertisers, customers or suppliers or any governmental regulatory authority or self-regulatory authorities;

(vi) encountered any labor union organizing activity, had any actual or threatened employee strikes, disputes, workstoppages, slow downs or lockouts, or had any material change in its relations with its landlords or any governmental regulatory authority or self-regulatory authorities;

(vii) made any change or changes in the rate of compensation, commission, bonus or other direct or indirect remuneration payable, conditionally or otherwise, and whether as bonus, extra compensation, pension or severance or vacation pay or otherwise, to any director, officer, employee, salesman, distributor or agent relative to the Stations;

(viii) made any capital expenditures or capital additions or betterment in respect of any individual Stations in excess of an aggregated \$50,000.00;

(ix) instituted, settled, or agreed to settle any litigation, action, or proceeding before any court or governmental body;

(x) entered into any transaction, contract, or commitment other than in the ordinary course of business on customary terms and conditions, or paid or agreed to pay any brokerage, finder's fee, or other compensation in connection with, or incurred any severance pay obligations by reason of, this Agreement or the transactions contemplated hereby;

(xi) changed its accounting practices, methods or principles used other than as required by generally accepted accounting principles; or

(xii) entered into any agreement or made any commitment to take any of the types of actions described in any of subsections (i) through (xi) above.

4.12 Intangibles. Sellers own or possess all rights necessary to use the Intangibles set forth on Schedule 4.12 hereto, free and clear of any Liens. Sellers have no knowledge of any infringement or unlawful, unauthorized or conflicting use of any of the foregoing, or of the use of any call letters, slogan, logo or other intangible property rights by any broadcast stations in the areas served by the Stations which may be confusingly similar to any of the call letters, slogans, logos or other intangible property rights currently used by the Stations. Sellers are not infringing upon or otherwise acting adversely, nor has any Seller received notice that it is infringing upon

or otherwise acting adversely, to any copyrights, trademarks, trademark rights, service marks, service mark rights, trade names, service names, slogans, call letters, logos, jingles, licenses, or any other proprietary rights owned by any other person or entity.

#### 4.13 Environmental Matters.

(a) Sellers have not, and to Sellers' knowledge no other Person has, (i) stored, treated, released, disposed of or discharged on, onto, about, from, under or affecting any of the Real Property any Hazardous Substance (as hereinafter defined) and there is no Hazardous Substance on the Real Property, (ii) placed any, and Sellers are not aware of the existence of any underground storage tank on any parcel of the Real Property and (iii) acted or omitted to act in a way that would cause Sellers to have, and Sellers are not aware of any liability which is based upon or related to environmental conditions under or about any of the Real Property. Sellers have all material permits required by any Environmental Requirement necessary for the operation of the Stations and have complied with all Environmental Requirements applicable to the Real Property and there are no PCBs located on any of the Real Property.

(b) Sellers have not (i) given any report or notice to any governmental agency or authority of the use, management, handling, transport, treatment, generation, storage, disposal, spilling, escaping, seeping, leaking, emission, release, discharge or remediation or clean-up of any Hazardous Substance on, under or from the Real Property or caused by any Seller or any Affiliate of any Seller; or (ii) received any, or to the knowledge of Sellers are threatened to receive any Environmental Complaint, and Sellers are in compliance with notification, reporting and registration provisions of any Environmental Requirement, including, without limitation, the Toxic Substance Control Act and the Federal Insecticide, Fungicide and Rodenticide Act.

4.14 Employees. Schedule 4.14 lists the names and current annual salary rates and commission schedules of all persons (including independent commission agents) employed or engaged by Sellers at or relative to the Stations, and showing separately for each such person the amounts paid or payable as salary, bonus payments and direct and indirect compensation for the year ended 2011. Schedule 4.14 also lists all employment agreements Sellers has with any employees listed thereon. This Schedule is subject to the Confidentiality Agreement executed by the parties on even date herewith.

#### 4.15 Employee Benefits.

(a) Schedule 4.15(a) lists any pension, retirement, profit-sharing, deferred compensation, stock option, employee stock ownership, severance pay, vacation, bonus or other incentive plan; any medical, vision, dental or other health plan; any life insurance plan or any other employee benefit plan or fringe benefit plan; any other material commitment, payroll practice or method of contribution or compensation (whether arrived at through collective bargaining or otherwise), whether formal or informal, whether funded or unfunded including, without limitation, any "employee benefit plan," as that term is defined in Section 3(3) of ERISA that is currently or has previously been adopted, maintained, sponsored in whole or in part, or contributed to by any Seller or an ERISA Affiliate, for the benefit of, providing any remuneration or benefits to, or covering any current or former employee or retiree, any dependent, spouse or other family member or beneficiary of such employee or retiree, or any

director, independent contractor, member, officer or consultant of any Seller, or under (or in connection with) which any Seller or an ERISA Affiliate has any contingent or noncontingent liability of any kind, whether or not probable of assertion (collectively, the “Company Benefit Plans”). Any of the Company Benefit Plans that is an “employee pension benefit plan,” as defined in Section 3(2) of ERISA or an “employee welfare benefit plan” as defined in Section 3(1) of ERISA, is referred to herein as an “ERISA Plan.” To the extent that any of the Company Benefit Plans have been reduced to writing, copies thereof have been supplied or made available to the Buyer. In the case of any Company Benefit Plan that is not in written form, the Buyer has been provided with an accurate description of such Company Benefit Plan as in effect on the date hereof. Buyer has been provided with such other documentation with respect to any Company Benefit Plan as is reasonably requested by Buyer.

(b) No Seller or any ERISA Affiliate has contributed in the past five years to a multiemployer plan within the meaning of Section 414(f) of the Code. No Company Benefit Plan of Seller or any ERISA Affiliate is a multiple employer plan within the meaning of Section 413(c) of the Code. No employee welfare benefit plan of Seller is a multiple employer welfare arrangement as defined in Section 3(40) of ERISA.

(c) Neither the execution of the LMA and the employment of the Transferred Employees by Buyer, nor the consummation of the transaction contemplated by this Agreement will entitle any employee to severance pay, accelerate the time of payment of compensation due to any employee, result in an excess parachute payment within the meaning of Section 280G(b) of the Code or constitute a prohibited transaction under ERISA.

4.16 Labor Matters. Within the last three (3) years, Sellers have not been the subject of any union activity or labor dispute, nor has there been any strike of any kind called or threatened to be called against it in respect of the Stations.

4.17 Absence of Undisclosed Liabilities. Except as set forth in Schedule 4.17 hereto, neither Sellers in connection with the Stations, nor the Stations have any material debts, liabilities or obligations (whether absolute, accrued, contingent or otherwise) relating to or arising out of any act, transaction, circumstance or state of facts which has heretofore occurred or existed, due or payable, other than current liabilities for trade or business obligations incurred in the ordinary course of business.

4.18 Taxes. All taxes, fees, assessments and charges, including, without limitation, income, property, sales, use, franchise, added value, employees’ income withholding and social security taxes, imposed by the United States or by any foreign country or by any state, municipality, subdivision or instrumentality of the United States or of any foreign country, or by any other taxing authority, which are due and payable by Sellers, or for which Sellers may be liable, (including any for which Sellers may be liable by reason of its being a member of an affiliated, consolidated or combined group with any other company at any time on or prior to the Closing Date), and all interest and penalties thereon (collectively, “Taxes” or “Tax”), have been paid in full, all Tax returns required to be filed in connection therewith have been accurately prepared and filed, and all deposits required by law to be made by Sellers with respect to employees’ and other withholding Taxes have been duly made. No deficiency for any Tax or claim for additional Taxes has been proposed, asserted, or assessed against Sellers, and Sellers

have not granted any waiver of any statute of limitations in respect of Taxes or agreed to any extension of time with respect to Tax assessment or deficiency. No Seller has been a United States real property holding corporation within the meaning of Code §897(c)(2). No Seller is a party to any Tax allocation or sharing agreement. Sellers do not have any liability for the Taxes of any person as a transferee or successor, by contract or otherwise.

4.19 Brokerage or Finder's Fee. Sellers represent and warrant to Buyer, that except as disclosed on Schedule 4.19, no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement as a result of any action taken by Sellers or any of their respective Affiliates, officers, directors, or employees.

## **ARTICLE V**

### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Sellers that:

5.1 Organization and Standing. Each of Buyer and License Co. is a limited liability company validly existing and in good standing under the laws of the State of Nevada.

5.2 Authority of Buyers. Buyers have all requisite corporate power and authority to enter into this Agreement and each other agreement, document, and instrument to be executed or delivered by Buyers in connection with this Agreement (the "Buyer Documents") and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at Closing, each other Buyer Document will constitute, the legal, valid, and binding obligation of Buyers. All corporate proceedings and action required to be taken by Buyers relating to the execution, delivery, and performance of this Agreement and the Buyer Documents and the consummation of the transactions contemplated hereby and thereby shall have been duly taken by the time of Closing.

5.3 Litigation. As of the date hereof, there is no action, suit or proceeding pending, or to the knowledge of Buyers, threatened against Buyers, which adversely affects the ability of Buyers to consummate the transactions contemplated hereby.

5.4 FCC Qualifications. Except as otherwise set forth in Schedule 5.4, there are no facts currently known to Buyers which, under the Communications Act or FCC Rules, would (i) disqualify License Co. from becoming the holder of the Commission Authorizations or an owner or operator of the Stations; or (ii) disqualify License Co. from acquiring the Commission Authorizations as contemplated by this Agreement.

5.5 No Conflict; Consents. Except for the filing of the Assignment Application and the granting of the Initial Order and the Final Order, the execution, delivery and performance of this Agreement and the Buyer Documents and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the respective Articles of Organization or the Operating Agreement of Buyers; (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any agreement or instrument of any debt or obligation to which any Buyer is

a party; (iii) require the consent of any party to any agreement or commitment to which any Buyer is a party, or to or by Buyers are subject or bound; or (iv) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which Buyers are subject or bound; no consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority or any other third party is required to be obtained or made by Buyers in connection with the execution, delivery and performance of this Agreement or the Buyer Documents or the consummation of the transactions contemplated hereby and thereby.

5.6 Brokerage or Finder's Fee. Buyers represent and warrant to Sellers that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement as a result of any action taken by Buyers or any of their respective Affiliates, officers, directors, or employees.

## **ARTICLE VI**

### **CERTAIN COVENANTS**

6.1 Conduct of Business. During the period from the date of this Agreement to and including the Closing Date and subject to the LMA, Sellers shall cause the Stations to be operated and conducted in the ordinary and usual course of business and consistent with past practices.

(a) Without limiting the foregoing, prior to Closing, Sellers, without the prior written consent of Buyer, shall not and shall not permit the Stations to:

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

(ii) perform any action, or incur or permit to exist any of the acts, transactions, events, or occurrences of the type described in Section 4.11 hereof, which would have been inconsistent with the representations and warranties set forth in Section 4.11 hereof, had the same occurred after December 31, 2010 and prior to the date hereof.

(b) Without limiting the foregoing, prior to Closing, Sellers, without the prior written consent of Buyer, shall not and shall not permit the Stations to:

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

(ii) amend, modify, change, alter, terminate, rescind, or waive any rights or benefits under any contract, agreement, or commitment required to be listed, or enter into any contract, agreement, or commitment which, if in existence as of the date of this Agreement would have been required to be listed under Schedule 4.9(a) hereto; or



(iii) fail to maintain the Purchased Assets in a manner consistent with Sellers' past practices; or cancel or fail to renew any of the current insurance policies or any of the coverage thereunder maintained for the protection of the Purchased Assets.

## 6.2 Operations.

(a) During the period from the date of this Agreement to the Closing Date and subject to the LMA, Sellers shall have sole responsibility for the Stations and its operations, and during such period, Sellers shall:

(i) operate the Stations in accordance with the Communications Act and FCC Rules as well as the Commission Authorizations and file all ownership reports, employment reports, applications, responses, and other documents required to be filed during such period and maintain and promptly deliver to Buyers true and complete copies of the Stations' filings with the FCC;

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

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

(b) During the period from the date of this Agreement until Closing and subject to the LMA, Sellers shall:

(i) maintain all of the material Purchased Assets of Sellers in a manner consistent with past practices and maintain the types and levels of insurance currently in effect in respect of the Purchased Assets; and

(ii) upon any damage, destruction or loss to any material Purchased Asset, apply any insurance proceeds received with respect thereto to the prompt repair, replacement, and restoration thereof to the condition of such Purchased Asset or other property of Sellers before such event or, if required, to such other (better) condition as may be required by applicable laws.

6.3 Receivables. On the Commencement Date, Sellers shall assign to Buyer all of the Stations' accounts receivable, which shall thereafter be collected by Sellers but owned by Buyer and shall be remitted to Buyer on the 15th and 30th of each month during the term of the LMA; provided, however, that 50% of each dollar of accounts receivable collected by Seller during the term of the LMA may be retained by Seller until such time Seller has retained an aggregate amount of \$156,000 (the aggregate amount retained by Seller as of Closing, the "Working Capital Liability Amount").

6.4 Changes in Information. During the period from the date of this Agreement to the Closing Date, Sellers shall give Buyer prompt written notice of any material change in, or any of

the information contained in, the representations and warranties made in or pursuant to this Agreement or of any event or circumstance which, if it had occurred on or prior to the date hereof, would cause any of such representations or warranties not to be true and correct.

6.5 Restrictions on Buyers. Except as provided in the LMA, nothing contained in this Agreement shall give Buyers any right to control the programming or operations of the Stations prior to the Closing Date, and Sellers shall have complete control of the programming and operation of the Stations between the date hereof and such Closing Date and shall operate the Stations in conformity with the public interest, convenience and necessity and with all other applicable requirements of law.

6.6 Going Off the Air. If prior to Closing any Station goes off the air for any engineering reason, act of God, or any other reason not caused by Buyer, Sellers shall immediately notify Buyer and shall take all commercially reasonable steps to resume broadcasting as soon as possible. If such Station is unable to begin and to continue broadcasting on a normal and customary basis within one hundred sixty eight (168) hours of the onset of the service interruption, Buyer may, at its option, terminate this Agreement without incurring any liability to Sellers, provided that to be effective such notice from Buyer to terminate this Agreement must be delivered to Sellers within ten (10) Business Days after Buyer shall receive written notice from Sellers that normal operations of the Stations shall have resumed.

6.7 Access to Information and Employees. During the period from the date of this Agreement to the Closing Date, Buyer and its accountants, counsel, and other representatives, shall upon prior written or telephone notice be given reasonable and continuing access during normal business hours to all of the facilities, properties, books, and records of Sellers relating to the Stations (it being understood that the rights of Buyers under this Section shall not be exercised in a manner as to interfere unreasonably with the operation of the Stations), and they shall be furnished with such documents and information with respect to the affairs of the Stations as from time to time may reasonably be requested, and in furtherance thereof, Buyer may retain, at its expense, an engineering firm of its own choosing to conduct engineering studies regarding the Stations. Sellers shall afford Buyers full and free access to Sellers' employees at such time in advance of the Closing Date or Commencement Date that is commercially reasonable to allow Buyers to properly prepare to transition the Business, including the migration of the existing traffic and billing system. All such access to Information and Employees as provided for in this Section 6.7 shall be subject to the Confidentiality Agreement executed by the parties hereto.

6.8 Sales and Other Taxes. Sellers shall pay all sales taxes, transfer taxes, and intangibles taxes and similar government charges, filing fees, and recording and registration fees applicable to the transactions contemplated by this Agreement, including, without limitation, all taxes and similar charges, if any, payable upon the transfer of title to any Purchased Assets. The foregoing shall not apply to taxes, governmental charges, or fees incurred upon the granting or recording of mortgages or deeds of trust by Buyer to Buyer's lenders, which shall be the responsibility of Buyer. Buyer and Sellers will cooperate to prepare and file with the proper public officials, as and to the extent necessary, all appropriate sales tax exemption certificates or similar instruments as may be necessary to avoid the imposition of sales, transfer, and similar taxes on the transfer of Purchased Assets pursuant hereto. The provisions of this Section 6.8

shall not apply to filing and grant fees associated with the Assignment Application. The payment of such fees shall be governed by Section 3.2(b) hereof.

6.9 No Shop. Sellers agree that from after the date hereof and until the termination of this Agreement, Sellers will not sell, transfer, or otherwise dispose of any direct or indirect interest in Sellers or any assets (except for dispositions of assets in the ordinary course of business as expressly permitted elsewhere in this Agreement) of Sellers to be included in the Purchased Assets (or any rights in any such stock or assets), and Sellers will not respond to inquiries or proposals, or enter into or pursue any discussions, or enter into any agreements (oral or written), with respect to, the sale or purchase of any direct or indirect interest in Sellers, or any option or warrant with respect to such interest, or the merger, consolidation, sale, lease or other disposition of all or any portion of the assets, business, rights or Authorizations of Sellers or the Stations. The provisions of this Section 6.9 shall not be deemed to limit or negate any other obligations of Sellers under this Agreement.

6.10 Bulk Transfer Laws. The Parties do not believe that any bulk transfer or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyers therefore waive compliance by Sellers with the requirements of any such statutes, and Sellers agree to indemnify and hold Buyers harmless against any claim by any creditor of Sellers or claimant against either or both of Buyers as a result of a failure to comply with any such statute.

6.11 Preservation of Business. During the period from the date of this Agreement to the Closing Date and subject to the LMA, Sellers shall use their best efforts to preserve intact the goodwill and staff of Sellers relative to the Stations, and the relationships of Sellers with advertisers, customers, suppliers, employees, contracting parties, governmental authorities and others having business relations with Sellers relative to the Stations.

6.12 Satisfaction of Liens. At Closing, Sellers shall cause all Liens on or relating to any of the Purchased Assets then to be acquired by Buyer, to be released, extinguished, and discharged in full and shall deliver to Buyer instruments releasing, extinguishing, and discharging all such Liens, and all rights and claims of any holder(s) of any of such Liens with respect to any of the Purchased Assets, all in such form and substance as Buyer shall reasonably require (collectively the "Lien Release Instruments"). Sellers shall be solely and exclusively responsible for and shall discharge all commissions, finder's fees, or other compensation claimed by any person or entity set forth on Schedule 4.20 or otherwise claiming to have represented Sellers, but excluding any claims for fees or compensation by a person or entity arising out of dealings on behalf of Buyer.

6.13 Migration of Traffic and Billing System. Sellers shall cooperate fully with Buyers in taking any and all actions necessary or desirable for the successful migration of the Stations' existing traffic and billing system from the current database with Specialty Data Systems to a new, separate database created by Specialty Data Systems prior to the earlier to occur of the Commencement Date or Closing.

6.14 COBRA. Sellers shall comply with all applicable requirements (including requirements concerning the furnishing of notices) of health care coverage continuation

provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (contained in Sections 601 through 608 of ERISA and Section 4980B of the Code), with regard to the termination of employment prior to, or in connection with, the transaction contemplated by this Agreement.

6.15 Environmental Audits. Prior to the Closing date, Buyer may, at Buyer's expense, perform a Phase I environmental audit and/or commence a Phase II environmental audit of each of the Real Property sites (the "Environmental Audits").

6.16 Public Announcements. Sellers shall not announce or issue a press release in connection with the transactions contemplated hereunder, without the express prior written consent from Buyer, which shall not be unreasonably withheld or delayed. Buyer shall consult with Sellers regarding any public announcement or any press release it intends to issue.

## **ARTICLE VII**

### **CLOSING CONDITIONS**

7.1 Conditions Precedent to the Obligations of the Buyers. The obligations of the Buyers under this Agreement to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to Closing of each of the following conditions all of which may be waived, in whole or in part, by Buyer for purposes of consummating such transactions, but without prejudice to any other right or remedy which Buyers may have hereunder as a result of any misrepresentation by or breach of any covenant or warranty of Sellers contained herein or any other certificate or instrument furnished by or on behalf of the Sellers hereunder:

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

(b) the representations and warranties of Sellers contained in this Agreement, and any exhibits hereto, or any certificates or documents delivered in connection with this Agreement shall be true and correct when made, and shall also be true and correct in all material respects at the time of Closing with the same force and effect as though such representations and warranties were made at that time;

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

(d) the Initial Order shall have been granted and the Initial Order shall not include any condition which Buyers reasonably determine to be adverse to Buyer (which would include any requirement that Buyers divest WYOK(FM) or any other radio station currently owned by Buyers), and License Co. shall be entitled to be the holder of the Commission Authorizations and the execution and delivery of this Agreement and the consummation of the

transactions contemplated hereby, shall have been approved by all regulatory authorities whose approvals are required by law;

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

(f) there shall have been no material adverse change in the assets, liabilities, business, results of operations, financial condition or prospects of the Stations since the date hereof other than changes in the general economy affecting similar radio companies in a like manner and any material adverse change caused by or due to Buyer’s actions;

(g) the results of the Environmental Audits shall be satisfactory to Buyer in its sole reasonable discretion;

(h) the FCC shall have granted the Modification Application without any conditions adverse to Buyers (other than those conditions standard to the of other Form 301 applications to modify an FM radio station’s community of license) by initial order, License Co. shall have filed a Form 302-FM application with the FCC for a license to cover the construction permit issued by the FCC in conjunction with the grant of the Modification Application, and BIA shall have amended its market report for Mobile, Alabama to show that WYOK(FM) is located in the market and not merely “home” to the market;

(i) Sellers shall have entered into one or more agreements with the FCC to transfer to one or more other radio stations owned by Sellers any and all liability for complaints pending at the FCC with respect to the Stations;

(j) the successful migration of the traffic and billing system as further described in Section 6.13; and

(k) Sellers shall have delivered to Buyer the documents specified in Section 8.2 hereof.

7.2 Sellers’ Conditions Precedent. The obligations of Sellers under this Agreement to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to Closing of each of the following conditions, all of which may be waived in whole or in part by Sellers for purposes of consummating such transactions, but without prejudice to any other right or remedy which Sellers may have hereunder as a result of any misrepresentation by or breach of any covenant or warranty of Buyer contained herein or any other certificate or instrument furnished by or on behalf of Buyer hereunder:

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

(b) the representations and warranties of Buyers contained in this Agreement or any exhibits hereto or any certificates or documents delivered by it to Sellers in connection with this Agreement shall be true and correct when made and shall also be true and correct in all material respects at the time of the Closing with the same force and effect as though such representations and warranties were made at that time;

(c) each covenant, agreement, and obligation required by the terms of this Agreement to be complied with and performed by Buyers at or prior to the Closing shall have been duly and properly complied with and performed, and an officer of Buyer shall deliver a certificate dated as of the Closing Date certifying to the fulfillment of this condition and the condition set forth under Section 7.2(b) above;

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

(e) Buyer shall have delivered to Sellers the documents and items specified in Section 8.3 hereof.

## **ARTICLE VIII**

### **CLOSING; DELIVERIES**

#### **8.1 Closing.**

(a) The closing under this Agreement (the "Closing") shall take place at the offices of Buyer's counsel, at 10:00 a.m., local time, on the fifth (5<sup>th</sup>) Business Day following the day the Initial Order is granted, provided that all other conditions to Closing have been met, or such other date, place or time as the Parties shall mutually agreed upon. The Closing shall be effective as of 12:01 a.m. on the Closing Date.

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

**8.2 Sellers' Deliveries.** At Closing Sellers shall deliver to Buyer all of the documents set forth below:

(a) a bill of sale, in form attached hereto as Exhibit 8.2(a) (the "Bill of Sale"), duly executed by Sellers;

(b) the Assignment and Assumption Agreement, duly executed by Sellers;

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

(d) instruments of assignment and transfer of all the Commission Authorizations executed by Sellers, in form reasonably required by Sellers;

(e) instruments of assignment and transfer of all Intangibles, executed by Sellers, in form reasonably required by Buyer;

(f) all Assumed Contracts;

(g) all FCC logs;

(h) certified copies of board of directors or managers, as applicable, and shareholder or member, as applicable, resolutions of Sellers authorizing the execution and delivery of this Agreement and the documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby;

(i) certificate of good standing with respect to Sellers, issued as of a recent date by the Secretary of State of the State of New York and certificate of good standing with respect to Pamal, issued as of a recent date by the Secretary of State of the State of Florida;

(j) all Lien Release Instruments;

(k) all Consents;

(l) the Agreement Ancillary to the Sale of Business, duly executed by Sellers;

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

(n) for each Real Property Lease, an assignment of Sellers' right, title and interest under such Real Property Lease, said assignment duly executed by Sellers and in form reasonably acceptable to Buyer and an estoppel certificate and consent to assignment duly executed by the landlord of each parcel of leased Real Property and in form reasonably acceptable to Buyer;

(o) the Rescission Agreement in the form attached hereto as Exhibit 8.2 (o);  
and

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

8.3 Buyer's Deliveries. At Closing, Buyer shall deliver to Sellers the documents set forth below:

(a) the Closing Payment;

(b) the Assignment and Assumption Agreement, duly executed by Buyer;

(c) the certificate described in Section 7.2(c) hereof;

(d) certificates of good standing with respect to each of Buyers, each issued as of a recent date by the Secretary of State of Nevada and a certificate with respect to Buyer of authorization to do business, issued as of a recent date, by the Secretary of State of Florida;

(e) the Rescission Agreement in the form attached hereto as Exhibit 8.2 (o);  
and

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

8.4 Further Assurances. At any time and from time to time after the Closing, at the request of either Buyers or Sellers, and without further consideration, the Party receiving the request will execute and deliver such other instruments of sale, transfer, conveyance, assignment, and confirmation, and take such actions, as the requesting Party may reasonably deem necessary or desirable in order more effectively to consummate the transactions contemplated by this Agreement and to transfer, convey, and assign to Buyers, and to confirm Buyers' title to, all of the Purchased Assets acquired by Buyer at such Closing, to put Buyers in actual possession and operating control thereof, and to assist Buyers in exercising all rights with respect thereto.

## **ARTICLE IX**

### **SPECIFIC PERFORMANCE**

Sellers agree that the Purchased Assets include unique property that cannot be readily obtained on the open market and that Buyers will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyers shall have the right specifically to enforce the performance of Sellers under this Agreement without the necessity of posting any bond or other security, and Sellers hereby waive the defense in any such suit that Buyers have an adequate remedy at law and agree not to interpose any opposition, legal, or otherwise, as to the propriety of specific performance as a remedy. The remedy of specifically enforcing any or all of the provisions of this Agreement in accordance with this Article 9 shall not be exclusive of any other rights and remedies which Buyers may otherwise have under this Agreement or otherwise, all of which rights and remedies shall be cumulative. Nothing in this Article 9 shall be deemed to prevent Sellers from bringing an action against Buyers in respect of Buyers' obligations set forth in Section 10.2(c) hereof.

## **ARTICLE X**

### **TERMINATION**

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

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

(b) by written notice from a party that is not then in material breach of this Agreement if the other party has continued in material breach of this Agreement for thirty (30) days after the receipt of written notice with reasonable detail specifying such breach from



the terminating party is received by the other party, and such breach is not cured by the last day of such 30-day period; or

(c) as provided in Section 6.6; or

(d) as provided in Article 12; or

(e) by written notice of a party to the other party if Closing shall not have been consummated on or before twelve (12) months after the date of the Agreement, provided, however, that such notifying party is not then in material breach or default, except for previous breaches or defaults that have been cured or waived in writing; or

(f) by Buyers if the FCC denies the Modification Application in an order which has become a Final Order or if the FCC grants the Modification Application but the order includes any condition(s) which Buyers reasonably determine would be adverse to Buyers (including any requirement that Buyers divest any other radio station currently owned by Buyers).

#### 10.2 Effect of Termination.

(a) If this Agreement is terminated by either Sellers or Buyer pursuant to Section 10.1(a), (c), or (d), no party to this Agreement shall have any liability to any other party to this Agreement except as otherwise expressly provided herein, and this Agreement shall be deemed null and void and of no further force and effect (except for the provisions of Section 13.5, which shall survive termination).

(b) If Buyer terminates this Agreement pursuant to and in accordance with Section 10.1(b), (e) or (f) hereof, Buyer shall retain all rights and remedies available to it in respect of such termination.

(c) If Sellers terminate this Agreement pursuant to and in accordance with Section 10.1(b) hereof, or in the event of a wrongful termination of this Agreement by Buyer pursuant to Section 10.1(b) hereof or if Sellers terminate this Agreement pursuant to Section 10.1(e) and Buyer is not then entitled to terminate this Agreement pursuant to Section 10.1(e), then Sellers shall be entitled to receive the Deposit pursuant to the Escrow Agreement as the sole and exclusive remedy and as liquidated damages. It is understood and agreed that such liquidated damages amount represents Buyer's and Sellers' reasonable estimate of actual damages and does not constitute a penalty.

### **ARTICLE XI**

#### **INDEMNIFICATION**

##### 11.1 Obligation to Indemnify.

(a) Buyer hereby agrees to save, indemnify and hold harmless Sellers from and against, and shall on demand promptly reimburse Sellers for all loss, liability, claim, damage, deficiency, injury and all costs and expenses (including all reasonable attorney fees and

other defense costs) (collectively “Losses”) suffered by Sellers or incurred in respect of any misrepresentation or breach of warranty by Buyers or nonfulfillment of any covenant or agreement to be performed or complied with by Buyers under this Agreement or in any agreement, certificate, document, or instrument executed by any of Buyers and delivered to Sellers pursuant to or in connection with this Agreement or arising from Buyer’s operation of the Stations either under the LMA or after Closing.

(b) Sellers hereby agree to save, indemnify, and hold harmless Buyers from, against and in respect of, and shall on demand promptly reimburse Buyers for all Losses suffered or incurred by Buyers in respect of (i) any misrepresentation, breach of warranty, or nonfulfillment of any covenant or agreement to be performed or complied with by Sellers under this Agreement or any agreement, certificate, document, or instrument executed by Sellers and delivered to any of Buyers pursuant to or in connection with this Agreement, and (ii) the Excluded Liabilities.

#### 11.2 Survival and Other Matters.

(a) The representations and warranties made in Sections 4.1, 4.3, 4.5, 4.6, 4.7 (the last two sentences only), 4.8 through 4.12, 4.14 through 4.17, 4.19 through 4.22, 5.1, and 5.3 through 5.5 shall survive for a period of two (2) years from Closing. All other representations, warranties, indemnities, covenants and agreements of each of the Parties hereto shall survive indefinitely without limitation.

(b) Anything to the contrary in this Agreement notwithstanding, Buyer shall be solely and exclusively responsible and liable for all obligations of any of Buyers, and License Co. shall not have or incur any liability whatsoever, arising out of this Agreement or any of the transactions contemplated hereby.

(c) Notwithstanding anything herein to the contrary, in no event shall Buyers on the one hand, or Sellers on the other hand, be entitled to indemnification pursuant to Section 11.1 hereof for any misrepresentation or breach of warranty hereunder, until the aggregate of all Losses for which indemnification is required in respect of such misrepresentation or breach of warranty exceeds Fifty Thousand Dollars (\$50,000), after which Buyers or Sellers, as the case may be, shall be entitled to be indemnified for all Losses, including such Fifty Thousand Dollar (\$50,000) amount. Neither Buyers nor Sellers, as the case may be, shall be required to indemnify the other party pursuant to Section 11.1 hereof for any misrepresentation or breach of warranty hereunder for an aggregate amount of Losses exceeding One Million Three Hundred Thousand Dollars (\$1,300,000).

11.3 Provisions Regarding Indemnification. If, within the applicable survival period, any third party shall notify any party (the “Indemnified Party”) with respect to any third party claim which may give rise to a claim for indemnification against any other party (the “Indemnifying Party”) under this Article 11, then the Indemnified Party shall notify the Indemnifying Party thereof promptly in writing; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnified Party shall relieve the Indemnifying Party from any liability or obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced. In the event any Indemnifying Party notifies the Indemnified Party

within twenty (20) days after the Indemnified Party has given written notice of the matter that the Indemnifying Party is assuming the defense thereof, (i) the Indemnifying Party will defend the Indemnified Party against the matter with counsel of its choice reasonably satisfactory to the Indemnified Party, (ii) the Indemnified Party may retain separate co-counsel at its sole cost and expense (except that the Indemnifying Party will be responsible for the fees and expenses of the separate co-counsel to the extent the Indemnified Party concludes reasonably that the counsel the Indemnifying Party has selected has a conflict of interest), and (iii) without the written consent of the Indemnified Party, the Indemnifying Party will not consent to the entry of any judgment with respect to the matter, or enter into any settlement unless the judgment or settlement can be satisfied solely by the payment of money and no equitable or other relief is sought, the Indemnifying Party promptly pays such judgment or settlement in full, and such judgment or settlement includes a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto.

## **ARTICLE XII**

### **RISK OF LOSS**

The risk of loss, damage or destruction to the Purchased Assets and/or the Real Property from fire or other casualty or cause, shall be borne by Sellers at all times up to Closing. It shall be the responsibility of Sellers to repair or cause to be repaired and to restore the affected property to its condition prior to any such loss, damage or destruction. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss payable under any insurance policy with respect thereto shall be used to repair, replace or restore any such property to its former condition subject to the conditions stated below. In the event that any material property reasonably required for the normal operation of the Stations is not repaired, replaced, or restored prior to Closing, Buyer, at its sole option, upon written notice to Sellers: (a) may elect to postpone such Closing until such time as the property has been repaired, replaced, or restored, or (b) may elect to consummate such Closing and accept the property in its then condition, in which event Sellers shall assign to Buyer all proceeds of insurance theretofore, or to be, received, covering the property involved; and if Buyer shall extend the time for Closing pursuant to clause (a) above, and the repairs, replacements, or restorations are not completed within sixty (60) days after the date on which such Closing would have taken place but for Buyer postponing same, Buyer may terminate this Agreement by giving written notice thereof to Sellers.

## **ARTICLE XIII**

### **MISCELLANEOUS**

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

13.2 Assignment. This Agreement and all rights of Buyers shall be assignable by Buyers to any Affiliate of Buyers. This Agreement shall not be assignable by Sellers without the prior written consent of Buyer. No assignment shall relieve the assigning party of its obligations hereunder.

13.3 Law To Govern. This Agreement shall be construed and enforced in accordance with the internal laws of the State of New York, without regard to principles of conflict of laws. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in New York, New York, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. BUYER AND SELLERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Buyer and Sellers hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver.

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

*if to Sellers, to:*

Pamal Broadcasting, Ltd.  
6 Johnson Road  
Latham, New York 12110  
Attn: James J. Morrell  
Phone: (518) 786-6637  
Fax: (518) 786-6733

*with a copy to:*

Martin, Shudt, Wallace, DiLorenzo & Johnson  
258 Hoosick Street  
Suite 201  
Troy, New York 12180  
Attn.: Robert L. Adams, Esq.  
Phone: (518) 272-6565  
Fax: (518) 272-5573

***if to any of Buyers, to:***

Cumulus Broadcasting LLC  
3280 Peachtree Road, NW.  
Suite 2300  
Atlanta, Georgia 30305  
Attn: Richard S. Denning, Vice President, Secretary and General Counsel  
Phone: (404) 260-6600  
Fax: (404) 260-6877

***with a copy to:***

Jones Day,  
1420 Peachtree Street, NE  
Suite 800  
Atlanta, Georgia 30309-3053  
Attn: William B. Rowland, Esq.  
Phone: (404) 521-3939  
Fax: (404) 581-8330

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

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

13.6 Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, sets forth the entire understanding of the Parties in respect of the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement signed by all of the Parties. This Agreement supersedes all prior agreements and understandings among the Parties with respect to such subject matter.

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

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

13.9 No Third-Party Beneficiaries. Nothing herein, express or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the Parties hereto, any rights, remedies or other benefits under or by reason of this Agreement or any documents executed in connection with this Agreement.

13.10 Drafting. No party shall be deemed to have drafted this Agreement but rather this Agreement is a collaborative effort of the undersigned Parties and their attorneys.

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

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

13.13 Use of Terms. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the words “include” or “including” in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof. Unless otherwise indicated, reference in this Agreement to a “Section” or “Article” means a Section or Article, as applicable, of this Agreement. When used in this Agreement, words such as “herein”, “hereinafter”, “hereof”, “hereto”, and “hereunder” shall refer to this Agreement as a whole, unless the context clearly requires otherwise. The use of the words “or,” “either” and “any” shall not be exclusive. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

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

**CUMULUS BROADCASTING LLC**

By: Richard S. Denning  
Name: Richard S. Denning  
Title: Vice President, General Counsel  
and Secretary

**CUMULUS LICENSING LLC**

By: Richard S. Denning  
Name: Richard S. Denning  
Title: Vice President, General Counsel  
and Secretary

**PAMAL BROADCASTING, LTD.**

By: \_\_\_\_\_  
Name: James J. Morrell  
Title: President

**6 JOHNSON ROAD LICENSES, INC.**

By: \_\_\_\_\_  
Name: James J. Morrell  
Title: President

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

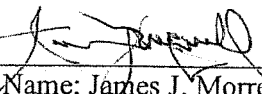
**CUMULUS BROADCASTING LLC**

By: \_\_\_\_\_  
Name: Richard S. Denning  
Title: Vice President, General Counsel  
and Secretary

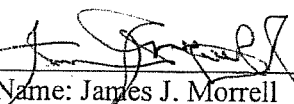
**CUMULUS LICENSING LLC**

By: \_\_\_\_\_  
Name: Richard S. Denning  
Title: Vice President, General Counsel  
and Secretary

**PAMAL BROADCASTING, LTD.**

By:  \_\_\_\_\_  
Name: James J. Morrell  
Title: President

**6 JOHNSON ROAD LICENSES, INC.**

By:  \_\_\_\_\_  
Name: James J. Morrell  
Title: President



**12 MARCUS POINTE HOLDINGS, LLC**

By: 

Name: James J. Morrell

Title: Manager