

ASSET PURCHASE AGREEMENT

Between

MILLENNIUM ATLANTIC CITY ASSET HOLDCO, LLC

and

OCEAN COMMUNICATIONS BROADCASTING, L.L.C.

August 24, 2004

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement"), made as of the 24th day of August, 2004, by and between MILLENNIUM ATLANTIC CITY ASSET HOLDCO, LLC, a Delaware limited liability company ("Buyer"), and OCEAN COMMUNICATIONS BROADCASTING, L.L.C., a New Jersey limited liability company ("Seller").

RECITALS:

A. Seller is the licensee of and owns radio station WKOE(FM) (Facility Identification Number 49984), formerly WSLT(FM), Ocean City, New Jersey, serving the Atlantic City, New Jersey market ("WKOE").

B. Buyer, as broker under the Program Service and Time Brokerage Agreement, dated as of August 26, 1992 between Ocean Communications and Buyer (as assignee of Citadel Broadcasting Company, as assignee of H&D Broadcasting Limited Partnership), as amended as of September 21, 1992 and November 10, 1995 ("TBA"), provides certain programming, sales and other services for WKOE.

C. Buyer has duly exercised the option granted to Buyer in the TBA to purchase certain assets of WKOE.

D. Seller desires to sell to Buyer and Buyer desires to purchase from Seller certain assets of Seller owned, used or held for use by Seller primarily to conduct the operations of WKOE (the "Business"), on the terms and subject to the conditions set forth in this Agreement (such transaction sometimes being referred to herein as the "Asset Purchase").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1

DEFINITIONS

1.1 Certain Definitions. The following terms when used in this Agreement shall have the meanings assigned to them below:

(a) "Act" means the Communications Act of 1934, as amended.

(b) "Action" means any claim, action, suit or proceeding, arbitral action, governmental inquiry, criminal prosecution or other investigation.

(c) "Affiliate" of any Person means any other Person (i) that directly or indirectly controls, is controlled by, or is under direct or indirect common control with, the first Person, or (ii) any interests of which are owned, in whole or in part, directly or indirectly, by the first Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controls," "controlled by," and "under direct or

indirect control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of the Person, whether through the ownership of voting securities or by contract or otherwise.

- (d) “Asset Purchase” has the meaning specified in the recitals of this Agreement.
- (e) “Assigned Contracts” has the meaning specified in Section 2.1(a)(iv).
- (f) “Assumed Obligations” has the meaning specified in Section 2.3.
- (g) “Business” has the meaning specified in the recitals of this Agreement.
- (h) “Buyer” has the meaning specified in the recitals of this Agreement.
- (i) “Buyer Indemnified Party” has the meaning specified in Section 13.1(a).
- (j) “Buyer Owned Assets” has the meaning specified in Section 2.2.
- (k) “Buyer Transaction Documents” has the meaning specified in Section 5.2.
- (l) “Buyer’s Disclosure Schedule” has the meaning specified in Section 5.3.
- (m) “Closing” means the consummation of the transactions contemplated by this Agreement in accordance with the provisions of Section 10.1.
- (n) “Closing Date” has the meaning specified in Section 10.1.
- (o) “Communications Laws” means the provisions of the Act, the published rules, regulations, policies and decisions of the FCC and the terms and conditions of the FCC Licenses, as such provisions, rules, regulations, policies, decisions and FCC Licenses may be amended or modified from time to time.
- (p) “Contracts” has the meaning specified in Section 4.7.
- (q) “Damages” has the meaning specified in Section 13.1(a).
- (r) “Escrow Agent” means Kaye Scholer LLP in its capacity as such.
- (s) “Escrow Deposit” has the meaning specified in Section 3.2(a).
- (t) “Excluded Assets” has the meaning specified in Section 2.1(b).
- (u) “FCC” means the Federal Communications Commission.
- (v) “FCC Application” has the meaning specified in Section 9.1.

(w) “FCC Approval” means the action or order of the FCC, or of its staff acting pursuant to delegated authority, consenting to the assignment of the FCC Licenses from Seller to Buyer.

(x) “FCC Licenses” means the main and auxiliary station licenses for WKOE, together with each of the other consents, rights, licenses, permits and other authorizations issued by the FCC and held by Seller in connection with, or pertaining to, the conduct of the business and operation of WKOE, together with any renewals and extensions thereof and any applications therefor pending on the Closing Date, and any and all applications made by Seller for such consents, rights, licenses, permits and other authorizations.

(y) “Final Order” means an action or order issued by the FCC, or by its staff acting pursuant to delegated authority, setting forth the FCC Approval (or a denial thereof), (i) which action or order has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, and (ii) with respect to which action or order (A) no requests have been filed and are pending for administrative or judicial review, rehearing, reconsideration, appeal or stay, and the time period for filing any such requests and for the FCC to set aside the action on its own motion under the provisions of the Act or the rules, regulations and policies of the FCC has expired, or (B) in the event of review, reconsideration or appeal, the time for further review, reconsideration or appeal has expired.

(z) “GAAP” means generally accepted accounting principles in the United States, consistently applied.

(aa) “Governmental Authority” means any government, whether federal, state or local, or any other political subdivision thereof, or any agency, tribunal or instrumentality of any such governmental or political subdivision, or any other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

(bb) “Governmental Order” means any statute, rule, regulation, order, decision, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by or with any Governmental Authority of competent jurisdiction.

(cc) “Indebtedness for Borrowed Money” means (i) all indebtedness of Seller in respect of money borrowed (including, without limitation, indebtedness which represents the unpaid amount of the purchase price of any property), (ii) all indebtedness of Seller evidenced by a promissory note, bond or similar written obligation to pay money, (iii) all indebtedness guaranteed by Seller or for which Seller is contingently liable, including, without limitation, guaranties in the form of an agreement to repurchase or reimburse, and any commitment by which any such Person assures a creditor against loss, including contingent reimbursement obligations with respect to letters of credit, and (iv) all monetary obligations of Seller under any lease or similar arrangement, which obligations would be classified and accounted for as capital obligations on a balance sheet of Seller under GAAP.

(dd) “Intellectual Property” means (i) all inventions and all improvements thereto, all patents, patent applications, and patent disclosures, (ii) all trademarks, service marks, trade dress, logos, and trade names including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (iv) all trade secrets and confidential business information, and (v) all computer software (including data and related documentation), computer programs, Web sites, domains, domain names and related software, technology, manuals, processes, and all similar rights, information and materials used or useful in connection with the past or present operation of the Business or WKOE in which Seller has any right, title or interest.

(ee) “Law” means any federal, state or local statute, law, ordinance, regulation, rule, code or rule of common law.

(ff) “Lien” means any mortgage, pledge, hypothecation, assignment, encumbrance, claim, easement, transfer restriction, lien (statutory or otherwise) or security interest of any kind or nature whatsoever.

(gg) “Mandatory Consents” has the meaning specified in Section 6.9.

(hh) “Material Adverse Effect” means any change, effect, circumstance or event that is or is reasonably likely to be materially adverse (i) to the business, results of operations or financial condition of (A) WKOE, taken as a whole, or (B) the Business, taken as a whole, or (ii) to Seller’s ability to consummate the transactions contemplated hereby.

(ii) “New Transmitter Site” has the meaning specified in Section 6.14.

(jj) “Obligations” means, without duplication, all (i) Indebtedness for Borrowed Money, (ii) accrued taxes, accounts payable, accrued liabilities and all other liabilities and obligations of the type normally required by GAAP to be reflected on a balance sheet, (iii) commitments by which Seller assures a creditor against loss, including the face amount of all letters of credit and, without duplication, all drafts drawn thereunder, (iv) obligations guaranteed in any manner by Seller, (v) obligations under capitalized leases in respect of which obligations Seller is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person assures a creditor against loss, (vi) obligations under acceptance facilities, (vii) obligations secured by a Lien on property of Seller, (viii) obligations under interest rate or currency exchange or swap agreements, (ix) unsatisfied obligations for “withdrawal liability” to a “multiemployer plan” as such terms are defined under the Employee Retirement Income Security Act of 1974, as amended, (x) indebtedness issued or obligation incurred in substitution or exchange for any Obligations, (xi) costs or expenses incurred by Seller of any nature, whether or not currently payable, and (xii) other liabilities or obligations of Seller, in each of the foregoing instances whether absolute or contingent, known or unknown, and whether or not normally required by GAAP to be reflected on a balance sheet.

- (kk) “Permits” has the meaning specified in Section 4.11(b).
- (ll) “Person” means an individual, corporation, partnership, limited liability company, joint venture, joint stock company, association, trust, business trust, unincorporated organization, Governmental Authority, or any other entity of whatever nature.
- (mm) “Personal Property” has the meaning specified in Section 2.1(a)(i).
- (nn) “Purchased Assets” has the meaning specified in Section 2.1(a).
- (oo) “Purchase Price” has the meaning specified in Section 3.1.
- (pp) “Purchase Price Advance” has the meaning specified in Section 3.2(b).
- (qq) “Seller” has the meaning specified in the recitals of this Agreement.
- (rr) “Seller Indemnified Party” has the meaning specified in Section 13.1(b).
- (ss) “Seller Transaction Documents” has the meaning specified in Section 4.2.
- (tt) “Seller’s Disclosure Schedule” has the meaning specified in Section 4.3.
- (uu) “Taxes” means all taxes, charges, fees, levies, or other assessments, including income, gross receipts, excise, property, sales, transfer, license, payroll, and franchise taxes, any taxes required by law to be withheld, and any taxes payable as a result of the consummation of the transactions contemplated by this Agreement, which taxes are imposed by any Governmental Authority; and such term shall include any interest, penalties, or additions to tax attributable to such assessments.
- (vv) “TBA” has the meaning specified in the recitals to this Agreement.
- (ww) “Transmitter Site” shall mean, collectively, the parcel(s) of real property, as more fully described in Exhibit A attached hereto, where the antenna structure used for WKOE’s antenna is located, including the associated structure foundation, anchor points, transmitter building and all other improvements thereon, and all easements to, from and on such parcel(s).
- (xx) “Transmitter Site Lease” has the meaning specified in Section 9.6(a).
- (yy) “WKOE” has the meaning specified in the recitals to this Agreement.

SECTION 2

PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Purchased Assets. Subject to the terms and conditions of this Agreement, and on the basis of the representations, warranties, covenants and agreements

contained in this Agreement, at the Closing, Seller agrees to sell, assign and convey to Buyer, and Buyer agrees to purchase, acquire and accept from Seller, all of the Purchased Assets (as defined below).

(a) Definition of Purchased Assets. The term “Purchased Assets” shall mean, refer to and include all of Seller’s right, title and interest in and to all of the assets owned or held by Seller, other than the Excluded Assets (as defined below), that are used or held for use in the conduct of the Business, wherever located, including, without limitation, the following:

(i) Subject to Section 2.1(b) hereof, QEI 3.5 KW Transmitter/Exciter and associated transmission line and FM antenna, including transmission line and antenna mounting brackets (the “Personal Property”);

(ii) the FCC Licenses, a complete list of which is included on Schedule 2.1(a)(ii);

(iii) all of Seller’s right, title and interest in and to the call letters WKOE(FM) and all goodwill associated therewith;

(iv) all of Seller’s right, title and interest in and to those contracts, leases, memberships and agreements to which Seller presently is a party or an assignee of a party that are designated as “Assigned Contracts” on Schedule 2.1(a)(iv) (the “Assigned Contracts”); and

(v) all other assets owned by Seller as of the date of this Agreement which are used or held for use in connection with the operation of the Business or WKOE, including any Intellectual Property.

(b) Excluded Assets. The parties acknowledge and agree that the assets described on Schedule 2.1(b) (collectively, the “Excluded Assets”) shall be excluded from the Purchased Assets.

2.2 Buyer Owned Assets. For avoidance of doubt, the parties expressly acknowledge that the assets described on Schedule 2.2 are owned by Buyer (the “Buyer Owned Assets”) and that Seller has no right, title or interest therein.

2.3 Obligations. Buyer shall not assume, and it shall purchase the Purchased Assets free and clear of, any and all Obligations of Seller, except that Buyer shall assume those Obligations of Seller arising from and after the Closing Date (other than any Obligation for breach or default which occurred prior to the Closing Date) pursuant to each of (a) the Assigned Contracts, (b) those items subject to proration pursuant to Section 9.2, and (c) those additional items expressly set forth on Schedule 2.3 to this Agreement, if any (collectively, the “Assumed Obligations”).

SECTION 3

PURCHASE PRICE; ESCROW AGREEMENT

3.1 Purchase Price. The total purchase price for the Purchased Assets shall be \$900,000.00 (the "Purchase Price").

3.2 Payment of Purchase Price. The Purchase Price shall be paid to Seller as follows:

(a) Upon the execution and delivery of this Agreement, Buyer shall deposit \$45,000.00 (the "Escrow Deposit") with the Escrow Agent. The Escrow Deposit shall be held and disbursed by the Escrow Agent pursuant to the terms of an Escrow Agreement in the form attached hereto as Exhibit B, which Escrow Agreement shall be signed by Seller, Buyer and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Buyer shall join with Seller in causing the Escrow Agent to apply the Escrow Deposit (and any interest earned thereon) toward payment of the Purchase Price.

(b) Upon the execution and delivery of this Agreement, Buyer shall pay to Seller by wire transfer of immediately available funds to a bank designated by Seller a purchase price advance of \$10,000.00 (the "Purchase Price Advance"). In the event of the termination of this Agreement prior to Closing, Seller shall be entitled to retain the Purchase Price Advance; provided, however, if such termination of this Agreement was due solely to a breach by Seller, then Seller shall be obligated to promptly return the Purchase Price Advance to Buyer.

(c) At the Closing Date, Buyer will pay to Seller by wire transfer of immediately available funds to a bank designated by Seller an amount equal to the Purchase Price, as adjusted to deduct an amount equal to the sum of the Escrow Deposit and all interest earned thereon plus the Purchase Price Advance.

3.3 Allocation of the Purchase Price. The parties hereto shall report the transactions contemplated by this Agreement for Tax purposes in a manner consistent with the allocation of the total amount of the Purchase Price to the FCC Licenses.

SECTION 4

REPRESENTATIONS AND WARRANTIES OF SELLER

In connection with the purchase and sale of the Purchased Assets under this Agreement and in order to induce Buyer to enter into and consummate the transactions contemplated by this Agreement, Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the date of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the date hereof or thereof, which shall be made as of the specified time or times):

4.1 Organization and Qualification. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New Jersey, and has full power and authority (a) to own the assets and properties and to conduct the Business and (b) to

enter into this Agreement and to consummate the transactions contemplated hereby. Seller has full power, authority and legal right and all necessary approvals, permits, licenses and authorizations to own the Purchased Assets and to conduct the Business.

4.2 Authority. The execution and delivery of this Agreement by Seller and the other documents to be entered into by Seller in connection herewith (collectively with this Agreement, the “Seller Transaction Documents”), the performance by Seller of its covenants and agreements hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action. This Agreement constitutes the valid and legally binding agreement of Seller, enforceable against Seller in accordance with its terms.

4.3 No Legal Bar; Conflicts. Neither the execution and delivery of this Agreement by Seller, nor the consummation of the transactions contemplated hereby by Seller, (a) violates or will violate any provision of the formative or governing documents of Seller; (b) violates or will violate any Law or Governmental Order, which violation would cause a Material Adverse Effect; or (c) violates or will violate, or conflicts with or will conflict with, or will result in any breach of any of the terms of, or constitutes or will constitute a default under or results in or will result in the termination of or the creation or imposition of any Lien, either alone or with the giving of notice or passage of time, or both, pursuant to, the terms of any Contracts to which Seller is a party or by which Seller or any of the assets of Seller is bound, any of which would cause a Material Adverse Effect. Except for the FCC Approval and the consents disclosed in Schedule 4.3 to this Agreement (“Seller’s Disclosure Schedule”), no consents, approvals or authorizations of, or filings with, any Governmental Authority or any other Person are required in connection with the execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated hereby by Seller.

4.4 Taxes. Except as disclosed in Seller’s Disclosure Schedule, Seller has filed or caused to be filed on a timely basis all federal, state, local and other tax returns, reports and declarations required to be filed by it with respect to which a failure to file would have a Material Adverse Effect and has paid all Taxes (including, but not limited to, income, franchise, sales, use, unemployment, withholding, social security and workers’ compensation taxes and estimated income and franchise tax payments, penalties and fines) reflected as due on such returns, reports or declarations (whether or not shown on such returns, reports or declarations), or pursuant to any assessment received by it in connection with such returns, reports or declarations or otherwise due which, if unpaid, would have a Material Adverse Effect. All such returns, reports and declarations filed by or on behalf of Seller are true, complete and correct in all material respects. No deficiency in payment of any Taxes for any period has been asserted against Seller by any taxing authority which remains unsettled as of the date hereof, no written inquiries have been received by Seller from any taxing authority with respect to possible claims for taxes or assessments, and there is no basis for any additional claims or assessments for Taxes. Since December 31, 2001, Seller has not incurred any liability for Taxes which remain unpaid and which would have a Material Adverse Effect except as disclosed in Seller’s Disclosure Schedule. All Taxes accruing up to and including the Closing have been or will be paid by Seller when due regardless of whether such Taxes are due and payable as of the Closing, except where the failure to pay such Taxes would not result in Buyer being liable for any such Taxes and would not have a Material Adverse Effect.

4.5 Complete Description. Except for the Excluded Assets, Section 2.1(a) and the schedules pertaining thereto include complete and accurate listings of all assets used or held for use in the Business or the operation of WKOE, including, without limitation, (i) listings of all material Personal Property; (ii) listings of all Assigned Contracts, none of which requires any consent of third parties in connection with the transactions contemplated hereby, except otherwise as indicated in Seller's Disclosure Schedule; (iii) listings of all of the Intellectual Property; and (iv) listings of all of the FCC Licenses, all of the foregoing of which, except for the Excluded Assets will, as of the Closing, be owned and held by Seller.

4.6 Title to and Condition of Property.

(a) Title. Seller will as of the Closing have good, marketable and exclusive title to and undisputed possession of all of the personal and tangible property and improvements included in the Purchased Assets. Seller has received no notice and is not in default under any leases, and, to Seller's knowledge, no other party to such leases is in default thereunder. Except as set forth on Seller's Disclosure Schedule, the Purchased Assets are now held free and clear of all Liens. All of the Purchased Assets will, as of the Closing, be held and transferred to Buyer free and clear of all Liens.

(b) Insurance. The Personal Property included among the Purchased Assets is and will be insured through the Closing Date in amounts adequate to replace or repair any casualty or other insurable loss to any of such property.

4.7 Contractual and Other Obligations. Set forth in Schedule 2.1(a)(iv) is a listing of all:

(a) uncompleted orders for the purchase by Seller of materials, supplies, equipment and services for the requirements of the Business or WKOE existing as of the date hereof and with respect to which the remaining obligation of Seller is in excess of \$5,000;

(b) contingent contractual obligations and liabilities of Seller relating to the Business or WKOE existing as of the date hereof;

(c) agreements, indentures or other contracts placing a Lien on any Purchased Asset;

(d) network affiliation, license or royalty agreements;

(e) agreements with any rating service or intellectual property licensing organization;

(f) leases or agreements under which Seller is lessor of or permits any third party to hold or operate any personal property owned or controlled by it;

(g) agreements, contracts or understandings pursuant to which Seller subcontracts work to third parties; and

(h) other agreements material to the business or operation of the Business or WKOE, whether or not entered into in the ordinary course of business. For purposes of this

clause (h), the term “material” means any agreement, contract, license, lease or other arrangement in connection with the operation of the Business or WKOE to which Seller is a party or by which Seller or any of the Purchased Assets are bound (i) entered into in the ordinary course of business under which (A) a remaining obligation of Seller is in excess of \$5,000 (including, in the case of loan agreements, a description of the amounts of any outstanding borrowings thereunder and the collateral, if any, for such borrowings), (B) the term extends for more than five years following the date of this Agreement or (C) Seller cannot terminate without penalty or premium on notice of 30 or fewer days or (ii) entered into other than in the ordinary course of business or (iii) which would otherwise reasonably be considered material to the Business or operations of WKOE.

The items set forth in clauses 4.7(a) through (h) are, collectively, referred to herein as the “Contracts.” Except as set forth on Seller’s Disclosure Schedule, no consent of any third party is required under any of the Contracts as a result of or in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby. Each of the Contracts is designated in Schedule 2.1(a)(iv) either as an Assigned Contract, or as a Contract that will not be assigned to Buyer. Neither Seller nor, to the knowledge of Seller, any other Person is in default under any Contract and no claim of such a default has been made and no event has occurred which with the giving of notice or the lapse of time would constitute such a default under any covenant or condition under any Contract. Seller is not a party to any Contract which would terminate or be materially adversely affected by the consummation of the transactions contemplated by this Agreement. Originals or true, correct and complete copies of all of the Contracts have been provided to Buyer and all such Contracts are legal, valid, binding and in full force and effect.

4.8 Employees and Independent Contractors. No provisions of this Agreement shall create any third party beneficiary rights of any employee, former employee (including any beneficiary or dependent thereof) or independent contractor of Seller in respect of continued employment (or resumed employment) with Buyer. Seller is and shall continue to be solely responsible for all wages, salaries, benefits (including any benefit payable under any employee benefit plan and all accrued vacation and sick days) and all other compensation and payments which will or may become payable to any employee or independent contractor of Seller. No such employee, independent contractor or any other Person will receive a claim for any ownership interest in Buyer or the Business.

4.9 Insurance. Seller maintains insurance policies covering all of its properties and assets and the various occurrences which may arise in connection with the operation of the Business and WKOE, each of which policies is summarized in Seller’s Disclosure Schedule. Such policies are in full force and effect and all installments of premiums due thereon have been paid in full. Seller has complied with the provisions of such policies. There are no notices of any pending or threatened termination or premium increases with respect to any of such policies. There has been no casualty loss or occurrence with respect to the Business or WKOE which may give rise to any claim of any kind not covered by such insurance and Seller is not aware of any casualty occurrence which may give rise to any claim of any kind not covered by insurance. No third party has filed any claim against Seller with respect to the Business or WKOE for personal injury or property damage of a kind for which liability insurance is generally available which is not fully insured, subject only to the standard deductible.

4.10 Litigation; Disputes. Except as set forth in Seller's Disclosure Schedule, there are no Actions pending or, to the knowledge of Seller, threatened against or affecting the Business or WKOE that would have a Material Adverse Effect, and, to the knowledge of Seller, there is no basis for any such Action. Seller is not in default with respect to any such Action. Seller is not in default in respect of any Governmental Order with respect to the operation of the Business or WKOE, which default would have a Material Adverse Effect.

4.11 Permits; Compliance with Applicable Law.

(a) General. Seller is not in default under any, and has complied with all Laws and Governmental Orders applicable to the Purchased Assets or the Business as to which a default or failure to comply would have a Material Adverse Effect. Seller has no knowledge of any basis for assertion of any violation of the foregoing or for any claim for compensation or damages or otherwise arising out of any violation of the foregoing. Seller has not received any notification of any asserted present or past failure to comply with any of the foregoing which has not been satisfactorily responded to in the time period required thereunder and resolved without any further liability or obligation on the part of Seller.

(b) Permits. Set forth in Schedule 2.1(a)(ii) are complete and accurate lists of all FCC Licenses applicable to WKOE, and all other material permits, licenses, approvals, franchises, notices and authorizations issued by any Governmental Authorities (collectively, the "Permits"), held by Seller and applicable to the Business or WKOE. The FCC Licenses were validly issued to Seller, and Seller is the authorized legal holder thereof. Except as set forth in Seller's Disclosure Schedule, WKOE is operating in material compliance with the Communications Laws. Except as set forth in Seller's Disclosure Schedule, the Permits are all of the permits, licenses, approvals, franchises, notices and authorizations required for the conduct of the Business as presently conducted. Except as set forth in Seller's Disclosure Schedule, all of the Permits are in full force and effect, and Seller has not engaged in, and has no knowledge of, any activity which would cause or permit non-renewal, modification, revocation or suspension of any such Permit or result in the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to the WKOE, and no action, complaint or proceeding looking to or contemplating the non-renewal, modification, revocation or suspension of any such Permit or the imposition of any such fines, forfeitures or renewals is pending or, to the knowledge of Seller, threatened. Except as set forth on Seller's Disclosure Schedule, Seller is not subject to any outstanding judgment or order of the FCC relating to WKOE. Unless otherwise validly authorized by the FCC, WKOE is operated at maximum authorized power on assigned frequencies at the powers and heights authorized by the FCC. Except as set forth in Seller's Disclosure Schedule, there are no existing defaults or events of default or events or state of facts which with notice or lapse of time or both would constitute a default by Seller under any such Permit. There is no default or claimed or purported or alleged default or state of facts which with notice or lapse of time or both would constitute a default on the part of any party in the performance of any obligation to be performed or paid by any party under any Permit. Except for the FCC Approval and as set forth in Seller's Disclosure Schedule, the consummation of the transactions contemplated hereby will in no way affect the continuation, validity or effectiveness of the Permits, or require the consent of any Person. Except as set forth in Seller's Disclosure Schedule, Seller is not required to be licensed by, and is not subject to the regulation of, any Governmental Authority other than the FCC by reason of the Business. WKOE is not

shortspaced, or subject to any proposal before the FCC that will result in WKOE becoming shortspaced, to any existing or proposed other broadcast station or frequency allotment. WKOE is not causing and is not the subject of, any objectionable interference to or from any other broadcast station.

4.12 Intellectual Property. Seller does not own or license (as licensor or licensee) any Intellectual Property that is used or held for use in the Business or the operation of WKOE, other than the call letters WKOE.

4.13 Related Party Obligations. Except as set forth on Seller's Disclosure Schedule, no officer, director, shareholder or Affiliate of Seller, or any individual related by blood or marriage to any such Person, or any entity in which any such Person owns any beneficial interest, is a party to any agreement, contract, commitment, promissory note, loan, any other actual or proposed transaction with Seller, or has any interest in any property used by Seller, which is material to the operation of the Business or WKOE.

4.14 Compliance With TBA. The parties acknowledge and agree that, between the effective date of the TBA and the date hereof, Seller has complied in all material respects with all of its agreements, covenants and obligations under the TBA, and Seller hereby covenants to continue such compliance at all times from and after the date of this Agreement until the Closing Date.

SECTION 5

REPRESENTATIONS AND WARRANTIES OF BUYER

In connection with the purchase and sale of the Purchased Assets under this Agreement and in order to induce Seller to enter into and consummate the transactions contemplated by this Agreement, Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the date of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the date hereof or thereof, which shall be made as of the specified time or times):

5.1 Organization and Qualification. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full limited liability company power and authority (a) to own its assets and properties and to conduct its business and (b) to enter into this Agreement and, subject to the FCC Approval, consummate the transactions contemplated hereby. Buyer has full power, authority and legal right and all necessary approvals, permits, licenses and authorizations to own its properties and to conduct its business. Buyer is duly qualified to do business as a foreign limited liability company in, and is in good standing under the laws of, the State of New Jersey.

5.2 Authority. The execution and delivery of this Agreement by Buyer and the other documents to be entered into by Buyer in connection herewith (collectively with this Agreement, the "Buyer Transaction Documents"), the performance by Buyer of its covenants and agreements hereunder and thereunder and the consummation by Buyer of the transactions contemplated

hereby and thereby have been duly authorized by all necessary limited liability company action. This Agreement constitutes the valid and legally binding agreement of Buyer, enforceable against it in accordance with its terms.

5.3 No Legal Bar; Conflicts. Neither the execution and delivery of this Agreement by Buyer, nor the consummation of the transactions contemplated hereby by Buyer, (a) violates or will violate any provision of the Certificate of Formation or operating agreement of Buyer; (b) violates or will violate any Governmental Order; or (c) violates or will violate, or conflicts with or will conflict with, or will result in any breach of any of the terms of, or constitutes or will constitute a default under or results in or will result in the termination of or the creation or imposition of any Lien pursuant to the terms of, any contract, commitment, agreement, understanding or arrangement of any kind to which Buyer is a party or by which Buyer or any of the assets of Buyer is bound. Except for the FCC Approval and the consents disclosed in Schedule 5.3 ("Buyer's Disclosure Schedule"), no consents, approvals or authorizations of, or filings with, any Governmental Authority or any other Person are required on the part of Buyer in connection with the execution and delivery of this Agreement by Buyer and the consummation of the transactions contemplated hereby by Buyer.

5.4 Compliance With TBA; Extended Term. The parties acknowledge and agree that between the effective date of the TBA and continuing to the date hereof, Buyer has complied in all material respects with all of its agreements, covenants and obligations under the TBA, and Buyer hereby covenants to continue such compliance at all times from and after the date of this Agreement until the Closing Date. In the event the Closing Date has not occurred by April 27, 2006 and this Agreement is in effect on such date, then the term of the TBA shall be automatically extended until the earlier to occur of (i) the Closing Date, or (ii) the effective date of the termination of this Agreement, and the monthly payment under the TBA during such extended term shall be \$9,000 (subject to reduction pursuant to Section 9.6(b) hereof).

SECTION 6

AFFIRMATIVE COVENANTS OF SELLER

Subject to the terms of the TBA, from and after the date of this Agreement and until the Closing, Seller covenants and agrees with Buyer to take the following actions with respect to WKOE:

6.1 Compliance With Law. Comply with all applicable Laws required for the valid and effective consummation of the transactions contemplated hereby

6.2 Compliance With TBA. Comply in all material respects with all of its agreements, covenants and obligations under the TBA.

6.3 Payment of Obligations. Fully discharge all Obligations of Seller with respect to the Business and WKOE, except the Assumed Obligations, on a timely basis.

6.4 Access. Afford Buyer and its authorized representatives, upon reasonable notice to Seller, reasonable access during normal business hours to WKOE, and permit Buyer and its

authorized representatives to examine all operations, equipment, properties and other assets of Seller pertinent to the Business and WKOE.

6.5 Books and Records. Maintain the books and records of Seller with respect to the Business and WKOE in accordance with good business practices, on a basis consistent with past practices, and promptly make available to Buyer the books, records, tax returns, leases, relevant records, logs, contracts and other documents or agreements material to the Business or WKOE as Buyer, its counsel, accountants or other authorized representatives may from time to time reasonably request.

6.6 Employees. Pay as and when the same shall become due and payable any amounts owed by Seller to employees and independent contractors of the Business or WKOE who have performed services up to the time of Closing, whether fixed or accrued, for wages, vacation pay, sick pay, severance pay, employee benefits, damages and otherwise.

6.7 Compliance with the Communications Laws. Comply in all material respects with the Communications Laws and with all other Permits, and Governmental Orders applicable to Seller, the Business or to WKOE.

6.8 Taxes. File all federal, state and municipal tax returns, reports and declarations required to be filed by Seller, and pay or satisfy all Taxes required to be paid by Seller with respect to the Business or WKOE prior to the Closing.

6.9 Consents. Exercise commercially reasonable efforts to obtain, prior to the Closing, the consent and approval (in a form reasonably acceptable to Buyer) of any third parties whose consent or approval is necessary in connection with the consummation of the transactions contemplated hereby, with respect to the Assigned Contracts set forth on Seller's Disclosure Schedule and requiring such consent. If any such consent or approval is not obtained, Seller will use commercially reasonable efforts (including the payment of a reasonable amount of money to any Person) to secure an arrangement satisfactory to Buyer intended to provide for Buyer following the Closing the benefits under each Assigned Contract for which such consent or approval is not obtained; provided, however, that Buyer shall have the right to terminate this Agreement or to seek damages or other remedies from Seller as a result of any failure by Seller to obtain any consent or approval set forth on Seller's Disclosure Schedule which has an asterisk next to it or is otherwise expressly identified as a "mandatory consent" (collectively, the "Mandatory Consents"), if alternative arrangements are not reasonably satisfactory to Buyer. Nothing in this Agreement will constitute an assignment or transfer or an attempted assignment or transfer of any Assigned Contract which by its terms or under applicable Laws or Governmental Orders requires the consent or approval of a third party (including, without limitation, a Governmental Authority) unless such consent or approval is obtained. Seller shall exercise commercially reasonable efforts to assist Buyer in taking all appropriate action to make such corrective filings or take other action as may be required to conform the U.S. Patent and Trademark Office records of ownership, assignment and grants or releases of security interests in Intellectual Property which constitutes Purchased Assets to those records of Seller; provided, however, that Seller shall not be obligated to incur any liability, including to make any cash payments, or file any actions in connection with such efforts.

6.10 Further Information. Furnish to Buyer prior to the Closing such financial (including tax), legal and other information with respect to Seller, the Business and WKOE as Buyer or its authorized representatives may from time to time reasonably request.

6.11 Notice. Promptly notify Buyer in writing upon the occurrence or the nonoccurrence of any event which does then, or which upon the passing of time or the giving of notice would, constitute a breach of or default under, or render misleading or untrue in any material respect, any agreement, covenant, representation or warranty of Seller set forth in this Agreement.

6.12 Transfer Taxes and Expenses. Any and all transfer Taxes and documentary stamps payable to any Governmental Authority in connection with the transfer of the Purchased Assets shall be shared equally and paid in equal parts by Buyer and Seller.

6.13 Payment of Liabilities. Seller shall pay or otherwise satisfy all of its liabilities and obligations other than Assumed Obligations.

6.14 Transmitter Site Relocation. Seller acknowledges that while it is contemplated that Buyer will have the right to continue to transmit WKOE's signal from the existing Transmitter Site under the Transmitter Site Lease, Buyer will have the right to terminate the Transmitter Site Lease upon at least ninety (90) days notice and relocate the transmitter site for WKOE to a new location (the "New Transmitter Site"). Accordingly, in order to facilitate such relocation, between the date hereof and the Closing, and subject to Buyer reimbursing Seller for all of its reasonable expenses, including attorneys fees, associated with the performing the following, Seller hereby (i) gives Buyer whatever permission is necessary or appropriate to enable Buyer to immediately file and prosecute any application(s) and other request(s) with the FCC and any other Governmental Authority, for the New Transmitter Site, and Seller agrees to fully cooperate in the filing and prosecution of such applications/requests for those approvals as expeditiously as possible, and (ii) also agrees, at the request of Buyer, to file, and cooperate in the filing and prosecution of, any request for temporary authority to operate WKOE from the New Transmitter Site.

SECTION 7

NEGATIVE COVENANTS OF SELLER

From and after the date of this Agreement and until the Closing, Seller shall not take, or cause to be taken, any of the following actions with respect to the Business or WKOE without Buyer's prior approval, which may not be unreasonably withheld or delayed:

7.1 Sales, Transfers and Liens. Except as contemplated under the terms of the Transmitter Site Lease, make any sale, transfer, assignment, conveyance, mortgage, hypothecation, encumbrance or other placement of any Lien on any of the Purchased Assets, except in the ordinary course of business, which do not materially interfere with the operations of the Business or WKOE, and which in the case of a sale, transfer or assignment, is replaced with

an asset of equal or greater value, and, in the case of a conveyance, mortgage, hypothecation, encumbrance or other Lien, is released at or prior to the Closing.

7.2 Assumed Obligations. Amend, terminate or renew any of the Assumed Obligations (including any renewal or termination resulting from the failure to provide, after the date of this Agreement, timely notice of nonrenewal or termination as required by the terms of any of the Assumed Obligations), other than in the ordinary course of business consistent with past practices and which would not constitute a Material Adverse Effect.

7.3 Breaches, Defaults. Do any act or omit to do any act, or permit any act or omission to occur, that will cause a breach of any contract, commitment or obligation of it or them in any respect that would constitute a Material Adverse Effect.

7.4 No Negotiation. Seller will not, and will cause each of its representatives not to, directly or indirectly solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Buyer) relating to any transaction involving the sale of the Business and/or WKOE (other than in the ordinary course of business) or any stock sale, merger, consolidation, business combination or similar transaction involving the Business and/or WKOE. In addition, in the event any person inquires in writing about acquiring the Business and/or WKOE, Seller shall notify Buyer of such inquiry promptly.

SECTION 8

COVENANTS OF BUYER

From and after the date of this Agreement and until the Closing, Buyer covenants and agrees with Seller as follows:

8.1 Compliance With Law. Buyer shall comply with all applicable Laws required for the valid and effective consummation of the transactions contemplated by this Agreement.

8.2 Compliance With TBA. Comply in all material respects with all of its agreements, covenants and obligations under the TBA.

8.3 Notice. Buyer shall promptly notify Seller in writing upon the occurrence or the non-occurrence of any event which does then, or which upon the passing of time or the giving of notice would, constitute a breach of or default under, or render misleading or untrue in any material respect, any agreement, covenant, representation or warranty of Buyer set forth in this Agreement.

SECTION 9

ADDITIONAL COVENANTS OF THE PARTIES

9.1 FCC Application for Assignment. As promptly as practicable after the date of this Agreement, and in no event later than 10 business days after the date of this Agreement, Seller and Buyer shall jointly file an application with the FCC (the “FCC Application”) requesting the FCC Approval. The parties agree that they shall prosecute the FCC Application (and shall cooperate with each other in the timely prosecution thereof), in good faith and with due diligence, and within the time allowed therefor by the rules and regulations of the FCC. Seller and Buyer shall each take all reasonable and necessary actions on its part to obtain the FCC Approval. Buyer shall advance the filing fee for the FCC Application, and Seller shall reimburse Buyer for one-half of such filing fee at the Closing (or upon the earlier termination of this Agreement). All other costs and expenses incurred by each party in connection with the filing and prosecution of the FCC Application shall be paid by the party incurring the cost or expense; provided that Seller shall not be liable for costs resulting from any opposition to the FCC Application relating to Buyer’s ownership of other media outlets. Each of the parties shall use its commercially reasonable efforts in vigorously (a) obtaining both FCC Approval and a Final Order as expeditiously as possible, (b) opposing any objection to a grant of the FCC Application, (c) contesting any denial of FCC Approval whether before the FCC or in court, and (d) defending the FCC Approval, whether before the FCC or in court; provided that these obligations shall continue in full force and effect even in the event the Closing occurs before a Final Order in which case Seller shall provide Buyer with drafts of any necessary or appropriate pleading before filing for Buyer’s review and approval.

9.2 Proration of TBA Fee. The monthly fee paid by Buyer to Seller under the TBA shall be prorated as of the Closing Date. Buyer shall reimburse Seller for all sums due and owing pursuant to the TBA as of the Closing Date.

9.3 Brokerage. Seller and Buyer represent and warrant to each other that no Person has provided services as a broker, agent or finder in connection with the transactions contemplated by this Agreement. Seller and Buyer shall each indemnify and hold harmless the other for any and all claims or expenses, including attorneys’ fees, asserted by any Person purporting to act on behalf of the respective indemnitor as a broker, agent or finder in connection with the transactions contemplated by this Agreement.

9.4 Risk of Loss. All risk of loss shall remain with Seller until Closing.

9.5 Actions With FCC. In the event any investigation, order to show cause, notice of violation, notice of apparent liability or a forfeiture, material complaint, petition to deny or informal objection is instituted or filed against any party hereto (whether in connection with the proceedings to approve the FCC Application or otherwise), such party shall promptly notify the other party hereto in writing of such occurrence and shall thereafter immediately take all reasonable measures to contest the same in good faith and seek the removal or favorable resolution of such action, order, notice or complaint.

9.6 Transmitter Site Lease.

(a) Contemporaneous with the execution of this Agreement, Buyer and Seller shall (i) enter into a lease agreement (the “Transmitter Site Lease”) pursuant to which Seller shall lease to Buyer and Buyer shall lease from Seller space at the Transmitter Site, and (ii) execute a Memorandum of Lease pertaining to the Transmitter Site Lease in recordable form to be delivered to Buyer for recordation in the appropriate land records.

(b) During the term of the Transmitter Site Lease, and while the TBA is in effect, (i) Buyer shall give Seller all necessary access to the Transmitter Site to enable Seller to perform its obligations as Licensee under the TBA and (ii) the monthly payments otherwise payable by Buyer under the TBA for any given month shall be reduced by the amount of the monthly rent payable by Buyer under the Transmitter Site Lease for such month.

9.7 Public Announcements. Buyer and Seller will consult with each other before issuing, and provide each other the opportunity to review, comment upon and concur with, any press release or other public statement with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with any national securities exchange or the National Association of Securities Dealers, Inc. The parties agree that the initial press release to be issued with respect to the transactions contemplated by this Agreement, if any, shall be in the form heretofore agreed to by the parties.

9.8 No Inconsistent Action. No party hereto shall take any action (a) inconsistent with its obligations under this Agreement or (b) that would hinder or delay the consummation of the transactions contemplated by this Agreement.

9.9 Cooperation After Closing. After the Closing Date, Buyer and Seller shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all further instruments as may be necessary or expedient to consummate the transactions provided in this Agreement and shall cooperate in providing each other all information reasonably requested by the other and permitting the other access to all records relating to the period of ownership of WKOE by Seller prior to the Closing.

SECTION 10

THE CLOSING

10.1 Closing Date. The Closing shall occur on a regular business day selected by Buyer which is within fifteen (15) business days following the date on which the FCC Approval has become a Final Order; provided that Buyer shall have the exclusive right to waive the condition that the FCC Approval becomes a Final Order; provided further, that if Buyer waives the condition that the FCC Approval becomes a Final Order the Closing shall occur on a regular business day selected by Buyer which is within fifteen (15) business days following notice to Seller of Buyer’s election to proceed with the Closing. The Closing shall, to the extent practicable, occur through the mail and/or by fax on the date of the Closing (the “Closing Date”),

at the offices of Buyer's counsel, or at such place and time as the parties may mutually agree. The Closing shall be effective as of 12:01 a.m., Eastern time, on the Closing Date.

10.2 Closing Documents. At the Closing:

(a) Seller shall deliver to Buyer all certificates, consents and other documents (including deeds, bills of sale, assignments and estoppel certificates) otherwise required to be delivered by Seller pursuant to this Agreement or as a condition precedent to Buyer's fulfillment of its obligations hereunder, all of which shall be duly executed by an authorized officer of Seller.

(b) Buyer shall deliver to Seller the following:

(i) the balance of the Purchase Price as required by the provisions of Section 3.2 hereof; and

(ii) all certificates, consents and other documents (including an assumption agreement relating to the Assumed Obligations) required to be delivered by Buyer to Seller pursuant to this Agreement or as a condition precedent to Seller's fulfillment of its obligations hereunder, all of which shall be duly executed by an authorized officer of Buyer.

SECTION 11

CONDITIONS TO SELLER'S OBLIGATION TO CLOSE

The obligation of Seller to consummate the transactions contemplated by this Agreement at the Closing is subject to the following conditions precedent, any or all of which may be waived by Seller in its sole discretion (other than those set forth in Section 11.6):

11.1 Opinion of Buyer's Counsel. Seller shall have received an opinion of counsel for Buyer, dated the date of the Closing, in form and substance reasonably satisfactory to Seller, to the effect that:

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Buyer is duly qualified to do business as a foreign limited liability company in, and is in good standing under the laws of, the State of New Jersey.

(c) Buyer has the power and authority to execute and deliver this Agreement and the Buyer Transaction Documents and to perform its obligations hereunder and thereunder.

(d) Buyer has duly authorized, by all necessary limited liability company action, the execution and delivery of the Buyer Transaction Documents and the performance of its obligations thereunder.

(e) Each of the Buyer Transaction Documents has been duly executed and delivered by Buyer, and constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with the terms thereof, except as such enforceability may be limited by bankruptcy, insolvency or other Laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

(f) Neither the execution and delivery of the Buyer Transaction Documents by Buyer, nor the consummation of the transactions contemplated thereby by Buyer, (i) violates or will violate any provision of the Certificate of Formation or Operating Agreement of Buyer; or (ii) violates or will violate any Laws or, to the knowledge of such counsel, any Governmental Order.

Nothing contained in this Section 11.1 shall require an opinion by such counsel with respect to FCC matters.

11.2 Representations, Warranties and Covenants. The representations and warranties of Buyer contained herein shall be true and correct in all material respects at and as of the Closing with the same effect as though all such representations and warranties were made at and as of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the Closing, which shall be true and correct in all material respects at and as of the time or times specified). Buyer shall have complied in all material respects with all of its covenants and agreements contained herein which were to be complied with at or prior to the Closing. Buyer shall have delivered to Seller a certificate to that effect, dated the Closing Date, signed by an officer of Buyer.

11.3 No Injunction. No injunction relating to any Action against Seller relating to the consummation of any of the transactions contemplated by this Agreement shall have been issued.

11.4 Other Certificates. Seller shall have received certificates as to the good standing of Buyer in the States of Delaware and New Jersey, each as of a date not more than 20 days before the Closing, and such other certificates, instruments and other documents, in form and substance satisfactory to Seller, as Seller shall have reasonably requested in connection with the transactions contemplated hereby.

11.5 Limited Liability Company Action. All limited liability company action necessary to authorize the execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby shall have been duly and validly taken by Buyer, and Buyer shall have delivered to Seller certified copies of the resolutions of the Sole Member of Buyer authorizing the execution and performance of this Agreement and authorizing or ratifying the acts of its officers and employees in carrying out the terms and provisions of this Agreement.

11.6 FCC Approval. The FCC Approval, but not a Final Order, shall have been obtained.

SECTION 12

CONDITIONS TO BUYER'S OBLIGATION TO CLOSE

The obligation of Buyer to consummate the transactions contemplated by this Agreement at the Closing is subject to the following conditions precedent, any or all of which may be waived by Buyer in its sole discretion (other than those set forth in Section 12.8):

12.1 Transmitter Site Lease. The Transmitter Site Lease shall be in full force and effect in accordance with its terms, and Buyer shall be the Lessee thereunder.

12.2 Opinion of Seller's Counsel. Buyer shall have received an opinion of counsel for Seller, dated the date of the Closing, in form and substance reasonably satisfactory to Buyer, to the effect that:

(a) Seller is a general partnership validly existing and in good standing under the laws of the State of New Jersey.

(b) Seller has the power and authority to own the Purchased Assets and to conduct the Business and has all necessary approvals, permits, licenses and authorizations to own the Purchased Assets and to conduct the Business in the manner and in the locations presently owned and conducted.

(c) Seller has the power and authority to execute and deliver this Agreement and the Seller Transaction Documents and to perform its obligations hereunder and thereunder.

(d) Seller has duly authorized, by all necessary partnership action, the execution and delivery of the Seller Transaction Documents and the performance of its obligations thereunder.

(e) Each of the Seller Transaction Documents has been duly executed and delivered by Seller, and constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with the terms thereof, except as such enforceability may be limited by bankruptcy, insolvency or other Laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

(f) Neither the execution and delivery of the Seller Transaction Documents by Seller, nor the consummation of the transactions contemplated thereby by Seller, (i) violates or will violate any provision of the Partnership Agreement or other formative or governing documents of Seller; (ii) violates or will violate any Laws or, to the knowledge of such counsel, any Governmental Orders; or (iii) to the knowledge of such counsel, violates or will violate or conflicts with or will conflict with or will result in any breach of any of the terms of, or constitutes or will constitute a default under or results in or will result in the termination of or the creation or imposition of any Lien pursuant to the terms of any Contracts to which Seller is a party or by which Seller or any of the assets of Seller is bound and which is set forth on Seller's Disclosure Schedule.

(g) Seller validly holds the FCC Licenses.

(h) The FCC Licenses are in full force and effect and, to its knowledge, are not subject to any conditions that are not set forth on the face of, or otherwise expressly incorporated into, the FCC Licenses.

(i) The FCC Approval has been obtained, such FCC Approval is a Final Order, and such FCC Approval, whether or not a Final Order, does not contain any condition which is materially adverse to Buyer's acquisition, ownership, or operation of WKOE; provided, that Buyer may waive, in its sole discretion, the material adverse condition and/or the finality condition set forth herein.

(j) To its knowledge, (i) there is no unsatisfied adverse FCC order, decree or ruling outstanding against Seller, WKOE or any of the FCC Licenses and (ii) there is no Action pending or threatened against Seller, WKOE or any of the FCC Licenses before or by the FCC that could reasonably be expected to have a material adverse effect upon Seller, WKOE or any of the FCC Licenses.

12.3 Representations, Warranties and Covenants. The representations and warranties of Seller contained herein shall be true and correct in all material respects at and as of the Closing with the same effect as though all such representations and warranties were made at and as of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the Closing, which shall be true and correct at and as of the time or times specified). Seller shall have complied in all material respects with all of its covenants and agreements contained herein which were to be complied with at or prior to the Closing. Seller shall have delivered to Buyer a certificate to that effect, dated the Closing Date, signed by an officer or partner of Seller.

12.4 No Injunction. No injunction relating to any Action against Seller or Buyer relating to the consummation of any of the transactions contemplated by this Agreement shall have been issued.

12.5 Other Certificates. Buyer shall have received such certificates, instruments and other documents customary for transactions of the nature provided for in this Agreement, in form and substance reasonably satisfactory to Buyer, as Buyer shall have reasonably requested in connection with the transactions contemplated by this Agreement.

12.6 Authorizing Action. All action necessary to authorize the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby shall have been duly and validly taken by Seller, and Seller shall have delivered to Buyer certified copies of the resolutions of the partners of Seller authorizing the execution and performance of this Agreement and authorizing or ratifying the acts of its officers and employees in carrying out the terms and provisions of this Agreement.

12.7 Mandatory Consents. All of the Mandatory Consents and estoppel certificates from the consenting parties shall have been obtained.

12.8 FCC Approval. The FCC Approval shall have been obtained, such FCC Approval shall have become a Final Order, and such FCC Approval shall, whether or not a Final Order, not contain any condition which is materially adverse to Buyer's acquisition, ownership, or operation

of WKOE; provided, that Buyer shall have the exclusive right, in its sole discretion, to waive the material adverse condition and/or the finality condition set forth herein.

SECTION 13

INDEMNIFICATION

13.1 (a) Indemnification by Seller. Seller shall indemnify and hold harmless Buyer and its Affiliates (each, a “Buyer Indemnified Party”) from and against all losses, claims, demands, damages, liabilities, obligations, costs and/or expenses, including, without limitation, reasonable fees and disbursements of counsel (hereinafter referred to collectively as “Damages”) which are sustained or incurred by a Buyer Indemnified Party, to the extent that such Damages are sustained or incurred by reason of the breach of any of the obligations, covenants, representations or warranties of Seller in this Agreement.

(b) Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller and its Affiliates (each, a “Seller Indemnified Party”) from and against any and all Damages which are sustained or incurred by a Seller Indemnified Party, to the extent that such Damages are sustained or incurred by reason of the breach of any of the obligations, covenants, representations or warranties of Buyer in this Agreement. With respect to Buyer’s obligation under the TBA to reimburse Seller for music licensing fees incurred during the term of the TBA, Buyer shall indemnify and hold Seller harmless from and against any and all Damages which are sustained or incurred by Seller by reason of an audit or other action taken by BMI, ASCAP or SESAC after the Closing which relates to the period from and after June 30, 2001.

13.2 Limits on Indemnification.

(a) Notwithstanding the foregoing, no claim may be made for indemnification pursuant to Section 13.1, with respect to any Damages, unless and until the aggregate of Damages of Buyer Indemnified Parties on the one hand, or Seller Indemnified Parties, on the other hand, as the case may be, exceeds \$15,000.00.

(b) The indemnification obligations of Seller under Section 13.1(a) shall in no event exceed \$500,000.00.

SECTION 14

TERMINATION OF AGREEMENT; ADDITIONAL REMEDIES

14.1 Manner. This Agreement and the transactions contemplated hereby may be terminated prior to completion of the Closing:

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

(b) by Buyer, upon providing written notice to Seller, if as of the time set for Closing any of conditions in Section 12 has not been satisfied or waived by Buyer in writing, provided Buyer is not then in material breach of this Agreement;

(c) by Seller, upon providing written notice to Buyer, if as of the time set for Closing any of conditions in Section 11 has not been satisfied or waived by Seller in writing, provided Seller is not then in material breach of this Agreement;

(d) by Seller, upon providing written notice to Buyer, if Buyer fails to consummate the transactions contemplated hereunder after all conditions in Section 12 have been satisfied, provided Seller is not then in material breach of this Agreement;

(e) by Buyer, upon providing written notice to Seller, if Seller fails to consummate the transactions contemplated hereunder after all conditions in Section 11 have been satisfied, provided Buyer is not then in material breach of this Agreement;

(f) by either party if any court of competent jurisdiction in the United States or any other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other actions shall have become final and non appealable (provided that such party is not then in material breach of this Agreement which resulted in such action); and

(g) by either party, upon providing written notice to the other party, if the Closing Date shall not occur on or before August 24, 2007 (provided that such party is not then in material breach of this Agreement).

14.2 Seller's Remedies. Buyer recognizes that if the Asset Purchase is not consummated as a result of Buyer's default, Seller would be entitled to compensation. The parties, therefore, agree that if this Agreement is not consummated due to the default of Buyer under this Agreement, Seller, provided that Seller is not in default and has otherwise complied with its obligations under this Agreement, shall be entitled to recover from Buyer the Escrow Deposit including any and all interest earned thereon, which amounts the parties agree shall constitute liquidated damages and shall be in lieu of (and complete satisfaction of) any and all other relief to which Seller might otherwise be entitled due to such default by Buyer under this Agreement.

14.3 Buyer's Remedy. The parties recognize that in the event Seller should refuse to perform under the provisions of this Agreement, monetary damages would not be adequate. Buyer shall therefore be entitled to obtain specific performance of the terms of this Agreement as its exclusive remedy. In the event of any action to enforce this Agreement, Seller hereby waives the defense that there is an adequate remedy at law.

SECTION 15

GENERAL

15.1 Survival of Representations and Warranties. Each representation and warranty herein contained shall survive the Closing for a period of one (1) year, notwithstanding any investigation at any time made by or on behalf of any party to this Agreement.

15.2 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws, and not the laws of conflicts, of the State of New York. Each party hereto hereby (a) irrevocably and unconditionally submits in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the state and federal courts in the State of New York, and appellate courts thereof, and (b) consents that any action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same.

15.3 Notices. Any notices or other communications required or permitted under this Agreement shall be delivered personally or sent by registered or certified mail, postage prepaid, delivered by overnight delivery or sent by facsimile, addressed as follows:

To Seller: Ocean Communications Broadcasting, L.L.C.
511 6th Avenue, Suite 213
New York, NY 10011
Attn: Steven L. Sinn

With a copy to: Vinson & Elkins L.L.P.
The Willard Office Building
1455 Pennsylvania Ave., N.W.
Washington, D.C. 20004-1008
Attn: Mark Lipp, Esq.
Fax: (202) 879-8971

To Buyer: Millennium Atlantic City Asset Holdco, LLC
c/o Millennium Radio Group, LLC
Princeton Pike Corporate Center
993 Lenox Drive, Suite 200
Lawrenceville, NJ 08648
Attn: James P. Donahoe
Facsimile: (609) 219-7483

With copies to: Millennium Radio Group, LLC
220 Northpointe Parkway, Suite D
Amherst, NY 14228
Attn: Charles W. Banta
Facsimile: (716) 639-8782

and

Kaye Scholer LLP
425 Park Avenue
New York, NY 10022-3598
Attn: William E. Wallace, Jr., Esq.
Fax: (212) 836-7152

or such other addresses as shall be similarly furnished in writing by either party. Such notices or communications shall be deemed to have been given and received as of the date of personal delivery, or if mailed, the date the return receipt is signed or the date on which delivery is refused, or if delivered by overnight delivery or facsimile, on the date of receipt.

15.4 Entire Agreement. This Agreement, read together with the Escrow Agreement and the Transmitter Site Lease, supersedes all prior communications, understandings and agreements of or between the parties with respect to the subject matter of this Agreement and contains the entire agreement between the parties with respect to the transactions contemplated in this Agreement.

15.5 Headings. The headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

15.6 Schedules; Exhibits. All schedules and exhibits annexed to this Agreement are hereby incorporated in this Agreement by this reference.

15.7 Expenses. Each party shall bear its own costs and expenses incurred by it in connection with the transactions pursuant to this Agreement.

15.8 Amendment. This Agreement may be amended, modified or superseded, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed on behalf of all of the parties or, in the case of a waiver, by the party waiving compliance.

15.9 Waiver. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right to enforce that provision or any other provision of this Agreement at any time thereafter.

15.10 Assignment. Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred by Seller without the prior written consent, in its sole discretion, of Buyer. Buyer may, without Seller's consent, assign or transfer this Agreement or any of its rights or obligations hereunder to any affiliated or nonaffiliated entity so long as such assignee or transferee agrees in writing to be bound by the terms and conditions of this Agreement, and Buyer remains liable hereunder for such the performance of such assignee's or transferee's obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other Person shall have any right, benefit or obligation under this Agreement.

15.11 Attorneys' Fees. In the event of any action arising out of this Agreement, the prevailing party shall be entitled to recover its costs, expenses and reasonable attorney's fees incurred in connection with the dispute from the other party.

15.12 Definition of Knowledge. As used in this Agreement, with respect to a particular fact or other matter, the phrase "to the knowledge of Seller," "to the best knowledge of Seller," "to Seller's knowledge" or "to Seller's best knowledge" and any similar phrase shall mean the knowledge of Steven L. Sinn or William Koplovitz, Jr.

15.13 Counterparts; Fax Signatures. This Agreement may be executed in one or more counterparts, each of which together shall constitute a single instrument. Signatures on this Agreement transmitted by facsimile shall be deemed to be original signatures for all purposes of this Agreement.

[Remainder of page intentionally left blank]

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

MILLENNIUM ATLANTIC CITY ASSET
HOLDCO, LLC

By: James P. Donahoe
Its: President and CEO

OCEAN COMMUNICATIONS
BROADCASTING, L.L.C.

By: Steven L. Sinn
Its: Member

By: William Koplovitz, Jr.
Its: Member

INDEX OF SCHEDULES AND EXHIBITS

Exhibit A	Legal Description of Transmitter Site
Exhibit B	Escrow Agreement

Schedule 2.1(a)(ii)	-	FCC Licenses
Schedule 2.1(a)(iv)	-	Assigned Contracts
Schedule 2.1(b)	-	Excluded Assets
Schedule 2.2	-	Buyer Owned Assets
Schedule 2.3	-	Assumed Obligations
Schedule 4.3	-	Seller's Disclosure Schedule
Schedule 5.3	-	Buyer's Disclosure Schedule

EXHIBIT A

LEGAL DESCRIPTION OF TRANSMITTER SITE

BEING known as Lot 45.06, Block 567, as per a finally approved and recorded major subdivision plan prepared by Aqua-Terra, Inc., under Project No. 3-888-1, dated June 30 1988, revised June 23, 1988 and July 11, 1988, and recorded in the Office of the Cape May County Clerk on July 26, 1988 under Filing No. 3946,

ALSO known as Lot 45.06, Block 567, on the Tax Map of Upper Township.

EXHIBIT B

ESCROW AGREEMENT

[See Attached]

SCHEDULE 2.1(a)(ii)

FCC LICENSES

SCHEDULE 2.1(a)(iv)
ASSIGNED CONTRACTS

Assigned Contracts:

None.

Unassigned Contracts:

None.

SCHEDULE 2.1(b)

EXCLUDED ASSETS

Subject to Section 2.1 of the Asset Purchase Agreement,

1. 300' Tower
2. Guy wires and anchors, and any contracts and/or obligations associated therewith, not including the Transmitter Site Lease
3. Transmitter building
4. Land (approximately 4 acres)

SCHEDULE 2.2

BUYER OWNED ASSETS

1. Burk ARC-16 Remote Control
2. Burk Relay Panel
3. Burk Temperature Interface
4. Optimod 8200
5. Power Systems Phase Chaser
6. Dielectric Antenna Switch
7. Equipment Rack
8. 950 mHz STL Antenna/Cable

SCHEDULE 2.3
ASSUMED OBLIGATIONS

None.

SCHEDULE 4.3
SELLER'S DISCLOSURE SCHEDULE

None.

SCHEDULE 5.3
BUYER'S DISCLOSURE SCHEDULE

None.