

EXECUTION COPY

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "*Agreement*"), made as of the 28th day of April, 2003, is by and among Citadel Broadcasting Company, a Nevada corporation ("*Seller*"), NextMedia Operating, Inc., a Delaware corporation ("*NextMedia*"), and NM Licensing LLC, a Delaware limited liability company ("*NM*," and together with NextMedia, "*Buyer*").

RECITALS

Seller is the licensee of radio broadcast Station KNHK(FM), 92.9 MHz, Reno, Nevada (Facility ID #64055) and related auxiliary broadcast stations (the "*Station*") pursuant to licenses issued by the Federal Communications Commission (the "*FCC*"); and

Seller and Buyer have agreed that Seller will sell and Buyer will acquire certain of the assets used or useful in connection with the operation of the Station, on the terms and subject to the conditions set forth in this Agreement. Therefore, the parties agree as follows:

ARTICLE 1
ASSETS TO BE CONVEYED

1.1 Closing. Subject to Section 17.1 hereof and except as otherwise mutually agreed upon by Seller and Buyer, the closing of this transaction (the "*Closing*") shall take place on a date determined by Buyer and Seller within 10 business days after the conditions specified in Sections 11.2 and 12.2 hereof have been fulfilled or waived by the party entitled to waive such condition. The Closing shall be held at 10:00 a.m. Eastern time at the offices of Leventhal Senter & Lerman PLLC, or at such other place, time, and in such manner as the parties mutually agree, including via the use of overnight deliveries, fax transmissions or other methods.

1.2 Station Assets. At the Closing, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, the following assets used in connection with the business and operation of the Station:

(a) Seller's rights in and to all of the licenses, permits and other authorizations issued to Seller by any governmental authority and used in the conduct of the business and operation of the Station, including those listed on Schedule 1.2(a), together with any additions thereto (including renewals or modifications of such licenses, permits and authorizations, and applications therefor) between the date hereof and the Closing Date (the "*Station Licenses*"), and all of Seller's rights in and to the call letters "KNHK";

(b) Seller's right and interest in and to the leased real property listed in Schedule 1.2(b), (the "*Real Property*");

(c) the equipment, office furniture and fixtures, office materials and supplies, inventory, spare parts, and other tangible personal property listed on Schedule 1.2(c) (the "*Personal Property*");

(d) subject to the provisions of Article 3 hereof, all of Seller's rights under and interest in all Contracts listed in Schedule 1.2(d) hereto (the "*Assumed Contracts*");

(e) all of Seller's rights in and to all registered and unregistered trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, jingles, logos, slogans, licenses, patents, Internet domain names, Internet URLs, Internet web sites, content and databases, permits and privileges, and other intangible property rights and interests applied for, issued to or owned by Seller for use exclusively in the conduct of the business and operation of the Station, including those listed in Schedule 1.2(e), together with any additions thereto between the date hereof and the Closing Date (the "*Intellectual Property*");

(f) all files, records, books of account, and logs relating to the operation of the Station, including, without limitation, receivable records, the Station's public inspection file, filings with the FCC related to the Station, statements, technical information and engineering data, sales correspondence and copies of all Assumed Contracts to be assigned hereunder; and

(g) all rights under manufacturers' and vendors' warranties as exist at Closing and which relate to the Station Assets, as defined herein.

The assets to be transferred to Buyer hereunder are hereinafter collectively referred to as the "*Station Assets*." The Station Assets shall be transferred to Buyer free and clear of all Liens.

1.3 Excluded Assets. The Station Assets shall not include the following (the "*Excluded Assets*"):

(a) Seller's books and records pertaining to the organization, existence or capitalization of Seller, and duplicate copies of such records as are necessary to enable Seller to file tax returns and reports;

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

(c) all insurance policies, except for any rights that may be assigned pursuant to Article 20 hereof;

(d) all pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts, and the assets thereof, and any other employee benefit plan or arrangement;

(e) all accounts receivable and notes receivable arising in connection with the operation of the Station prior to the Closing Date and outstanding and uncollected as of the Closing Date (the “*Accounts Receivable*”);

(f) the lease for the real property used as the Station’s studio and all tangible personal property not specifically listed on Schedule 1.2(c) hereof; and

(g) the items listed on Schedule 1.3(g) hereof.

ARTICLE 2

PURCHASE PRICE

2.1 Purchase Price. The total consideration to be paid by Buyer for the Station Assets shall be Four Million Two Hundred Fifty Thousand Dollars (\$4,250,000) (the “*Purchase Price*”), subject to upward or downward adjustment, as the case may be, on and after the Closing Date, pursuant to Article 5.

2.2 Payment of Purchase Price. The Purchase Price will be payable as follows:

(a) On or before the fifth day from the date hereof, Buyer shall either deliver a letter of credit or deposit in cash the amount of Two Hundred Twelve Thousand Five Hundred Dollars (\$212,500) (the “*Escrow Deposit*”) with Key Bank National Association (“*Escrow Agent*”), to be held pursuant to the terms and conditions of the Escrow Agreement, substantially in the form of Exhibit A hereto (the “*Escrow Agreement*”); and

(b) At the Closing, Buyer shall pay Seller the Purchase Price, as adjusted pursuant to Section 5, by wire transfer of immediately available federal funds pursuant to wire instructions that shall be delivered by Seller to Buyer at least two (2) business days prior to the Closing Date, and Buyer and Seller shall jointly instruct Escrow Agent to return the Escrow Deposit, and any interest accrued thereon, to Buyer.

ARTICLE 3

ASSUMPTION OF OBLIGATIONS

3.1 Assumption of Obligations. Subject to the provisions of this Article 3 and of Article 5 of this Agreement, at the Closing, Buyer shall assume and undertake to pay, satisfy or discharge the liabilities, obligations and commitments of Seller under the Station Licenses, the Real Property, and the Assumed Contracts, to the extent that either (1) the obligations and liabilities relate to the period after the Effective

Time and arise out of events related to Buyer's ownership of the Station Assets or Buyer's operation of the Station on or after the Effective Time, or (2) the Purchase Price was reduced pursuant to Article 5 as a result of the proration or adjustment of such obligations and liabilities.

3.2 Limitation. Except as set forth in Section 3.1 hereof, Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of Seller of any nature whatsoever.

ARTICLE 4

REQUIRED CONSENTS

4.1 FCC Application. The assignment of the Station Licenses as contemplated by this Agreement is subject to the prior consent of and approval by the FCC of the assignment of the Station Licenses to Buyer and of Buyer's assignment to third parties or a qualified trustee of the license of one or more of Buyer's Reno, Nevada market radio stations. No later than ten (10) business days after the date of this Agreement, Buyer and Seller shall jointly file an FCC application requesting the FCC's consent to the assignment of the Station Licenses from Seller to Buyer (the "*FCC Application*"). No later than fifteen (15) business days after the date of this Agreement, Buyer, its Affiliates, or the stockholders, directors and officers of each of them, as applicable, shall file an FCC application requesting the FCC's consent to the assignment of a station or stations controlled by Buyer or its Affiliates in the Reno, Nevada market, either by sale, or by assignment to a trustee who is independent of the Buyer within the meaning of Section 73.3555 Note 2 of the Commission's rules, or otherwise, at Buyer's option, in order to comply with the FCC's local radio ownership rule (the "*Divestiture Application*"). Seller and Buyer shall thereafter prosecute the FCC Application, and Buyer shall thereafter prosecute the Divestiture Application, with all reasonable diligence and otherwise use their commercially reasonable efforts to obtain the grant of the FCC Application and the Divestiture Application as expeditiously as practicable. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall oppose such efforts for reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit either party's right to terminate this Agreement pursuant to Article 17 hereof.

4.2 Other Governmental Consents. Promptly after the date of this Agreement, the parties shall prepare and file with the appropriate governmental authorities any other requests for approval or waiver that are required from such governmental authorities in connection with the transactions contemplated hereby and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

ARTICLE 5

PRORATIONS

5.1 Proration of Expenses. All revenues and expenses arising from the conduct of the business and operation of the Station shall be prorated between Buyer and Seller as of the Effective Time. Such prorations shall be based upon the principle that Seller shall be responsible for all liabilities and obligations incurred or accruing in connection with the operation of the Station until the Effective Time, and Buyer shall be responsible for such liabilities and obligations incurred by Buyer thereafter. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes, deposits, business and license fees, FCC regulatory fees, utility expenses, liabilities and obligations under all Assumed Contracts, rents and similar prepaid and deferred items, except taxes arising by reason of the transfer of the Station Assets as contemplated hereby, which shall be paid in accordance with Section 14.2. Notwithstanding the foregoing, there shall be no adjustment for, and Seller shall remain solely liable with respect to any obligations or liabilities not being assumed by Buyer in accordance with Article 3 hereof.

5.2 Payment of Proration Items. Three (3) business days prior to Closing, Buyer shall deliver to Seller a preliminary list of all items to be prorated pursuant to Section 5.1 (the “*Preliminary Proration Schedule*”), and, to the extent feasible, such prorations shall be credited against or added to the Purchase Price at Closing. In the event Buyer and Seller do not reach a final agreement on such prorations and adjustments at Closing, Buyer shall deliver to Seller a schedule of its proposed prorations and adjustments (the “*Proration Schedule*”) no later than forty-five (45) days after the Closing Date. The Proration Schedule shall be conclusive and binding upon Seller unless Seller provides Buyer with written notice of objection (the “*Notice of Disagreement*”) within ten (10) days after Seller’s receipt of the Proration Schedule, which notice shall state the prorations of expenses proposed by Seller (the “*Seller’s Proration Amount*”). Buyer shall have ten (10) days from receipt of a Notice of Disagreement to accept or reject Seller’s Proration Amount. If Buyer rejects Seller’s Proration Amount, and the amount in dispute exceeds \$10,000, the dispute shall be submitted within ten (10) days to an accounting firm, mutually agreeable to the parties, that is unaffiliated with either party (the “*Referee*”) for resolution, such resolution to be made within twenty (20) days after submission to the Referee and to be final, conclusive and binding on Seller and Buyer. Buyer and Seller agree to share equally the cost and expenses of the Referee, but each party shall bear its own legal and other expenses, if any. If the amount in dispute is equal to or less than \$10,000, such amount shall be divided equally between Buyer and Seller. Payment by Buyer or Seller, as the case may be, of the proration amounts determined pursuant to this Section 5.2 shall be due five (5) days after the last to occur of (i) Seller’s acceptance of the Proration Schedule or Seller’s failure to give Buyer a timely Notice of Disagreement; (ii) Buyer’s acceptance of Seller’s Proration Amount or failure to reject Seller’s Proration Amount within ten (10) days after receipt of a Notice of Disagreement; (iii) Buyer’s rejection of Seller’s Proration Amount in the

event the amount in dispute equals or is less than \$10,000; and (iv) notice to Seller and Buyer of the resolution of the disputed amount by the Referee in the event that the amount in dispute exceeds \$10,000. Any payment required by Seller to Buyer or by Buyer to Seller, as the case may be, under this Section 5.2 shall be paid by check or wire transfer of immediately available federal funds to the account of the payee with a financial institution in the United States as designated by Seller in the Proration Schedule or by Buyer in the Notice of Disagreement (or by separate notice in the event that Buyer does not send a Notice of Disagreement). If either Buyer or Seller fails to pay when due any amount under this Section 5.2, interest on such amount will accrue from the date payment was due to the date such payment is made at a per annum rate equal to the Prime Rate plus two percent (2%), and such interest shall be payable upon demand.

5.3 Allocation. The Purchase Price shall be allocated among the Station Assets in a manner complying with Section 1060 of the Internal Revenue Code of 1986, as amended, and in accordance with the procedures set forth in this Section 5.3. Seller shall prepare an initial draft of IRS Form 8594 prior to Closing, if practicable, but in no event later than thirty (30) days after Closing and forward such form to Buyer for its approval, which approval shall not be unreasonably withheld. If the parties fail to agree on an allocation within sixty (60) days after Closing, the parties shall obtain an appraisal of the fair market value of the Station Assets from a mutually agreed upon appraiser. The cost of such appraisal shall be divided equally between the parties. If, contrary to the intent of the parties hereto as expressed in this Section 5.3, any taxing authority makes or proposes an allocation different from the allocation agreed to by the parties, Buyer and Seller shall cooperate with each other in good faith to contest such taxing authority's allocation or proposed allocation.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Standing. NextMedia is a corporation organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in the State of Nevada. NM is a limited liability company organized, validly existing and in good standing under laws of the State of Delaware and is qualified to do business in the State of Nevada.

6.2 Authorization and Binding Obligation. Buyer has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Buyer's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.

6.3 Absence of Conflicting Agreements or Required Consents.

Except as set forth in Article 4 with respect to FCC and other governmental consents, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Buyer: (a) do not and will not require the consent of any third party; (b) do not and will not violate any provisions of Buyer's organizational documents; (c) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is a party; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Buyer is now subject.

6.4 Absence of Litigation. There is no claim, litigation, proceeding or investigation pending or, to Buyer's knowledge, threatened against Buyer which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

6.5 Bankruptcy. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer, are pending or, to Buyer's knowledge, threatened, and Buyer has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

6.6 FCC Qualification. Other than Buyer's compliance with the FCC's local radio ownership rule as contemplated pursuant to Section 4.1, to Buyer's knowledge, there are no facts that, under the Communications Act of 1934, as amended (the "*Communications Act*") or the FCC rules, would disqualify it as the assignee of the Station Licenses and Buyer knows of no reason related to the Buyer why the FCC would not approve the assignment of the Station Licenses to Buyer.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

7.1 Organization and Standing. Seller is a corporation duly formed, validly existing and in good standing under the laws of the State of Nevada, and has all necessary power and authority to own, lease and operate the Station Assets and to carry on the business of the Station as now being conducted and as proposed to be conducted by Seller between the date hereof and the Closing Date.

7.2 Authorization and Binding Obligation. Seller has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Seller's execution, delivery and performance of this Agreement

has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Seller and constitutes its valid and binding obligation, enforceable in accordance with its terms, except as limited by laws affecting the enforcement of creditors' rights or equitable principles generally.

7.3 Absence of Conflicting Agreements or Required Consents.

Except as set forth in Article 4 with respect to FCC and other governmental consents and/or as disclosed on Schedules 1.2(d) and 7.3, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Seller (a) do not and will not require the consent of any third party; (b) do not and will not violate any provisions of Seller's organizational documents; (c) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Seller is a party or by which it or the Station Assets are bound; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any lease, contract, agreement, instrument, license or permit to which either Seller or the Station Assets are now subject.

7.4 FCC Authorizations.

(a) Schedule 1.2(a) contains a true and complete list of the Station Licenses, including their expiration dates. The Station Licenses and other licenses, permits and authorizations listed in Schedule 1.2(a) are validly held by Seller, are in full force and effect, have been issued for the full terms customarily issued to radio broadcast stations in the State of Nevada, and none is subject to any restriction or condition which would limit in any respect the operation of the Station as now operated.

(b) Except as set forth on Schedule 1.2(a), there are no applications, complaints or proceedings pending or, to Seller's knowledge, threatened before the FCC relating to the operation of the Station or that may result in the revocation, modification, non-renewal or suspension of any of the Station Licenses, or the imposition of any fines, forfeitures, or other administrative actions with respect to the Station or its operation other than proceedings affecting the broadcasting industry generally. All required FCC regulatory fees with respect to the Station Licenses have been paid.

(c) There are no facts which, under the Communications Act, or the existing rules and regulations of the FCC, would disqualify Seller as the assignor of the Station Licenses.

7.5 Title to and Condition of Real Property.

(a) Schedule 1.2(b) contains descriptions of all of Seller's interests, including leasehold interests, easements and rights in and agreements with

respect to the Real Property. The Real Property and the use thereof by Seller comply in all material respects with all applicable laws, statutes, ordinances, rules and regulations of federal, state and local governmental authorities. All improvements of the Real Property are in working condition and repair, are insurable at standard rates, and are in compliance with the rules and regulations of the FCC and all other applicable federal, state and local statutes, ordinances, rules and regulations.

(b) Seller holds valid and subsisting leasehold interests in and to all leased Real Property free and clear of all Liens. With respect to the Real Property, so long as Seller fulfills its obligations under the respective lease, Seller has enforceable rights to non-disturbance and quiet enjoyment, and no third party holds any interest in the leased premises with the right to foreclosure upon Seller's leasehold interest. Seller has not received or given written notice of any default from or to any of the other parties thereto nor does Seller have any knowledge of any default by any other party thereto.

(c) Seller has no knowledge of, and Seller has not received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning law, regulation or other law, order, regulation or requirement affecting the Real Property or the improvements thereon, or of the need for any material repair, remedy, construction, alteration or installation with respect to the Real Property or improvements thereon, or any material change in the means or methods of conducting operations thereon.

(d) Seller has full legal and practical access to the Real Property, including to the tower located thereon.

(e) Seller has provided Buyer with true and complete copies of all leases of Real Property and all related exhibits, schedules, documents, reports, studies, surveys, plats, title reports, title insurance policies and correspondence in Seller's files. Seller has not granted or permitted any sublease, lease, licenses, right to use or easement, written or oral, to any third party in any Real Property. Seller has paid all rent and other amounts due under all leases of Real Property current through the date of execution hereof and Seller knows of no outstanding amounts payable thereunder (other than monthly rental payments accruing in the normal course of the lease term).

7.6 Title to and Condition of Personal Property. Except as set forth on Schedule 1.2(c), Seller has good and marketable title to all Personal Property free and clear of all Liens. All of the items of tangible personal property and facilities included in the Station Assets are in operating condition and repair (reasonable wear and tear excepted), are insurable at standard rates, have been maintained in accordance with industry standards, comply in all material respects with applicable rules and regulations of the FCC, the terms of the Station Licenses, and with other applicable federal, state and local statutes, ordinances, rules and regulations, and are available for immediate use in the operation of the Station. Seller has no knowledge of any defect in the condition or

operation of any item of Personal Property that is reasonably likely to have a material adverse effect on the operation of the Station.

7.7 Contracts. Seller has delivered to Buyer true and complete copies of all written Assumed Contracts and true and complete memoranda of all oral Assumed Contracts, including any amendments and other modifications. The Assumed Contracts constitute valid and binding obligations of Seller and are in full force and effect as of the date hereof. Neither Seller nor to Seller's knowledge any other party thereto is in default under any of the Assumed Contracts. Seller has not received or given written notice of any default thereunder from or to any of the other parties thereto. Except as disclosed on Schedule 1.2(d), Seller has all requisite power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement and such assignment will not affect the validity, enforceability or continuity of any such Assumed Contracts.

7.8 Intellectual Property. Schedule 1.2(e) lists all registered Intellectual Property applied for, issued to or owned by Seller for use in the operation of the Station.

7.9 Compliance With Laws. Seller has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Station, and its present use of the Station Assets does not violate any such laws, regulations or orders in any material respect. Seller has not received any notice asserting any noncompliance with any applicable statute, rule or regulation, in connection with the operation of the Station.

7.10 Taxes. Seller has duly, timely and in the required manner filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid. As of the time of filing, such returns were true, complete and correct in all material respects. There are no governmental investigations or other legal, administrative, or tax proceedings pending, or to Seller's knowledge, threatened pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the business of the Station, or could result in a Lien on any of the Station Assets, and to Seller's knowledge, no event has occurred that could impose on Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Seller.

7.11 Bankruptcy. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, are pending or, to Seller's knowledge, threatened, and Seller has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

7.12 UCC Financing Statements. All of the Station Assets are and have been located in the State of Nevada since the Station Assets were acquired by Seller.

7.13 Insurance. Seller has in full force and effect adequate fire, liability and other forms of insurance covering the full replacement value of the Station Assets. Each such policy is valid and enforceable in accordance with its terms and is in an amount that is consistent with Seller's past practice. No event has occurred, including, without limitation, the failure by Seller to give any notice or information, or the delivery of any inaccurate or erroneous notice or information, that limits or impairs the rights of Seller under any such insurance policies. Seller shall keep comparable policies of insurance in effect for acts, omissions and events occurring on or prior to the Closing Date.

7.14 Absence of Litigation. Except as set forth on Schedule 7.14, Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree. There is no claim, litigation, proceeding or investigation pending or, to Seller's knowledge, threatened against the Station in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes. There is no claim, litigation, proceeding or investigation pending or, to Seller's knowledge, threatened against Seller, which might have a material adverse effect upon the business, assets or condition, financial or otherwise, of the Station or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

ARTICLE 8

COVENANTS OF BUYER

8.1 Notification. Buyer shall notify Seller of any litigation, arbitration or administrative proceeding pending or threatened against Buyer which challenges the transactions contemplated hereby, including any challenges to the FCC Application, and shall use commercially reasonable efforts to remove any such impediment to the transactions contemplated by this Agreement.

8.2 No Inconsistent Action. Buyer shall not take any action materially inconsistent with its obligations under this Agreement or that would hinder or delay the consummation of the transactions contemplated by this Agreement.

ARTICLE 9

COVENANTS OF SELLER

9.1 Interim Operation. Between the date of this Agreement and the Closing Date, except with the prior written consent of Buyer:

(a) Seller shall conduct the operation of the Station solely in the ordinary and normal course of operation consistent with past practice, including continuation of the current broadcast hours of the Station and the carriage of programming during such hours;

(b) Seller shall not sell, assign, lease or otherwise transfer or dispose of any of the Station Assets, except where replaced by a like asset;

(c) Seller shall not create, assume or permit to exist any mortgage, lien, pledge, or material encumbrance of any nature whatsoever upon the Station Assets, except for those in existence on the date of this Agreement, all of which will be removed on or prior to the Closing Date, and for taxes which are not yet due;

(d) Seller shall operate the Station in material compliance with the FCC's rules and regulations and the Station Licenses and with all other applicable laws, regulations, rules and orders;

(e) Seller shall (i) comply in all respects with the Assumed Contracts, (ii) not, without the express written consent of Buyer, which consent shall not be unreasonably withheld, materially modify or amend any of the Assumed Contracts, or (iii) not enter into any other contract, lease or agreement that will be binding on Buyer after Closing;

(f) Seller shall promptly notify Buyer of any default by, or claim of default against, any party under any of the Assumed Contracts which are material, individually or in the aggregate, to the operation of the Station, and any event or condition which, with notice or lapse of time or both, would constitute an event of default under such Assumed Contract;

(g) Seller shall maintain insurance policies on the Station and the Station Assets as currently in effect;

(h) Seller shall maintain the Station Assets in operating condition; repair or replace all items of Personal Property at time intervals consistent with prior practice; maintain adequate supplies of spare parts consistent with past practices; and repair or replace (subject to Article 20) any Station Asset that may be damaged or destroyed with items of equal or greater value and utility; and

(i) Seller shall notify Buyer if the regular broadcast transmission of the Stations from its main transmitting facilities at full authorized effective radiated power is interrupted for a period of more than two consecutive hours or for an aggregate of five or more hours in any continuous three-day period.

9.2 Access to Station. Between the date of this Agreement and the Closing Date, Seller shall give Buyer and Buyer's counsel, accountants, engineers and

other representatives, reasonable access during normal business hours to all of Seller's properties, records and employees relating to the Station, and shall furnish Buyer with all information related to the Station that Buyer reasonably requests. The rights of Buyer under this Section 9.2 shall not be exercised in such a manner as to interfere unreasonably with or disrupt the business or operation of the Station.

9.3 Notification. If Seller receives notice of any litigation, arbitration or administrative proceeding pending or threatened against Seller which challenges the transactions contemplated hereby, including any challenges to the FCC Application, or otherwise becomes aware of same, Seller shall notify Buyer and shall use its reasonable efforts to take such steps as may be necessary to remove any such impediment to the transactions contemplated by this Agreement.

9.4 Third-Party Consents. Seller shall use its commercially reasonable efforts to obtain the consent of any third party necessary for the assignment to Buyer of any Assumed Contract including, without limitation, those consents listed on Schedule 1.2(d).

9.5 Closing Covenant. On the Closing Date, Seller shall transfer, convey, assign and deliver to Buyer the Station Assets as provided in Article 1 of this Agreement.

9.6 Payment of Indebtedness; Financing Statements. Prior to Closing, Seller shall secure the release of all Liens on the Station Assets that secure the payment of any indebtedness and shall deliver to Buyer at the Closing releases or terminations under the Uniform Commercial Code and any other applicable federal, state or local statutes or regulations of any financing or similar statements filed against any Station Assets.

9.7 No Inconsistent Action. Seller shall not take any action which is inconsistent with its obligations under this Agreement or that would hinder or delay the consummation of the transactions contemplated by this Agreement.

9.8 Bulk Sales Law. Buyer hereby waives compliance by Seller with the provisions of Article 6 of the Uniform Commercial Code – Bulk Transfers and the Bulk Sales Act and any other applicable United States, State or provincial bulk sales act or statute, if applicable ("*Bulk Sales Law*"), and Seller warrants and agrees to pay and discharge when due all claims of creditors which could be asserted against Buyer by reason of such noncompliance to the extent that such liabilities arise before the Closing, and agrees to protect, defend and hold harmless and indemnify Buyer from and against any and all such claims and demands pursuant to the procedures set forth in Article 16 hereof which shall apply thereto in all respects in the event of liability for noncompliance with the Bulk Sales Law arises at any time following Closing.

9.9 Updating Schedules. Seller shall use reasonable efforts to provide Buyer with any information which would be required to be disclosed in the Schedules to this Agreement in a timely manner, and on the Closing Date, shall update the Schedules such that such schedules will be true and correct on the Closing Date. Notwithstanding the foregoing, any update to the schedules from and after the date hereof by Seller shall not relieve Seller of any liability to which Seller might be subject for failure to disclose any information that should have been disclosed prior to the execution of this Agreement.

ARTICLE 10

JOINT COVENANTS

10.1 Conditions. If any event should occur between the date hereof and the Closing, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party to consummate the transactions contemplated by this Agreement, the parties shall use their reasonable efforts to cure the event as expeditiously as possible.

10.2 Commercially Reasonable Efforts. Between the date of this Agreement and the Closing, each party shall use commercially reasonable efforts to cause the fulfillment at the earliest practicable date of all of the conditions to the obligations of the other party to consummate the sale and purchase under this Agreement.

10.3 Control of Station. Between the date of this Agreement and the Closing, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station. Such operations shall be the sole responsibility of Seller and, subject to the provisions of Article 9, shall be in its complete discretion.

10.4 Confidentiality. Buyer and Seller shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other or destroy, without retaining a copy thereof, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful sources or where such party is advised by counsel that its disclosure is required in accordance with applicable law.

10.5 Access to Records. For a period of four (4) years from the Closing Date, each party to this Agreement shall provide to the other party access during normal business hours to such financial records as may be necessary for either party to prepare any required tax filings.

ARTICLE 11
CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

11.1 Representations, Warranties and Covenants.

(a) All representations and warranties of Seller made in this Agreement shall be true and complete in all material respects on and as of the Closing Date as if made on and as of that date.

(b) All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to Closing Date shall have been complied with or performed in all material respects.

11.2 Governmental Consents. The conditions specified in Article 4 of this Agreement shall have been satisfied, and the FCC Consent and the FCC consent for the Divestiture Application shall have been granted.

11.3 Governmental Authorizations. Seller shall be the lawful holder of the Station Licenses and all other material licenses, permits and other authorizations listed in Schedule 1.2(a), and there shall not have been any modification of any of such licenses, permits and other authorizations which would have a material adverse effect on the operation of the Station. No proceeding shall be pending which seeks or the effect of which reasonably could be to revoke, cancel, fail to renew, suspend or modify adversely any of the Station Licenses or any other material licenses, permits or other authorizations relating to the Station.

11.4 Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

11.5 Deliveries. Seller shall have made or stand willing to make all the deliveries required under Section 13.1.

11.6 Third Party Consents. All consents marked with an asterisk as "material consents" on Schedules 1.2(d) and 7.3 shall have been obtained by Seller.

ARTICLE 12
CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

The obligations of Seller hereunder are subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

12.1 Representations, Warranties and Covenants.

(a) All representations and warranties made by Buyer in this Agreement shall be true and complete in all material respects on and as of the Closing Date as if made on and as of that date.

(b) All the terms, covenants and conditions to be complied with and performed by Buyer under this Agreement on or prior to the Closing Date shall have been complied with or performed in all material respects.

12.2 Governmental Consents. The conditions specified in Article 4 of this Agreement shall have been satisfied, and the FCC Consent shall have been granted.

12.3 Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

12.4 Deliveries. Buyer shall have made or stand willing to make all the deliveries required under Section 13.2.

ARTICLE 13
DOCUMENTS TO BE DELIVERED AT THE CLOSING

13.1 Documents to be Delivered by Seller. At the Closing, Seller shall deliver to Buyer the following:

(a) a certificate of an officer of Seller, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying to the fulfillment of the conditions set forth in Section 11.1 hereof;

(b) instruments of conveyance and transfer, in form and substance reasonably satisfactory to counsel to Buyer, effecting the sale, transfer, assignment and conveyance of the Station Assets to Buyer, including, but not limited to, the following:

- (i) assignment of the Station Licenses;
- (ii) bill of sale for all Personal Property;

- (iii) assignment of the Assumed Contracts;
- (c) UCC Termination Statements with respect to all Liens which have been placed of record on the Station Assets;
- (d) such estoppel certificates as Buyer shall have reasonably requested;
- (e) a certificate of good standing of Seller issued by the Secretary of State of the jurisdiction of its incorporation dated within (30) days of the Closing Date and brought down to the Closing Date by facsimile of the applicable Secretary of State;
- (f) a copy of Seller's board resolutions authorizing the transactions contemplated hereby;
- (g) a copy of each consent listed on Schedules 1.2(d) and 7.3;
- (h) an instruction letter to the Escrow Agent directing the Escrow Agent to release the Escrow Deposit to Buyer at Closing; and
- (i) such other documents as may reasonably be requested by Buyer's counsel.

13.2 Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to Seller the following:

- (a) a certificate of an officer of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, certifying to the fulfillment of the conditions specified in Section 12.1 hereof;
- (b) wire transfer of immediately available funds as provided in Section 2.1;
- (c) instruments, in form and substance reasonably satisfactory to Seller and its counsel, pursuant to which Buyer assumes obligations, liabilities and commitments as provided in Article 3;
- (d) a certificate of good standing of each of NextMedia and NM issued by the Secretary of State of the jurisdiction of its incorporation dated within (30) days of the Closing Date and brought down to the Closing Date by facsimile of the applicable Secretary of State;
- (e) copies of resolutions of NextMedia's board and NM's governing body authorizing the transactions contemplated hereby;

(f) an instruction letter to the Escrow Agent directing the Escrow Agent to release the Escrow Deposit to Buyer at Closing; and

(g) such other documents as may reasonably be requested by Seller's counsel.

ARTICLE 14 **FEES AND EXPENSES; TRANSFER TAXES**

14.1 Governmental Filing or Grant Fees. Any filing or grant fees imposed by any governmental authority, the consent of which is required for the transactions contemplated hereby shall be borne equally by Buyer and Seller.

14.2 Transfer Taxes. Any taxes arising by reason of the sale or transfer of the Station Assets as contemplated hereby shall be paid by [Buyer.]

14.3 Expenses. Each party hereto shall be solely responsible for and shall pay all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

ARTICLE 15 **BROKER'S COMMISSION OR FINDER'S FEE**

15.1 Buyer's Representation and Agreement to Indemnify. Buyer represents and warrants to Seller that neither it nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, nor has it or any person or entity acting on its behalf taken any action on which a claim for any such payment could be based. Buyer further agrees to indemnify and hold Seller harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of a claim by any person or entity based on any such arrangement or agreement made or alleged to have been made by Buyer.

15.2 Seller's Representation and Agreement to Indemnify. Seller represents and warrants to Buyer that neither it nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, nor has it or any person or entity acting on its behalf taken any action on which a claim for any such payment could be based. Seller further agrees to indemnify and hold Buyer harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of a claim by any person or entity based on any such arrangement or agreement made or alleged to have been made by Seller.

ARTICLE 16

INDEMNIFICATION

16.1 Indemnification by Seller. Notwithstanding the Closing, Seller hereby agrees to indemnify, defend and hold Buyer harmless against and with respect to, and shall reimburse Buyer for:

(a) Any and all losses, direct or indirect, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant or obligation by Seller contained herein or in any certificate, document or instrument delivered to Buyer hereunder;

(b) Any and all obligations of Seller not assumed by Buyer pursuant to the terms of this Agreement;

(c) Any and all losses, liabilities or damages resulting from the operation or ownership of the Station prior to the Effective Time, including but not limited to any and all liabilities not assumed by Buyer pursuant to Article 3 hereof;

(d) Any and all losses, liabilities or damages resulting from the litigation listed on Schedule 7.14;

(e) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in opposing the imposition thereof, or in enforcing this indemnity, subject to the notice and opportunity to remedy requirements of Section 16.3 hereof;

(f) Interest at the Prime Rate on any reimbursable expense or loss incurred by Buyer from the date of payment, in the case of a reimbursable expense, and from the date of incurrence, in the case of any other losses, until the date of reimbursement by Seller; and

(g) Any failure to comply with the Bulk Sales Law.

16.2 Indemnification by Buyer. Notwithstanding the Closing, Buyer hereby agrees to indemnify and hold the Seller harmless against and with respect to, and shall reimburse the Seller for:

(a) Any and all losses, direct or indirect, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant or obligation by Buyer contained herein or in any certificate, document or instrument delivered to Seller hereunder;

(b) Any and all obligations of Seller assumed by Buyer pursuant to the terms of this Agreement;

(c) Any and all losses, liabilities or damages resulting from the operation or ownership of the Station by Buyer on and after the Effective Time, including but not limited to any and all liabilities assumed by Buyer pursuant to Article 3 hereof;

(d) Any and all losses, liabilities or damages resulting from the litigation listed on Schedule 6.4;

(e) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in opposing the imposition thereof, or in enforcing this indemnity, subject to the notice and opportunity to remedy requirements of Section 16.3 hereof; and

(f) Interest at the Prime Rate on any reimbursable expense or loss incurred by Seller from the date of payment, in the case of a reimbursable expense, and from the date of incurrence, in the case of any other losses, until the date of reimbursement by Buyer.

16.3 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The party seeking indemnification under this Article 16 (the “*Claimant*”) shall give notice to the party from whom indemnification is sought (the “*Indemnitor*”) of any claim, whether solely between the parties or brought by a third party, specifying (i) the factual basis for the claim, and (ii) the amount of the claim, if determinable. If the claim relates to an action, suit or proceeding filed by a third party against Claimant, notice shall be given by Claimant within fifteen (15) business days after written notice of the action, suit or proceeding was given to Claimant. In all other circumstances, notice shall be given by Claimant within thirty (30) days after Claimant becomes aware of the facts giving rise to the claim. Notwithstanding the foregoing, Claimant’s failure to give Indemnitor timely notice shall not preclude Claimant from seeking indemnification from Indemnitor except to the extent that Claimant’s failure has materially prejudiced Indemnitor’s ability to defend the claim or litigation.

(b) With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have thirty (30) days to make any investigation of the claim that the Indemnitor deems necessary or desirable. For the purposes of this investigation, the Claimant agrees to make available to the Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the 30-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnitor shall have the right at

its own expense to participate in or assume control of the defense of the claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnitor. If the Indemnitor elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of the claim at the Claimant's expense. If the Indemnitor does not elect to assume control or otherwise participate in the defense of any third party claim, Claimant may, but shall have no obligation to, defend or settle such claim or litigation in such manner as it deems appropriate, and in any event Indemnitor shall be bound by the results obtained by the Claimant with respect to the claim (by default or otherwise) and shall promptly reimburse Claimant for the amount of all expenses (including the amount of any judgment rendered), legal or otherwise, incurred in connection with such claim or litigation. The Indemnitor shall be subrogated to all rights of the Claimant against any third party with respect to any claim for which indemnity was paid. The Indemnitor will not consent to any entry of judgment or settlement without release of liability and, with respect to nonmonetary terms, the Claimant's consent (not to be unreasonably withheld or delayed).

16.4 Limitations. Neither party shall be required to indemnify the other party under this Article 16 for any breach of any representation or warranty contained in this Agreement (i) except upon material compliance by the other party with the provisions of this Article 16, and, (ii) unless written notice of a claim under this Article 16 was received by the party within the pertinent survival period specified in Article 18 of this Agreement.

ARTICLE 17

TERMINATION RIGHTS

17.1 Termination. This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not then in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

- (a) by the mutual consent of Buyer and Seller;
- (b) if, on or prior to the Closing Date, the other party defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements contained herein and such default has not been cured within ten (10) days from receipt of written notice of default from the non-defaulting party;
- (c) if the FCC denies the FCC Application or designates it for a trial-type hearing;
- (d) if there shall be in effect any nonappealable, final judgment, final decree or final order that would permanently prevent or make unlawful the Closing (which judgment, decree or order the parties hereto shall use their commercially reasonable efforts to lift); or

(e) by either party, if the Closing has not occurred within twenty-four (24) months of the date the FCC Applications are accepted for filing.

17.2 Liability. The termination of this Agreement under Section 17.1 hereof shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

ARTICLE 18

SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

The representations, warranties and agreements contained in this Agreement or in any certificate, document or instrument delivered pursuant to this Agreement are and will be deemed and construed to be continuing representations, warranties and agreements and shall survive the Closing for a period of one year after the Closing Date; provided, however, that the representation and warranties in Section 7.5 and 7.6 regarding title shall survive indefinitely and Section 7.10 shall survive until the expiration of the applicable statute of limitations. Unless a specified period is set forth in this Agreement, the covenants in this Agreement shall survive the Closing and remain in effect indefinitely. No claim may be brought under this Agreement or any other certificate, document or instrument delivered pursuant to this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such a notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations thereto are fully satisfied. Any investigation by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained herein.

ARTICLE 19

REMEDIES UPON DEFAULT

19.1 Default by Seller. Seller recognizes that, in the event Seller defaults in the performance of its obligations under this Agreement, monetary damages alone will not be adequate. Buyer shall therefore be entitled in such event, in lieu of bringing suit at law or equity for money or other damages (including costs and expenses incurred by Buyer in the preparation and negotiation of this Agreement and in contemplation of the Closing hereunder) or for indemnification under Article 16 hereof, to obtain specific performance of the terms of this Agreement. In any action to enforce the provisions of this Agreement, Seller shall waive the defense that there is an adequate remedy at law or equity and agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security. In addition, Buyer shall be entitled to obtain from Seller court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder, plus interest at the Prime Rate on the amount of any judgment obtained against Seller from the date of default until the date of payment of the judgment. As a

condition to seeking specific performance, Buyer shall not be required to have tendered the Purchase Price specified in Section 2.1 of this Agreement, but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all material respects.

19.2 Default by Buyer. If the transactions contemplated by this Agreement are not consummated as a result of Buyer's material breach of this Agreement, and Seller is not also in material breach hereunder, Seller shall be entitled to payment of Two Hundred Twelve Thousand Five Hundred Dollars (\$212,500) as liquidated damages in full settlement of any damages of any nature or kind that Seller may suffer or allege to suffer as the result thereof. It is understood and agreed that the amount of liquidated damages represents Buyer's and Seller's reasonable estimate of actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section 19.2 shall be the sole and exclusive remedy of Seller against Buyer for breach of or failure to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained. In addition, Seller shall be entitled to obtain from Buyer court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder, plus interest at the Prime Rate on the amount of any judgment obtained against Buyer from the date of default until the date of payment of the judgment. As a condition to obtaining liquidated damages, Seller shall not be required to have tendered the Station Assets but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all material respects.

ARTICLE 20

RISK OF LOSS

The risk of loss or damage to the Station Assets prior to the Effective Time shall be upon Seller. Seller shall repair, replace and restore any damaged or lost Station Asset to its prior condition as soon as possible and in no event later than the Effective Time. If Seller is unable or fails to repair, restore or replace a lost or damaged item required to be repaired or replaced by Seller prior to the Closing, Seller shall reimburse Buyer for the cost of the repair, restoration or replacement of such item incurred by Buyer after the Closing.

ARTICLE 21

OTHER PROVISIONS

21.1 Publicity. Except as required by applicable law or with the other party's express written consent, no party to this Agreement nor any affiliate of any party shall issue any press release or similar public statement regarding the transactions contemplated by this Agreement.

21.2 Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither Buyer nor Seller may assign this Agreement without the prior

With a copy (which shall not constitute notice) to:

Leventhal, Senter & Lerman PLLC
2000 K Street, N.W.
Suite 600
Washington, D.C. 20006-1809
Attention: Steven A. Lerman, Esq.
Telephone: (202) 429-8970
Facsimile: (202) 293-7783

If to Buyer:

NextMedia Operating, Inc.
6312 South Fiddlers Green Circle, Suite 360E
Englewood CO 80111
Attention: Sean R. Stover
Telephone: (303) 694-9118
Facsimile: (303) 694-4940
With a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
100 Crescent Court, Suite 1300
Dallas TX 75201
Attention: Glenn D. West, Esq.
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by facsimile (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

21.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

21.9 Further Assurances. Seller shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may reasonably request in order to vest and confirm in Buyer (or its assignees) the title and rights to and in all of the Station Assets to be and intended to be transferred, assigned and conveyed hereunder.

ARTICLE 22

DEFINITIONS

Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“*Accounts Receivable*” shall have the meaning set forth in Section 1.3.

“*Affiliate*” shall mean any person or entity that is directly or indirectly controlling, controlled by or under common control with the named person or entity.

“*Agreement*” shall mean this Asset Purchase Agreement, including the exhibits and schedules hereto.

“*Assumed Contracts*” shall have the meaning set forth in Section 1.2(d).

“*Bulk Sales Law*” shall have the meaning set forth in Section 9.8.

“*Buyer*” shall have the meaning set forth in the preamble to this Agreement.

“*Business Day*,” whether or not capitalized, shall mean every day of the week excluding Saturdays, Sundays and Federal holidays.

“*Claimant*” shall have the meaning set forth in Section 16.3(a).

“*Closing*” shall have the meaning set forth in Section 1.1.

“*Closing Date*” shall mean the date on which the Closing is completed.

“*Communications Act*” shall have the meaning set forth in Section 6.6.

“*Contracts*” shall mean the contracts, agreements, including employment agreements, commitments and understandings of Seller or to which Seller is a party, relating to the conduct of the business and operation of the Station.

“*Divestiture Application*” shall have the meaning set forth in Section 4.1.

“*Effective Time*” shall mean 12:01 a.m., local Reno, Nevada time, on the Closing Date.

“*Escrow Agent*” shall mean Key Bank National Association.

“*Escrow Agreement*” shall have the meaning set forth in Section 2.2(a).

“*Escrow Deposit*” shall have the meaning set forth in Section 2.2(a).

“*Excluded Assets*” shall have the meaning set forth in Section 1.3.

“*FCC*” shall mean the Federal Communications Commission.

“*FCC Application*” shall mean the application or applications that Seller and Buyer must file with the FCC requesting its consent to the assignment of the Station Licenses.

“*FCC Consent*” shall mean the action by the FCC granting the FCC Application.

“*Final Order*” shall mean action by the FCC (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending, and (iii) as to which the time for filing any such appeal, request, petition, or similar document or for the reconsideration or review by the FCC on its own motion under the Communications Act, and the rules and regulations of the FCC, has expired.

“*Indemnitor*” shall have the meaning set forth in Section 16.3(a).

“*Intellectual Property*” shall have the meaning set forth in Section 1.2(e).

“*Liens*” shall mean mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, subleases, conditional sales agreements, easements, covenants, encroachments, encumbrances, restrictions, charges or other defects of title.

“*Notice of Disagreement*” shall have the meaning set forth in Section 5.2.

“*Personal Property*” shall have the meaning set forth in Section 1.2(c).

“*Preliminary Proration Schedule*” shall have the meaning set forth in Section 5.2.

“*Prime Rate*” shall mean a per annum rate equal to the “*prime rate*” as published in the Money Rates column of the Eastern Edition of *The Wall Street Journal* (or the average of such rates if more than one rate is indicated).

“*Proration Schedule*” shall have the meaning set forth in Section 5.2.

“*Purchase Price*” shall have the meaning set forth in Section 2.1(a).

“*Real Property*” shall have the meaning set forth in Section 1.2(b).

“*Referee*” shall have the meaning set forth in Section 5.2.

“*Seller*” shall have the meaning set forth in the preamble to this Agreement.

“*Seller’s Proration Amount*” shall have the meaning set forth in Section 5.2.

“*Station*” shall mean radio broadcast Station KNHK(FM), Reno, NV.

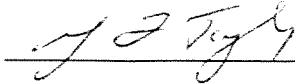
“*Station Assets*” shall have the meaning set forth in Section 1.2.

“*Station Licenses*” shall mean the licenses, permits and other authorizations, including any temporary waiver or special temporary authorization, issued by the FCC to Seller in connection with the operation of the Station.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

CITADEL BROADCASTING COMPANY

By: 

Name: RANDY L. TAYLOR

Title: V.P. FINANCE

NEXTMEDIA OPERATING, INC.

By: _____

Name: _____

Title: _____

NM LICENSING, LLC

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.


CITADEL BROADCASTING COMPANY

By: _____

Name: _____

Title: _____


NEXTMEDIA OPERATING, INC.

By: _____

Name: Sean R. Stover

Title: Sr. Vice President

NM LICENSING, LLC

By: _____

Name: Sean R. Stover

Title: Vice President

EXHIBITS AND SCHEDULES

Exhibit A	Form of Escrow Agreement
Schedule 1.2(a)	Station Licenses
Schedule 1.2(b)	Real Property
Schedule 1.2(c)	Personal Property
Schedule 1.2(d)	Assumed Contracts
Schedule 1.2(e)	Intellectual Property
Schedule 1.3(g)	Excluded Assets
Schedule 7.3	Consents
Schedule 7.14	Seller's Litigation