AGREEMENT AND PLAN OF MERGER

BY AND AMONG

WACHOVIA CAPITAL PARTNERS 2002, LLC,

PRIMUS CAPITAL FUND V LIMITED PARTNERSHIP,

THREE EAGLES INVESTORS, LLC,

3E ACQUISITION CO.

AND

THREE EAGLES COMMUNICATIONS, INC.

Dated as of March 4, 2002

TABLE OF CONTENTS

EXHIBIT INDEX

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of March **[ ]**, 2002, by and among WACHOVIA CAPITAL PARTNERS 2002, LLC ("WCP"), a Delaware limited liability company; PRIMUS CAPITAL FUND V LIMITED PARTNERSHIP, a Delaware limited partnership, or affiliates thereof ("Primus"); THREE EAGLES INVESTORS, LLC ("Purchaser"), a Delaware limited liability company; 3E ACQUISITION CO. ("Merger Sub"), a Delaware corporation; and THREE EAGLES COMMUNICATIONS, INC. ("Company"), a Delaware corporation.

Preamble

The Boards of Directors of the Company, Merger Sub and Purchaser are of the opinion that the transactions described herein are in the best interests of the parties to this Agreement and their respective stockholders or members, as the case may be. This Agreement provides for the acquisition of Company by Purchaser, a limited liability company formed by WCP and Primus to effect the acquisition of Company, pursuant to the merger of Merger Sub with and into Company. At the effective time of such merger, the outstanding shares of the capital stock of Company shall be converted into the right to receive a cash payment from Purchaser or Class A Units in accordance with the terms of this Agreement. As a result, Company shall continue to conduct its business and operations as a wholly owned subsidiary of Purchaser. The transactions described in this Agreement are subject to the approvals of the stockholders of Company and the Federal Communications Commission ("FCC") and the satisfaction of certain other conditions described in this Agreement.

As a condition and inducement to Purchaser's willingness to enter into this Agreement, Company agrees to use its reasonable best efforts to cause, within five business days after the date of this Agreement, holders of the outstanding shares of Company Common Stock sufficient to approve this Agreement and the transactions contemplated hereby under the DGCL (the "Requisite Stockholders") to execute and deliver to Purchaser a written consent approving this Agreement and the transactions contemplated hereby (the "Stockholder Consent") and to also execute an agreement in substantially the form of Exhibit 1 (the "Voting Agreements"), pursuant to which they shall agree, among other things, subject to the terms of such Voting Agreement, to vote the shares of Company Common Stock over which such Persons have voting power or take other action consistent with the DGCL to approve this Agreement.

Certain capitalized terms used in this Agreement are defined in Section 12.1 of this Agreement.

NOW, THEREFORE, in consideration of the above and the mutual warranties, representations, covenants, and agreements set forth herein, the parties agree as follows:

ARTICLE 1 – TRANSACTIONS AND TERMS OF MERGER

1.1 Merger.

Subject to the terms and conditions of this Agreement, at the Effective Time, Merger Sub shall be merged with and into Company in accordance with the provisions of Section 251 of the DGCL and with the effect provided in Sections 259 and 261 of the DGCL (the "Merger"). Company shall be the Surviving Corporation resulting from the Merger and shall become a wholly owned Subsidiary of Purchaser and shall continue to be governed by the Laws of the State of Delaware. The Merger shall be consummated pursuant to the terms of this Agreement, which has been approved by the Company Special

Committee and approved and adopted by the respective Boards of Directors of Company, Merger Sub and Purchaser and by Purchaser, as the sole stockholder of Merger Sub.

1.2 Time and Place of Closing.

The closing of the transactions contemplated hereby (the "Closing") will take place at 9:00 A.M. on the date that the Effective Time occurs, or at such other time as the Parties, acting through their authorized officers, may mutually agree. The Closing shall be held at the offices of Alston & Bird LLP, Bank of America Plaza, 101 South Tryon Street, Suite 4000, Charlotte, North Carolina 28280-4000, or at such other location as may be mutually agreed upon by the Parties.

1.3 Effective Time.

The Merger and other transactions contemplated by this Agreement shall become effective on the date and at the time the Certificate of Merger reflecting the Merger shall become effective with the Secretary of State of the State of Delaware (the "Effective Time").

ARTICLE 2 – TERMS OF MERGER

2.1 Charter.

The Certificate of Incorporation of Company in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation until duly amended or repealed.

2.2 Bylaws.

The Bylaws of Merger Sub in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation until duly amended or repealed.

2.3 Directors and Officers.

The directors of Merger Sub in office immediately prior to the Effective Time, together with such additional persons as may thereafter be elected, shall serve as the directors of the Surviving Corporation from and after the Effective Time in accordance with the Bylaws of the Surviving Corporation. The officers of Company in office immediately prior to the Effective Time, together with such additional persons as may thereafter be elected, shall serve as the officers of the Surviving Corporation from and after the Effective Time in accordance with the Bylaws of the Surviving Corporation.

2.4 Stockholder Representative.

Robert Johnson shall act as the representative of the stockholders of Company (the "Stockholder Representative") with respect to the settling and payment of any claims pursuant to Article 11 and for any other purposes that may be specified in this Agreement or are reasonably necessary or desirable in connection with the protection of the stockholders of the Company hereunder. The Stockholder Representative shall have no duties or obligations other than those specifically set forth herein and shall not be liable under any circumstances for any actions or inactions in his capacity as Stockholder Representative other than for his willful misconduct or gross negligence. Stockholders who together hold a majority of the shares of Company Common Stock outstanding shall have the right at any time prior to the Effective Time to appoint a new Stockholder Representative by giving at least 10 days' prior written notice to Purchaser and the Stockholder Representative then acting. After the Effective Time, Persons who together hold a majority of the economic interest in the Escrow Fund shall have the right to appoint a

new Stockholder Representative by giving at least 10 days' prior written notice to Purchaser and the Stockholder Representative then acting.

ARTICLE 3 – MANNER OF CONVERTING SHARES

3.1 Conversion of Shares.

Subject to the provisions of this Article 3, at the Effective Time, by virtue of the Merger and without any action on the part of Purchaser, Company, Merger Sub or the stockholders of any of the foregoing, the shares of the constituent corporations shall be converted as follows:

(a) Each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall cease to be outstanding and shall be converted into one share of Company Class A Common Stock.

(b) Each share of Company Common Stock (excluding Rollover Shares, shares held by any Company Entity or by Purchaser and shares held by stockholders who perfect their statutory appraisal rights as provided in Section 3.3) issued and outstanding at the Effective Time shall cease to be outstanding and shall be converted into and exchanged for the right to receive a cash payment in the amount of $3.50 (the "Per Share Purchase Price"), of which $0.25 shall be placed in escrow pursuant to Section 4.3 of this Agreement. In addition, applicable withholding Taxes, if any, shall be deducted and paid over as provided by Law.

(c) Each Rollover Share issued and outstanding at the Effective Time shall cease to be outstanding and shall be converted into and exchanged for the right to receive 3.5 Class A Units of Purchaser. Of the Class A Units of Purchaser received, 7.15% shall be subject to the Escrow Agreement pursuant to Section 4.3 of this Agreement.

3.2 Shares Held by Company or Purchaser.

Each of the shares of Company Common Stock held by any Company Entity or by Purchaser shall be canceled and retired at the Effective Time and no consideration shall be issued in exchange therefor.

3.3 Dissenting Stockholders.

Any holder of shares of Company Common Stock who perfects such holder's appraisal rights in accordance with and as contemplated by Section 262 of the DGCL shall be entitled to receive from the Surviving Corporation the value of such shares in cash as determined pursuant to such provision of Law; provided, that no such payment shall be made to any dissenting stockholder unless and until such dissenting stockholder has complied with the applicable provisions of the DGCL and surrendered to Company the certificate or certificates representing the shares for which payment is being made. In the event that after the Effective Time a dissenting stockholder of Company fails to perfect, or effectively withdraws or loses, such holder's right to appraisal of and payment for such holder's shares, Purchaser or the Surviving Corporation shall issue and deliver the consideration to which such holder of shares of Company Common Stock is entitled under this Article 3 (without interest) upon surrender by such holder of the certificate or certificates representing the shares of Company Common Stock held by such holder. If and to the extent required by applicable Law, the Surviving Corporation will establish (or cause to be established) an escrow account with an amount sufficient to satisfy the maximum aggregate payment that may be required to be paid to dissenting stockholders. Upon satisfaction of all claims of dissenting

stockholders, the remaining escrowed amount, reduced by payment of the fees and expenses of the escrow agent, will be returned to the Surviving Corporation.

3.4 Conversion of Stock Options and Warrants.

(a) As compensation for services rendered to Company, at the Effective Time, each option or other Equity Right to purchase shares of Company Common Stock pursuant to stock options or stock appreciation rights ("Company Options") granted by Company under the Company Stock Plans outstanding at the Effective Time, whether or not exercisable, shall be canceled in exchange for a cash payment by the Surviving Corporation for each share of Company Common Stock subject to such Company Option ("Option Settlement Payment") equal to the amount, if any, by which the Per Share Purchase Price is greater than the price per share, as of the Effective Time, of Company Common Stock pursuant to which the holder of such Company Option may purchase the shares of Company Common Stock to which such Company Option relates. Of any Option Settlement Payment payable pursuant to this Section 3.4(a), 7.15% shall be placed in escrow pursuant to Section 4.3 of this Agreement. At the Effective Time, each such Company Option shall no longer represent the right to purchase shares of Company Common Stock, but in lieu thereof shall represent only the nontransferable right to receive the Option Settlement Payment referred to above.

(b) At the Effective Time, each warrant to purchase shares of Company Common Stock ("Company Warrants") outstanding at the Effective Time, whether or not exercisable, shall be canceled in exchange for a cash payment by the Surviving Corporation for each share of Company Common Stock subject to such Company Warrant ("Warrant Settlement Payment") equal to the amount, if any, by which the Per Share Purchase Price is greater than the price per share, as of the Effective Time, of Company Common Stock pursuant to which the holder of such Company Warrant may purchase the shares of Company Common Stock to which such Company Warrant relates. Of any Warrant Settlement Payment payable pursuant to this Section 3.4(b), 7.15% shall be placed in escrow pursuant to Section 4.3 of this Agreement. At the Effective Time, each such Company Warrant shall no longer represent the right to purchase shares of Company Common Stock, but in lieu thereof shall represent only the nontransferable right to receive the Warrant Settlement Payment referred to above.

ARTICLE 4 – EXCHANGE OF SHARES

4.1 Exchange Procedures.

(a) Promptly after the Effective Time, Purchaser shall make available to a payment agent selected by Purchaser (the payment agent so selected by Purchaser, or Purchaser if it elects to act as the payment agent, is referred to herein as the "Payment Agent") for payment in accordance with this Section 4.1 cash in an amount sufficient to permit payment of the Per Share Purchase Price for all shares of Company Common Stock (other than Rollover Shares). Promptly after the Effective Time, Purchaser and Company shall cause the Payment Agent to mail to each holder of record of a certificate or certificates which represented shares of Company Common Stock immediately prior to the Effective Time (the "Certificates") appropriate transmittal materials and instructions (which shall specify that delivery shall be effected, and risk of loss and title to such Certificates shall pass, only upon proper delivery of such Certificates to the Payment Agent). The Certificate or Certificates of Company Common Stock so delivered shall be duly endorsed as the Payment Agent may require. In the event of a transfer of ownership of shares of Company Common Stock represented by Certificates that is not registered in the transfer records of Company, the consideration provided in Section 3.1 may be issued to a transferee if the Certificates representing such shares are delivered to the Payment Agent, accompanied by all documents required to evidence such transfer and by evidence satisfactory to the Payment Agent that any applicable stock transfer taxes have been paid. If any Certificate shall have been lost, stolen, mislaid or

destroyed, upon receipt of (i) an affidavit of that fact from the holder claiming such Certificate to be lost, mislaid, stolen or destroyed, (ii) such bond, security or indemnity as Purchaser and the Payment Agent may reasonably require and (iii) any other documents necessary to evidence and effect the bona fide exchange thereof, the Payment Agent shall issue to such holder the Per Share Purchase Price payable with respect to the shares represented by such lost, stolen, mislaid or destroyed Certificate. The Payment Agent may establish such other reasonable and customary rules and procedures in connection with its duties as it may deem appropriate. The Surviving Corporation shall pay all charges and expenses, including those of the Payment Agent, in connection with the distribution of the consideration provided in Section 3.1.

(b) After the Effective Time, each holder of shares of Company Common Stock (other than shares to be canceled pursuant to Section 3.2 or as to which statutory dissenters' rights have been perfected as provided in Section 3.3) issued and outstanding at the Effective Time shall surrender the Certificate or Certificates representing such shares to the Payment Agent. Promptly upon surrender of a Certificate or Certificates representing shares of Company Common Stock which are not Rollover Shares, the holder thereof shall receive in exchange therefor the Per Share Purchase Price provided in Section 3.1. Promptly upon surrender of a Certificate or Certificates representing shares of Company Common Stock which are Rollover Shares, Purchaser shall amend Exhibit B to the Purchaser LLC Agreement to reflect the issuance to such holder of the Class A Units into which such shares shall have been converted. Purchaser shall not be obligated to deliver the Per Share Purchase Price to which any former holder of Company Common Stock is entitled as a result of the Merger or amend Exhibit B to the Purchaser LLC Agreement to reflect the issuance of Class A Units to such holder until such holder surrenders such holder's Certificate or Certificates for exchange as provided in this Section 4.1.

(c) Each of Purchaser, the Surviving Corporation and the Payment Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock such amounts, if any, as it is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code or any provision of state, local or foreign Tax Law. To the extent that any amounts are so withheld by Purchaser, the Surviving Corporation or the Payment Agent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which such deduction and withholding was made by Purchaser, the Surviving Corporation or the Payment Agent, as the case may be.

(d) Any other provision of this Agreement notwithstanding, none of Purchaser, the Surviving Corporation or the Payment Agent shall be liable to a holder of Company Common Stock for any amounts paid or property delivered in good faith to a public official pursuant to any applicable abandoned property, escheat or similar Law. Adoption of this Agreement by the stockholders of Company shall constitute ratification of the appointment of the Payment Agent.

4.2 Rights of Former Company Stockholders.

At the Effective Time, the stock transfer books of Company shall be closed as to holders of Company Common Stock immediately prior to the Effective Time and no transfer of Company Common Stock by any such holder shall thereafter be made or recognized. Until surrendered for exchange in accordance with the provisions of Section 4.1, each Certificate theretofore representing shares of Company Common Stock (other than shares to be canceled pursuant to Section 3.2 or as to which statutory dissenters' rights have been perfected as provided in Section 3.3) shall from and after the Effective Time represent for all purposes only the right to receive the consideration provided in Section 3.1 in exchange therefor, subject, however, to the Surviving Corporation's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which have been

declared or made by Company in respect of such shares of Company Common Stock in accordance with the terms of this Agreement and which remain unpaid at the Effective Time. Whenever a dividend or other distribution is declared by Purchaser on the Class A Units, the record date for which is at or after the Effective Time, the declaration shall include dividends or other distributions on all Class A Units issuable pursuant to this Agreement, but beginning 30 days after the Effective Time no dividend or other distribution payable to the holders of record of Class A Units as of any time subsequent to the Effective Time shall be delivered to the holder of any Certificate until such holder surrenders such Certificate for exchange as provided in Section 4.1. However, upon surrender of such Certificate, Exhibit B to the Purchaser LLC Agreement shall be amended to reflect the issuance of Class A Units and any undelivered dividends and cash payments payable hereunder (without interest) shall be delivered and paid with respect to each share represented by such Certificate.

4.3 Escrow Agreement.

In connection with the Closing, Purchaser, Company and the Stockholder Representative shall have executed and delivered an escrow agreement (the "Escrow Agreement"), which shall be in substantially the form of Exhibit 2. The portions of the Per Share Purchase Price, Class A Units, Option Settlement Payments and Warrant Settlement Payments to be placed in escrow pursuant to Sections 3.1 and 3.4 shall be held by Purchaser, as escrow agent pursuant to the terms of the Escrow Agreement (the "Escrow Agent"). The Escrow Agreement shall also provide that appropriate notations will be made on Exhibit B to the Purchaser LLC Agreement to evidence that 7.15% of the Class A Units issued to each Electing Holder will be subject to the terms of the Escrow Agreement. The cash and Class A Units subject to the terms of the Escrow Agreement (collectively, the "Escrow Fund") shall be used to satisfy the indemnification obligations pursuant to Article 11. To the extent that any portion of the Escrow Fund is disbursed, such disbursement shall consist of proportional amounts of cash and Class A Units. Following the last day of the twelfth calendar month after the Closing Date, Purchaser shall release and disburse any amount remaining in the Escrow Fund to the former stockholders, optionholders and warrantholders of Company in accordance with the terms of the Escrow Agreement.

ARTICLE 5 – REPRESENTATIONS AND WARRANTIES OF COMPANY

Company hereby represents and warrants to Purchaser and Merger Sub as follows:

5.1 Organization, Standing, and Power.

Company is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Delaware, and has the corporate power and authority to carry on its business as now conducted and to own, lease and operate its Assets. Company is duly qualified or licensed to transact business as a foreign corporation in good standing in the states of the United States and foreign jurisdictions where the character of its Assets or the nature or conduct of its business requires it to be so qualified or licensed. The minute book and other organizational documents for Company have been made available to Purchaser for its review and, except as disclosed in Section 5.1 of the Company Disclosure Memorandum, are true and complete in all material respects as in effect as of the date of this Agreement and accurately reflect in all material respects all amendments thereto and all proceedings of the Board of Directors (including the Company Special Committee any other committees of the Board of Directors) and stockholders thereof.

5.2 Authority of Company; No Breach By Agreement.

(a) Company has the corporate power and authority necessary to execute, deliver, and, other than with respect to the Merger, perform this Agreement, and with respect to the Merger, upon the

adoption and approval of this Agreement and the Merger by Company's stockholders in accordance with this Agreement and the DGCL, to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized by all necessary corporate action in respect thereof on the part of Company, subject to the approval of this Agreement by the holders of a majority of the outstanding shares of Company Common Stock as contemplated by Section 8.1, which is the only stockholder action required for approval of this Agreement and consummation of the Merger by Company. This Agreement has been duly and validly executed by Company and, subject to such requisite stockholder approval and assuming that this Agreement has been duly and validly executed and delivered by the other parties hereto, represents a legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) Neither the execution and delivery of this Agreement by Company, nor the consummation by Company of the transactions contemplated hereby, nor compliance by Company with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of Company's Certificate of Incorporation or Bylaws or the certificate or articles of incorporation or bylaws of any Company Subsidiary or any resolution adopted by the board of directors (including any committees thereof) or the stockholders of any Company Entity, or (ii) except as disclosed in Section 5.2 of the Company Disclosure Memorandum, constitute or result in a Default under, or require any Consent pursuant to, or result in the creation of any Lien on any Asset of any Company Entity under, any Contract or Permit of any Company Entity, other than (x) Defaults or Liens that are not reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or (y) Consents the failure of which to be obtained would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, or (iii) subject to receipt of the requisite Consents referred to in Section 9.1(c), constitute or result in a Default under, or require any Consent pursuant to, any Law or Order applicable to any Company Entity or any of their respective Assets (including Purchaser or any Company Entity becoming subject to or liable for the payment of any Tax or any of the Assets owned by Purchaser or any Company Entity being reassessed or revalued by any Regulatory Authority), other than (x) Defaults or Liens that are not reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or (y) Consents the failure of which to be obtained would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) Other than (i) in connection or compliance with the provisions of the Securities Laws and applicable state corporate and securities Laws, (ii) Consents required from Regulatory Authorities, including, without limitation, applicable approvals of the FCC pursuant to the Communications Laws, (iii) notices to or filings with the IRS or the Pension Benefit Guaranty Corporation with respect to any employee benefit plans, (iv) any non-United States competition, antitrust and investment laws, and (v) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, no notice to, filing with, or Consent of, any public body or authority is necessary for the consummation by Company of the Merger and the other transactions contemplated in this Agreement.

5.3 Capital Stock.

(a) The authorized capital stock of Company consists of (i) 8,000,000 shares of Company Class A Common Stock, of which 8,000,000 shares are issued and outstanding as of the date of this Agreement and not more than 8,000,000 shares will be issued and outstanding at the Effective Time, (ii) 2,000,000 shares of Company Class B Common Stock, of which are 2,000,000 are issued and outstanding

as of the date of this Agreement and not more than 2,000,000 shares will be issued and outstanding at the Effective Time, and (iii) 5,000,000 shares of preferred stock, par value $0.01 per share, none of which are outstanding as of the date of this Agreement and none of which will be issued and outstanding at the Effective Time. All of the issued and outstanding shares of capital stock of Company are duly and validly issued and outstanding and are fully paid and nonassessable under the DGCL. None of the outstanding shares of capital stock of Company has been issued in violation of the Securities Laws or any preemptive rights of the current or past stockholders of Company.

(b) As of the date of this Agreement, (i) options to purchase an aggregate of 130,000 shares of Company Class A Common Stock are issued and outstanding pursuant to grants to employees of Company authorized by the Board of Directors of Company on March 23, 1998 and December 3, 1997, and no further options may be granted pursuant to any such authority; (ii) options to purchase up to 500,000 shares of Company Class A Common Stock are issued and outstanding pursuant to that certain Stock Option Agreement dated as of March 17, 1997 between Company and Rolland C. Johnson, and no further options may be granted pursuant to such Stock Option Agreement, (iii) options to purchase up to 50,000 shares of Company Class A Common Stock are issued and outstanding pursuant to that certain Stock Option Agreement dated as of March 17, 1997 between Company and Gary Buchanan, and no further options may be granted pursuant to such Stock Option Agreement, (iv) options to purchase up to 100,000 shares of Company Class A Common Stock are issued and outstanding pursuant to a grant to Gary Buchanan authorized by the Board of Directors of Company on August 20, 1998, and no further options may be granted pursuant to any such authority, (v) options to purchase an aggregate of 30,000 shares of Company Class A Common Stock are issued and outstanding pursuant to grants to non-employee members of the Board of Directors of Company authorized by the Board of Directors of Company on September 28, 1999, and no further options may be granted pursuant to any such authority; (vi) Company Warrants exercisable into 1,593,000 shares of Company Class A Common Stock are issued and outstanding and (vii) there are no Company Options or Company Warrants exercisable into Company Class B Common Stock. The 2,403,000 Company Options and Company Warrants outstanding as of the date of this Agreement have an average exercise price of $1.95 per share. The options and warrants have not been issued in violation of the Securities Laws or the preemptive rights of any Person, and have been issued in compliance with the Securities Laws. Section 5.3(b) of the Company Disclosure Memorandum identifies the beneficial owners of all Company Options and Company Warrants, and the type and the denomination of all Company Options or Company Warrants held by each such beneficial owner as of the date of this Agreement.

(c) Except as set forth in Section 5.3(a) or as disclosed in Section 5.3(b) of the Company Disclosure Memorandum, there are no shares of capital stock or other equity securities of Company outstanding and no outstanding Equity Rights relating to the capital stock of Company. Except as specifically contemplated by this Agreement, no Person has any Contract or any right or privilege (whether pre-emptive or contractual) capable of becoming a Contract or Equity Right for the purchase, subscription or issuance of any securities of Company.

5.4 Company Subsidiaries.

Company has disclosed in Section 5.4 of the Company Disclosure Memorandum each of the Company Subsidiaries that is a corporation (identifying its jurisdiction of incorporation, each jurisdiction in which it is qualified and/or licensed to transact business, and the number of shares owned and percentage ownership interest represented by such share ownership) and each of the Company Subsidiaries that is a general or limited partnership, limited liability company, or other non-corporate entity (identifying the Law under which such entity is organized, each jurisdiction in which it is qualified and/or licensed to transact business, and the amount and nature of the ownership interest therein). Except as disclosed in Section 5.4 of the Company Disclosure Memorandum, Company or one of its wholly

owned Subsidiaries owns all of the issued and outstanding shares of capital stock (or other equity interests) of each Company Subsidiary. No capital stock (or other equity interest) of any Company Subsidiary is or may become required to be issued (other than to another Company Entity) by reason of any Equity Rights, and there are no Contracts by which any Company Subsidiary is bound to issue (other than to another Company Entity) additional shares of its capital stock (or other equity interests) or Equity Rights or by which any Company Entity is or may be bound to transfer any shares of the capital stock (or other equity interests) of any Company Subsidiary (other than to another Company Entity). There are no Contracts relating to the rights of any Company Entity to vote or to dispose of any shares of the capital stock (or other equity interests) of any Company Subsidiary. All of the shares of capital stock (or other equity interests) of each Company Subsidiary held by a Company Entity are fully paid and nonassessable under the applicable corporation Law of the jurisdiction in which such Subsidiary is incorporated or organized and are owned by the Company Entity free and clear of any Lien. Except as disclosed in Section 5.4 of the Company Disclosure Memorandum, each Company Subsidiary is a corporation, limited liability company, limited partnership or limited liability partnership, and each such Subsidiary is duly organized, validly existing, and in good standing under the Laws of the jurisdiction in which it is incorporated or organized, and has the power and authority necessary for it to own, lease, and operate its Assets and to carry on its business as now conducted. Each Company Subsidiary is duly qualified or licensed to transact business as a foreign entity in good standing in the States of the United States and foreign jurisdictions where the character of its Assets or the nature or conduct of its business requires it to be so qualified or licensed. The minute book and other organizational documents for each Company Subsidiary have been made available to Purchaser for its review, and, except as disclosed in Section 5.4 of the Company Disclosure Memorandum, are true and complete in all material respects as in effect as of the date of this Agreement and accurately reflect in all material respects all amendments thereto and all proceedings of the Board of Directors (including the Company Special Committee any other committees of the Board of Directors) and stockholders thereof.

5.5 Financial Statements.

(a) Company has included in Section 5.5(a) of the Company Disclosure Memorandum copies of all Company Financial Statements prepared prior to the date hereof and will deliver to Purchaser copies of all Company Financial Statements prepared subsequent to the date hereof (including, without limitation, the Company Financial Statements required to be delivered by Company pursuant to Section 7.1(b) of this Agreement). The Company Financial Statements (as of the dates thereof and for the periods covered thereby) (i) are or, if dated after the date of this Agreement, will be in accordance with the books and records of the Company, which are or will be, as the case may be, complete and correct and which have been or will have been, as the case may be, maintained in accordance with good business practices, and (ii) present or will present, as the case may be, fairly in all material respects the consolidated financial position of Company as of the dates indicated and the consolidated results of operations, changes in stockholders' equity, and cash flows of Company for the periods indicated, in accordance with GAAP (subject to any exceptions as to consistency specified therein or as may be indicated in the notes thereto or, in the case of interim financial statements, to normal recurring year-end adjustments that are not material in amount or effect), except that the recognition of income with respect to barter transactions is not presented in accordance with GAAP in those Company Financial Statements which are not audited.

(b) Company has included in Section 5.5(b) of the Company Disclosure Memorandum a schedule setting forth Broadcast Cash Flow on a Pro Forma Basis for each calendar month beginning January 2001 and through and including December 2001 and Net Operating Revenues on a Pro Forma Basis for each such calendar month. Company shall supplement Section 5.5(b) of the Company Disclosure Memorandum to set forth Broadcast Cash Flow on a Pro Forma Basis and Net Operating Revenue on a Pro Forma Basis for months subsequent to December 2001 as required by Section 7.1(c). The information set forth in Section 5.5(b) of the Company Disclosure Memorandum (including pursuant

to any supplement thereto) has been or, to the extent included pursuant to a supplement thereto, will be prepared in accordance with the books and records of the Company and the Company Financial Statements and presents fairly on a consistent basis for each period presented the Broadcast Cash Flow on a Pro Forma Basis and Net Operating Revenues on a Pro Forma Basis of Company.

5.6 Absence of Undisclosed Liabilities.

No Company Entity has any Liabilities, except Liabilities which are accrued or reserved against in the consolidated balance sheets of Company as of December 31, 2001, included in the Company Financial Statements delivered prior to the date of this Agreement or reflected in the notes thereto. No Company Entity has incurred or paid any Liability since December 31, 2001, except for such Liabilities incurred or paid (i) in the ordinary course of business consistent with past business practice and which are not reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or (ii) in connection with the transactions contemplated by this Agreement.

5.7 Absence of Certain Changes or Events.

Since December 31, 2001, except as disclosed in the Company Financial Statements delivered prior to the date of this Agreement or as disclosed in Section 5.7 of the Company Disclosure Memorandum, (a) there have been no events, changes, or occurrences which have had, or are reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, and (b) none of the Company Entities has taken any action, or failed to take any action, prior to the date of this Agreement, which action or failure, if taken after the date of this Agreement, would represent or result in a material breach or violation of any of the covenants and agreements of Company provided in Article 7.

5.8 Tax Matters.

(a) All Company Entities have timely filed with the appropriate Taxing authorities all Tax Returns in all jurisdictions in which Tax Returns are required to be filed, and such Tax Returns are correct and complete in all respects. None of the Company Entities is the beneficiary of any extension of time within which to file any Tax Return. All Taxes of the Company Entities (whether or not shown on any Tax Return) have been fully and timely paid. There are no Liens for any Taxes (other than a Lien for current real property or ad valorem Taxes not yet due and payable) on any of the Assets of any of the Company Entities. No claim has ever been made by an authority in a jurisdiction where any Company Entity does not file a Tax Return that such Company Entity may be subject to Taxes by that jurisdiction.

(b) None of the Company Entities has received any notice of assessment or proposed assessment in connection with any Taxes, and there are no threatened or pending disputes, claims, audits or examinations regarding any Taxes of any Company Entity or the assets of any Company Entity. No officer or employee responsible for Tax matters of any Company Entity expects any Regulatory Authority to assess any additional Taxes for any period for which Tax Returns have been filed. None of the Company Entities has waived any statute of limitations in respect of any Taxes or agreed to a Tax assessment or deficiency.

(c) Each Company Entity has complied with all applicable Laws, rules and regulations relating to the withholding of Taxes and the payment thereof to appropriate authorities, including Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee or independent contractor, and Taxes required to be withheld and paid pursuant to Sections 1441 and 1442 of the Internal Revenue Code or similar provisions under foreign Law.

(d) The unpaid Taxes of each Company Entity (i) did not, as of the most recent fiscal month end, exceed the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the most recent balance sheet (rather than in any notes thereto) for such Company Entity and (ii) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with past custom and practice of the Company Entities in filing their Tax Returns.

(e) None of the Company Entities is a party to any Tax allocation or sharing agreement and none of the Company Entities has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was Company) or has any Tax Liability of any Person under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign Law (other than the other members of the consolidated group of which Company is parent), or as a transferee or successor, by contract or otherwise.

(f) During the five-year period ending on the date hereof, none of the Company Entities was a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Internal Revenue Code.

(g) None of the Company Entities has made any payments, is obligated to make any payments, or is a party to any contract that could obligate it to make any payments that could be disallowed as a deduction under Section 280G of the Internal Revenue Code. Company has not been a United States real property holding corporation within the meaning of Internal Revenue Code Section 897(c)(1)(A)(ii). None of the Company Entities has been or will be required to include any adjustment in taxable income for any Tax period (or portion thereof) pursuant to Section 481 of the Internal Revenue Code or any comparable provision under state or foreign Tax Laws as a result of transactions or events occurring prior to the Closing. The net operating losses of the Company Entities are not subject to any limitation on their use under the provisions of Sections 382 or 269 of the Internal Revenue Code or any other provisions of the Internal Revenue Code or the Treasury Regulations dealing with the utilization of net operating losses other than any such limitations as may arise as a result of the consummation of the transactions contemplated by this Agreement.

(h) Each of the Company Entities is in compliance with, and its records contain all information and documents (including properly completed IRS Forms W-9) necessary to comply with, all applicable information reporting and Tax withholding requirements under federal, state, and local Tax Laws, and such records identify with specificity all accounts subject to backup withholding under Section 3406 of the Internal Revenue Code, except for such instances of noncompliance and such omissions as are not reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

(i) No Company Entity has or has had in any foreign country a permanent establishment, as defined in any applicable tax treaty or convention between the United States and such foreign country.

5.9 Assets.

(a) Except as disclosed in Section 5.9 of the Company Disclosure Memorandum or as disclosed or reserved against in the Company Financial Statements delivered prior to the date of this Agreement, the Company Entities have good and marketable title, free and clear of all Liens, to all of their respective Assets. All tangible properties used in the businesses of the Company Entities are in good condition, reasonable wear and tear excepted, and are usable in the ordinary course of business consistent with Company's past practices.

(b) All items of inventory of the Company Entities reflected on the most recent balance sheet included in the Company Financial Statements delivered prior to the date of this Agreement and prior to the Effective Time consisted and will consist, as applicable, of items of a quality and quantity usable and saleable in the ordinary course of business and conform to generally accepted standards in the industry in which the Company Entities are a part.

(c) The accounts receivable of the Company Entities as set forth on the most recent balance sheet included in the Company Financial Statements delivered prior to the date of this Agreement or arising since the date thereof are valid and genuine; have arisen solely out of bona fide sales and deliveries of goods, performance of services and other business transactions in the ordinary course of business consistent with past practice; are not subject to valid defenses, set-offs or counterclaims; and are collectible within 90 days after billing at the full recorded amount thereof less, in the case of accounts receivable appearing on the most recent balance sheet included in the Company Financial Statements delivered prior to the date of this Agreement, the recorded allowance for collection losses on such balance sheet. The allowance for collection losses on such balance sheet has been determined in accordance with GAAP.

(d) All Assets which are material to Company's business on a consolidated basis, held under leases or subleases by any of the Company Entities, are held under valid Contracts enforceable in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceedings may be brought), and each such Contract is in full force and effect.

(e) The Company Entities currently maintain insurance similar in amounts, scope, and coverage to that maintained by other peer organizations. None of the Company Entities has received notice from any insurance carrier that (i) any policy of insurance will be canceled or that coverage thereunder will be reduced or eliminated, or (ii) premium costs with respect to such policies of insurance will be substantially increased. There are presently no claims for amounts exceeding in any individual case $50,000 pending under such policies of insurance and no notices of claims in excess of such amounts have been given by any Company Entity under such policies.

(f) The Assets of the Company Entities include all Assets required to operate the business of the Company Entities as presently conducted.

5.10 Intellectual Property.

Each Company Entity owns or has a license to use all of the Intellectual Property used by such Company Entity in the course of its business, including sufficient rights in each copy possessed by each Company Entity. Each Company Entity is the owner of or has a license, with the right to sublicense, to any Intellectual Property sold or licensed to a third party by such Company Entity in connection with such Company Entity's business operations, and such Company Entity has the right to convey by sale or license any Intellectual Property so conveyed. No Company Entity is in Default under any of its Intellectual Property licenses. No proceedings have been instituted, or are pending or to the Knowledge of Company threatened, which challenge the rights of any Company Entity with respect to Intellectual Property used, sold or licensed by such Company Entity in the course of its business, nor has any Person claimed or alleged any rights to such Intellectual Property. The conduct of the business of the Company Entities does not infringe any Intellectual Property of any other Person. Except as disclosed in Section 5.10 of the Company Disclosure Memorandum, no Company Entity is obligated to pay any recurring royalties to any Person with respect to any such Intellectual Property. Except as disclosed in Section 5.10

of the Company Disclosure Memorandum, every officer, director, or employee of any Company Entity is a party to a Contract which requires such officer, director or employee to assign any interest in any Intellectual Property to a Company Entity and to keep confidential any trade secrets, proprietary data, customer information, or other business information of a Company Entity, and no such officer, director or employee is party to any Contract with any Person other than a Company Entity which requires such officer, director or employee to assign any interest in any Intellectual Property to any Person other than a Company Entity or to keep confidential any trade secrets, proprietary data, customer information, or other business information of any Person other than a Company Entity. Except as disclosed in Section 5.10 of the Company Disclosure Memorandum, no officer, director or employee of any Company Entity is party to any Contract which restricts or prohibits such officer, director or employee from engaging in activities competitive with any Person, including any Company Entity.

5.11 Environmental Matters.

(a) To the Knowledge of Company, each Company Entity, its Participation Facilities, and its Operating Properties are, and have been, in compliance with all Environmental Laws.

(b) There is no Litigation pending or threatened before any court, governmental agency, or authority or other forum in which any Company Entity or any of its Operating Properties or Participation Facilities (or Company in respect of such Operating Property or Participation Facility) has been or, with respect to threatened Litigation, may be named as a defendant (i) for alleged noncompliance (including by any predecessor) with or Liability under any Environmental Law or (ii) relating to the release, discharge, spillage, or disposal into the environment of any Hazardous Material, whether or not occurring at, on, under, adjacent to, or affecting (or potentially affecting) a site currently or formerly owned, leased, or operated by any Company Entity or any of its Operating Properties or Participation Facilities, nor is there any reasonable basis for any Litigation of a type described in this sentence.

(c) During the period of (i) any Company Entity's ownership or operation of any of their respective current properties, (ii) any Company Entity's participation in the management of any Participation Facility, or (iii) any Company Entity's holding of a security interest in any Operating Property, there have been no releases, discharges, spillages, or disposals of Hazardous Material in, on, under, adjacent to, or affecting (or potentially affecting) such properties. Prior to the period of (i) any Company Entity's ownership or operation of any of their respective current properties, (ii) any Company Entity's participation in the management of any Participation Facility, or (iii) any Company Entity's holding of a security interest in any Operating Property, to the Knowledge of the Company, there were no releases, discharges, spillages, or disposals of Hazardous Material in, on, under, or affecting any such property, Participation Facility or Operating Property.

5.12 Compliance with Laws.

(a) Each Company Entity has in effect all Permits necessary for it to own, lease, or operate its material Assets and to carry on its business as now conducted, and there has occurred no Default under any such Permit. Without limiting the generality of the foregoing:

(i) To Company's Knowledge, the Stations' transmitting and studio equipment is operating in accordance with the terms and conditions of the Station Licenses and all underlying construction permits and the Communications Laws, including, without limitation, all regulations concerning equipment authorization and human exposure to radio frequency radiation, and is adequate and suitable to permit the Stations to operate consistent with the maximum authorized facilities of the Stations. Access to the Stations' transmission facilities is restricted in accordance with the

Communications Laws. The Stations' transmitting antennas comply with the FCC's applicable radio frequency exposure standards as defined by ANSI Standards C95.1-1982.

(ii) Each Company Entity has conducted and is conducting its business in accordance with the Communications Laws, and as of the date hereof, no Company Entity has received notification from the FCC of any violation of or noncompliance with the Communications Laws.

(iii) The Company Entities have filed all regulatory fees, ownership reports, employment reports and other documents and information required or requested to be filed by any Company Entity with the FCC or other governmental authorities. Such items as are required to be placed in the Stations' local public records files have been placed in such files. All proofs of performance and measurements that are required to be made by any Company Entity with respect to its Stations' transmission facilities have been completed and filed at the Stations. All current information contained in the foregoing documents is true, complete and accurate.

(b) Except as disclosed in Section 5.12 of the Company Disclosure Memorandum, none of the Company Entities:

(i) is in Default under any of the provisions of its Certificate of Incorporation or Bylaws (or other governing instruments);

(ii) is in Default under any Laws, Orders, or Permits applicable to its business or employees conducting its business; or

(iii) has received any notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof (x) asserting that any Company Entity is not, or may not be, in compliance with any Laws or Orders, (y) threatening to revoke any Permits, or (z) requiring any Company Entity to enter into or consent to the issuance of a cease and desist order, injunction formal agreement, directive, commitment, or memorandum of understanding, or to adopt any board resolution or similar undertaking, which restricts materially the conduct of its business or in any manner relates to its employment decisions, its employment or safety policies or practices, its management, or the payment of dividends; or

(iv) has effectuated (x) a "plant closing" (as defined in the Worker Adjustment and Retraining Notification Act (the "WARN Act")) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of any Company Entity; or (y) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of any Company Entity; and no Company Entity has been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local Law. Except as set forth in Section 5.12 of the Company Disclosure Memorandum, none of any Company Entity's employees has suffered an "employment loss" (as defined in the WARN Act) since six months prior to the Closing Date.

(c) Section 5.12 of the Company Disclosure Memorandum contains a list of all independent contractors of each Company Entity to which Company Entities have paid more than $10,000 during 2001 or to which Company Entities expect to pay more than $10,000 during 2002 (separately listed by Company Entity), and each such Person and any other Person which has been treated as an independent contractor by any Company Entity meets the standards under all Laws (including Treasury Regulations under the Internal Revenue Code and federal and state labor and employment Laws) as independent contractors and no such Person is an employee of any Company Entity under any applicable Law. Copies of all material reports, correspondence, notices and other documents relating to any inspection, audit,

monitoring or other form of review or enforcement action by a Regulatory Authority have been made available to Purchaser.

5.13 Station Licenses and Applications.

The Company Entities have operated the radio stations for which the Company Entities hold licenses from the FCC, in each case which are owned or operated by the Company Entities (the "Company Licensed Facilities"), in material compliance with the terms of the licenses issued by the FCC to the Company Entities (the "Station Licenses"), and in material compliance with the Communications Laws. No Company Entity provides programming or advertising services to any broadcast radio station pursuant to a local marketing agreement or otherwise. Section 5.13 of the Company Disclosure Memorandum contains a list of all Station Licenses, true, complete and correct copies of all of which have been provided to Purchaser. Each Company Entity has timely filed or made all applications, reports or other disclosures required by the FCC to be made with respect to the Company Licensed Facilities and has timely paid all FCC regulatory fees with respect thereto. The Company Entities have, and are the authorized legal holders of, all Station Licenses necessary or used in the operation of the businesses of the Company Licensed Facilities as presently operated. All Station Licenses are validly held by the licensee of record and are in full force and effect, unimpaired by any act or omission of any Company Entity or predecessor of any Company Entity or their respective officers, employees or agents. Except as set forth in Section 5.13 of the Company Disclosure Memorandum, no application, action or proceeding is pending for the renewal of any Station License as to which any petition to deny has been filed and, to Company's Knowledge, there is not before the FCC any investigation, proceeding, notice of violation or order of forfeiture relating to any Company Licensed Facility and Company has no Knowledge of any basis that could reasonably be expected to cause the FCC not to renew any of the Station Licenses (other than proceedings to amend the Communications Laws of general applicability to the radio broadcast industry). There is not pending and, to Company's Knowledge, there is not threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify in any material respect any of the Station Licenses (other than proceedings to amend the Communications Laws of general applicability to the radio broadcast industry).

5.14 Labor Relations.

(a) No Company Entity is the subject of any Litigation asserting that it or any other Company Entity has committed an unfair labor practice (within the meaning of the National Labor Relations Act or comparable state Law) or other violation of state or federal labor Law or seeking to compel it or any other Company Entity to bargain with any labor organization or other employee representative as to wages or conditions of employment, nor is any Company Entity party to any collective bargaining agreement or subject to any bargaining order, injunction or other Order relating to Company's relationship or dealings with its employees, any labor organization or any other employee representative. There is no strike, slowdown, lockout or other job action or labor dispute involving any Company Entity pending or threatened and there has been no such actions or disputes in the past five years. To the Knowledge of Company, in the past five years, there has not been any attempt by any Company Entity employees or any labor organization or other employee representative to organize or certify a collective bargaining unit or to engage in any other union organization activity with respect to the workforce of any Company Entity. The employment of each employee and the engagement of each independent contractor of each Company Entity is terminable at will by the relevant Company Entity without any penalty, liability or severance obligation incurred by any Company Entity. No Company Entity will owe any amounts to any of its employees or independent contractors as of the Closing Date, including any amounts incurred for any wages, bonuses, vacation pay, sick leave, contract notice periods, change of control payments or severance obligations.

(b) All of the employees employed in the United States are either United States citizens or are legally entitled to work in the United States under the Immigration Reform and Control Act of 1986, as amended, other United States immigration Laws and the Laws related to the employment of non-United States citizens applicable in the state in which the employees are employed.

5.15 Employee Benefit Plans.

(a) Company has disclosed in Section 5.15 of the Company Disclosure Memorandum, and has delivered or made available to Purchaser prior to the execution of this Agreement, (i) copies of each Employee Benefit Plan currently adopted, maintained by, sponsored in whole or in part by, or contributed to by any Company Entity or ERISA Affiliate thereof for the benefit of employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries or under which employees, retirees, former employees, dependents, spouses, directors, independent contractors, or other beneficiaries are eligible to participate (collectively, the "Company Benefit Plans") and (ii) a list of each Employee Benefit Plan that is not identified in (i) above (e.g., former Employee Benefit Plans) but for which the Company Entity or ERISA Affiliate has or reasonably could have any obligation or Liability. Any of the Company Benefit Plans which is an "employee pension benefit plan," as that term is defined in ERISA Section 3(2), is referred to herein as a "Company ERISA Plan." Each Company ERISA Plan which is also a "defined benefit plan" (as defined in Internal Revenue Code Section 414(j)) is referred to herein as a "Company Pension Plan."

(b) Company has delivered to Purchaser prior to the execution of this Agreement (i) all trust agreements or other funding arrangements for all Employee Benefit Plans, (ii) all determination letters, rulings, opinion letters, information letters or advisory opinions issued by the United States Internal Revenue Service ("IRS"), the United States Department of Labor ("DOL") or the Pension Benefit Guaranty Corporation during this calendar year or any of the preceding three calendar years, (iii) any filing or documentation (whether or not filed with the IRS) where corrective action was taken in connection with the IRS EPCRS program set forth in Revenue Procedure 2001-17 (or its predecessor or successor rulings), (iv) annual reports or returns, audited or unaudited financial statements, actuarial reports and valuations prepared for any Employee Benefit Plan for the current plan year and the three preceding plan years, and (v) the most recent summary plan descriptions and any material modifications thereto.

(c) Each Company Benefit Plan is in compliance with the terms of such Company Benefit Plan, in compliance with the applicable requirements of the Internal Revenue Code, in material compliance with the applicable requirements of ERISA, and in compliance with any other applicable Laws. Each Company ERISA Plan which is intended to be qualified under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the IRS that is still in effect and applies to the Company ERISA Plan as amended and as administered or, within the time permitted under Internal Revenue Code Section 401(b), has timely applied for a favorable determination letter which when issued will apply retroactively to the Company ERISA Plan as amended and as administered. Company is not aware of any circumstances likely to result in revocation of any such favorable determination letter. Company has not received any communication (written or unwritten) from any government agency questioning or challenging the compliance of any Company Benefit Plan with applicable Laws. No Company Benefit Plan is currently being audited by a governmental agency for compliance with applicable Laws or has been audited with a determination by the governmental agency that the Employee Benefit Plan failed to comply with applicable Laws.

(d) There has been no oral or written representation or communication with respect to any aspect of the Employee Benefit Plans made to employees of the Company which is not in accordance with the written or otherwise preexisting terms and provisions of such plans. Neither the Company nor

any administrator or fiduciary of any Company Benefit Plan (or any agent of any of the foregoing) has engaged in any transaction, or acted or failed to act in any manner, which could subject the Company or Purchaser to any direct or indirect Liability (by indemnity or otherwise) for breach of any fiduciary, co-fiduciary or other duty under ERISA. There are no unresolved claims or disputes under the terms of, or in connection with, the Company Benefit Plans other than claims for benefits which are payable in the ordinary course of business and no action, proceeding, prosecution, inquiry, hearing or investigation has been commenced with respect to any Company Benefit Plan.

(e) All Company Benefit Plan documents and annual reports or returns, audited or unaudited financial statements, actuarial valuations, summary annual reports, and summary plan descriptions issued with respect to the Company Benefit Plans are correct and complete, have been timely filed with the IRS, the DOL or distributed to participants of the Company Benefit Plans (as required by Law), and there have been no changes in the information set forth therein.

(f) No "party in interest" (as defined in ERISA Section 3(14)) or "disqualified person" (as defined in Internal Revenue Code Section 4975(e)(2)) of any Company Benefit Plan has engaged in any nonexempt "prohibited transaction" (described in Internal Revenue Code Section 4975(c) or ERISA Section 406).

(g) For any Company Pension Plan, the fair market value of such Company Pension Plan's assets equals or exceeds the present value of all benefits (whether vested or not) accrued to date by all present or former participants in such Company Pension Plan. For this purpose the assumptions prescribed by the Pension Benefit Guaranty Corporation for valuing plan assets or liabilities upon plan termination shall be applied and the term "benefits" shall include the value of all benefits, rights and features protected under Internal Revenue Code Section 411(d)(6) or its successors and any ancillary benefits (including disability, shutdown, early retirement and welfare benefits) provided under any such employee pension benefit plan and all "benefit liabilities" as defined in ERISA Section 4001(a)(16). Since the date of the most recent actuarial valuation, there has been (i) no material change in the financial position of any Company Pension Plan, (ii) no change in the actuarial assumptions with respect to any Company Pension Plan, and (iii) no increase in benefits under any Company Pension Plan as a result of Company Pension Plan amendments or changes in any applicable Law which is reasonably likely to have, individually or in the aggregate, a material adverse effect on the funding status of such Company Pension Plan. All contributions with respect to an Employee Benefit Plan of Company, or any of its ERISA Affiliates that is subject to Internal Revenue Code Section 412 or ERISA Section 302, have or will be timely made and, with respect to any such Employee Benefit Plan, there is no Lien nor is there expected to be a Lien under Internal Revenue Code Section 412(n) or ERISA Section 302(f) or Tax under Internal Revenue Code Section 4971. No Company Pension Plan has a "liquidity shortfall" as defined in Internal Revenue Code Section 412(m)(5). Neither Company nor any of its ERISA Affiliates is subject to or can reasonably be expected to become subject to a Lien under Internal Revenue Code Section 401(a)(29). All premiums required to be paid under ERISA Section 4006 have been timely paid by Company and by its ERISA Affiliates.

(h) No Liability under Title IV of ERISA has been or is expected to be incurred by Company or its ERISA Affiliates and no event has occurred that could reasonably result in Liability under Title IV of ERISA being incurred by Company or its ERISA Affiliates with respect to any ongoing, frozen, or terminated single-employer plan of Company or the single-employer plan of any ERISA Affiliate. There has been no "reportable event," within the meaning of ERISA Section 4043 for which the 30-day reporting requirement has not been waived by any ongoing, frozen, or terminated single employer plan of Company or of an ERISA Affiliate.

(i) Except as disclosed in Section 5.15 of the Company Disclosure Memorandum, no Company Entity has any Liability for retiree health and life benefits under any of the Company Benefit Plans and there are no restrictions on the rights of such Company Entity to amend or terminate any such retiree health or benefit Plan without incurring any Liability thereunder except to the extent required under Part 6 of Title I of ERISA or Internal Revenue Code Section 4980B. No Tax under Internal Revenue Code Sections 4980B or 5000 has been incurred with respect to any Company Benefit Plan and no circumstance exists which could give rise to such Taxes.

(j) Except as disclosed in Section 5.15 of the Company Disclosure Memorandum, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment (including severance, unemployment compensation, golden parachute, or otherwise) becoming due to any director or any employee of any Company Entity from any Company Entity under any Company Benefit Plan or otherwise, (ii) increase any benefits otherwise payable under any Company Benefit Plan, or (iii) result in any acceleration of the time of payment or vesting of any such benefit.

(k) The actuarial present values of all accrued deferred compensation entitlements (including entitlements under any executive compensation, supplemental retirement, or employment agreement) of employees and former employees of any Company Entity and their respective beneficiaries, other than entitlements accrued pursuant to funded retirement plans subject to the provisions of Internal Revenue Code Section 412 or ERISA Section 302, have been fully reflected on the Company Financial Statements to the extent required by and in accordance with GAAP.

(l) All individuals who render services to any Company Entity and who are authorized to participate in a Company Benefit Plan pursuant to the terms of such Company Benefit Plan are in fact eligible to and authorized to participate in such Company Benefit Plan. All individuals participating in (or eligible to participate in) any Company Benefit Plan are common-law employees of a Company Entity.

(m) On or after September 26, 1980, neither the Company nor any of its ERISA Affiliates has had an "obligation to contribute" (as defined in ERISA Section 4212) to a "multiemployer plan" (as defined in ERISA Sections 4001(a)(3) and 3(37)(A)).

5.16 Material Contracts.

Except as disclosed in Section 5.16 of the Company Disclosure Memorandum or otherwise reflected in the Company Financial Statements, none of the Company Entities, nor any of their respective Assets, businesses, or operations, is a party to, or is bound or affected by, or receives benefits under, (i) any employment, severance, termination, consulting, or retirement Contract providing for aggregate payments to any Person in any calendar year in excess of $50,000, (ii) any Contract relating to the borrowing of money by any Company Entity or the guarantee by any Company Entity of any such obligation (other than Contracts evidencing trade payables and Contracts relating to borrowings or guarantees made in the ordinary course of business), (iii) any Contract which prohibits or restricts any Company Entity from engaging in any business activities in any geographic area, line of business or otherwise in competition with any other Person, (iv) any Contract between or among Company Entities, (v) any Contract involving Intellectual Property (other than "shrink-wrap" software licenses), (vi) any Contract relating to the provision of data processing, network communication, or other technical services to or by any Company Entity, (vii) any Contract relating to the purchase or sale of any goods or services (other than Contracts entered into in the ordinary course of business and involving payments under any individual Contract not in excess of $100,000), (viii) any Contract for the provision of goods, services or credit between any Company Entity and any Person who is an Affiliate of the Company (other than

another Company Entity) and (ix) any other Contract or amendment thereto that would be required to be filed as an exhibit to a Form 10-K filed by Company with the SEC as of the date of this Agreement if Company were required to file a Form 10-K with the SEC (together with all Contracts referred to in Sections 5.10 and 5.15(a), the "Company Contracts"). With respect to each Company Contract and except as disclosed in Section 5.16 of the Company Disclosure Memorandum: (A) the Contract is in full force and effect; (B) no Company Entity is in Default thereunder; (C) no Company Entity has repudiated or waived any material provision of any such Contract; and (D) no other party to any such Contract is, to the Knowledge of Company, in Default in any respect, or has repudiated or waived any material provision thereunder. All of the Indebtedness of any Company Entity is prepayable at any time by such Company Entity without penalty or premium.

5.17 Legal Proceedings.

There is no Litigation instituted or pending, or, to the Knowledge of Company, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a reasonable possibility of an unfavorable outcome) against any Company Entity, or against any director, officer or employee in their capacities as such or Employee Benefit Plan of any Company Entity, or against any Asset, interest, or right of any of them, nor are there any Orders outstanding against any Company Entity. Section 5.17(a) of the Company Disclosure Memorandum contains a summary of all Litigation as of the date of this Agreement to which any Company Entity is a party and which names a Company Entity as a defendant or cross-defendant or for which any Company Entity has any potential Liability. Section 5.17(b) of the Company Disclosure Memorandum contains a summary of all Orders to which any Company Entity is subject.

5.18 Reports.

Since January 1, 1998 or the date of organization if later, each Company Entity has timely filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with Regulatory Authorities (except, in the case of state securities authorities, failures to file which are not reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect). As of their respective dates, each of such reports and documents, including the financial statements, exhibits, and schedules thereto, complied in all material respects with all applicable Laws. As of its respective date, each such report and document did not, in all material respects, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5.19 Statements True and Correct.

(a) No statement, certificate, instrument, or other writing furnished or to be furnished by any Company Entity or any Affiliate thereof to Purchaser pursuant to this Agreement or any other document, agreement, or instrument referred to herein contains or will contain any untrue statement of material fact or will omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) None of the information supplied or to be supplied by any Company Entity or any Affiliate thereof for inclusion in the notice of stockholders meeting to be mailed to Company's stockholders in connection with the Company Stockholders Meeting, will, when first mailed to the stockholders of Company, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, at the time of the Company Stockholders Meeting, be false or misleading

with respect to any material fact, or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of any proxy for the Company Stockholders Meeting.

(c) All documents that any Company Entity or any Affiliate thereof is responsible for filing with any Regulatory Authority in connection with the transactions contemplated hereby will comply as to form in all material respects with the provisions of applicable Law.

5.20 Regulatory Matters.

No Company Entity or any Affiliate thereof has taken or agreed to take any action or has any Knowledge of any fact or circumstance that is reasonably likely to materially impede or delay receipt of any Consents of Regulatory Authorities referred to in Section 9.1(a) and (b) or result in the imposition of a condition or restriction of the type referred to in the last sentence of such Section.

5.21 State Takeover Laws.

Each Company Entity has taken all necessary action to exempt the transactions contemplated by this Agreement from, or if necessary to challenge the validity or applicability of, any applicable "moratorium," "fair price," "business combination," "control share," or other anti-takeover Laws, including Section 203 of the DGCL (collectively, "Takeover Laws").

5.22 Charter Provisions.

Each Company Entity has taken all action so that the entering into of this Agreement and the consummation of the Merger and the other transactions contemplated by this Agreement do not and will not result in the grant of any rights to any Person under the Certificate of Incorporation, Bylaws or other governing instruments of any Company Entity or restrict or impair the ability of Purchaser or any of its Subsidiaries to vote, or otherwise to exercise the rights of a stockholder with respect to, shares of any Company Entity that may be directly or indirectly acquired or controlled by them.

5.23 Stockholders Consent and Voting Agreements.

All action has been taken by the Board of Directors of Company to approve and adopt this Agreement and the transactions contemplated hereby under the DGCL and other applicable Law. The stockholders executing the Stockholder Consent shall collectively hold shares of Company Common Stock sufficient to approve and adopt this Agreement and the transactions contemplated hereby. Each of the directors of Company has, and each of the holders of 5% or more of the voting power of the outstanding shares of Company Common Stock has, or will have within five business days after the date of this Agreement, executed and delivered to Purchaser the Voting Agreements. The stockholders executing Voting Agreements shall collectively hold shares of Company Common Stock sufficient to approve and adopt this Agreement and the transactions contemplated hereby. Each Voting Agreement represents, or upon execution thereof will represent, a legal, valid, and binding obligation of the stockholder party thereto, enforceable against such stockholder in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

5.24 Special Committee Recommendation; Board Recommendation.

The Company Special Committee at a meeting duly called and held, and the Board of Directors at a meeting duly called and held have (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, the Voting Agreements, and the transactions contemplated thereby, taken together, are fair to and in the best interests of the stockholders of Company and (ii) resolved to recommend that the holders of the shares of Company Common Stock approve this Agreement. No member of the Special Committee has any interest in this Agreement or the transactions contemplated hereby (other than as a stockholder, optionholder or warrantholder of the Company) so as to effect such director's duty of care or other fiduciary duty in evaluating this Agreement and the transactions contemplated hereby.

5.25 Management Agreements.

Rolland Johnson has entered into a management agreement in substantially the form of Exhibit 3 with Company (the "Johnson Management Agreement"), and Gary Buchanan has entered into a management agreement in substantially the form of Exhibit 4 with Company (the "Buchanan Management Agreement" and, together with the Johnson Management Agreement, the "Management Agreements"), each of which in accordance its terms shall become effective at the Effective Time.

ARTICLE 6 – REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser and Merger Sub hereby represent and warrant to Company as follows:

6.1 Organization, Standing, and Power.

Purchaser is a limited liability company duly organized, validly existing, and in good standing under the Laws of the State of Delaware, and has the power and authority to carry on its business as now conducted and to own, lease and operate its material Assets. Purchaser is duly qualified or licensed to transact business as a foreign limited liability company in good standing in the states of the United States and foreign jurisdictions where the character of its Assets or the nature or conduct of its business requires it to be so qualified or licensed.

6.2 Authority; No Breach By Agreement.

(a) Purchaser has the power and authority necessary to execute, deliver and perform its obligations under this Agreement and the Voting Agreements and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Voting Agreements and the consummation of the transactions contemplated herein and therein, including the Merger, have been duly and validly authorized by all necessary action in respect thereof on the part of Purchaser. This Agreement and each of the Voting Agreements has been or will be duly and validly executed by Purchaser and, assuming that this Agreement and each of the Voting Agreements has or will be been duly and validly executed and delivered by the other parties hereto, represents a legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) Neither the execution and delivery of this Agreement by Purchaser, nor the consummation by Purchaser of the transactions contemplated hereby, nor compliance by Purchaser with

any of the provisions hereof, will (i) conflict with or result in a breach of any provision of Purchaser's Certificate of Formation or the Purchaser LLC Agreement, or (ii) constitute or result in a Default under, or require any Consent pursuant to, or result in the creation of any Lien on any Asset of Purchaser under, any Contract or Permit of Purchaser or, (iii) subject to receipt of the requisite Consents referred to in Section 9.1(a) and (b) , constitute or result in a Default under, or require any Consent pursuant to, any Law or Order applicable to Purchaser or its material Assets (including Purchaser becoming subject to or liable for the payment of any Tax or any of the Assets owned by Purchaser being reassessed or revalued by any Regulatory Authority).

(c) Other than (i) in connection or compliance with the provisions of the Securities Laws, applicable state corporate and securities Laws, (ii) Consents required from Regulatory Authorities, including, without limitation, applicable approvals of the FCC pursuant to the Communications Laws, (iii) notices to or filings with the IRS or the Pension Benefit Guaranty Corporation with respect to any employee benefit plans, (iv) any non-United States competition, antitrust and investment laws, and (v) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, no notice to, filing with, or Consent of, any public body or authority is necessary for the consummation by Parent of the Merger and the other transactions contemplated in this Agreement.

6.3 Capital Stock.

(a) Exhibit B to the Purchaser LLC Agreement provides an accurate list of all of the holders of membership units or other equity interests of Purchaser, together with the number and class of membership units of Purchaser held by each, after giving effect to the contribution of the Investor Members Capital Contribution Amount contemplated by Section 8.14 and the exchange of Rollover Shares and cash by the Management Stockholders pursuant to Section 8.13(a), but without regard to the contribution of Rollover Shares by any Accredited Stockholders. All outstanding membership units of Purchaser are, and all of the Class A Units to be issued in exchange for Rollover Shares upon consummation of the Merger, when issued in accordance with the terms of this Agreement and the Purchaser LLC Agreement, will be, duly authorized, validly issued and, except as expressly set forth in the Purchaser LLC Agreement, fully paid and there are not any binding obligations under law to make further capital contributions in respect thereof to satisfy the debts and obligations of Purchaser.

(b) Except as set forth on Exhibit B to the Purchaser LLC Agreement or as contemplated by the Purchaser LLC Agreement or this Agreement, there are no equity securities of Purchaser outstanding and no outstanding Equity Rights relating to the equity securities of Purchaser.

6.4 Compliance with Laws.

Purchaser has in effect all Permits necessary for it to own, lease or operate its material Assets and to carry on its business as now conducted, and there has occurred no Default under any such Permit. Purchaser is not in Default under its Certificate of Incorporation or Bylaws (or other governing instruments) or under any Laws, Orders or Permits applicable to its business or employees conducting its business. Purchaser has not received any notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof (i) asserting that Purchaser is not, or may not be, in compliance with any Laws or Orders, (ii) threatening to revoke any Permits, or (iii) requiring Purchaser to enter into or consent to the issuance of a cease and desist order, formal agreement, directive, commitment or memorandum of understanding, or to adopt any board resolution or similar undertaking, which restricts materially the conduct of its business, or in any manner relates to its employment decisions, its employment or safety policies or practices, its management, or the payment of dividends.

6.5 Legal Proceedings.

There is no Litigation instituted or pending, or, to the Knowledge of Purchaser, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a reasonable possibility of an unfavorable outcome) against Purchaser, or against any director, employee or employee benefit plan of Purchaser, or against any Asset, interest, or right of any of them, nor are there any Orders outstanding against Purchaser.

6.6 Statements True and Correct.

(a) No statement, certificate, instrument or other writing furnished or to be furnished by Purchaser or any Affiliate thereof to Company pursuant to this Agreement or any other document, agreement or instrument referred to herein contains or will contain any untrue statement of material fact or will omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) All documents that Purchaser or any Affiliate thereof is responsible for filing with any Regulatory Authority in connection with the transactions contemplated hereby will comply as to form in all material respects with the provisions of applicable Law.

6.7 Authority of Merger Sub.

Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware as a wholly owned Subsidiary of Purchaser. The authorized capital stock of Merger Sub consists of 1,000 shares of Merger Sub Common Stock, all of which are validly issued and outstanding, fully paid and nonassessable and are owned by Purchaser free and clear of any Lien. Merger Sub has the corporate power and authority necessary to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized by all necessary corporate action in respect thereof on the part of Merger Sub. This Agreement has been duly and validly executed by Merger Sub and, assuming that this Agreement has been duly and validly executed and delivered by the other parties hereto, represents a legal, valid, and binding obligation of Merger Sub, enforceable against Merger Sub in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought). Purchaser, as the sole stockholder of Merger Sub, has voted prior to the Effective Time the shares of Merger Sub Common Stock in favor of approval of this Agreement, as and to the extent required by applicable Law.

ARTICLE 7 – CONDUCT OF BUSINESS PENDING CONSUMMATION

7.1 Affirmative Covenants of Company.

(a) From the date of this Agreement until the earlier of (i) the Effective Time, or (ii) the termination of this Agreement (the "Covenant Period"), unless the prior written consent of Purchaser shall have been obtained, and except as otherwise expressly contemplated herein, Company shall, and shall cause each of its Subsidiaries to, (A) operate its business only in the usual, regular, and ordinary course, (B) preserve intact its business organization and Assets and maintain its rights and franchises, and (C) take no action which would (1) adversely affect the ability of any Party to obtain any Consents

required for the transactions contemplated hereby without imposition of a condition or restriction of the type referred to in the last sentences of Section 9.1(a) or 9.1(c), or (2) adversely affect the ability of any Party to perform its covenants and agreements under this Agreement.

(b) During the Covenant Period, Company shall deliver the following Company Financial Statements: (i) as soon as available and in any event within 90 days after the end of Company's 2001 fiscal year, the audited consolidated balance sheet (including related notes and schedules, if any) of Company as of the end of such fiscal year, and the related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) for the fiscal year then ended, and (ii) as soon as available and in any event within 30 days after the end of any calendar month ending prior to or during the Covenant Period, the unaudited consolidated balance sheet (including related notes and schedules, if any) of Company as of the end of such calendar month, and the related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) for the calendar month then ended.

(c) During the Covenant Period, Company shall deliver, as soon as available and in any event within 30 days after the end of any calendar month ending prior to or during the Covenant Period, a supplement to Section 5.5(b) of the Company Disclosure Memorandum setting forth Broadcast Cash Flow on a Pro Forma Basis and Net Operating Revenues on a Pro Forma Basis for the calendar month then ended and for the 12 calendar months then ended.

7.2 Negative Covenants of Company.

During the Covenant Period, unless the prior written consent of Purchaser shall have been obtained, and except as otherwise expressly contemplated herein, Company covenants and agrees that it will not do or agree or commit to do, or permit any of its Subsidiaries to do or agree or commit to do, any of the following:

(a) amend the Certificate of Incorporation, Bylaws or other governing instruments of any Company Entity, or

(b) incur or suffer to exist any Indebtedness (other than (i) Indebtedness of a Company Entity to another Company Entity, (ii) Indebtedness reflected on the Company's balance sheet at December 31, 2001 and (iii) trade accounts payable and accrued expenses (other than interest expense) incurred in the ordinary course of business consistent with past Company practice since December 31, 2001), or impose, or suffer the imposition, on any Asset of any Company Entity of any Lien or permit any such Lien to exist (other than in connection with Liens in effect as of the date hereof that are disclosed in the Company Disclosure Memorandum); or

(c) repurchase, redeem, or otherwise acquire or exchange (other than exchanges in the ordinary course under employee benefit plans), directly or indirectly, any shares, or any securities convertible into any shares, of the capital stock of any Company Entity, or declare or pay any dividend or make any other distribution in respect of Company's capital stock, other than as disclosed in Section 7.2(c) of the Company Disclosure Memorandum; or

(d) except for this Agreement, or pursuant to the exercise of stock options outstanding as of the date hereof and pursuant to the terms thereof in existence on the date hereof, or as disclosed in Section 7.2(d) of the Company Disclosure Memorandum, issue, sell, pledge, encumber, authorize the issuance of, enter into any Contract to issue, sell, pledge, encumber, or authorize the issuance of, or otherwise permit to become outstanding, any additional shares of Company Common Stock or any other capital stock of any Company Entity, or any stock appreciation rights, or any option, warrant, or other Equity Right; or

(e) adjust, split, combine or reclassify any capital stock of any Company Entity or issue or authorize the issuance of any other securities in respect of or in substitution for shares of Company Common Stock, or sell, lease, mortgage or otherwise dispose of or otherwise encumber (i) any shares of capital stock of any Company Subsidiary (unless any such shares of stock are sold or otherwise transferred to another Company Entity) or (ii) any Asset having a book value in excess of $50,000 other than in the ordinary course of business for reasonable and adequate consideration; or

(f) except for purchases of U.S. Treasury securities or U.S. Government agency securities, which in either case have maturities of three years or less, purchase any securities or make any material investment, either by purchase of stock of securities, contributions to capital, Asset transfers, or purchase of any Assets, in any Person other than a wholly owned Company Subsidiary, or otherwise acquire direct or indirect control over any Person; or

(g) grant any increase in compensation or benefits to the employees or officers of any Company Entity, except in accordance with past practice disclosed in Section 7.2(g) of the Company Disclosure Memorandum or as required by Law; pay any severance or termination pay or any bonus other than pursuant to written policies or written Contracts in effect on the date of this Agreement and disclosed in Section 7.2(g) of the Company Disclosure Memorandum; and enter into or amend any severance agreements with officers of any Company Entity; grant any material increase in fees or other increases in compensation or other benefits to directors of any Company Entity except in accordance with past practice disclosed in Section 7.2(g) of the Company Disclosure Memorandum or waive any stock repurchase rights, accelerate, amend or change the period of exercisability of any Equity Rights or restricted stock, or reprice Equity Rights granted under the Company Stock Plan or authorize cash payments in exchange for any Equity Rights; or

(h) enter into or amend any employment Contract between any Company Entity and any Person (unless such amendment is required by Law) that the Company Entity does not have the unconditional right to terminate without Liability (other than Liability for services already rendered), at any time on or after the Effective Time; or

(i) adopt any new employee benefit plan of any Company Entity or terminate or withdraw from, or make any change in or to, any existing employee benefit plans of any Company Entity other than any such change that is required by Law or that, in the opinion of counsel, is necessary or advisable to maintain the tax qualified status of any such plan, or make any distributions from such employee benefit plans, except as required by Law, the terms of such plans or consistent with past practice; or

(j) make any significant change in any Tax or accounting methods or systems of internal accounting controls, except as may be appropriate to conform to changes in Tax Laws or regulatory accounting requirements or GAAP; or

(k) commence any Litigation or settle any Litigation involving any Liability of any Company Entity for money damages or imposing restrictions upon the operations of any Company Entity; or

(l) except in the ordinary course of business and, even if in the ordinary course of business, then not in an amount to exceed $25,000 individually or $100,000 in the aggregate, make or commit to make any capital expenditure, or enter into any lease of capital equipment as lessee or lessor; or

(m) except in the ordinary course of business, enter into, modify, amend or terminate any material Contract or waive, release, compromise or assign any material rights or claims.

7.3 Covenants of Purchaser.

During the Covenant Period, unless the prior written consent of Company shall have been obtained, and except as otherwise expressly contemplated herein, Purchaser covenants and agrees that it shall take no action which would (i) materially adversely affect the ability of any Party to obtain any Consents required for the transactions contemplated hereby without imposition of a condition or restriction of the type referred to in the last sentences of Section 9.1(a) or 9.1(c), or (ii) materially adversely affect the ability of any Party to perform its covenants and agreements under this Agreement.

7.4 Adverse Changes in Condition.

Each Party agrees to give written notice promptly to the other Party upon becoming aware of the occurrence or impending occurrence of any event or circumstance relating to it or any of its Subsidiaries which (i) is reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or a Purchaser Material Adverse Effect, as applicable, or (ii) would cause or constitute a material breach of any of its representations, warranties, or covenants contained herein, and to use its reasonable efforts to prevent or promptly to remedy the same.

7.5 Reports.

Each Party and its Subsidiaries shall file all reports required to be filed by it with Regulatory Authorities between the date of this Agreement and the Effective Time and shall deliver to the other Party copies of all such reports promptly after the same are filed. Any financial statements contained in reports to any Regulatory Authority shall be prepared in accordance with Laws applicable to such reports.

ARTICLE 8 – ADDITIONAL AGREEMENTS

8.1 Stockholder Approval.

(a) Company shall use its reasonable best efforts to cause, no later than five business days after the date of this Agreement, the Requisite Stockholders to approve and adopt this Agreement and the transactions contemplated hereby by execution of the Stockholder Consent. As promptly as practicable after the execution of the Stockholder Consent by the Requisite Stockholders, Company shall deliver to each stockholder of Company which did not execute the Stockholder Consent the notice required by Section 228 of the DGCL. As promptly as practicable after the execution of this Agreement, and in any event no later than as required by Section 262(d) of the DGCL, Company shall deliver to each stockholder of Company which did not execute the Stockholder Consent the notice of such stockholder's appraisal rights required by Section 262(d) of the DGCL.

(b) In addition to the Stockholder Consent, if it is determined by Purchaser to be necessary or appropriate, at the request of Purchaser, Company shall duly call, give notice of, convene and hold the Company Stockholders Meeting, to be held as soon as reasonably practicable after such notice by Purchaser, but in no event more than 30 days thereafter, on a date reasonably acceptable to Purchaser, for the purpose of voting upon approval and adoption of this Agreement or such other related matters as Purchaser deems appropriate.

(c) In connection with the Stockholders Consent and the Company Stockholders Meeting, (i) the Parties shall furnish to each other all information concerning them that they may reasonably request in connection with any materials to be distributed to the stockholders of Company in connection therewith, (ii) the Board of Directors of Company shall recommend to its stockholders the approval and adoption of this Agreement, and (iii) the Board of Directors and officers of Company shall use their

reasonable efforts to obtain the approval and adoption of this Agreement or such other matters by the stockholders of Company.

(d) Neither the Board of Directors of Company nor any committee thereof shall (i) withdraw, qualify or modify, or propose publicly to withdraw, qualify or modify, in a manner adverse to Purchaser, the approval or recommendation of such Board of Directors or such committee of the Merger or this Agreement, (ii) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal, or (iii) cause Company to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement (each, an "Acquisition Agreement") related to any Acquisition Proposal.

8.2 Other Offers, Etc.

(a) No Company Entity shall, nor shall it authorize or permit any of its Affiliates or Representatives to, directly or indirectly (i) solicit, initiate, encourage or induce the making, submission or announcement of any Acquisition Proposal, (ii) participate in any discussions or negotiations regarding, or furnish to any Person or "Group" (as such term is defined in Section 13(d) under the Exchange Act) any nonpublic information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to, any Acquisition Proposal, (iii) approve, endorse or recommend any Acquisition Proposal, or (iv) enter into any Acquisition Agreement contemplating or otherwise relating to any Acquisition Transaction.

(b) In addition to the obligations of Company set forth in Section 8.2(a), as promptly as practicable, and in any event within one business day after any of the executive officers of Company become aware thereof, Company shall advise Purchaser of any request received by Company for nonpublic information which Company reasonably believes could lead to an Acquisition Proposal or of any Acquisition Proposal, the material terms and conditions of such request or Acquisition Proposal, and the identity of the Person or Group making any such request or Acquisition Proposal. Company shall keep Purchaser informed promptly of material amendments or modifications to any such request or Acquisition Proposal.

(c) Company and its Subsidiaries shall cease any and all existing activities, discussions or negotiations with any Persons conducted heretofore with respect to any Acquisition Proposal and will use their respective reasonable best efforts to enforce any confidentiality or similar agreement relating to any Acquisition Proposal. Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in this Section 8.2 by any Affiliate or Representative of any Company Entity shall be deemed to be a breach of this Section 8.2 by Company.

8.3 Consents of Regulatory Authorities.

(a) The Parties will, within 30 days after the date of this Agreement, prepare and file with the FCC appropriate applications relating to change of control of the Stations which shall result from the Merger (the "FCC Application"). Thereafter, each of the Parties shall use its reasonable efforts to obtain the grant of the FCC Application as expeditiously as practicable. Each party to the FCC Application will promptly provide to all other parties a copy of any pleading, order or other document served on them relating to the FCC Application. Each party to the FCC Application is and will be legally, financially and otherwise qualified to be the licensee of, to sell or acquire, as the case may be, and to own and operate the Stations under the Communications Laws. Each party to the FCC Application shall take or cause to be taken all actions necessary or appropriate to be taken by that party (or its Affiliates) to permit the FCC to approve in a timely manner the transactions contemplated by the FCC Application. Purchaser shall not have any obligation to take any unreasonable steps to satisfy complainants, if any, which steps would

substantially impair or diminish rights under the Station Licenses or otherwise impose any unreasonable burden on Purchaser. If the FCC Consent imposes any material condition on any party hereto, such party shall use its reasonable efforts to comply with such condition unless compliance would be unduly burdensome to the Purchaser or to the benefits of the transaction for which it has bargained hereunder. If reconsideration or judicial review is sought with respect to the FCC Consent, the Parties shall use their reasonable efforts to oppose such efforts for reconsideration or judicial review vigorously. If the Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and neither Purchaser nor Company shall have terminated this Agreement pursuant to Article 10, Purchaser and Company shall jointly request an extension of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the exercise by Purchaser or Company of its right to terminate this Agreement pursuant to Article 10. Notwithstanding anything to the contrary in this Section, Purchaser shall not be required to take or agree to take any other action or agree to any limitation that is reasonably likely to have a Purchaser Material Adverse Effect or a Purchaser Material Adverse Effect after giving effect to the Merger.

(c) The Parties hereto shall cooperate with each other and use their reasonable efforts to determine whether any filings are required to be made with, or Consents are required to be obtained from, any third party, the United States government or any agency, departments or instrumentalities thereof or other governmental or regulatory bodies or authorities of any federal, states, local and foreign jurisdictions in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and promptly prepare and file all necessary documentation, to effect all such applications, notices, petitions and filings (which shall include the filings pursuant to subsection (a) above), and to obtain as promptly as practicable all other Consents of all Regulatory Authorities and other Persons which are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Merger). The Parties agree that they will consult with each other with respect to the obtaining of all such Consents of all Regulatory Authorities and other Persons necessary or advisable to consummate the transactions contemplated by this Agreement and each Party will keep the other apprised of the status of matters relating to contemplation of the transactions contemplated herein. Each Party also shall promptly advise the other upon receiving any communication from any Regulatory Authority whose Consent is required for consummation of the transactions contemplated by this Agreement which causes such Party to believe that there is a reasonable likelihood that any requisite Consent will not be obtained or that the receipt of any such Consent will be materially delayed. Each Party shall permit the other to review any material communication to be given by it to, and shall consult with each other in advance of any telephonic call, meeting or conference with, any Regulatory Authority and, to the extent permitted, give the other Party the opportunity to attend and participate in such telephonic calls, meetings and conferences.

8.4 Filings with State Offices.

Upon the terms and subject to the conditions of this Agreement, Company shall execute and file the Certificate of Merger with the Secretary of State of the State of Delaware in connection with the Closing.

8.5 Agreement as to Efforts to Consummate.

Subject to the terms and conditions of this Agreement, each Party agrees to use, and to cause its Subsidiaries to use, its reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable Laws to consummate and make effective, as soon as reasonably practicable after the date of this Agreement, the transactions contemplated by this Agreement, including using its reasonable efforts to lift or rescind any Order adversely affecting its ability to consummate the transactions contemplated herein and to cause to be satisfied the conditions referred to

in Article 9; provided, that nothing herein shall preclude either Party from exercising its rights under this Agreement.

8.6 Investigation and Confidentiality.

(a) Prior to the Effective Time, each Party shall keep the other Party advised of all material developments relevant to its business and to consummation of the Merger.

(b) Company shall permit Purchaser to make or cause to be made such investigation of the business and properties of the Company Entities and of their respective financial and legal conditions as Purchaser reasonably requests, provided that such investigation shall be reasonably related to the transactions contemplated hereby and shall not interfere unnecessarily with normal operations. In furtherance of the foregoing, Company shall permit Purchaser and its advisors and agents access to its personnel, books, records and properties. To the extent requested by Senior Lender, Company shall provide Senior Lender and other participants in the Credit Facility similar rights and access, subject to such Persons agreeing to be bound by provisions similar to those set forth in Section 8.6(c). No investigation by Purchaser shall affect the ability of Purchaser to rely on the representations and warranties of Company.

(c) Each Party shall, and shall cause its advisers and agents to, maintain the confidentiality of all confidential information furnished to it by the other Party concerning its and its Subsidiaries' businesses, operations, and financial positions and shall not use such information for any purpose except in furtherance of the transactions contemplated by this Agreement. If this Agreement is terminated prior to the Effective Time, each Party shall promptly return or certify the destruction of all documents and copies thereof, and all work papers containing confidential information received from the other Party.

(d) Company shall use its reasonable efforts to exercise, and shall not waive any of, its rights under confidentiality agreements entered into with Persons which were considering an Acquisition Proposal with respect to Company to preserve the confidentiality of the information relating to the Company Entities provided to such Persons and their Affiliates and Representatives.

(e) Each Party agrees to give the other Party notice as soon as practicable after any determination by it of any fact or occurrence relating to the other Party which it has discovered through the course of its investigation and which represents, or is reasonably likely to represent, either a material breach of any representation, warranty, covenant or agreement of the other Party or which has had or is reasonably likely to have a Company Material Adverse Effect or a Purchaser Material Adverse Effect, as applicable.

8.7 Press Releases.

Prior to the Effective Time, Company and Purchaser shall consult with each other as to the form and substance of any press release or other public disclosure materially related to this Agreement or any other transaction contemplated hereby; provided, that nothing in this Section 8.7 shall be deemed to prohibit any Party from making any disclosure which its counsel deems necessary or advisable in order to satisfy such Party's disclosure obligations imposed by Law.

8.8 Repayment of Indebtedness.

As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall repay the Indebtedness of the Company set forth on Exhibit 5.

8.9 State Takeover Laws.

Each Company Entity shall take all necessary steps to exempt the transactions contemplated by this Agreement from, or if necessary to challenge the validity or applicability of, any applicable Takeover Law.

8.10 Charter Provisions.

Each Company Entity shall take all necessary action to ensure that the entering into of this Agreement and the consummation of the Merger and the other transactions contemplated hereby do not and will not result in the grant of any rights to any Person under the Certificate of Incorporation, Bylaws or other governing instruments of any Company Entity or restrict or impair the ability of Purchaser or any of its Subsidiaries to vote, or otherwise to exercise the rights of a stockholder with respect to, shares of any Company Entity that may be directly or indirectly acquired or controlled by them.

8.11 Credit Facility.

(a) Purchaser shall use its reasonable efforts to obtain, within 30 days after the earlier to occur of (x) the date on which the Stockholder Consent has been executed by the Requisite Stockholders or (y) the date on which Voting Agreement have been executed by the Requisite Stockholders, a written commitment (the "Credit Facility Commitment") from a lender ("Senior Lender") which shall contemplate that, subject to negotiation of definitive documentation, Purchaser and Senior Lender shall enter into a senior credit facility (the "Credit Facility") containing customary terms and conditions, pursuant to which Purchaser will be entitled to borrow (i) at least $40,000,000 pursuant to a term loan on or prior to the Effective Time (the "Tranche 1 Loan"), (ii) at least an additional $2,500,000 pursuant to a revolving loan on or after the Effective Time (the "Revolver") and (iii) at least an additional $10,000,000 in connection with the acquisition after the Effective Time of additional radio station assets (the "Tranche 2 Loan"). Purchaser shall allow the Chief Executive Officer of Company to participate in the negotiation of the Credit Facility Commitment.

(b) Purchaser shall use its reasonable efforts to negotiate the terms of and enter into the Credit Facility, the terms of which shall be consistent with those contained in the Credit Facility Commitment. Purchaser shall provide the Chief Executive Officer or Chief Operating Officer of Company an opportunity to review the material terms of the Credit Facility prior to execution thereof. The approval of the Chief Executive Officer of Company, which approval shall not be unreasonably withheld, shall be required in the event that any material term of the Credit Facility Commitment is changed in the Credit Facility.

8.12 Employee Benefits and Contracts.

Following the Effective Time, Purchaser shall provide generally to officers and employees of the Company Entities employee benefits under employee benefit and welfare plans (other than stock option or other plans involving the potential issuance of Purchaser Units), on terms and conditions which when taken as a whole are substantially similar to those currently provided by Purchaser to its similarly situated officers and employees. For purposes of participation, vesting and (except in the case of Purchaser retirement plans) benefit accrual under Purchaser's employee benefit plans, the service of the employees of the Company Entities prior to the Effective Time shall be treated as service with Purchaser participating in such employee benefit plans. Purchaser also shall cause the Surviving Corporation and its Subsidiaries to honor in accordance with their terms all employment, severance, consulting and other compensation Contracts disclosed in Section 8.12 of the Company Disclosure Memorandum to Purchaser between any Company Entity and any current or former director, officer, or employee thereof, and all

provisions for vested benefits or other vested amounts earned or accrued through the Effective Time under the Company Benefit Plans.

8.13 The Rollover.

(a) Contemporaneously with the execution of this Agreement, each of the Management Stockholders has executed a Management Rollover Election Agreement in the form of Exhibit 6 (the "Management Rollover Election Agreements") pursuant to which such Management Stockholder has agreed to exchange, for Class A Units in the Purchaser, shares of Company Common Stock and/or a portion of the cash to be received by such Management Stockholder as his Option Settlement Payment pursuant to Section 3.4 with an aggregate value equal to at least 50% of the aggregate value of (i) the shares of Company Common Stock held by such Management Stockholder and (ii) the after tax proceeds of such Management Stockholder's Option Settlement Payment. A number of shares equal to the aggregate amount of cash which all Management Stockholders agree to exchange pursuant to this Section 8.13(a), divided by 3.5, shall be deemed to be Election Shares and to be Rollover Shares for purposes of Section 8.13(c) below.

(b) As promptly as practicable after the issuance of the Company Financial Statements for 2001 described in Section 7.1(b)(i), Purchaser shall distribute to each Accredited Stockholder an Accredited Stockholder Rollover Election Agreement substantially in the form of Exhibit 7 (the "Accredited Stockholder Rollover Election Agreements" and, together with the Management Rollover Election Agreements, the "Rollover Election Agreements") pursuant to which an Accredited Stockholder may request that either 50% or 100% of such Accredited Stockholder's shares of Company Common Stock be exchanged for Class A Units in the Rollover.

(c) No later than 10 days after date by which the Accredited Stockholder Rollover Election Agreements require the Accredited Stockholders to execute and deliver an Accredited Stockholder Rollover Election Agreement in order to participate in the Rollover (the "Election Date"), Purchaser shall determine the aggregate number of shares of Company Common Stock pursuant to which Rollover Election Agreements have been delivered ("Election Shares"). In the event that the number of Election Shares is less than or equal to 2,000,000, or such higher amount as the Purchaser in its sole discretion shall determine (the "Rollover Limit"), Purchaser shall notify Company and all holders of Company Common Stock which delivered such Rollover Election Agreements (the "Electing Holders") that all of the Electing Holders' Election Shares shall be treated as Rollover Shares in the Merger. In the event that the number of Election Shares is greater than the Rollover Limit, Purchaser shall determine, in accordance with Section 8.13(d), which Election Shares shall be treated as Rollover Shares in the Merger and shall notify Company and all Electing Holders as to which Election Shares shall be treated as Rollover Shares in the Merger. Any Election Shares which are not treated as Rollover Shares shall be converted in the Merger into cash pursuant to Section 3.1(b).

(d) In the event that the number of Election Shares is greater than the Rollover Limit, all Election Shares held by Management Stockholders (the "Management Election Shares") shall be treated as Rollover Shares and the Election Shares held by Accredited Stockholders shall be selected by the Purchaser to be treated as Rollover Shares by selecting the Election Shares held by the Accredited Stockholder holding the greatest number of Election Shares and continuing to select the Election Shares held by the Accredited Stockholder holding the next greatest number of Election Shares until such time as the Rollover Limit is met.

8.14 Purchaser LLC Agreement; Capitalization of Purchaser.

(a) On or prior to the Closing Date, the limited liability company agreement of Purchaser shall be amended and restated in substantially the form set forth in Exhibit 8 (as so amended and restated, the "Purchaser LLC Agreement"). The Purchaser LLC Agreement shall represent a legal, valid, and binding obligation of the parties thereto, enforceable against such parties in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) On or prior to the Closing Date, in accordance with the terms of the Purchaser LLC Agreement, the Investor Members shall (i) contribute to the capital of Purchaser in exchange for one Class A Unit for each dollar contributed an amount in cash equal to the WCP Capital Contribution Amount or the Primus Capital Contribution Amount, as the case may be, and (ii) commit to, when called by Purchaser's Board of Directors, purchase additional Class A Units in exchange for an amount in cash equal to $10,000,000, the proceeds of which, together with the Tranche 2 Loans, shall be used to acquire additional radio station assets.

8.15 Capitalization of Merger Sub.

On or prior to the Closing Date, Purchaser shall make available to the Merger Sub, either as capital contributions or loans, (i) an amount in cash equal to the Investor Members Capital Contribution Amount and (ii) at least $40,000,000 of proceeds from borrowings pursuant to the Credit Facility.

ARTICLE 9 – CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE

9.1 Conditions to Obligations of Each Party.

The respective obligations of each Party to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by both Parties pursuant to Section 12.6:

(a) Regulatory Approvals. All Consents of, filings and registrations with, and notifications to, all Regulatory Authorities required for consummation of the Merger shall have been obtained or made and shall be in full force and effect and all waiting periods required by Law shall have expired. No Consent obtained from any Regulatory Authority which is necessary to consummate the transactions contemplated hereby shall be conditioned or restricted in a manner (including requirements relating to the raising of additional capital or the disposition of Assets) which in the reasonable judgment of the Board of Directors of Purchaser would so materially adversely impact the economic or business benefits of the transactions contemplated by this Agreement that, had such condition or requirement been known, such Party would not, in its reasonable judgment, have entered into this Agreement.

(b) FCC Approvals. All orders and approval of the FCC required in connection with the consummation of the transactions contemplated hereby shall have been obtained or made by Final Order; provided, however, that Purchaser may elect to consummate the Merger on an initial order from the FCC even though an appeal or request for reconsideration is pending or the time for filing an appeal or request for reconsideration or any sua sponte action by the FCC has not expired.

(c) Consents and Approvals. Each Party shall have obtained any and all Consents required for consummation of the Merger (other than those referred to in Section 9.1(a) and (b)) or for the

preventing of any Default under any Contract or Permit of such Party which, if not obtained or made, is reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or a Purchaser Material Adverse Effect, as applicable. No Consent so obtained which is necessary to consummate the transactions contemplated hereby shall be conditioned or restricted in a manner which in the reasonable judgment of the Board of Directors of Purchaser would so materially adversely impact the economic or business benefits of the transactions contemplated by this Agreement that, had such condition or requirement been known, such Party would not, in its reasonable judgment, have entered into this Agreement.

(d) Legal Proceedings. No court or governmental or Regulatory Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) or taken any other action which prohibits, restricts or makes illegal consummation of the transactions contemplated by this Agreement.

(e) Stockholder Approval. The stockholders of Company shall have approved this Agreement and the consummation of the transactions contemplated hereby, including the Merger, as and to the extent required by Law or by the provisions of any governing instruments.

9.2 Conditions to Obligations of Purchaser.

The obligations of Purchaser to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by Purchaser pursuant to Section 12.6(a):

(a) Representations and Warranties. For purposes of this Section 9.2(a), the accuracy of the representations and warranties of Company set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided that representations and warranties which are expressly confined to a specified date shall speak only as of such date). The representations and warranties set forth in Section 5.3 shall be true and correct (except for inaccuracies which are de minimus in amount). The representations and warranties set forth in Sections 5.20, 5.21 and 5.22 shall be true and correct in all material respects. There shall not exist inaccuracies in the representations and warranties of Company set forth in this Agreement (including the representations and warranties set forth in Sections 5.3, 5.20, 5.21 and 5.22) such that the aggregate effect of such inaccuracies has, or is reasonably likely to have, a Company Material Adverse Effect; provided that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material" or "Material Adverse Effect" or to the "Knowledge" of any Person shall be deemed not to include such qualifications.

(b) Performance of Agreements and Covenants. Each and all of the agreements and covenants of Company to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with in all material respects.

(c) Financial Condition. As evidenced by the information set forth in Section 5.5(b) of the Company Disclosure Memorandum (including the required supplements thereto), (i) Company's Broadcast Cash Flow on a Pro Forma Basis for the 12 months ending on the last day of the month immediately prior to the date on which all of the conditions to Closing are satisfied (other than the conditions in this Section 9.2(c)) shall be no less than $8,100,000, (ii) Company's Net Operating Revenues on a Pro Forma Basis for the period beginning January 1, 2002 and ending on the last day of the month immediately prior to the date on which all of the conditions to Closing are satisfied (other than

the conditions in this Section 9.2(c)) shall be greater than its Net Operating Revenues on a Pro Forma Basis for the comparable period in 2001 and (iii) the Company's Indebtedness (excluding for this purpose trade accounts payable and accrued expenses (other than interest expense) incurred in the ordinary course of business consistent with past Company practice) less available cash balances as of the date of Closing shall be no greater than $29,300,000 (the "Net Debt Repayment Amount").

(d) Certificates. Company shall have delivered to Purchaser (i) a certificate, dated as of the Effective Time and signed on its behalf by its chief executive officer and its chief financial officer, to the effect that the conditions set forth in Section 9.1 as relates to Company and in Sections 9.2(a) and 9.2(b) have been satisfied, and (ii) certified copies of resolutions duly adopted by Company's Board of Directors and stockholders evidencing the taking of all corporate action necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Purchaser and its counsel shall request.

(e) Opinions of Counsel. Purchaser shall have received an opinion of Hendricks, Hendricks & Shakes, P.C., counsel to Company, as to the matters set forth in Exhibit 9 and an opinion of Irwin, Campbell & Tannenwald, P.C., FCC counsel to Company, as to the matters set forth in Exhibit 10, in each case dated as of the Closing and in form reasonably satisfactory to Purchaser.

(f) Completion of Due Diligence Review. Purchaser shall have completed, to its sole satisfaction, its due diligence review of the business and properties of the Company Entities and of their respective financial and legal conditions (including, without limitation, matters related to compliance by the Company Entities with all Communications Laws); provided, however, that this condition shall be deemed satisfied in the event that Purchaser does not notify Company, on or prior to the 30th day after the earlier to occur of (x) the date on which the Stockholder Consent has been executed by the Requisite Stockholders or (y) the date on which Voting Agreement have been executed by the Requisite Stockholders, that such review has not been completed to Purchaser's satisfaction.

(g) Purchaser Financing. Purchaser shall have entered into the Credit Facility and shall have at least $40,000,000 immediate availability under the Tranche 1 Loan thereunder.

(h) FIRPTA Certificate. Company shall have delivered to Purchaser (a) a certification from Company, dated no more than thirty (30) days prior to the Closing Date and signed by a responsible corporate officer of Company, that Company is not, and has not been at any time during the five years preceding the date of such certification, a United States real property holding company, as defined in Internal Revenue Code Section 897(c)(2), and (b) proof reasonably satisfactory to Purchaser that Company has provided notice of such certification to the IRS in accordance with the provisions of Treasury regulations Section 1.897-2(h)(2).

(i) Appraisal Rights. No more than 5% of the shares of Company Common Stock outstanding immediately prior to the Effective Time shall have perfected or shall have the right to perfect in the future appraisal rights with respect to the Merger.

(j) Absence of Adverse Change in Condition. No event or circumstance relating to Company or any of its Subsidiaries shall have occurred which is reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

(k) Management Agreements. No party to any Management Agreement shall have taken any action which shall have resulted or could have resulted in such Management Agreement not becoming effective as of the Effective Time.

(l) Funding Sources. The total of the Funding Sources shall be no less than the Funds Required at Closing. For this purpose, Funds Required at Closing shall equal the sum of (i) the Per Share Purchase Price multiplied by the number of shares of Company Common Stock converted into and exchanged for the right to receive the Per Share Purchase Price pursuant to Section 3.1(b), (ii) the aggregate amount of cash payable by the Surviving Corporation with respect to all Option Settlement Payments and Warrant Settlement Payments pursuant to Section 3.4, (iii) the Net Debt Repayment Amount and (iv) the amount of expenses incurred by or required to be reimbursed by Company in connection with the transactions contemplated hereunder.

9.3 Conditions to Obligations of Company.

The obligations of Company to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by Company pursuant to Section 12.6(b):

(a) Representations and Warranties. For purposes of this Section 9.3(a), the accuracy of the representations and warranties of Purchaser set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided that representations and warranties which are expressly confined to a specified date shall speak only as of such date). There shall not exist inaccuracies in the representations and warranties of Purchaser set forth in this Agreement such that the aggregate effect of such inaccuracies has, or is reasonably likely to have, a Purchaser Material Adverse Effect; provided that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material" or "Material Adverse Effect" or to the "Knowledge" of any Person shall be deemed not to include such qualifications.

(b) Performance of Agreements and Covenants. Each and all of the agreements and covenants of Purchaser to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with in all material respects.

(c) Purchaser LLC Agreement. The Investor Members shall have executed and delivered the Purchaser LLC Agreement and contributed to Purchaser the Primus Capital Contribution Amount and the WCP Capital Contribution Amount, as the case may be.

(d) Certificates. Purchaser shall have delivered to the Company (i) a certificate, dated as of the Effective Time and signed on its behalf by its chief executive officer and its chief financial officer, to the effect that the conditions set forth in Section 9.1 as relates to Purchaser and in Sections 9.3(a) and 9.3(b) have been satisfied, and (ii) certified copies of resolutions duly adopted by Purchaser's Board of Directors and Merger Sub's Board of Directors and sole stockholder evidencing the taking of all action necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Company and its counsel shall request.

ARTICLE 10 – TERMINATION

10.1 Termination.

Notwithstanding any other provision of this Agreement, and notwithstanding the approval of this Agreement by the stockholders of Company, this Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time:

(a) By mutual written agreement of Purchaser and Company; or

(b) By either Party (provided that the terminating Party is not then in material breach of any representation, warranty, covenant, or other agreement contained in this Agreement) in the event of a breach by the other Party of any representation or warranty contained in this Agreement which cannot be or has not been cured within 30 days after the giving of written notice to the breaching Party of such breach and which breach is reasonably likely, in the opinion of the non-breaching Party, to permit such Party to refuse to consummate the transactions contemplated by this Agreement pursuant to the standard set forth in Section 9.2 or 9.3 as applicable; or

(c) By either Party (provided that the terminating Party is not then in material breach of any representation, warranty, covenant, or other agreement contained in this Agreement) in the event of a material breach by the other Party of any covenant or agreement contained in this Agreement which cannot be or has not been cured within 30 days after the giving of written notice to the breaching Party of such breach; or

(d) By either Party (provided that the terminating Party is not then in material breach of any representation, warranty, covenant, or other agreement contained in this Agreement) in the event (i) any Consent of any Regulatory Authority required for consummation of the Merger and the other transactions contemplated hereby shall have been denied by final nonappealable action of such authority or if any action taken by such authority is not appealed within the time limit for appeal, or (ii) any Law or Order permanently restraining, enjoining or otherwise prohibiting the consummation of the Merger shall have become final and nonappealable; or

(e) By either Party in the event that the Merger shall not have been consummated by September 30, 2002, if the failure to consummate the transactions contemplated hereby on or before such date is not caused by any breach of this Agreement by the Party electing to terminate pursuant to this Section 10.1(e); or

(f) By Purchaser in the event that any Person (other than Purchaser) shall have acquired beneficial ownership (determined pursuant to Rule 13d-3 promulgated under the Exchange Act) of 5% of the voting power of the outstanding shares of Company Common Stock unless such Person signs or is party to a Voting Agreement; or

(g) By Company (provided that Company is not then in material breach of any representation, warranty, covenant, or other agreement contained in this Agreement), if Purchaser provides Company the notice contemplated by Section 9.2(f); or

(h) By Purchaser in the event that Voting Agreements have not been executed by Requisite Stockholders and/or the Stockholder Consent has not been executed by Requisite Stockholders, in any case on or before the date which is five business days after the date of this Agreement; or

(i) By Company (provided that Company is not then in material breach of any representation, warranty, covenant, or other agreement contained in this Agreement), in the event that the Credit Facility Commitment delivered by Purchaser to Company contains terms and conditions (other than those specifically described in Section 8.11(a) of this Agreement) that are materially less favorable, taken as a whole, to Company than those that are available from other third party lenders; provided that Company shall have delivered a Credit Facility Commitment Notice to Purchaser within five business days after the date on which such Credit Facility Commitment was delivered to Company and Purchaser shall have failed to deliver to Company, on or prior to the tenth business day after the date on which such

Credit Facility Commitment Notice was delivered, a revised Credit Facility Commitment reasonably eliminating the deficiencies noted in the Credit Facility Commitment Notice; provided further that Company may terminate this Agreement pursuant to this Section 10.1(i) only (x) on or prior to the fifth business day after the tenth business day after the delivery of the Credit Facility Commitment Notice, in the event that Purchaser does not provide a revised Credit Facility Commitment on or prior to the end of such ten business day period or (y) on or prior to the fifth business day after the date on which Company receives a revised Credit Facility Commitment from Purchaser, in the event that such revised Credit Facility Commitment does not reasonably eliminate the deficiencies properly noted in the Credit Facility Commitment Notice.

10.2 Effect of Termination.

In the event of the termination and abandonment of this Agreement pursuant to Section 10.1, this Agreement shall become void and have no effect, except that (i) the provisions of this Section 10.2, Section 8.6(c), and Article 1 and Article 12, shall survive any such termination and abandonment, and (ii) no such termination shall relieve the breaching Party from Liability resulting from any breach by that Party of this Agreement.

ARTICLE 11 – SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS AND INDEMNIFICATION

11.1 Survival of Representations, Warranties, Covenants and Agreements.

(a) All representations, warranties, agreements and covenants made or undertaken by the Parties in this Agreement are material, have been relied upon by the other Parties, shall survive the Effective Time hereunder and shall not merge in the performance of any obligation by any party hereto.

(b) Company acknowledges and agrees that prior to the Effective Time, Purchaser intends to perform such investigation of Company, Company's business and Assets as it may deem necessary or appropriate; however, no investigation by Purchaser will diminish or obviate any of the representations, warranties, covenants, or agreements made or to be performed by Company pursuant to this Agreement or Purchaser's right to fully rely upon such representations, warranties, covenants, and agreements.

11.2 Entitlement to Indemnification from the Escrow Fund.

Subject to the limitations contained in Sections 11.5 and 11.6, Purchaser shall be entitled to indemnification from the Escrow Fund for all Losses asserted against, imposed upon or incurred by Purchaser or the Company by reason of, resulting from, arising out of, based upon or otherwise in respect of the following notwithstanding any actual or alleged negligence of Purchaser or the Company:

(a) any inaccuracy in any representation or warranty made by Company pursuant to this Agreement; provided that for purposes of this sentence only, those representations and warranties which are qualified by references to "material" or "Material Adverse Effect" or to the "Knowledge" of any Person or variations of such terms shall be deemed not to include such references; or

(b) any breach of any covenant or agreement made or to be performed by Company pursuant to this Agreement.

11.3 Notice of Loss or Asserted Liability.

Promptly after (i) becoming aware of circumstances that have resulted or can reasonably be anticipated to result in a Loss for which it intends to seek indemnification under such Section 11.2 or (ii) receipt by the Purchaser of written notice of any demand, claim, or circumstances which, with the lapse of time, the giving of notice or both, would give rise to a claim or the commencement (or threatened commencement) of any Litigation that may result in a Loss (an "Asserted Liability"), Purchaser shall give notice thereof (the "Claims Notice") to the Stockholder Representative. The Claims Notice shall describe the Loss or the Asserted Liability in reasonable detail, and shall indicate the amount (reasonably estimated, if necessary) of the Loss that has been or may be suffered by Purchaser. The Claims Notice may be amended on one or more occasions with respect to the amount of the Asserted Liability or the Loss at any time prior to final resolution of the obligation to indemnify relating to the Asserted Liability or the Loss. If a Claims Notice is not provided promptly as required by this Section 11.3, Purchaser nonetheless shall be entitled to indemnification to the extent that the Stockholder Representative has not established that the entitlement of the Company's stockholders to the Escrow Fund has not been prejudiced by such late receipt of the Claims Notice. Notwithstanding the foregoing sentence, however, if the Claims Notice is not provided prior to compromise or payment of any Asserted Liability by Purchaser or by the Company, Purchaser shall only be entitled to indemnification to the extent that Purchaser has established that the entitlement of the Company's stockholders to the Escrow Fund has not been prejudiced by such compromise or payment.

11.4 Opportunity to Contest.

The Stockholder Representative may elect to compromise or contest, at no expense to Purchaser and with counsel reasonably acceptable to Purchaser, any Asserted Liability. If the Stockholder Representative elects to compromise or contest such Asserted Liability, it shall within 30 days (or sooner, if the nature of the Asserted Liability so requires) notify Purchaser of its intent to do so by sending a notice to Purchaser (the "Contest Notice"), and Purchaser shall cooperate, at no expense to Purchaser, in the compromise or contest of such Asserted Liability. If the Stockholder Representative elects not to compromise or contest the Asserted Liability, fails to notify Purchaser of its election as herein provided or contests its obligation to indemnify under this Agreement, Purchaser (upon further notice to the Stockholder Representative) shall have the right to pay, compromise or contest such Asserted Liability on behalf of and for the account and risk of Company. Anything in this Section 11.4 to the contrary notwithstanding, Purchaser shall have the right, at its own cost and for its own account, to compromise or contest any Asserted Liability. In any event, Purchaser and Stockholder Representative may participate, at their own expense, in the contest of such Asserted Liability. Each of Purchaser and the Stockholder Representative shall cooperate fully with the other as to all Asserted Liabilities, shall make available to the others as reasonably requested all information, records and documents relating to all Asserted Liabilities and shall preserve all such information, records and documents until the termination of any Asserted Liability. To the extent reasonably practicable, each of Purchaser and the Stockholder Representative also shall make available to the other, as reasonably requested, its personnel, agents, and other representatives who are responsible for preparing or maintaining information, records, or other documents or who may have particular Knowledge with respect to any Asserted Liability.

11.5 Limitations on Indemnification.

(a) Purchaser shall not be entitled to indemnification from the Escrow Fund with respect to matters as to which Purchaser fails to deliver a Claims Notice prior to the last day of the twelfth calendar month ending after the Closing Date.

(b) Purchaser shall not be entitled to indemnification from the Escrow Fund with respect to the matters described in clauses (a) or (b) of Section 11.2 of this Agreement until the total of all Losses with respect thereto exceeds $200,000 (the "Threshold Amount") and then only for the amount by which such Losses exceed the Threshold Amount. The aggregate liability with respect to the matters described in clauses (a) or (b) of Section 11.2 of this Agreement shall be limited to and satisfied only by the delivery pursuant to Section 11.7 of this Agreement of Escrow Funds.

(c) The limitations set forth in this Section 11.5 shall not apply to any Losses occasioned by the willful misconduct, fraud or bad faith. The Purchaser shall not be indemnified pursuant to this Agreement to the extent that Losses are increased or extended by the willful misconduct, fraud, or bad faith of Purchaser.

11.6 Tax Effect and Insurance.

The amount of any indemnification payment from the Escrow Fund shall be reduced by the tax benefit actually realized and any insurance proceeds received by Purchaser or the Company as a result of any Losses upon which such indemnification payment is based, and shall include any tax detriment actually suffered by Purchaser or the Company as a result of such Losses. The amount of any such tax benefit or detriment shall be determined by taking into account the effect, if any and to the extent determinable, of timing differences resulting from the acceleration or deferral of items of gain or loss resulting from such Losses and shall otherwise be determined so that payment of the indemnification payment, as adjusted to give effect to any such tax benefit or detriment, will make Purchaser or the Company as economically whole as is reasonably practical with respect to the Losses upon which such indemnification payment is based. Any dispute as to the amount of such tax benefit or detriment shall be resolved by arbitration as provided in Section 11.9 of this Agreement.

11.7 Indemnification Payments.

Subject to the terms hereof and unless contested in good faith, Purchaser shall be entitled to receive from the Escrow Fund the full amount of any and all Losses (other than Losses resulting from an Asserted Liability) under this Article 11 within 30 days of receipt of the Claims Notice thereof and the full amount of any Loss resulting from an Asserted Liability within 30 days of the date such Litigation is terminated or the date a final judgment or award is rendered and no appeal is taken, and thereafter the amount of such Loss shall bear interest at a rate equal to 10% per annum. Purchaser's indemnification under the provisions of this Article 11 shall be limited to the Escrow Fund in accordance with the Escrow Agreement and Purchaser shall have the right to satisfy any indemnification payments due Purchaser by requiring the Escrow Agent to surrender to Purchaser, in accordance with the terms of the Escrow Agreement, Escrow Funds sufficient to satisfy any Losses incurred by Purchaser. Any Class A Units used to satisfy Losses incurred by Purchaser shall be valued at $1.00 per Class A Unit.

11.8 Indemnification Exclusive Remedy.

If the Effective Time occurs, except for remedies based upon willful misconduct, fraud or bad faith, the remedies provided in this Article 11 constitute the sole and exclusive remedies for recovery against a party to this Agreement.

11.9 Arbitration.

All disputes arising under this Article 11 (other than claims in equity) shall be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Arbitration shall be by a single arbitrator experienced in the matters at issue and selected by Purchaser

and the Stockholder Representative and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be held in such place in Charlotte, North Carolina as may be specified by the arbitrator (or any place agreed to by Purchaser, the Stockholder Representative and the arbitrator). The decision of the arbitrator shall be final and binding as to any matters submitted under this Article 11; provided, however, if necessary, such decision and satisfaction procedure may be enforced by either Purchaser or the Stockholder Representative in any court of record having jurisdiction over the subject matter or over any of the parties to this Agreement. All costs and expenses incurred in connection with any such arbitration proceeding (including reasonable attorneys' fees) shall be borne by the party against which the decision is rendered, or, if no decision is rendered, such costs and expenses shall be borne equally by Purchaser and Company. If the arbitrator's decision is a compromise, the determination of which party or parties bears the costs and expenses incurred in connection with any such arbitration proceeding shall be made by the arbitrator on the basis of the arbitrator's assessment of the relative merits of the parties' positions.

11.10 Expenses of Stockholder Representative.

The Stockholder Representative shall be entitled to reimburse himself on a current basis from the Escrow Fund for up to $100,000 of his actual, reasonable out-of-pocket expenses incurred in the performance of his obligations pursuant to this Agreement and the Escrow Agreement. In the event the Stockholder Representative incurs out-of-pocket expenses in excess of $100,000, he shall be entitled to reimburse himself from any remaining amount in the Escrow Fund for such amount at the time for distribution of any such remaining amount to the former stockholders, optionholders and warrantholders of Company. To the extent that any such reimbursement is disbursed from the Escrow Fund, such disbursement shall consist of proportional amounts of cash and Class A Units. Purchaser agrees to redeem any Class A Units issued to the Stockholder Representative pursuant to this Section 11.10 at a price equal to $1.00 per Class A Unit.

ARTICLE 12 – MISCELLANEOUS

12.1 Definitions.

(a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

"Accredited Stockholder" means each stockholder of Company, other than Management Stockholders, who is an accredited investor within the meaning of Rule 501 of the Securities Act of 1933, as amended.

"Acquisition Proposal" means any proposal (whether communicated to Company or publicly announced to Company's stockholders) by any Person (other than Purchaser or any of its Affiliates) for an Acquisition Transaction involving Company or any of its present or future consolidated Subsidiaries, or any combination of such Subsidiaries, the assets of which constitute 10% or more of the consolidated assets of Company as reflected on Company's consolidated statement of condition prepared in accordance with GAAP.

"Acquisition Transaction" means any transaction or series of related transactions (other than the transactions contemplated by this Agreement) involving: (i) any acquisition or purchase from Company by any Person or "Group" (other than Purchaser or any of its Affiliates) of 5% or more in interest of the total outstanding voting securities of Company or any of its Subsidiaries, or any tender offer or exchange offer that if consummated would result in any Person or "Group" (other than Purchaser or any of its Affiliates) beneficially owning 5% or more in interest of the

total outstanding voting securities of Company or any of its Subsidiaries, or any merger, consolidation, business combination or similar transaction involving Company pursuant to which the stockholders of Company immediately preceding such transaction hold less than 95% of the equity interests in the surviving or resulting entity (which includes the parent corporation of any constituent corporation to any such transaction) of such transaction; (ii) any sale or lease (other than in the ordinary course of business), or exchange, transfer, license (other than in the ordinary course of business), acquisition or disposition of 5% or more of the assets of Company; or (iii) any liquidation or dissolution of Company.

"Affiliate" of a Person means: (i) any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person; (ii) any officer, director, partner, employer, or direct or indirect beneficial owner of any 10% or greater equity or voting interest of such Person; or (iii) any other Person for which a Person described in clause (ii) acts in any such capacity.

"Assets" of a Person means all of the assets, properties, businesses and rights of such Person of every kind, nature, character and description, whether real, personal or mixed, tangible or intangible, accrued or contingent, or otherwise relating to or utilized in such Person's business, directly or indirectly, in whole or in part, whether or not carried on the books and records of such Person, and whether or not owned in the name of such Person or any Affiliate of such Person and wherever located.

"Board of Directors" means, with respect to any entity, that entity's board of directors, board of managers or similar governing body of such entity or of the general partner or manager of such entity.

"Broadcast Cash Flow" means, for any period, the sum, without duplication, of the amounts for such period of Operating Cash Flow and Overhead.

"Certificate of Merger" means the Certificate of Merger to be executed by Company and filed with the Secretary of State of the State of the State of Delaware relating to the Merger as contemplated by Section 1.1.

"Class A Units" means, collectively, the Class A membership units of Purchaser having the rights and obligations set forth in the Purchaser LLC Agreement.

"Closing Date" means the date on which the Closing occurs.

"Communications Laws" means the Communications Act of 1934, as amended, and the rules, regulations and published policies of the FCC.

"Company Class A Common Stock" means the Class A Common Stock, par value $0.01 per share, of Company.

"Company Class B Common Stock" means the Class B Common Stock, par value $0.01 per share, of Company.

"Company Common Stock" means the Company Class A Common Stock and the Company Class B Common Stock.

"Company Disclosure Memorandum" means the written information entitled "Three Eagles Communications, Inc. Disclosure Memorandum" delivered on or prior to the date of this Agreement to Purchaser describing in reasonable detail the matters contained therein and, with respect to each disclosure made therein, specifically referencing each Section of this Agreement under which such disclosure is being made. Information disclosed with respect to one Section shall not be deemed to be disclosed for purposes of any other Section not specifically referenced with respect thereto.

"Company Entities" means, collectively, Company and all Company Subsidiaries.

"Company Financial Statements" means (i) the consolidated balance sheets (including related notes and schedules, if any) of Company as of December 31, 2001, 2000 and 1999, and the related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) for each of the three fiscal years ended December 31, 2001, 2000 and 1999, as provided by the Company to Purchaser prior to the date of this Agreement, and (ii) the consolidated balance sheets of Company (including related notes and schedules, if any) and related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) required to be provided to the Purchaser subsequent to the date hereof under the terms of this Agreement.

"Company Material Adverse Effect" means an event, change or occurrence which, individually or together with any other event, change or occurrence, has a material adverse impact on (i) the financial position, business, results of operations, Assets or prospects of Company and its Subsidiaries, taken as a whole, or (ii) the ability of Company to perform its obligations under this Agreement or to consummate the Merger or the other transactions contemplated by this Agreement, provided that "Material Adverse Effect" shall not be deemed to include the impact of (A) changes in generally accepted accounting principles, (B) actions and omissions of Company (or any of its Subsidiaries) taken with the prior informed written Consent of Purchaser in contemplation of the transactions contemplated hereby, or (C) the direct effects of compliance with this Agreement on the operating performance of Company, including expenses incurred by Company in consummating the transactions contemplated by this Agreement.

"Company Special Committee" means the special committee of the Board of Directors of Company constituted of persons other than the Management Stockholders and directed by the Board of Directors of the Company to consider whether this Agreement and the transactions contemplated hereby, including the Merger, the Voting Agreements, and the transactions contemplated thereby, taken together, are fair to and in the best interests of the stockholders.

"Company Stockholders Meeting" means the meeting of the stockholders of Company that may be held at the request of Purchaser pursuant to Section 8.1, including any adjournment or adjournments thereof, and shall include the written consent of the holders of the requisite number of shares of Company Common Stock.

"Company Subsidiaries" means the Subsidiaries of Company, which shall include the Company Subsidiaries described in Section 5.4 and any corporation, limited liability company, limited partnership, limited liability partnership or other organization acquired as a Subsidiary of Company in the future and held as a Subsidiary by Company at the Effective Time.

"Consent" means any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order, or Permit.

"Contract" means any written or oral agreement, arrangement, authorization, commitment, contract, indenture, instrument, lease, license, obligation, plan, practice, restriction, understanding, or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its capital stock, Assets or business.

"Credit Facility Commitment Notice" means a written notice from Company to Purchaser which (i) states that a Credit Facility Commitment delivered by Purchaser to Company contains terms and conditions that are materially less favorable, taken as a whole, to Company than those that are available from other third party lenders reasonably satisfactory to Company, (ii) identifies all such terms and conditions and identifies a third party lender willing to give a commitment with terms materially more favorable, taken as a whole, to Company than those contained in the Credit Facility Commitment, and (iii) states that Company intends to terminate this Agreement in accordance with Section 10.1(i) if Purchaser is not able to deliver a revised Credit Facility Commitment eliminating the identified deficiencies on or prior to the tenth business day after the date on which such Credit Facility Commitment Notice is delivered.

"Default" means (i) any breach or violation of, default under, contravention of, or conflict with, any Contract, Law, Order, or Permit, (ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a breach or violation of, default under, contravention of, or conflict with, any Contract, Law, Order, or Permit, or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right of any Person to exercise any remedy or obtain any relief under, terminate or revoke, suspend, cancel, or modify or change the current terms of, or renegotiate, or to accelerate the maturity or performance of, or to increase or impose any Liability under, any Contract, Law, Order, or Permit.

"DGCL" means the Delaware General Corporation Law.

"Employee Benefit Plan" means each pension, retirement, profit-sharing, deferred compensation, stock option, employee stock ownership, share purchase, severance pay, vacation, bonus, retention, change in control or other incentive plan, medical, vision, dental or other health plan, any life insurance plan, flexible spending account, cafeteria plan, vacation, holiday, disability or any other employee benefit plan or fringe benefit plan, including any "employee benefit plan," as that term is defined in Section 3(3) of ERISA and any other plan, fund, policy, program, practice, custom understanding or arrangement providing compensation or other benefits, whether or not such Employee Benefit Plan is or is intended to be (i) covered or qualified under the Internal Revenue Code, ERISA or any other applicable Law, (ii) written or oral, (iii) funded or unfunded, (iv) actual or contingent or (v) arrived at through collective bargaining or otherwise.

"Environmental Laws" means all Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) including the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. 9601 *et seq.*, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.*, and other Laws relating to emissions, discharges, releases, or threatened releases of any Hazardous Material, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Hazardous Material.

"Equity Rights" means all arrangements, calls, commitments, Contracts, options, rights to subscribe to, scrip, understandings, warrants, or other binding obligations of any character

whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock of a Person or by which a Person is or may be bound to issue additional shares of its capital stock or other Equity Rights.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any entity which together with a Company Entity would be treated as a single employer under Internal Revenue Code Section 414.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exhibits" 1 through 10, inclusive, means the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

"FCC Consent" means action by the FCC or by its staff acting pursuant to delegated authority granting consent to the transactions described in the FCC Applications.

"Final Order" means 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 or stay for petition or 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 for the reconsideration or review by the FCC on its own motion under the Communications Laws, has expired.

"Funding Sources" means (i) the Investor Members Capital Contribution Amount, plus (ii) the Rollover Capital Contribution Amount, plus (iii) the proceeds of the Tranche 1 Loan.

"GAAP" means generally accepted accounting principles, consistently applied during the periods involved.

"Hazardous Material" means (i) any hazardous substance, hazardous material, hazardous waste, regulated substance, or toxic substance (as those terms are defined by any applicable Environmental Laws) and (ii) any chemicals, pollutants, contaminants, petroleum, petroleum products, or oil, asbestos-containing materials and any polychlorinated biphenyls.

"Indebtedness" means, as applied to any Person, (i) all obligations for borrowed money, (ii) that portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with GAAP, (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is due more than six months from the date of incurrence of the obligation in respect thereof or evidenced by a note or similar written instrument and (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person.

"Intellectual Property" means copyrights, patents, trademarks, service marks, service names, trade names, domain names, together with all goodwill associated therewith, registrations and applications therefor, technology rights and licenses, computer software (including any

source or object codes therefor or documentation relating thereto), trade secrets, franchises, know-how, inventions, and other intellectual property rights.

"Interest Expense" means, for any period, total interest expense (including that portion attributable to capital leases in accordance with GAAP and capitalized interest) of Company and its Subsidiaries on a consolidated basis with respect to all outstanding Indebtedness of Company and its Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under interest rate agreements, and, to the extent included in Interest Expense, amortization of bank commitment fees, agency fees, and other bank fees.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Investor Members Capital Contribution Amount" means the total of the Primus Capital Contribution Amount and the WCP Capital Contribution Amount.

"Investor Members" means WCP and Primus.

"Knowledge" as used with respect to a Person (including references to such Person being aware of a particular matter) means the personal knowledge after due inquiry of those facts that are known or should reasonably have been known after due inquiry by the chairman, president, chief financial officer, chief accounting officer, chief operating officer, or any senior, executive or other vice president of such Person and the knowledge of any such Persons obtained or which would have been obtained from a reasonable investigation.

"Law" means any code, law (including common law), ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, Liabilities, or business, including those promulgated, interpreted or enforced by any Regulatory Authority.

"Liability" means any direct or indirect, primary or secondary, liability, Indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

"Lien" means any conditional sale agreement, default of title, easement, encroachment, encumbrance, hypothecation, infringement, lien, mortgage, pledge, reservation, restriction, security interest, title retention or other security arrangement, or any adverse right or interest, charge, or claim of any nature whatsoever of, on, or with respect to any property or property interest, other than Liens for current property Taxes not yet due and payable.

"Litigation" means any action, arbitration, cause of action, lawsuit, claim, complaint, criminal prosecution, governmental or other examination or investigation, audit (other than regular audits of financial statements by outside auditors), compliance review, inspection, hearing, administrative or other proceeding relating to or affecting a Party, its business, its records, its policies, its practices, its compliance with Law, its actions, its Assets (including Contracts related to it), or the transactions contemplated by this Agreement.

"Losses" means any and all demands, claims, actions or causes of action, assessments, losses, diminution in value, damages (including special and consequential damages), liabilities, costs, and expenses, including interest, penalties, cost of investigation and defense, and reasonable attorneys' and other professional fees and expenses.

"Management Stockholders" means Rolland C. Johnson and Gary Buchanan.

"Material" or **"material"** for purposes of this Agreement shall be determined in light of the facts and circumstances of the matter in question; provided that any specific monetary amount stated in this Agreement shall determine materiality in that instance.

"Merger Sub Common Stock" means the common stock, par value $0.01 per share, of Merger Sub.

"Net Income" means, for any period, the net income (or loss) of Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP; provided that there shall be excluded (i) the income (or loss) of any Person (other than a Subsidiary of Company) in which any other Person (other than Company or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Company or any of its Subsidiaries by such Person during such period, (ii) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of Company or is merged into or consolidated with Company or any of its Subsidiaries or that Person's assets are acquired by Company or any of its Subsidiaries, (iii) the income of any Subsidiary of Company to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of the income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, (iv) any after-tax gains or losses attributable to the sale by a Company Entity (to the extent permitted by this Agreement) of any of the stock or other ownership interests of any of any Company Entity, or of substantially all of the assets of any line of business of any Company Entity or of any other assets (whether tangible or intangible) of any Company Entity outside of the ordinary course of business consistent with past practice, (v) any after-tax gains or losses attributable to returned surplus assets of any Company Pension Plan and (vi) to the extent no included in clauses (i) through (v), any net extraordinary gains or net non-cash extraordinary losses.

"Net Operating Revenue" means the net operating revenue of the Company Entities on a consolidated basis, less any portion thereof associated with any radio station acquired after March 31, 2001 (other than any radio station acquired in the November Acquisition), all, other than the recognition of income with respect to barter transactions, as computed according to GAAP.

"November Acquisition" means the acquisition by Company of KJSK-AM (licensed to Columbus, Nebraska) and KLIR-FM (licensed to Columbus, Nebraska) completed on November 15, 2001.

"Operating Cash Flow" means, for any period, (x) the sum, without duplication, of the amounts for such period of Net Income, plus, to the extent deducted in calculating Net Income, (i) Interest Expense, (ii) income taxes paid in cash, (iii) total depreciation expense, (iv) total amortization expense, (v) other non-cash items reducing Net Income including, without limitation, accrued but unpaid income taxes, but excluding accrued and unpaid Overhead, and (vi) extraordinary losses, less (y) other non-cash items increasing Net Income, and less (z)

extraordinary gains (including, without limitation, the proceeds of asset sales or insurance recoveries), all of the foregoing determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP.

"Operating Property" means any property owned, leased, or operated by the Party in question or by any of its Subsidiaries or in which such Party or Subsidiary holds a security interest or other interest (including an interest in a fiduciary capacity), and, where required by the context, includes the owner or operator of such property, but only with respect to such property.

"Order" means any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or award, ruling, or writ of any federal, state, local or foreign or other court, arbitrator, mediator, tribunal, administrative agency, or Regulatory Authority.

"Overhead" means, collectively, all amounts paid, payable or distributed or distributable to any Person by the Company Entities in connection with corporate "home office" costs and expenses including, without limitation, management fees, salaries, bonuses, reimbursement of expenses or other compensation for services in connection with headquarters, collective or overhead operations of the Company Entities.

"Participation Facility" means any facility or property in which the Party in question or any of its Subsidiaries participates in the management and, where required by the context, said term means the owner or operator of such facility or property, but only with respect to such facility or property.

"Party" means any of Company, Merger Sub or Purchaser or, with respect to Section 8.14(b) only, WCP or Primus, and **"Parties"** means Company, Merger Sub and Purchaser and, with respect to Section 8.14(b) only, WCP and Primus.

"Permit" means any federal, state, local, and foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets, or business.

"Person" means a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, limited liability partnership, trust, business association, group acting in concert, or any person acting in a representative capacity.

"Primus Capital Contribution Amount" means $10,000,000, reduced by a portion of the amount by which the Funding Sources would exceed the Funds Required at Closing, which portion shall be determined by WCP, but in no event shall be less than $6,500,000.

"Pro Form Basis" means, (i) with respect to data which is presented as of a specified date, data which is prepared based on the assumption that the November Acquisition occurred as of such date, and (ii) with respect to data which is presented as of end of a specified period, data which is prepared based on the assumption that the November Acquisition occurred as of the first day of such period.

"PurchaserMaterial Adverse Effect" means an event, change or occurrence which, individually or together with any other event, change or occurrence, has a material adverse impact on (i) the financial position, business, results of operations, Assets or prospects of Purchaser and

its Subsidiaries, taken as a whole, or (ii) the ability of Purchaser to perform its obligations under this Agreement or to consummate the Merger or the other transactions contemplated by this Agreement, provided that "Purchaser Material Adverse Effect" shall not be deemed to include the impact of (A) changes in generally accepted accounting principles, (B) actions and omissions of Purchaser (or any of its Subsidiaries) taken with the prior informed written Consent of Company in contemplation of the transactions contemplated hereby, or (C) the direct effects of compliance with this Agreement on the operating performance of Purchaser, including expenses incurred by Purchaser in consummating the transactions contemplated by this Agreement.

"Regulatory Authorities" means, collectively, the FCC, the United States Federal Trade Commission, the United States Department of Justice and all other federal, state, county, local or other governmental or regulatory agencies, authorities (including taxing and self-regulatory authorities), instrumentalities, commissions, boards or bodies having jurisdiction over the Parties and their respective Subsidiaries.

"Representative" means any investment banker, financial advisor, attorney, accountant, consultant, or other representative or agent engaged by a Person.

"Rollover" means the exchange of up to that number of shares of Company Common Stock equal to the Rollover Limit for Class A Units.

"Rollover Share" means a share of Company Common Stock with respect to which a Rollover Election is made or deemed to be made in accordance with a Rollover Election Agreement.

"Rollover Capital Contribution Amount" means the number of Rollover Shares multiplied by the Per Share Purchase Price.

"SEC" means the United States Securities and Exchange Commission.

"Securities Laws" means the Securities Act of 1933, as amended, the Exchange Act, the Investment Company Act of 1940, as amended, the Investment Advisors Act of 1940, as amended, the Trust Indenture Act of 1939, as amended, and the rules and regulations of any Regulatory Authority promulgated thereunder.

"Stations" means radio stations WCCQ-FM (licensed to Joliet, Illinois), KLSS-FM (licensed to Mason City, Iowa), KRIB-AM (licensed to Mason City, Iowa), KYTC-FM (licensed to Northwood, Iowa), KIAQ-FM (licensed to Clarion, Iowa), KTLB-FM (licensed to Rockwell City, Iowa), KLQL-FM (licensed to Luverne, Minnesota), KQAD-AM (licensed to Luverne, Minnesota), KATE-AM (licensed to Albert Lea, Minnesota), KCPI-FM (licensed to Albert Lea, Minnesota), KLGR-AM (licensed to Redwood Falls, Minnesota), KLGR-FM (licensed to Redwood Falls, Minnesota), KWOA-AM (licensed to Worthington, Minnesota), KWOA-FM (licensed to Worthington, Minnesota), KITN-FM (licensed to Worthington, Minnesota), KAUS-FM (licensed to Austin, Minnesota), KAUS-AM (licensed to Austin, Minnesota), KEEZ-FM (licensed to Mankato, Minnesota), KFOR-AM (licensed to Lincoln, Nebraska), KFRX-FM (licensed to Lincoln, Nebraska), KRKR-FM (licensed to Lincoln, Nebraska), KLMS-AM (licensed to Lincoln, Nebraska), KZEN-FM (licensed to Central City, Nebraska), KKOT-FM (licensed to Columbus, Nebraska), KTTT-AM (licensed to Columbus, Nebraska), KJSK-AM (licensed to Columbus, Nebraska), KLIR-FM (licensed to Columbus, Nebraska), KBRK-AM (licensed to Brookings, South Dakota), KBRK-FM (licensed to Brookings, South Dakota), KIJV-AM (licensed to Huron, South Dakota), KZNC-FM (licensed to Huron, South Dakota), KJAM-

AM (licensed to Madison, South Dakota), KJAM-FM (licensed to Madison, South Dakota), KSDR-AM (licensed to Watertown, South Dakota) and KSDR-FM (licensed to Watertown, South Dakota).

"Subsidiaries" means all those corporations, associations, or other business entities of which the entity in question either (i) owns or controls 50% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 50% or more of the outstanding equity securities is owned directly or indirectly by its parent (provided, there shall not be included any such entity the equity securities of which are owned or controlled in a fiduciary capacity), (ii) in the case of partnerships, serves as a general partner, (iii) in the case of a limited liability company, serves as a managing member, or (iv) otherwise has the ability to elect a majority of the directors, trustees or managing members thereof.

"Surviving Corporation" means Company as the surviving corporation resulting from the Merger.

"Tax" or **"Taxes"** means any federal, state, county, local, or foreign taxes, charges, fees, levies, imposts, duties, or other assessments, including income, gross receipts, excise, employment, sales, use, transfer, recording license, payroll, franchise, severance, documentary, stamp, occupation, windfall profits, environmental, federal highway use, commercial rent, customs duties, capital stock, paid-up capital, profits, withholding, Social Security, single business and unemployment, disability, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by the United States or any state, county, local or foreign government or subdivision or agency thereof, including any interest, penalties, and additions imposed thereon or with respect thereto.

"Tax Return" means any report, return, information return, or other information required to be supplied to a Regulatory Authority in connection with Taxes, including any return of an affiliated or combined or unitary group that includes a Party or its Subsidiaries.

"WCP Capital Contribution Amount" means $17,500,000, reduced by a portion of the amount by which the Funding Sources would exceed the Funds Required at Closing, which portion shall be determined by WCP.

(b) The terms set forth below shall have the meanings ascribed thereto in the referenced sections:

(c) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation."

12.2 Expenses.

Company shall bear and pay all direct costs and expenses incurred by it or on its behalf, including filing, registration and application fees with respect to any Regulatory Authority, and fees and expenses of financial or other consultants, investment bankers, accountants, and counsel. In addition, if the Closing occurs, Company shall pay the reasonable expenses of the Investor Members in connection with the transactions contemplated hereunder.

12.3 Brokers and Finders.

Each of the Parties represents and warrants that neither it nor any of its officers, directors, employees, or Affiliates has employed any broker or finder or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the transactions contemplated hereby. In the event of a claim by any broker or finder based upon such broker's representing or being retained by or allegedly representing or being retained by Company or by Purchaser, each of Company and Purchaser, as the case may be, agrees to indemnify and hold the other Party harmless of and from any Liability in respect of any such claim.

12.4 Entire Agreement.

Except as otherwise expressly provided herein, this Agreement (including the documents and instruments referred to herein) constitutes the entire agreement between the Parties with respect to the transactions contemplated hereunder and supersedes all prior arrangements or understandings with respect

thereto, written or oral. Nothing in this Agreement expressed or implied, is intended to confer upon any Person, other than the Parties or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, other than as provided in Section 8.12.

12.5 Amendments.

To the extent permitted by Law, this Agreement may be amended by a subsequent writing signed by each of the Parties upon the approval of each of the Parties, whether before or after stockholder approval of this Agreement has been obtained; provided, that after any such approval by the holders of Company Common Stock, there shall be made no amendment that pursuant to Section 251(d) of the DGCL requires further approval by such stockholders without the further approval of such stockholders.

12.6 Waivers.

(a) Prior to or at the Effective Time, Purchaser, acting through its Board of Directors, chief executive officer or other authorized officer, shall have the right to waive any Default in the performance of any term of this Agreement by Company, to waive or extend the time for the compliance or fulfillment by Company of any and all of its obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of Purchaser under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No such waiver shall be effective unless in writing signed by a duly authorized officer of Purchaser.

(b) Prior to or at the Effective Time, Company, acting through the Company Special Committee or its chief executive officer or other authorized officer, shall have the right to waive any Default in the performance of any term of this Agreement by Purchaser or Merger Sub, to waive or extend the time for the compliance or fulfillment by Purchaser or Merger Sub of any and all of its obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of Company under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No such waiver shall be effective unless in writing signed by a duly authorized officer of Company.

(c) The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same or any other provision of this Agreement. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement.

12.7 Assignment.

Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party hereto (whether by operation of Law or otherwise) without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

12.8 Notices.

All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, postage pre-paid, or by courier or overnight carrier, to the Persons at the addresses set forth below (or at such other

address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

Company:	Three Eagles Communications, Inc. 19340 Furrow Road Monument, Colorado 80132 Facsimile Number: (719) 481-8793 Attention: Rolland C. Johnson
Copy to Counsel:	Hendricks, Hendricks & Shakes, P.C. 4055 Nonchalant Circle South Colorado Springs, Colorado 80917-2948 Facsimile Number: (719) 596-7613 Attention: David L. Shakes
WCP or Purchaser:	Wachovia Capital Partners 2002, LLC 301 South College Street Charlotte, North Carolina 28298-0732 Facsimile Number: (704) 383-6538 Attention: Walker C. Simmons Steven A. Columbaro
Copy to Counsel:	Alston & Bird LLP Bank of America Plaza 101 South Tryon Street, Suite 4000 Charlotte, North Carolina 28280-4000 Facsimile Number: (704) 444-1111 Attention: H. Bryan Ives III
Primus:	Primus Capital Fund V Limited Partnership 5900 Landerbrook Drive, Suite 200 Cleveland, Ohio 44124-4020 Facsimile Number: (440) 684-7342 Attention: Jeffrey J. Milius
Copy to Counsel:	Kirkland & Ellis 200 East Randolph Drive Chicago, Illinois 60601 Facsimile Number: (312) 861-2200 Attention: Ted H. Zook

12.9 Governing Law.

Regardless of any conflict of law or choice of law principles that might otherwise apply, the parties agree that this Agreement shall be governed by and construed in all respects in accordance with the laws of the State of Delaware. The parties all expressly agree and acknowledge that the State of Delaware has a reasonable relationship to the parties and/or this Agreement. As to any dispute, claim, or litigation arising out of or relating in any way to this Agreement or the transaction at issue in this Agreement, the parties hereto hereby agree and consent to be subject to the exclusive jurisdiction of the United States District Court for the Western District of North Carolina or the state courts of Mecklenburg County, North Carolina. Each party hereto hereby irrevocably waives, to the fullest extent permitted by

Law, (a) any objection that it may now or hereafter have to laying venue of any suit, action or proceeding brought in such court, (b) any claim that any suit, action or proceeding brought in such court has been brought in an inconvenient forum, and (c) any defense that it may now or hereafter have based on lack of personal jurisdiction in such forum.

12.10 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

12.11 Captions; Articles and Sections.

The captions contained in this Agreement are for reference purposes only and are not part of this Agreement. Unless otherwise indicated, all references to particular Articles or Sections shall mean and refer to the referenced Articles and Sections of this Agreement.

12.12 Interpretations.

Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party, whether under any rule of construction or otherwise. No party to this Agreement shall be considered the draftsman. The parties acknowledge and agree that this Agreement has been reviewed, negotiated, and accepted by all parties and their attorneys and shall be construed and interpreted according to the ordinary meaning of the words used so as fairly to accomplish the purposes and intentions of all parties hereto.

12.13 Enforcement of Agreement.

The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached, that the Assets of the Company are unique, and that money damages are not sufficient to compensate the Parties in the event of a breach by another Party. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

12.14 Severability.

Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

[Signatures Follow on the Next Page]

Signature pages to the Merger Agreement

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

THREE EAGLES INVESTORS, LLC

By: Wachovia Capital Partners 2002, LLC, its sole member

By: _____
Name: Walker Simmons
Title: Principal

3E ACQUISITION CO.

By: _____
Name: Walker Simmons
Title: President

THREE EAGLES COMMUNICATIONS, INC.

By: _____
Name:
Title:

The following execute this Agreement solely to be bound by Section 8.14(b) hereof:

WACHOVIA CAPITAL PARTNERS 2002, LLC

By: _____
Name: Walker Simmons
Title: President

PRIMUS CAPITAL FUND V LIMITED PARTNERSHIP

By: _____
Name:
Title: