

## REAL PROPERTY AND STOCK PURCHASE AGREEMENT

This Real Property and Stock Purchase Agreement (this "*Agreement*") is made as of January 29, 2003, by and among Citadel Broadcasting Company, a Nevada corporation ("*Buyer*"), Livingston County Broadcasters, Inc., an Illinois corporation (the "*Company*"), and J. Collins Miller III, Candace J. Miller, Lane M. Lindstrom, and Thomas W. Ewing, who are all of the shareholders of the Company (the shareholders together are sometimes hereinafter referred to as "*Sellers*").

The Company owns and operates radio stations WLDC(FM), 98.9 MHz, Dwight, Illinois, Facility ID # 19211, and WJEZ(FM), 93.7 MHz, Pontiac, Illinois, Facility ID # 37818 (the "*Stations*") and holds valid leasehold interests in the Real Property that is described in Schedule 5.7 hereof that is used in the operation of Station WLDC(FM) (the "*Company's Real Property*"). J. Collins Miller III and Candace J. Miller (together, the "*Millers*") own the studio building used by the Stations (the "*Studio*"), own the tower and tower building used in the operation of Station WJEZ(FM) (the "*WJEZ Tower Site Improvements*"), and hold a valid leasehold interest in the Real Property described in Schedule 5.7 hereof on which the WJEZ Towers are located (the "*WJEZ Ground Lease*"). The Studio, WJEZ Tower Site Improvements, and WJEZ Ground Lease together may be hereinafter referred to as the "*Millers' Real Property*." The Millers presently lease the Millers' Real Property to the Company for use by the Stations.

Sellers are the beneficial owners and owners of record of all of the issued and outstanding shares (the "*Shares*") of capital stock of the Company. Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, the Shares, for the consideration and on the terms set forth in this Agreement. The Millers desire to sell to Buyer, and Buyer desires to purchase from the Millers, the Millers' Real Property.

Buyer and the Sellers desire to enter into the Noncompetition Agreement, as defined herein.

Accordingly, the parties, intending to be legally bound, agree as follows:

### ARTICLE 1 - DEFINITIONS

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

"Accounting Firm" shall have the meaning set forth in Section 2.4.

"Accounts Receivable" shall mean accounts receivable of the Company for services performed or provided prior to the Effective Time, excluding any amounts owing in connection with advertisements or programs to be broadcast at or after the Effective Time.

"Agreement" shall mean this Real Property and Stock Purchase Agreement.

"Asbestos" shall mean any and all varieties of materials included in the definition of "asbestos" under any federal or state law or regulation relating to the protection of human health or the environment.

"Asbestos-Containing Material" shall mean any material containing more than 1 percent asbestos by weight.

"Barter Agreements" shall mean programming agreements made by the Company or the Stations for consideration other than cash.

"Buyer" shall mean Citadel Broadcasting Company, a Nevada corporation.

"Cash and Cash Equivalents" shall mean all cash items and other liquid assets of the Company, including, but not limited to, bank deposits, paper currency and coins, negotiable money orders and checks, U.S. Treasury Bills, money-market fund shares and other marketable securities.

"Closing" shall have the meaning set forth in Section 2.1.

"Closing Date" shall mean the date on which the Closing is completed.

"Company" shall mean Livingston County Broadcasters, Inc., an Illinois corporation.

"Company's Real Property" shall have the meaning set forth in the preamble hereto.

"Contract" shall mean any legally binding agreement, contract, obligation, promise, or undertaking, whether written or oral, express or implied, of the Company or to which the Company is a party.

"Effective Time" shall mean 12:01 a.m., local Pontiac, Illinois time, on the Closing Date.

"Environmental Laws" shall mean all applicable state and federal statutes and regulations relating to the protection of human health or the environment including the FCC's regulations concerning radio frequency radiation.

"Excluded Contracts" shall have the meaning set forth in Section 5.10.

"Excluded Real Property" shall have the meaning set forth in Section 5.7.

"FCC" shall mean the Federal Communications Commission.

“FCC Application” shall mean the application that the Company and/or Sellers and Buyer file with the FCC requesting its consent to the transfer of control of the Company to Buyer.

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

“Final Accounting” shall have the meaning set forth in Section 2.4.

“Final Order” shall mean action by the FCC (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending, and (iii) as to which the time for filing any such appeal, request, petition, or similar document or for the reconsideration or review by the FCC on its own motion under the Communications Act of 1934, as amended, and the rules and regulations of the Commission, has expired.

“Financial Statements” shall mean (i) the unaudited balance sheets of the Company as of the end of fiscal years 1999, 2000, and 2001 and the related unaudited statements of income and expenses for fiscal years 1999, 2000 and 2001; (ii) federal and state tax returns filed on behalf of the Company for fiscal years 1999, 2000 and 2001; (iii) the unaudited balance sheets of the Company, and the related statements of income and expenses for the months of January through November, 2002; and (iv) the financial statements to be furnished pursuant to Section 7.7.

“Hazardous Substance” shall mean all hazardous or toxic waste or material which, because of its quantity, concentration, or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. “Hazardous Substance” shall include, but is not limited to, any and all hazardous or toxic substances, materials or wastes as defined or listed under the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act or any comparable state statute or any regulation promulgated under any of such federal or state statutes.

“Holdback Amount” shall have the meaning set forth at Section 18.1.

“Intellectual Property” shall have the meaning set forth at Section 5.9.

“Liability” and “Liabilities” shall mean all notes payable, accounts payable, accrued expenses, taxes payable, and all other payment obligations of the Company arising from its operations prior to the Closing Date. To the extent the aggregate liability of the Company for time under Trade Agreements exceeds as of the Closing Date the fair market value of the property to be received by the Company under such agreements after the Closing Date, such excess shall be considered a “Liability”; the liability of the Company for unperformed time as of the Closing Date shall be valued according to the Stations' rate cards as of the date of this Agreement.

“Liens” shall mean mortgages, deeds of trust, liens, charges, security interests, pledges, collateral assignments, conditional sales agreements, leases, encumbrances, claims, or other defects of title of any nature whatsoever.

“Material Adverse Effect” means any change, effect, event or occurrence that is materially adverse to the business, properties, assets, financial condition, results of operations or prospects of such entity or group, taken as a whole, other than any change, effect, event or occurrence relating to the United States or the Pontiac, Illinois economies in general, to United States stock market conditions in general, or to the radio broadcasting industry in general.

“Millers” shall mean J. Collins Miller III and Candace J. Miller.

“Millers’ Real Property” shall mean the Studio, WJEZ Tower Site Improvements, and WJEZ Ground Lease, taken together.

“Millers Purchase Price” shall have the meaning set forth at Section 2.2.

“Noncompetition Agreement” shall mean that certain agreement between Buyer and Sellers, substantially in the form of Exhibit D hereto.

“NonCompetition Purchase Price” shall have the meaning set forth at Section 2.2.

“Notice of Disagreement” shall have the meaning set forth at Section 2.4.

“Personal Property” shall have the meaning set forth at Section 5.8.

“Purchase Price” shall have the meaning set forth at Section 2.2.

“Real Property” shall have the meaning set forth in Section 5.7.

“Reduction Amount” shall have the meaning set forth in Section 7.8.

“Sellers” shall mean the beneficial owners and owners of record of all of the issued and outstanding Shares of the Company, the list of which is provided as Exhibit A hereto.

“Settlement Statement” shall have the meaning set forth in Section 2.4.

“Shares” shall mean 100 shares of common stock of the Company which is all of the issued and outstanding capital stock of the Company.

"Shares Purchase Price" shall have the meaning set forth in Section 2.2.

"Stations" shall mean radio stations WLDC(FM), Dwight, Illinois, and WJEZ(FM), Pontiac, Illinois.

"Station Assets" shall have the meaning set forth in Section 5.1 of this Agreement.

"Station Licenses" shall mean the licenses, permits and other authorizations issued by the FCC to the Company in connection with the conduct of the business and operations of the Stations.

"Studio" shall mean the land and improvements used for the Station's broadcasting studios.

"Time Sales Agreements" shall have the meaning set forth in Section 5.10 of this Agreement.

"Trade Agreements" shall mean Contracts for the sale of advertising time for consideration other than cash.

"WJEZ Ground Lease" shall mean the land on which the tower and tower building used in the operation of Station WJEZ(FM) are located.

"WJEZ Tower Site Improvements" shall mean the tower and tower building used in the operation of Station WJEZ(FM).

## **ARTICLE 2 - SALE AND PURCHASE OF SHARES**

2.1. Closing. Subject to the terms and conditions of this Agreement, the closing of this transaction (the "*Closing*") shall take place on a date designated by Buyer within five (5) business days after the last of the conditions specified in Articles 9 and 10 hereof have been either fulfilled or waived by the party entitled to waive such condition. The Closing shall be held at 10:00 a.m. local Washington, D.C. time, in the offices of Leventhal Senter & Lerman PLLC, 2000 K Street, N.W., Suite 600, Washington, D.C. 20006, or at such other place as the parties may agree, and may be accomplished by the exchange of documents by facsimile, overnight courier, or as otherwise agreed by Buyer and Sellers.

2.2. Sale and Purchase. On the Closing Date, (i) Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, all and not less than all of the Shares for an amount equal to Four Million Dollars (\$4,000,000), plus or minus, as the case may be, the adjustment amount determined pursuant to Section 2.4 hereof; (ii) the Millers shall sell to Buyer, and Buyer shall purchase from the Millers, the Millers' Real Property for an amount equal to Two Hundred Fifty-Four Thousand Dollars (\$254,000); and (iii) the Sellers and Buyer shall enter into that certain Noncompetition Agreement, in

consideration for the payment by Buyer to the Sellers of One Million Two Hundred Forty-Six Thousand Dollars (\$1,246,000). The amounts to be paid by Buyer to Sellers pursuant to Section 2.2(i) is defined as the "Shares Purchase Price"; the amounts to be paid by Buyer to the Millers pursuant to Section 2.2(ii) is defined as the "Millers Purchase Price"; and the amounts to be paid by Buyer to Sellers pursuant to Section 2.2(iii) is defined as the "NonCompetition Purchase Price." Together, the Shares Purchase Price, the NonCompetition Purchase Price and the Millers Purchase Price constitute the "*Purchase Price*."

2.3. Payment of Purchase Price. The Shares Purchase Price, less the Holdback Amount, and the NonCompetition Purchase Price, shall be payable by Buyer at the Closing, by wire transfer of immediately available federal funds to an account at a bank or financial institution, pursuant to wire instructions that Sellers shall deliver to Buyer at least five (5) business days prior to the Closing Date. The Millers Purchase Price shall be payable by Buyer at the Closing, by wire transfer of immediately available federal funds to an account at a bank or financial institution, pursuant to wire instructions that the Millers shall deliver to Buyer at least five (5) business days prior to the Closing Date. The Holdback Amount shall be payable by Buyer in accordance with Article 18 hereof.

2.4. Adjustment Amount.

(a)(i) Except as otherwise provided herein, all income and expenses arising from the conduct of the business and operation of the Company shall be prorated between Buyer and Sellers as of the Effective Time, and all income and expenses arising from the conduct of the Millers Real Property shall be prorated between Buyer and the Millers as of the Effective Time. Such prorations shall be based upon the principle that Sellers or the Millers, as the case may be, shall be entitled to all income earned and shall be responsible for all liabilities and obligations incurred or accruing in connection with the operation of the Company or the Millers Real Property, as the case may be, until the Effective Time, and Buyer shall be entitled to all income earned and be responsible for such liabilities and obligations incurred by the Company or in connection with the Millers Real Property, from and after the Effective Time. Such prorations shall include, without limitation, all ad valorem and other property taxes, business license and FCC regulatory fees, music and other license fees, wages and salaries of employees (including accruals up to the Effective Time for bonuses, commissions, sick leave, vacation and severance pay and related payroll taxes), utility expenses, liabilities and obligations under all Contracts to be assumed by Buyer, rents and similar prepaid and deferred items and all other expenses attributable to the ownership and operation of the Company. To the extent possible, such prorations that can be determined at the Closing shall be paid at the Closing as either an increase or decrease, as the case may be, in the Shares Purchase Price. The Sellers shall not be responsible for any income taxes or built-in gains taxes for the year ending December 31, 2003 that may become payable as a result of the actions or omissions of Buyer concerning the Company after the Effective Time. Sellers shall be responsible as Subchapter "S" shareholders for the distributable net income up to the Effective Time, including income and expenses earned or incurred prior to, but collected or paid after, the Effective Time.

(b) There shall be no proration for Trade Agreements, except to the extent that the Company's net liability under all Trade Agreements, as determined in accordance with generally accepted accounting principles as of the Effective Time, exceeds \$10,000 in the aggregate, there shall be a proration in favor of Buyer in the amount of such excess. There shall be no proration for Accounts Receivable, which, as of the Effective Time, will become the property of Sellers, and which Buyer agrees to collect pursuant to Section 6.3 hereof.

(c) Sellers agree that Buyer may offset any amount owed by Sellers to Buyer under this Section 2.4 against collected Accounts Receivable to be paid to Sellers pursuant to Section 6.3 hereof.

(d) Within 60 days after the Closing Date, Buyer shall prepare and deliver to Sellers and/or the Millers, as the case may be, a statement setting forth proposed prorations pursuant to this Section 2.4 (the "*Settlement Statement*"). During the 30-day period following receipt of the Settlement Statement by Sellers and/or the Millers, Sellers and/or the Millers shall be permitted to review and make copies reasonably required of (i) the working papers of Buyer relating to the Settlement Statement and (ii) any supporting schedules, analyses and other documentation relating to the Settlement Statement. The Settlement Statement shall become final and binding upon the parties on the thirtieth (30th) day following delivery to Sellers and/or the Millers, unless Sellers and/or the Millers give Buyer written notice of their disagreement with the Settlement Statement ("*Notice of Disagreement*") prior to such date. Any Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted. If a Notice of Disagreement is given to Buyer in the period specified, then the Settlement Statement (as revised in accordance with clause (I) or (II) below) shall become final and binding upon the parties on the earlier of (I) the date Buyer and Sellers and/or the Millers resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement or (II) the date any disputed matters are finally resolved in writing by the Accounting Firm (as defined below). Within ten (10) business days after the Settlement Statement becomes final and binding upon the parties, payment of the difference shall be made via wire transfer of immediately available funds, provided that Buyer may offset any amount owed by Sellers against collected Accounts Receivable to be paid pursuant to Section 6.3.

(e) During the 30-day period following the delivery of a Notice of Disagreement that complies with the preceding paragraph, Sellers and/or the Millers and Buyer shall seek in good faith to resolve in writing any differences that they may have with respect to the matters specified in the Notice of Disagreement. During such period, Buyer and its independent auditors shall be permitted to review and make copies reasonably required of (i) the working papers of Sellers and/or the Millers relating to the Notice of Disagreement and (ii) any supporting schedules, analyses and documentation relating to the Notice of Disagreement. If, at the end of such 30-day period, Sellers and/or the Millers and Buyer have not resolved such differences, Sellers and/or the Millers and Buyer shall submit to an independent accounting firm (the "*Accounting Firm*") for review and resolution any and all matters

which remain in dispute and which were properly included in the Notice of Disagreement. The Accounting Firm shall be a mutually acceptable nationally recognized independent public accounting firm agreed upon by Sellers and/or the Millers and Buyer in writing, which Accounting Firm shall not have been the auditing firm representing Sellers and/or the Millers or Buyer during the last two years. Within sixty (60) days after selection of the Accounting Firm, Sellers and/or the Millers and Buyer shall submit their respective positions to the Accounting Firm, in writing, together with any other materials relied upon in support of their respective positions. Buyer and Sellers and/or the Millers shall use reasonable efforts to cause the Accounting Firm to render a decision resolving the matters in dispute within thirty (30) days following the submission of such materials to the Accounting Firm. Buyer and Sellers and/or the Millers agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced. Except as specified in the following sentence, the cost of any arbitration (including the fees and expenses of the Accounting Firm) pursuant to this Section 2.4 shall be borne by Sellers and/or the Millers and Buyer in inverse proportion as they may prevail on each matter resolved by the Accounting Firm, which proportionate allocation shall also be determined by the Accounting Firm at the time the determination of the Accounting Firm is rendered on the merits of the matters submitted. The fees and expenses of Buyer's independent auditors and attorneys incurred in connection with the review of any Notice of Disagreement shall be borne by Buyer, the fees and expenses of Sellers' independent auditors and attorneys incurred in connection with their review of the Settlement Statement shall be borne by Sellers, and the fees and expenses of the Millers' independent auditors and attorneys incurred in connection with their review of the Settlement Statement shall be borne by the Millers.

(f) Any payments made pursuant to this Section 2.4 shall (i) in the case of a payment to be made to Sellers, be made by the Company to Sellers and be treated as a distribution made immediately before the Effective Time by the Company to Sellers and (ii) in the case of a payment to be made by Sellers, be made by Sellers to the Company and be treated as being made immediately before the Effective Time as a capital contribution by Sellers to the Company. Neither Sellers, the Millers, nor Buyer, nor their affiliates, shall take any position inconsistent with the treatment described in the immediately preceding sentence before any tax authority except to the extent that a final determination causes any such payment not to be so treated.

### **ARTICLE 3 - GOVERNMENTAL CONSENTS**

#### **3.1. FCC Consent.**

(a) The transfer of control of the Station Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. No later than ten (10) business days after the date of this Agreement, Buyer and Sellers shall file the FCC Application.



(b) The Company, Sellers, and Buyer shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the FCC Application as expeditiously as practicable; provided, however, that none of the parties shall have any obligation to satisfy any complainant or the FCC by taking any steps which would have a material adverse effect upon such party or upon any affiliated entity, but neither the expense nor inconvenience to a party of defending against a complainant or an inquiry by the FCC shall be considered a material adverse effect on such party. If the FCC Consent imposes any condition on any party hereto, such party shall use its best efforts to comply with such condition; provided, however, that neither party shall be required to comply with any condition that would have a material adverse effect upon it or any affiliated entity. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit any party's right to terminate this Agreement pursuant to Article 16 hereof.

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

#### **ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to the Company and Sellers, and as pertains only to Buyer's purchase of the Millers' Real Property, to the Millers, as follows:

4.1. Organization and Standing. Buyer is a corporation organized, validly existing and in good standing under the laws of the State of Nevada and is qualified to do business in the State of Illinois.

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

4.3. Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 3 with respect to FCC and other governmental consents, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by

Buyer: (a) do not and will not require the consent of any third party; (b) do not and will not violate any provisions of Buyer's organizational documents; (c) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is a party; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Buyer is now subject.

4.4. Absence of Litigation. Except as set forth on Schedule 4.4, there is no claim, litigation, proceeding or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

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

#### **ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF SELLERS, THE COMPANY, AND THE MILLERS**

The Sellers and the Company jointly and severally represent and warrant to Buyer, and only as pertains to the Millers' Real Property, the Millers represent and warrant to Buyer, as follows:

5.1. Organization and Standing. The Company is a corporation duly formed, validly existing and in good standing under the laws of the State of Illinois and has all necessary power and authority to own, lease and operate the Stations and the assets used or held for use in the operation of the Stations (the "*Station Assets*"), and the Company's Real Property, and to carry on its businesses as now being conducted and as proposed to be conducted between the date hereof and the Closing Date. The Company owns no property and conducts no business in any state other than Illinois. The Millers have all necessary power and authority to own, lease and operate the Millers' Real Property.

5.2. Authorization and Binding Obligation. The Sellers, the Company and the Millers have all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and the execution, delivery and performance of this Agreement by the Company and the Sellers has been authorized by all necessary corporate action on their part. This Agreement has been duly executed and delivered by the Company, the Sellers and the Millers and constitutes the legal, valid and binding obligation of each of them, enforceable against each in accordance with its terms, except as limited by laws affecting the enforcement of creditors' rights or equitable principles

generally. Exhibit A contains a complete and accurate list of all shareholders of the Company, their addresses, and their holdings in the Company.

5.3. Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 3 with respect to governmental consents, and except as indicated on Schedules 5.10(a) and 5.10(b) hereof, the execution, delivery and performance of this Agreement by the Company, each of the Sellers, and the Millers (a) do not require the consent of any third party; (b) will not violate any provisions of the Company's certificate or articles of incorporation or bylaws; (c) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which the Company or any of the Sellers or the Millers is a party or by which the Company or any of the Sellers or the Millers is bound; (d) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which the Company or any of the Sellers or the Millers is subject; and (e) will not result in the creation of any Lien, of any nature whatsoever, on the Shares, any of the assets of the Company, or the Millers' Real Property.

5.4. Articles of Incorporation; Capitalization; Outstanding Options. Buyer has been furnished with a true and complete copy of the Company's articles of incorporation and bylaws, including any amendments, and has also been furnished with true and complete copies of the Company's minute books, which contain accurate records of all meetings of and corporate actions or written consent of the shareholders and board of directors of the Company. The Company's authorized capitalization consists of 10,000 shares of common stock, no par value, of which 100 shares are issued and outstanding. All shares were duly authorized for issuance, were validly issued, and are fully paid and non-assessable. Exhibit A contains a complete list of all holders of the Company's Shares, including their current address, and the number and class of Shares held by each. There are no outstanding options, warrants or rights of any kind to acquire any shares of any class, and there are no outstanding securities convertible into any shares of any class of the Company. The Company has no obligations to issue any such options, warrants, rights or securities. There are no existing arrangements that require or permit any shares of the Company to be voted by or at the discretion of anyone other than the persons identified on Exhibit A. At the Closing, Buyer will receive valid title to all of the Shares, free and clear of any Lien, voting trust or restriction on transfer whatsoever.

5.5. Financial Statements. Schedule 5.5 contains true and complete copies of the Financial Statements. The Financial Statements have been prepared on a cash basis, except that the Accounts Receivable have been prepared on an accrual basis, in accordance with generally accepted accounting principles. The Financial Statements accurately reflect and present fairly the financial position and the results of operations of the Company as of the dates and for the periods indicated. Since December 31, 2001, except for the transaction contemplated by this Agreement and the sale by the Company of the Excluded Real Property, the Company has conducted its business in only the ordinary course, consistent with past practice, and there has not been any change, effect or occurrence that, individually

or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on the business, property, assets, liabilities, condition (financial or otherwise) or prospects of the Company, and to each of the Company's and Sellers' knowledge, no such change is imminent. Except for (a) liabilities as and to the extent reflected or reserved against in the Financial Statements, and (b) liabilities incurred since November 30, 2002, in the ordinary and prudent course of business, the Company has no liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise.

#### 5.6. Governmental Authorizations.

(a) Schedule 5.6 contains a true and complete list of the Station Licenses, including their expiration dates, and there are no other licenses, permits or other authorizations from governmental or regulatory authorities required for the lawful conduct of the business and operations of the Company in the manner and to the full extent they are now conducted, or that are held for use by the Company in the operation of the Stations. The Company is the valid, legal holder of the Station Licenses and other licenses, permits and authorizations listed in Schedule 5.6, and none is subject to any restriction or condition which would limit in any respect the full operations of the Stations as now operated. Schedule 5.6 contains true and complete copies of the Station Licenses, including any and all amendments and other modifications thereto. Except as set forth in Schedule 5.6, there are no applications, complaints or proceedings pending or, to the best of each of the Company's and Sellers' knowledge, threatened before the FCC relating to the business or operations of the Company or the Stations, that may result in the revocation, materially adverse modification, non-renewal or suspension of any of the Station Licenses, or the imposition of any fines, forfeitures, or other administrative actions with respect to the Stations or their operations, other than proceedings affecting the broadcasting industry generally. All ownership reports, renewal applications, regulatory fees, tower registrations and other material reports and documents required to be filed with the FCC by or on behalf of the Company with respect to the Stations have been timely filed with the FCC, and all such reports, applications and other documents are true and complete in all material respects.

(b) The Station Licenses are held by the Company pursuant to Final Order, are in full force and effect and are unimpaired by any act or omission of the Company, its shareholders, officers, directors, employees or agents. The Stations are being operated in accordance with the terms and conditions of the Station Licenses and the rules and regulations of the FCC. The Company and Sellers have no reason to believe that the FCC will not renew the Station Licenses in their ordinary course. To the best knowledge of each of the Company and Sellers, there are no facts which, under the Communications Act of 1934, as amended, or the existing rules and regulations of the FCC, would disqualify Sellers as the transferor of control of the Company.

#### 5.7. Real Property.

(a) Schedule 5.7 contains descriptions of all of the Company's right and interests in

and to the real property used in the conduct of the business and operation of the Stations, and descriptions of the Millers' Real Property, including but not limited to fee interests, leasehold interests, easements, rights of ingress and egress, and rights of way associated therewith, and the buildings, towers, and fixtures located thereon (the "*Real Property*"). The Real Property and the use thereof by the Company and the Millers comply in all respects with all applicable laws, statutes, ordinances, rules and regulations of federal, state and local governmental authorities, including, without limitation, those relating to zoning. Any improvements upon the Real Property and the present use thereof comply or conform in all material respects with all deed restrictions, restrictive covenants, building codes, and federal, state and local laws, regulations and ordinances, and no permits, licenses or certificates pertaining to ownership or operation of the Real Property, other than those that are transferable with the Real Property, are required by any federal, state or local government, agency, board or other governmental authority having jurisdiction over the Real Property. All such improvements are in good working condition and repair, are insurable at standard rates, and are in compliance with the rules and regulations of the FCC, the Federal Aviation Administration and all other applicable federal, state and local statutes, ordinances, rules and regulations. There are no structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the improvements on the Real Property. All towers located upon the Real Property are structurally sound, comply with current wind-loading requirements and are not in need of repair or maintenance. There are no modifications or improvements to the Real Property required to bring it into compliance with any law, notwithstanding that the Company's current operations on the Real Property may be grandfathered or otherwise subject to an exception, exemption or waiver. The Company has paid, or shall have paid prior to Closing all amounts owed to any contractor, architect or subcontractor for labor or materials performed, rendered or supplied in connection with the Company's Real Property, and all contributions required to have been paid by a landlord or the Company in connection with the construction of, or modification to, any leased real property included in the Company's Real Property have been paid. The Millers have paid, or shall have paid prior to Closing all amounts owed to any contractor, architect or subcontractor for labor or materials performed, rendered or supplied in connection with the Millers' Real Property, and all contributions required to have been paid by a landlord or the Millers in connection with the construction of, or modification to, any leased real property included in the Millers' Real Property have been paid.

(b) The Company holds good and marketable title to all owned real property or valid and subsisting leasehold interests in and to all leased real property included in the Company's Real Property, free and clear of all Liens. With respect to each leasehold or subleasehold interest included in the Company's Real Property, so long as the Company fulfills its obligations under the lease therefor, the Company has enforceable rights to non-disturbance and quiet enjoyment, and no third party holds any interest in the leased premises with the right to foreclosure upon the Company's leasehold or subleasehold interest. The Millers hold good and marketable title to all owned real property or valid and subsisting leasehold interests in and to all leased real property included in the Millers' Real Property, free and clear of all Liens. With respect to each leasehold or subleasehold interest included in the Millers' Real Property, so long as the Millers fulfill their obligations under the

lease therefor, the Millers have enforceable rights to non-disturbance and quiet enjoyment, and no third party holds any interest in the leased premises with the right to foreclosure upon the Millers' leasehold or subleasehold interest.

(c) Neither the Company, Sellers, nor the Millers have received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning law, regulation or other law, order, regulation or requirement affecting the Real Property or the improvements thereon, or of the need for any material repair, remedy, construction, alteration or installation with respect to the Real Property or improvements thereon, or any material change in the means or methods of conducting operations thereon.

(d) The Company has good and marketable fee simple title, insurable at standard rates, to the owned Company's Real Property, free and clear of all Liens, of any nature whatsoever, and without any reservation or exclusion of any mineral, timber, or other rights or interests, except for liens disclosed on Schedule 5.7. The Millers have good and marketable fee simple title, insurable at standard rates, to the owned Millers' Real Property, free and clear of all Liens, of any nature whatsoever, and without any reservation or exclusion of any mineral, timber, or other rights or interests, except for liens disclosed on Schedule 5.7.

(e) All towers, guy anchors, and buildings and other improvements included in the Station Assets are located entirely on the Real Property.

(f) Sellers have delivered to Buyer true and complete copies of all deeds, leases and easements held by Sellers pertaining to the Company's Real Property and copies of all title policies and surveys in its possession pertaining to the Company's Real Property. The Millers have delivered to Buyer true and complete copies of all deeds, leases and easements held by the Millers pertaining to the Millers' Real Property and copies of all title policies and surveys in its possession pertaining to the Millers' Real Property. The Real Property, including the improvements thereon, (i) is in good condition and repair, and (ii) is available for immediate use in the conduct of the business and operations of the Stations as currently conducted and operated.

(g) The Company has full legal and practical access to the Real Property, including to the tower located on the Real Property, and all easements, rights-of-way, and real property licenses included in the Real Property have been properly recorded in the appropriate public recording offices.

(h) The Real Property by definition shall not include the Company's interest in the AM radio station tower site specifically described on Schedule 5.7 (the "Excluded Real Property").

5.8. Title to and Condition of Tangible Personal Property. The Company owns and has good

and marketable title to all tangible personal property used or held for use in the business and operation of the Stations (the "*Personal Property*"), free and clear of any Liens. All material items of Personal Property are listed on Schedule 5.8 hereto. The Personal Property is in good operating condition and repair, ordinary wear and tear excepted, is insurable at standard rates, has been properly maintained in accordance with industry standards, is performing satisfactorily and in accordance with standards of good engineering practice, and is available for immediate use in the conduct of the business and operation of the Stations. The Personal Property, and the Company's use thereof, complies with the rules and regulations of the FCC, if applicable, and with all other applicable federal, state and local statutes, ordinances, rules and regulations. The Personal Property includes all tangible personal property necessary to the conduct of the business and operation of the Stations as now conducted. Sellers have no knowledge of any defect in the condition or operation of any item of Personal Property which is reasonably likely to have a material adverse effect on the operation of the Stations.

5.9. Intellectual Property. Schedule 5.9 lists all material copyrights, trademarks, trade names, service marks, FCC call signs, licenses, patents, permits, Internet domain names, web sites, jingles, logos, marketing plans, privileges, and other similar intangible property rights and interests applied for, issued to or owned by the Company, or under which the Company is licensed or franchised ("*Intellectual Property*"), all of which rights and interests are issued to or owned by the Company, or if licensed or franchised to the Company are valid and uncontested. The Company has delivered to Buyer copies of all material documents, if any, establishing such rights, licenses or other authority. To the Company's and Sellers' knowledge, there is no pending or threatened proceeding or litigation affecting or with respect to the Intellectual Property. The Company has not received any notice nor does it have any knowledge of any infringement or unlawful use of such property. The properties listed in Schedule 5.9 include all such properties owned or held by the Company or necessary in the conduct of the business and operations of the Stations as now conducted. The Company and Sellers shall cooperate with Buyer in transferring the Intellectual Property to Buyer at Closing, free and clear of any security interest, mortgage, pledge, conditional sales agreement, lease, lien, claim or encumbrance.

5.10. Contracts.

(a) Schedule 5.10(a) lists all Contracts as of the date of this Agreement, except (i) Contracts entered into in the normal course of business for the sale or sponsorship of broadcast time on the Stations for cash expiring within three months after the date of this Agreement ("*Time Sales Agreements*"), (ii) the Trade Agreements and Barter Agreements listed in Schedule 5.10(b), and (iii) the employment arrangements with the Stations' employees described in Section 5.11.

(b) Schedule 5.10(b) lists all Trade Agreements and Barter Agreements as of the date of this Agreement, together with obligations thereunder of either party thereto.

(c) Except for Time Sales Agreements, the Company has delivered to Buyer true and

complete copies of all written Contracts, or true and complete memoranda of all oral Contracts, and all liabilities and obligations thereunder can be ascertained from such copies or memoranda. All Contracts are valid, binding and enforceable by the Company in accordance with their respective terms, and the sale of the Shares hereunder will not affect the validity, enforceability and continuity of any of the Contracts. The Company has complied in all material respects with all Contracts and is not in default under any of the Contracts. Neither the Company nor Sellers have granted or been granted any waiver or forbearance with respect to any of the Contracts, and to the best of each the Company's and Sellers' knowledge, no other contracting party is in default under any of the Contracts. The Contracts listed on Schedules 5.10(a) and 5.10(b) include all those entered into by or on behalf of the Company or necessary to conduct the business and operations of the Stations as now conducted. Except as otherwise noted on Schedules 5.10(a) and 5.10(b), Sellers and/or the Company have all requisite power and authority to assign or otherwise transfer their rights under the Contracts listed on Schedules 5.10(a) and 5.10(b) (except for those contracts also listed on Schedule 5.10(d)) to Buyer in accordance with this Agreement on terms and conditions no less favorable than those in effect on the date hereof, and such assignment or transfer will not affect the validity, enforceability or continuity of any such Contracts.

(d) The Contracts listed on Schedule 5.10(d) (the "*Excluded Contracts*") shall be terminated by the Company or by Sellers, as the case may be, on or prior to the Effective Time. Sellers shall remain solely liable for all obligations under any such Excluded Contracts, and shall indemnify, defend and hold harmless Buyer and, on and after the Effective Time, the Company, their affiliates, employees, successors and assigns, from and against, and shall reimburse them for, all Liabilities asserted with respect to the Excluded Contracts.

5.11. Personnel Information. Schedule 5.11 contains a true and complete list of all persons employed by the Company, a description of their positions and responsibilities, whether such employee is full time, or part time, their dates of hire, and a description of all compensation arrangements, including bonus plans. The Company is not a party to any Contract or agreement with any labor organization, nor has the Company agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of the Company's employees. Neither the Company nor Sellers have any knowledge of any organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of the Company. The Company has complied with all laws relating to the employment of labor, including, without limitation, the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), and those laws relating to safety, health, wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity and payment and withholding of taxes. Except as set forth in Schedule 5.11, there are no unfair labor practice charges pending against the Company; there are no pending, or to each of the Company's and Sellers' knowledge, threatened, strikes or arbitration proceedings involving labor matters affecting the Company; and the Company has not experienced any strike, work stoppage or other significant labor difficulties of any nature. The Company is not a party to any agreement, written or oral, with



salaried or non-salaried employees except as described in Schedule 5.11. Except as described in Schedule 5.11, neither the Company nor Sellers have any knowledge that any employee identified in Schedule 5.11 currently plans to terminate employment, whether by reason of the transactions contemplated by this Agreement or otherwise.

5.12. Employee Benefit Plans. Except as set forth in Schedule 5.12, the Company is not a party to or bound by any employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not such plan is otherwise exempt from the provisions of ERISA, and no employee or spouse of an employee is entitled to any benefits that would be payable pursuant to any such plan. Except pursuant to a plan or agreement listed in Schedule 5.12, the Company has no fixed or contingent liability or obligation to any person now or formerly employed by it, including, without limitation, pension or thrift plans, individual or supplemental pension or accrued compensation arrangements, contributions to hospitalization or other health or life insurance programs, incentive plans, bonus arrangements and vacation, sick leave, disability and termination arrangements or policies, including workers' compensation policies. The Company has administered any plan listed in Schedule 5.12 hereto in accordance with the provisions of ERISA.

5.13. Litigation. Except as set forth in Schedule 5.13, neither the Company nor the Sellers are subject to any judgment, award, order, writ, injunction, arbitration decision or decree. Except as set forth in Schedule 5.13, there is no claim, litigation, proceeding or investigation pending or, to the best of each of the Company's and Sellers' knowledge, threatened, against the Company or Sellers in any federal, state or local court, or before any administrative agency, arbitrator, or other tribunal authorized to resolve disputes.

5.14. Compliance With Laws. The Company has operated and is operating in compliance with all laws, regulations and governmental orders applicable to it. Except as set forth in Schedule 5.14, neither the Company nor Sellers have received any notice asserting any non-compliance by the Company with any law, regulation or order.

5.15. Interest in Clients, Suppliers, Etc.. Except as set forth on Schedule 5.15, none of the Sellers, nor any officer, director, or affiliate of the Company possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any corporation, firm, association or business organization which is a client, supplier, customer, lessor, lessee, or competitor of the Company or has a banking relationship with the Company. Ownership of securities of a company whose securities are registered under the Securities Exchange Act of 1934 not in excess of five percent (5%) of any class of such securities shall not be deemed to be a financial interest for purposes of this Section 5.15. All Real Property, Personal Property, Intellectual Property and Contracts used, useful or necessary in the business or operations of the Company are owned, leased or held by the Company, and no affiliate of the Company owns or leases property or is a party to any lease or agreement affecting or relating to the operations of the Company.

5.16. Insurance. All of the Company's business, properties and employees, and the Millers' Real Property are insured against loss, damage, or injury in amounts customary in the broadcast industry. Schedule 5.16 lists all insurance policies held by the Company and, as pertains to the Millers' Real Property, the Millers, together with the policy limit, the type of coverage, the location of the property covered, annual premium, premium payment date and expiration date of each of the policies. Copies of all such insurance policies have been furnished to Buyer. All such insurance policies are in full force and effect, free from any right of termination on the part of the insurance carriers, except as provided therein.

5.17. Reports. All ownership reports, renewal applications and other reports and documents required to be filed with the FCC by or on behalf of the Company have been timely filed with the FCC, and all such reports, applications and other documents are true and complete.

5.18. Taxes. Except as set forth on Schedule 5.18, no Liens for taxes exist with respect to any of the assets of the Company, or with respect to the Millers' Real Property, except for statutory Liens for taxes not yet due or payable. The Company, and the Millers, as regards the Millers' Real Property, have duly, timely and in the required manner filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excess, interest, penalties, deficiencies and losses required to be paid, and all such filings were complete and correct in all material respects. There are no outstanding agreements or waivers extending the statutory period of limitation applicable to any tax return of the Company or the Millers. All taxes which the Company is required to withhold or collect have been duly withheld or collected and have been paid over to the appropriate governmental authorities or are being held by the Company for such payment with appropriate provisions made therefor. The Company has previously furnished Buyer with copies of the Company's federal income tax returns for the years 1998 through 2001. There is no audit, examination, deficiency, or refund litigation pending with respect to any federal, state, local or foreign income, property, sales, excise and other taxes or similar governmental charges, including any interest, penalties or additions with respect thereto, as regards the Company

5.19. Subsidiaries and Investments. The Company does not own, directly or indirectly, any capital stock or other equity or ownership or proprietary interest in any other corporation, partnership, association, trust, joint venture or other entity.

5.20. Books and Records. Except for records in the possession of the Company's accountants and legal counsel, the Company does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) that (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of the Company.

5.21. Liabilities. The Company, and as pertains to the Millers' Real Property, the Millers, have no outstanding claims, liabilities or indebtedness, contingent or otherwise, except as disclosed in this Agreement (including the schedules hereto) other than Liabilities incurred subsequent to the date hereof in the ordinary course of business. The Company, nor as regards the Millers' Real Property, the Millers, are not in default in respect of the terms or conditions of any indebtedness. At the Effective Time, there shall be no claims, liabilities or indebtedness, contingent or otherwise, relating to the Company, the Stations, the Shares, or the Millers' Real Property to the extent that either (i) such claims, liabilities or indebtedness relate to the period prior to the Effective Time and (ii) the Purchase Price was not reduced pursuant to Section 2.4 as a result of the proration or adjustment of such obligations and liabilities. All of the Company's assets are and have been located solely in the State of Illinois. Except as set forth on Schedule 5.21, there are no financing statements filed by any party with respect to the Company's assets or the Millers' Real Property. Sellers and/or the Millers, as the case may be, shall cause any financing statements against the Company's assets or the Millers' Real Property to be removed at or prior to the Closing.

5.22. Bank Accounts and Powers of Attorney. Schedule 5.22 sets forth an accurate and complete list showing (a) the name and address of each bank in which the Company has an account or safe deposit box, the number of any such account or any such box, the names of all persons authorized to draw thereon or to have access thereto, and the amounts held in each such account, and (b) the names of all persons, if any, holding powers of attorney from the Company and a summary statement of the terms thereof. All representations of the Company and any Sellers authorized to have access to any such accounts shall resign their rights as of the Closing Date.

5.23. Bankruptcy. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Company, Sellers, the Millers or any material asset of the Company or the Millers' Real Property, are pending or threatened, and neither the Company, Sellers, or the Millers have made any assignment for the benefit of creditors or taken any action in contemplation of or which would constitute the basis for the institution of such insolvency proceedings.

5.24. Environmental Matters. No Hazardous Substance (a) is or has been used, treated, stored, disposed of, released, spilled, generated, manufactured, transported or otherwise handled on the Real Property, (b) has been spilled, released or disposed of on property adjacent to the Real Property, or (c) has otherwise come to be located on or under the Real Property. The Real Property and all operations on the Real Property are in compliance with all Environmental Laws. No outstanding Liens have been placed on the Real Property under any Environmental Laws. Neither the Company, the Sellers, or the Millers has received any notice, and neither the Company, the Sellers, or the Millers is aware of any administrative or judicial investigations, proceedings or actions with respect to violations, alleged or proven, of Environmental Laws by the Company or any tenants of the Company, or the Millers or otherwise involving the Real Property or the operations conducted on the Real Property. No Asbestos-Containing Material is present in any of the improvements on the Real

Property or is otherwise located on the Real Property, and the Real Property and all operations conducted on the Real Property are in compliance with all federal and state statutes and regulations relating to Asbestos. No underground storage tanks, whether in use or closed, are on or under the Real Property.

5.25. Disclosure. None of this Agreement or any certificate or other document delivered in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits any statement of material fact necessary to make any statement contained herein or therein not misleading.

## **ARTICLE 6 - COVENANTS OF BUYER**

6.1. Notification. Between the date of this Agreement and the Closing Date, Buyer shall promptly notify the Company and Sellers of any material litigation, arbitration or administrative proceeding pending or, to its knowledge, threatened against Buyer which challenges the transactions contemplated hereby, or of any event or occurrence which changes or renders untrue or incomplete any of Buyer's representations or warranties, or that impedes the performance of any of Buyer's covenants hereunder.

6.2. No Inconsistent Action. Buyer shall not take any action which is materially inconsistent with its obligations under this Agreement. Buyer will not take any action, or fail to take any action, the result of which would either disqualify it from becoming the licensee of the Stations or that would require Buyer to receive a waiver of the FCC's rules, regulations or policies prior to becoming the licensee of the Stations.

### **6.3 Collection of Accounts Receivable**

(a) As of the Effective Time, Buyer shall be designated as Sellers' agent solely for the purposes of collecting on behalf of Sellers the Accounts Receivable. Sellers shall deliver to Buyer, on or immediately after the Closing Date, a complete and detailed statement of the Accounts Receivable. Buyer shall make reasonable efforts to collect the Accounts Receivable during the period (the "*Collection Period*") beginning at the Effective Time and ending on the 120<sup>th</sup> day following the Closing Date. Any payment received by Buyer (i) at any time following the Effective Time, (ii) from a customer of the Stations after the Effective Time who was also a customer of the Stations prior to the Effective Time and (iii) which is not designated as a payment of a particular invoice or invoices or as a security deposit or other prepayment, shall be presumptively applied to the Accounts Receivable for such customer outstanding for the longest amount of time and, if such accounts receivable shall be an Accounts Receivable, remitted to Sellers in accordance with Section 6.3(b); provided, however, that if Buyer has received a written notice of dispute from a customer with respect to an Accounts Receivable that has not been resolved, then the Buyer shall apply any payments from such customer to

such customer's oldest, non-disputed accounts receivable. Buyer shall not be obligated to refer any of the Accounts Receivable to a collection agency or to an attorney for collection. Buyer shall not incur any liability to Sellers for any collected or uncollected Accounts Receivable. During the Collection Period, neither Sellers nor their agents, without the consent of Buyer or the Company, shall make any direct solicitation of any customers owing the Accounts Receivable for collection purposes.

(b) On or before the fifteenth day following the sixtieth day and the one hundred twentieth day of the Collection Period, Buyer shall pay, by wire transfer or check, to Sellers, the amounts collected during the Collection Period with respect to the Accounts Receivable. Buyer shall furnish Sellers with a list of the amounts collected with respect to the Accounts Receivable and a schedule of the amount remaining outstanding under each particular account. Sellers shall be entitled to inspect and/or audit the record maintained by Buyer pursuant to this Section 6.3 from time to time, upon reasonable advance notice.

(c) Following the expiration of the Collection Period, Buyer shall have no further obligations under this Section 6.3, except that Buyer shall immediately pay over to Sellers any amounts subsequently paid to it with respect to any Accounts Receivable. Following the Collection Period, after consultation with Buyer, Sellers may pursue collections of all Accounts Receivable, and Buyer shall deliver to Sellers all files, records, notes and any other materials relating to the Accounts Receivable.

## **ARTICLE 7 - COVENANTS OF THE COMPANY AND SELLERS**

7.1. Maintenance of Capitalization. (i) Between the date of this Agreement and the Closing Date, Sellers shall not permit the Company to, and the Company shall not: (a) issue any additional stock or securities convertible into stock or options or other commitments for the issuance of stock or such securities; (b) declare any stock split; (c) amend its articles of incorporation or its by-laws; (d) make any distributions or payments to any shareholders of cash, securities or property of any kind whether with respect to stock ownership or otherwise, except as expressly permitted under this Agreement; (e) without Buyer's express consent, incur any obligation or liability, direct or indirect, absolute or contingent, other than liabilities incurred in the ordinary and prudent course of business consistent with past practices which entail commitments of not more than \$1,000.00 in the case of any single agreement, or \$10,000.00 in the aggregate of all such agreements; (f) incur any indebtedness for borrowed money; (g) assume, guarantee, endorse or otherwise as accommodation become responsible for the obligations of any individual, firm or corporation, or make any loans or advances to any individual, firm or corporation; (h) mortgage or pledge any of the Company's assets or permit them to be subjected to any lien, security interest, encumbrance, restriction or charge of any kind; (i) sell, assign, lease or otherwise transfer or dispose of any material asset, except for assets consumed or disposed of in the ordinary course of business, where no longer used or useful in its businesses or operations, in which event the same shall be replaced with assets of equal value, and the Company's

inventories of spare parts and expendable supplies shall be maintained at levels consistent with past practices (provided, however, that the Company shall be entitled to sell or otherwise dispose of the Excluded Real Property); (j) cancel, release or assign any indebtedness owed to the Company or any claims held by it; (k) make any investment of a capital nature either by purchase of stock or securities, contributions to capital, property transfers or otherwise, or by the purchase of any property or assets of any individual, firm or corporation; or (l) make any capital expenditure or commitment in excess of One Thousand Dollars (\$1,000.00) without the express prior written consent of Buyer.

(ii) Between the date of this Agreement and the Closing Date, the Millers shall not (a) without Buyer's express consent, incur any obligation or liability, direct or indirect, absolute or contingent, other than liabilities incurred in the ordinary and prudent course of business consistent with past practices, in connection with the Millers' Real Property; (b) mortgage or pledge the Millers' Real Property or permit the Millers' Real Property to be subjected to any lien, security interest, encumbrance, restriction or charge of any kind; (c) sell, assign, lease or otherwise transfer or dispose of the Millers' Real Property; (d) cancel, release or assign any indebtedness owed to the Millers in connection with the Millers' Real Property or any claims held by it; or ; (e) make any capital expenditure or commitment in excess of One Thousand Dollars (\$1,000.00) in connection with the Millers' Real Property without the express prior written consent of Buyer.

7.2. Interim Operation. Between the date hereof and the Closing Date, except as expressly permitted by this Agreement or with the prior written consent of Buyer:

(a) The Company shall: (i) operate in the ordinary and prudent course of business, with the intent of preserving its on-going operations and assets; (ii) use best efforts to preserve its operations, organization and reputation intact, to preserve the goodwill and business of its advertisers, suppliers, and others having business relations with it, and to continue to conduct its financial operations, including its credit and collection policies, with no less effort, as in the prior conduct of its business; (iii) operate the Stations in accordance with the FCC's rules and regulations and the Station Licenses and with all other laws, regulations, rules and orders, and the Company shall not cause or permit by any act, or failure to act, any of the Station Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceeding for the suspension, revocation or adverse modification of any of the Station Licenses, or fail to prosecute with due diligence any pending application to the FCC; (iv) maintain advertising and promotional expenditures for the Stations consistent with prior practice; (v) use its best efforts to maintain the employment at the Stations and to renew the existing employment contracts of the employees listed on Schedule 5.11, and neither Sellers nor any affiliate of Sellers shall solicit, directly or indirectly, through any agent or otherwise, the employment of, or hire, any of the employees listed on Schedule 5.11; (vi) maintain its existing insurance policies or reasonably comparable insurance coverage and to obtain similar insurance coverage for new properties, assets or operations; (vii) timely make all payments required to be paid under any Contract when due pursuant to the terms of each such Contract and otherwise to pay all liabilities and satisfy all obligations when such liabilities and obligations come due; and (viii)

maintain its books and records substantially in accordance with generally accepted accounting practices and not make any material change in its method of accounting.

(b) The Company shall not, without the prior written consent of Buyer (i) increase or agree to increase the compensation, bonuses or other benefits payable to its employees; (ii) enter into or renew any Contract involving the payment of One Thousand Dollars (\$1,000.00) or more or having a duration of three (3) months or more, in all instances in a manner consistent with, and not in addition to, Section 7.1(e), or any agreement for the sale of advertising time to be aired on the Stations after the Closing Date which specifies volume discounts or special rates inconsistent with past practices, or any Trade Agreements or Barter Agreements; (iii) waive any material right under any Contract or relating to any of its assets; or (iv) introduce any material change with respect to the programming policies of the Stations including, without limitation, any change in the broadcast hours of Stations.

7.3. Access to Stations and Millers' Real Property. Between the date of this Agreement and the Closing Date, the Company shall give Buyer and Buyer's counsel, accountants, engineers and other representatives, reasonable access during normal business hours to all of the Company's properties, records and employees, and will furnish Buyer with all information that Buyer reasonably requests. The Millers shall give Buyer and Buyer's counsel, accountants, engineers and other representatives, reasonable access during normal business hours to the Millers' Real Property.

7.4. Notification.

(a) Between the date of this Agreement and the Closing Date, the Company, Sellers, and the Millers shall notify Buyer of any litigation, arbitration or administrative proceeding pending or, to each of the Company's and Sellers' knowledge, threatened against the Company, Sellers, the Millers, or the Millers' Real Property which challenges the transactions contemplated hereby, or of any event or occurrence which changes or renders untrue or incomplete any of the Company's, Sellers', or the Millers' representations or warranties, or that impedes the performance of any of the Company's, Sellers', or the Millers' covenants hereunder.

(b) If the regular broadcast transmission of either of the Stations from their respective main broadcasting antenna at full authorized power is interrupted for a period of more than three (3) consecutive hours or for an aggregate of six (6) hours in any continuous two (2) day period.

(c) Between the date of this Agreement and the Closing Date, the Company and Sellers shall keep Buyer reasonably informed of all operational matters and business developments with respect to the Company, and the Millers shall keep Buyer reasonably informed of all operational matters and business developments with respect to the Millers' Real Property.

7.5. No Inconsistent Action. Neither the Company, the Sellers, nor the Millers shall take any

action which is materially inconsistent with their obligations under this Agreement.

7.6. No Solicitation. Between the date of this Agreement and the Closing, none of the Company, Sellers, the Millers, or any agent or affiliate of them shall directly or indirectly (a) solicit, initiate or encourage submission of any proposal or offer from any person relating to any acquisition or purchase of the Millers' Real Property, any equity interest in the Company or of any material asset of the Company or any merger, consolidation or business combination with the Company, or (b) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or otherwise cooperate in any way, or assist or participate in, facilitate or encourage, any effort or attempt by any person to do or seek any of the foregoing. The Company, Sellers, and/or the Millers shall promptly notify Buyer in writing if any such offer or proposal is made after the date of this Agreement.

7.7. Financial Statements. Within ten (10) business days of the end of each month until the Closing Date, the Company shall deliver to Buyer an unaudited statement of revenue and expenses of the Company for the month then ended, and for the current fiscal year to date, along with a balance sheet as of the end of such month and a copy of the Company's current general ledger, and shall deliver to Buyer all work papers and the completed federal tax return for fiscal year 2002 within 5 business days after such is filed, but in no event, later than on the Closing Date. Such statements shall be true and complete to the best of each of the Company's and Sellers' knowledge and fairly represent the results of operation of the Company for the period covered by such statement. The Company shall furnish to Buyer any and all other information customarily prepared by the Company concerning the financial condition of the Company that Buyer may reasonably request.

7.8. Environmental Audit. Within 30 days after the date hereof, Sellers shall cause an environmental audit of the Real Property to be conducted by the environmental engineering firm R. Russell and Associates, 215 West Washington, Pontiac, IL 31764. All costs of such audit shall be paid by the Sellers and/or the Company for the Company's Real Property, and the Millers for the Millers' Real Property. Sellers or the Company shall provide a copy of the environmental audit to Buyer within 5 business days after Sellers or the Company receive such audit. If the environmental audit discloses the presence of any Hazardous Substance on or under the Real Property, or any other environmental deficiency or violation of any Environmental Laws, the Company and Sellers (as regards the Company's Real Property), and the Millers (as regards the Millers' Real Property) shall correct such condition prior to Closing, or Buyer shall have the option to either (a) terminate this Agreement with no further obligation to Sellers, the Company, or the Millers; (b) correct such condition at its own expense and deduct such costs of correction from the Purchase Price; or (c) (i) in the event the deficiency concerns the Company's Real Property, elect to have the Company convey the Company's Real Property to Sellers prior to Closing, in which event the Purchase Price shall be reduced by \$94,000.00 or (ii) in the event the deficiency concerns the Millers' Real Property, reduce the Millers Purchase Price by \$160,000 (the amounts under Sections 7.8(c)(i) and 7.8(c)(ii) are collectively the "*Reduction Amount*"), and in which event, Buyer shall be entitled to continue to



occupy and use the Real Property in the operation of the Stations under a ninety-nine (99) year lease at a rent of \$10 per year, with the stipulation that the Real Property shall be reconveyed to the Company after the environmental deficiency or violation of the Environmental Laws has been corrected by Sellers or the Millers, as the case may be, upon the payment by Buyer to Sellers or the Millers, as the case may be, of the Reduction Amount.

7.9. Estoppel Certificates; Consent and Waiver. The Company and/or the Millers, as the case may be, shall obtain estoppel certificates and consents and waivers from all landlords of or lessors of the Real Property at least fourteen (14) days prior to the Closing Date. Each estoppel certificate shall identify with specificity the lease, and any amendments or modifications thereto, and the amount of the monthly payments due thereunder, and shall contain the landlord's or lessor's certification for the benefit of Buyer that the lease is in full force and effect, that there are no defaults with respect to such lease, and that the Company or the Millers, as the case may be, has been and is in full compliance with all of the Company's or the Millers' obligations thereunder. Each consent and waiver shall be in form and substance satisfactory to Buyer's.

7.10. Closing Covenant. On the Closing Date, the Company shall transfer, convey, and deliver to Buyer the Real Property, and the Shares as provided in Article 2 of this Agreement and take all steps necessary to transfer the control of the Company's assets to Buyer.

7.11. Third-Party Consents. Sellers and the Company shall use commercially reasonable efforts to obtain the consent of any third parties necessary under any Contracts to be transferred in connection with the transfer of control of the Company to Buyer.

7.12. Real Property Title Commitment. Within sixty (60) days after the date of this Agreement, the Company shall provide, at its or the Sellers' sole expense, standard ALTA Form B commitments for title insurance for the Company's Real Property, and the Millers shall provide, at the Millers' sole expense, standard ALTA Form B commitments for title insurance for the Millers' Real Property. Sellers and the Millers, as the case may be, shall provide Buyer with a copy of the title commitment obtained pursuant to this Section 7.12 within 15 business days of receipt thereof by Sellers, the Company, or the Millers.

7.13. Noncompetition Agreement. At the Closing, the Millers shall enter into the Noncompetition Agreement.

## **ARTICLE 8 - JOINT COVENANTS**

The Company, Sellers, the Millers, and Buyer covenant and agree that between the date hereof and the Closing Date, they shall act in accordance with the following:

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

8.2. Best Efforts. Each party shall use its best efforts to cause the fulfillment at the earliest practicable date of all of the conditions to the obligations of the other party to consummate the sale and purchase under this Agreement.

8.3. Control of the Company and the Stations. Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Company or the Stations prior to Closing. Such operations shall be the sole responsibility of the Company and its current shareholders and, subject otherwise to the provisions of this Agreement, shall be in their complete discretion.

8.4. Confidentiality. Buyer, in the first part, and Sellers and the Company in the second part, and the Millers, in the third part as pertains to the Millers' Real Property, shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, except where such information is known or available through other lawful sources or where its disclosure is required in accordance with applicable law; provided, however, that the parties shall be entitled to disclose such matters to their respective counsel, and provided further that Buyer shall be entitled to supply Financial Statements of the Company to its accountants and lenders in connection with the evaluation of the financial position of the Company and in order to secure financing. If the transactions contemplated hereby are not consummated for any reason, upon resolution of all matters between the parties, the parties shall return, without retaining a copy thereof, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, to the party that provided such information.

8.5. Permitted Distributions. Notwithstanding anything to the contrary in this Agreement, between the date hereof and the Effective Time, the Company may distribute to Sellers all of the Company's cash and cash equivalents, including any marketable securities or certificates of deposit, and all Accounts Receivable as of the Effective Time. Prior to the Effective Time, Sellers shall assume all intercompany payables and Accounts Receivable of the Company, and the Company and Buyer shall be released from any liability therefor after the Effective Time.

## **ARTICLE 9 - CONDITIONS OF CLOSING BY BUYER**

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

### **9.1. Representations, Warranties and Covenants**

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

(b) All of the terms, covenants and conditions to be complied with and performed by the Company and/or each of the Sellers on or prior to the Closing Date shall have been complied with or performed.

9.2. Governmental Consents. The conditions specified in Article 3 of this Agreement shall have been satisfied, and the FCC Consent shall have become a Final Order; provided, however, that if the FCC Consent has been received, Buyer may waive the condition that such FCC Consent shall have become a Final Order.

9.3. Governmental Authorizations. The Company shall be the lawful holder of the Station Licenses and all other material licenses, permits and other authorizations listed in Schedule 5.6, and there shall not have been any modification of any of such licenses, permits and other authorizations which might have an adverse effect on the Company, the Stations or the conduct of the Company's business and operations. No proceeding shall be pending which seeks or the effect of which reasonably could be to revoke, cancel, fail to renew, suspend or modify adversely any of the Station Licenses or any other licenses, permits or other authorizations.

9.4. Third-Party Consents. The Company and Sellers shall have obtained and shall have delivered to Buyer all third-party consents required in connection with the sale of the Shares under the Contracts, without any condition adverse to the Buyer or the Company.

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

9.6. No Material Adverse Change. There shall have been no material adverse change in the property, assets, liabilities, condition (financial or otherwise), business or prospects of the Company or the Stations.

9.7. Deliveries. The deliveries required by Section 11.1 shall have been made.

## ARTICLE 10 - CONDITIONS OF CLOSING BY THE COMPANY AND SELLERS

The obligations of the Company and Sellers hereunder are, at their option, subject to satisfaction, prior to or at the Closing, of each of the following conditions; provided, however, that the Company may not waive Section 10.2:

### 10.1. Representations, Warranties and Covenants.

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

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

10.2. Governmental Consents. The conditions specified in Article 3 of this Agreement shall have been satisfied.

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

10.4. Deliveries. The deliveries required by Section 11.2 shall have been made.

## ARTICLE 11 - DOCUMENTS TO BE DELIVERED AT THE CLOSING

11.1. Documents to be Delivered by the Company and Sellers. At the Closing, the Company and Sellers shall deliver to Buyer the following:

(a) certificates of the Company, Sellers, and the Millers, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying to the fulfillment of the conditions set forth in Sections 9.1 through 9.7;

(b) current certificates from the Secretary of State of the Company's state of organization certifying that the Company is in existence and in good standing under the laws of the State of Illinois;

(c) certified copies of the resolutions of the board of directors of the Company and

the Sellers approving the transactions contemplated by this Agreement;

(d) an opinion of corporate counsel to the Company and Sellers, dated the Closing Date, substantially in the form of Exhibit B;

(e) an opinion of FCC counsel to the Company and Sellers, dated the Closing Date, substantially in the form of Exhibit C;

(f) a stock certificate or certificates for the Shares, free and clear of any claim, Lien, or encumbrance of any nature whatsoever, duly endorsed in blank or accompanied by stock transfer powers and with any requisite stock transfer tax stamps attached;

(g) written resignations of all of the officers and directors of the Company, all of which shall be effective on the Closing Date;

(h) the Noncompetition Agreement executed by Sellers;

(i) executed certificates by any representatives of the Company terminating their access and signatory rights for all Company bank accounts;

(j) required third party consents;

(k) estoppel certificates and consents required pursuant to Section 7.9; and

(l) a general warranty deed to transfer the Millers' Real Property to Buyer or the Company, as Buyer determines;

(m) such other documents as may be reasonably requested by Buyer or Buyer's counsel.

11.2. Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to the Company the following:

(a) to the Company and Sellers, a certificate, dated as of the Closing Date, in form and substance reasonably satisfactory to the Company and Sellers, certifying to the fulfillment of the conditions specified in Sections 10.1 through 10.4;

(b) immediately available wire-transferred federal funds as provided in Section 2.2;

(c) the Noncompetition Agreement executed by Buyer;

(d) such other documents as may be reasonably requested by counsel to the Company and Sellers.

## **ARTICLE 12 - TRANSFER TAXES, FEES AND EXPENSES**

12.1. Transfer Taxes and Similar Charges. Except as provided in Section 12.2, all costs of selling the Shares in accordance with this Agreement, including any excise, sales or use taxes, or other fees imposed by any governmental authority shall be borne by Sellers, provided, however, that the FCC filing fees associated with the FCC Application shall be shared equally by Buyer and Sellers. Except as provided in Section 12.2, all costs associated with the sale of the Millers' Real Property to Buyer shall be borne by the Millers.

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

## **ARTICLE 13 - BROKER'S COMMISSION OR FINDER'S FEE**

Each party to this Agreement represents and warrants to the other parties that neither it nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, nor has it or any person or entity acting on its behalf taken any action on which a claim for any such payment could be based, except that Sellers and the Company have engaged Sailors & Associates as their broker, and Sellers shall be solely responsible for all associated fees or commissions payable to Sailors & Associates. Each party to this Agreement further agrees to indemnify and hold the other parties harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of a claim by any person or entity based on any such arrangement or agreement made or alleged to have been made by such party.

## **ARTICLE 14 - INDEMNIFICATION**

### **14.1. The Company's, Sellers', and the Millers' Indemnities.**

The Company, prior to the Effective Time, and Sellers prior to the Effective Time and thereafter, shall jointly and severally indemnify, defend and hold harmless Buyer, Buyer's affiliates, employees, shareholders, officers, directors, successors and assigns from and against, and shall reimburse them for, all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties, court costs and

attorneys' fees and expenses, asserted against, resulting to, imposed upon or incurred by any of them, directly or indirectly, with respect to any misrepresentation, breach of warranty or covenant, or failure by the Company or Sellers to perform any of their obligations under this Agreement. The Millers shall indemnify, defend and hold harmless Buyer, Buyer's affiliates, employees, shareholders, officers, directors, successors and assigns from and against, and shall reimburse them for, all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties, court costs and attorneys' fees and expenses, asserted against, resulting to, imposed upon or incurred by any of them, directly or indirectly, with respect to any misrepresentation, breach of warranty or covenant, or failure by the Millers to perform any of their obligations under this Agreement.

14.2. Buyer's Indemnities.

Buyer agrees to indemnify, defend and hold harmless the Company, Sellers, and the Millers from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties, court costs and reasonable attorneys' fees and expenses asserted against, resulting to, imposed upon or incurred by either of them directly or indirectly, with respect to any misrepresentation or breach by Buyer of any warranties, covenants or other agreements contained in this Agreement.

14.3. Procedures.

(a) Any party seeking indemnification under this Agreement (the "*Indemnified Party*") shall give the party from whom indemnification is sought (the "*Indemnifying Party*") written notice of any claim or the commencement of any action or proceeding for which the Indemnified Party seeks indemnification, and the Indemnified Party shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting from such claim, unless injunctive relief is sought against the Indemnified Party in which case the Indemnified Party shall have the right to join in any defense. The Indemnified Party's failure to give the Indemnifying Party notice under this clause shall not preclude the Indemnified Party from seeking indemnification from the Indemnifying Party except to the extent that the Indemnified Party's failure has materially prejudiced the Indemnifying Party's ability to defend the claim or litigation.

(b) The Indemnifying Party shall not settle any claim for which the Indemnified Party seeks indemnification or consent to entry of any judgment in litigation arising from such a claim without obtaining a release of the Indemnified Party from all liability in respect of such claim or litigation. If the Indemnifying Party shall not assume the defense of any such claim or litigation resulting therefrom, or if injunctive relief is sought against the Indemnified Party, the Indemnified Party may defend against or settle such claim or litigation in such manner as it may deem appropriate. The Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of all expenses, legal or otherwise, incurred by the Indemnified Party in connection with the defense against or settlement of such claim or litigation.

If no settlement of the claim or litigation is made, the Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of any judgment rendered with respect to such claim or in such litigation and for all expenses, legal or otherwise, incurred by the Indemnified Party in the defense against such claim or litigation. Notwithstanding the foregoing, Buyer shall be entitled to reimbursement for claims under this Article 14 from the Holdback Amount as set forth in Article 18 hereof.

## ARTICLE 15 - TERMINATION RIGHTS

### 15.1. Termination.

(a) If any Seller or Sellers fail to deliver the Shares owned by such Sellers to Buyer at the Closing, or if the Millers fail to deliver the Millers' Real Property at the Closing, provided that Buyer is not otherwise in material default or breach of this Agreement, Buyer shall be entitled to terminate this Agreement as to all Sellers, the Company, and the Millers with no further obligation on Buyer's part.

(b) This Agreement may be terminated by either (i) the Company and Sellers, against the Buyer; (ii) the Millers, against the Buyer; or (iii) by the Buyer against the Company, the Sellers, and the Millers, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(i) if, on or prior to the Closing Date, the other party defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements contained herein;

(ii) if the FCC denies the FCC Application or designates it for a trial-type hearing;

(iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing; or

(iv) if the Closing has not occurred by September 1, 2003.

15.2. Liability. The termination of this Agreement under Section 15.1 shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.



**ARTICLE 16 -  
SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS**

The representations, warranties, covenants, indemnities and agreements contained herein are and will be deemed and construed to be continuing representations, warranties, covenants, indemnities and agreements and shall survive the Closing, except that representations, warranties, covenants, indemnities and agreements made by the Company herein shall terminate at the Closing, and Sellers and the Millers hereby release the Company from all claims arising out of this Agreement based on indemnification or contribution. Any investigation by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained herein.

**ARTICLE 17 - REMEDIES UPON DEFAULT**

17.1. By the Company, the Sellers, or the Millers. The Company, Sellers, and the Millers recognize that, in the event either of them defaults in the performance of their obligations under this Agreement, monetary damages alone will not be adequate. Buyer shall therefore be entitled in such event, in addition to bringing suit at law or equity for money or other damages, to obtain specific performance of the terms of this Agreement from Sellers, the Company, and, as pertains to the Millers' Real Property, the Millers. In any action to enforce the provisions of this Agreement, the Company, Sellers and the Millers shall waive the defense that there is an adequate remedy at law or equity and agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security. In addition, Buyer shall be entitled to obtain from the Company, Sellers, and, as pertains to the Millers' Real Property, the Millers reasonable attorneys' fees and other costs incurred by Buyer in enforcing its rights hereunder. As a condition to seeking specific performance, Buyer shall not be required to have tendered the purchase price for the Shares or the Millers' Real Property, as the case may be, as contemplated by Section 2.2, but shall be ready, willing and able to do so.

17.2. By Buyer. If the transactions contemplated by this Agreement are not consummated as a result of a material breach by Buyer, and the Company, Sellers and the Millers are not also in breach under this Agreement, then the Company, Sellers, and the Millers shall be entitled to receive Five Hundred Thousand Dollars (\$500,000.00) from Buyer as liquidated damages in full settlement of any damages of any nature or kind that the Company, Sellers and the Millers may suffer or allege to suffer as the result of any such breach by Buyer. It is understood and agreed that the amount of liquidated damages represents the parties' reasonable estimate of actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section 17.2 shall be the sole and exclusive remedy of the Company, Sellers and the Millers against Buyer for failing to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained.

## ARTICLE 18 – HOLDBACK AMOUNT

18.1. Post-Closing Holdback. Buyer and Sellers agree that Buyer shall, at the Closing, hold back the payment of Five Hundred Thousand Dollars (\$500,000) of the Shares Purchase Price (the “*Holdback Amount*”) in order (i) to fund claims by Buyer for indemnification under Article 14 hereof, or (ii) to reimburse Buyer for prorations under Section 2.4 herein that, in total, favor Buyer and that have not otherwise been settled between Buyer and Sellers as of the date which is six (6) months following the Closing. On the date which is six (6) months following the Closing, any amount remaining of the Holdback Amount following the payment of prorations described in the preceding sentence and indemnification payments to Buyer under Article 14 hereof, less the amount of any unresolved pending indemnification or proration claims by Buyer, shall be released to Sellers. The portion of the Holdback Amount associated with unresolved pending indemnification or proration claims shall be released upon the resolution of such claims between Buyer and Sellers.

## ARTICLE 19 - OTHER PROVISIONS

19.1. Publicity. Except as required by applicable law or with the express written consent of the other parties, no party to this Agreement nor any affiliate of any party shall issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement.

19.2. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither Sellers, the Company nor the Millers may assign their rights or obligations hereunder without the prior consent of the Buyer.

19.3. Entire Agreement. This Agreement and the exhibits and schedules hereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

19.4. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

19.5. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request:

To Sellers, the Company, and the Millers:

Livingston County Broadcasters, Inc.  
1806 Cardinal Court  
Pontiac, IL 61764  
Attention: Mr. J. Collins Miller III  
Telephone:  
Facsimile:

Copy to:

Johnson & Taylor  
109 North Mill Street  
Pontiac, IL 61764  
Attention: Taylor F. Johnson, Esq.  
Telephone: (815) 844-7151  
Facsimile: (815) 844-7539

To Buyer:

Citadel Broadcasting Company  
c/o Forstmann Little & Co.  
767 Fifth Avenue, 44<sup>th</sup> Floor  
New York, NY 10153  
Attention: Mr. Farid Suleman  
Telephone: (212) 355-5656  
Facsimile: (212) 759-9059

and

Citadel Broadcasting Company  
7201 W. Lake Mead Blvd.  
Suite 400  
Las Vegas, NV 89128  
Attention: Ms. Donna Heffner  
Telephone: (702) 804-8202  
Facsimile: (702) 804-8292

Copy to:

Leventhal Senter & Lerman PLLC  
2000 K Street, N.W.

Suite 600  
Washington, D.C. 20006-1809  
Attention: Steven A. Lerman, Esq.  
Telephone: (202) 429-8970  
Facsimile: (202) 293-7783

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

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

19.7. Further Assurances. The Company, Sellers and the Millers shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may reasonably request in order to vest and confirm in Buyer (or its nominees or assigns) the title and rights to and in all of the Shares, assets of the Company, and the Millers' Real Property to be and intended to be transferred, assigned and conveyed hereunder.

19.8. Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next business day.

19.9. Governing Law; Venue. The construction and performance of this Agreement shall be governed by the laws of the State of Illinois, without regard to its principles of conflict of law. THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING WITH RESPECT TO ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. The parties hereto hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement. In the event of any dispute between the parties to this Agreement, Sellers, the Company, and the Millers, or Buyer, as the case may be, shall reimburse the prevailing party for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any

other right or remedy that the prevailing party may have under this Agreement. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, to any extent be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

[Signatures follow immediately]

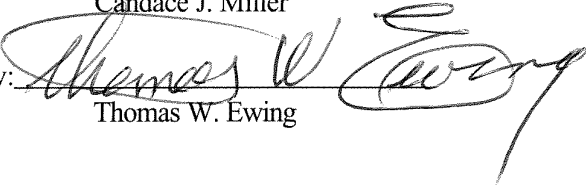
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**SELLERS:**

By: \_\_\_\_\_  
J. Collins Miller III

By: \_\_\_\_\_  
Lane M. Lindstrom

By: \_\_\_\_\_  
Candace J. Miller

By:  \_\_\_\_\_  
Thomas W. Ewing

**LIVINGSTON COUNTY BROADCASTERS, INC.:**

By: \_\_\_\_\_  
J. Collins Miller III  
President

**THE MILLERS:**

By: \_\_\_\_\_  
J. Collins Miller III

By: \_\_\_\_\_  
Candace J. Miller

**CITADEL BROADCASTING COMPANY**

By: \_\_\_\_\_  
Donna Heffner  
Chief Financial Officer

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

**SELLERS:**

By: \_\_\_\_\_  
J. Collins Miller III

By: \_\_\_\_\_  
Candace J. Miller

By: *Lane M. Lindstrom*  
Lane M. Lindstrom

By: \_\_\_\_\_  
Thomas W. Ewing

**LIVINGSTON COUNTY BROADCASTERS, INC.:**

By: \_\_\_\_\_  
J. Collins Miller III  
President

**THE MILLERS:**

By: \_\_\_\_\_  
J. Collins Miller III

By: \_\_\_\_\_  
Candace J. Miller

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J. Collins Miller III

By: Candace J. Miller  
Candace J. Miller

By: \_\_\_\_\_  
Lane M. Lindstrom

By: \_\_\_\_\_  
Thomas W. Ewing

**LIVINGSTON COUNTY BROADCASTERS, INC.:**

By: J. Collins Miller III  
J. Collins Miller III  
President

**THE MILLERS:**

By: J. Collins Miller III  
J. Collins Miller III

By: Candace J. Miller  
Candace J. Miller

**CITADEL BROADCASTING COMPANY**

By: \_\_\_\_\_  
Donna Heffner  
Chief Financial Officer



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

**SELLERS:**

By: \_\_\_\_\_  
J. Collins Miller III

By: \_\_\_\_\_  
Candace J. Miller

By: \_\_\_\_\_  
Lane M. Lindstrom

By: \_\_\_\_\_  
Thomas W. Ewing

**LIVINGSTON COUNTY BROADCASTERS, INC.:**

By: \_\_\_\_\_  
J. Collins Miller III  
President

**THE MILLERS:**

By: \_\_\_\_\_  
J. Collins Miller III

By: \_\_\_\_\_  
Candace J. Miller

**CITADEL BROADCASTING COMPANY**

By: Donna Heffner  
Donna Heffner  
Chief Financial Officer