

SECTION 8

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

8.1 Organization and Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of New Mexico. Buyer has full corporate power and authority to own the Assets and to carry on the business of the Stations as it is presently conducted.

8.2 Authority. Buyer has the corporate power and authority to execute, deliver and perform this Agreement and the transactions or documents contemplated hereby. The execution, delivery and performance of the Agreement and Buyer's Closing Documents have been duly authorized by Buyer's board of directors and shareholders.

8.3 Conflicts. The execution, delivery and performance by Buyer of this Agreement do not violate any contract provision or other commitment to which Buyer is a party or under which Buyer or his property is bound, or any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority.

8.4 Binding Effect of Agreement. This Agreement has been duly executed and delivered by Buyer and constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon execution, the Buyer's Closing Documents will constitute valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms.

8.5 Litigation; Compliance with Law. There is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending, or to Buyer's knowledge, threatened against Buyer, which could have a material adverse effect on Buyer's ability to perform his obligations hereunder. Except as provided in Section 5, no consent, approval or authorization of, or any filing with, any governmental authority is required for Buyer's execution, delivery and performance of this Agreement.

8.6 Disclosure. Neither this Agreement nor any other document, certificate or schedule delivered pursuant hereto by or on behalf of Buyer contains or will contain any untrue statements of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein and therein not misleading.

8.7 Qualification. Buyer knows of no fact that would, under existing law and the existing rules, regulations, policies and procedures of the Commission, disqualify Buyer as an assignee of the Commission Authorizations or as the owner and operator of

the Stations. Buyer shall make the certifications contained in Section III of Part II of Commission Form 314 and shall not take any action which would cause the Commission or any other governmental authority to institute proceedings regarding Buyer's qualifications to become the licensee of the Stations or take any other action which would result in Buyer being in noncompliance in any material respect with the requirements of the Communications Act of 1934, as amended, or any other applicable law, or the rules and regulations of the Commission (or any other governmental authority having jurisdiction).

SECTION 9

COVENANTS

9.1 Covenants of Seller Seller covenants and agrees that between the date hereof and the Closing Date, except as contemplated by this Agreement or the LMA, or with the prior consent of Buyer, the business and operations of the Stations will be conducted in accordance with the following:

(a) Negative Covenants.

(i) Contracts. Seller will not enter into any contract or commitment relating to the Station or the Assets except in the ordinary course of business and consistent with the other provisions of this Agreement.

(ii) Disposition of Property. Seller will not sell, assign, lease, encumber or otherwise transfer or dispose of any of the Assets except in the ordinary course of business (A) in connection with the acquisition of similar property or assets, or (B) if such property is no longer useful or is obsolete.

(iii) Licenses. Seller will not cause or permit, by any act or failure to act, the licenses, permits and other authorizations listed in Schedule A to expire or to be surrendered or modified, or take any action which would cause the Commission or any other governmental authority to institute proceedings for the suspension, revocation or adverse modification of any of said licenses, permits and authorizations, or fail to prosecute with due diligence any pending applications, notifications or determinations to any governmental authority, or take any other action within its control which would result in the Stations being in material noncompliance with the requirements of the Communications Act of 1934, as amended, or any other applicable law, or the rules and regulations of the Commission (or any other governmental authority having jurisdiction).

(b) Affirmative Covenants.

(i) Preservation of Business. Subject to the LMA, Seller will conduct the business and operations of the Stations in the ordinary course in substantially the same manner as heretofore conducted and in conformity with all

applicable laws, rules and regulations.

(ii) **Access to Information.** From the date of this Agreement to the Closing Date, upon reasonable notice, Seller will give to Buyer and his respective counsel, accountants, engineers and other authorized representatives reasonable access during normal business hours to the Assets and to the books and records of the Stations, and will furnish or cause to be furnished to Buyer and his authorized representatives all information relating to the Assets as they may reasonably request.

(iii) **Maintenance of Assets.** Subject to the LMA, Seller will (a) maintain all of the Assets or replacements thereof in their present condition, ordinary wear and tear excepted; (b) maintain in effect music service agreements, program contracts and rights, and advertising and promotion activities at levels consistent with past practice; and (c) maintain supplies of inventory and spare parts consistent with past practice; provided, however, that nothing in this paragraph shall prohibit Seller from terminating any agreements or arrangements if such termination would not have a material adverse effect on the Station.

(iv) **Authorizations.** Subject to the LMA, Seller will conduct the business and operations of the Stations in accordance with applicable rules and regulations of the Commission and the licenses, permits and other authorizations issued to it by the Commission or by any other governmental authority.

(v) **Insurance.** Seller will maintain in force the existing hazard and liability insurance policies, or comparable coverage, for the Stations and the Assets, and will use the proceeds of any such policies to repair or restore any damaged Assets.

(vi) **Consents and Approvals.** Where the consent of any third party is required under the terms of any of the Agreements to be assigned by it hereunder, Seller will use its best efforts to obtain such consent on terms and conditions not less favorable than as in effect on the date hereof.

(vii) **Commission Notices.** Seller shall provide Buyer with copies of all filings it makes with the Commission and any notices from the Commission relating to the Stations or the Commission Authorizations.

(ix) **Litigation.** Seller shall give Buyer notice of any litigation or proceedings against Seller that would have a material adverse effect on Seller, the Assets or Seller's ability to perform its obligations hereunder, together with copies of all pleadings relating thereto.

9.2 **Joint Covenants.** Buyer and Seller covenant and agree that they shall act in accordance with the following:

(a) Conditions. The parties hereto will use their best efforts to fulfill the conditions to their obligations hereunder and to cure any event that may occur which would prevent the fulfillment of such conditions.

(b) Confidentiality. The parties shall use their best efforts to keep confidential all information obtained by them with respect to the other in connection with this Agreement. None of the parties shall disclose, or make any public statements regarding, the existence of this Agreement or any of the terms and conditions hereof, without obtaining the prior consent of the others.

(c) Cooperation. The parties hereto shall cooperate fully with each other in taking any actions, including actions to obtain the required consent of any governmental instrumentality or any third party, necessary or helpful to accomplish the transactions contemplated by this Agreement.

(d) Governmental Consents. If the consent of any governmental instrumentality contains any condition, the party upon which such condition is imposed shall use its best, diligent and good faith efforts to comply therewith before the Closing Date; provided, however, that no party hereto shall be required hereunder to comply with any condition where compliance would be unduly burdensome or would have a material adverse effect upon it.

(e) Control of the Station. Notwithstanding any other provision of this Agreement, prior to the Closing Date Buyer shall not directly or indirectly control, supervise or direct the operations of the Station; such operations, including complete control and supervision of all programs, employees, and policies, shall be the sole responsibility of Seller. This provision shall not prevent Buyer from providing programming and selling advertisements on the Station under the terms of the LMA between the parties hereto.

(f) Further Assurances. Each party hereto covenants on and after the Closing Date to execute such documents or instruments or take such other steps as may be reasonably requested by any other party hereto to confirm, perfect or document the transactions contemplated hereunder.

SECTION 10

CONDITIONS

10.1 Conditions Precedent to Obligations of Buyer. The obligations of the Buyer under this Agreement are subject to the satisfaction of each of the following express conditions precedent on the Closing Date:

(a) Initial Order. The Initial Order of the Commission for the assignment of the Commission Authorizations shall be in effect with no condition materially adverse to Buyer, and with no petitions or objections (informal or otherwise)

on file in opposition to the assignment.

(b) Closing Documents. Seller shall have delivered to Buyer Seller's Closing Documents.

(c) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement or in any schedule, certificate, or document delivered pursuant to the provisions hereof shall be true, correct and complete in all material respects at and as of the Closing Date with the same force and effect as if made on and as of the Closing Date.

(d) Performance. Seller shall have performed and complied with, in all material respects, all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date.

(e) Liens. Following application of the proceeds of the sale of the Assets, there shall be no outstanding mortgages, liens, security agreements, or other charges and encumbrances on the Assets.

(f) Consents. Seller shall have obtained all consents required for the assignment of the Agreements to Buyer without any condition (i) adverse to Buyer (exclusive of conditions expressly set forth in the Agreements), or (ii) requiring that defaults under such Agreements arising prior to the Closing Date be cured (provided that this condition shall be deemed satisfied if the absence of any consent(s) does not have a material adverse effect on Buyer). Buyer covenants to cooperate with Seller by providing all reasonable information that may be necessary to obtain the above-mentioned consents.

(g) Litigation. There shall be no pending litigation seeking damages against Buyer or seeking to prohibit or otherwise enjoin the transactions contemplated by this Agreement.

10.2 Conditions Precedent to Obligations of Seller. The performance of the obligations of the Seller under this Agreement is subject to the satisfaction of each of the following express conditions precedent on the Closing Date:

(a) Initial Order. The Initial Order of the Commission for the assignment of the Commission Authorizations shall be in effect, with no petitions or objections (informal or otherwise) on file in opposition to the assignment.

(b) Representations and Warranties. Each of Buyer's representations and warranties contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof shall be true, correct and complete in all material respects at and as of Closing Date with the same force and effect as if made on and as of the Closing Date.

(c) Performance. Buyer shall have performed and complied with,