

ASSET PURCHASE AGREEMENT

DATED _____, 2001

Between

PRESS COMMUNICATIONS COMPANY, LLC

And

MILLENNIUM RADIO GROUP, LLC

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated _____, 2001, by and between Press Communications Company, LLC, a Delaware limited liability company (“Seller”) and Millennium Radio Group, LLC, a Delaware, limited liability company (“Buyer”).

P R E M I S E S:

A. Seller is the licensee of and operates radio stations WKXW-FM operating on frequency 101.5 Mhz, and WBUD-AM operating on frequency 1260 Khz, and WBSS-FM operating on frequency 97.3 Mhz (the “Stations”) pursuant to licenses issued by the Federal Communications Commission (the “FCC”).

B. Seller desires to sell, and Buyer wishes to buy, certain of Seller’s assets used and useful in the business of the Stations other than the Excluded Assets, as hereinafter defined, for the price and on the terms and conditions hereinafter set forth.

A G R E E M E N T S:

In consideration of the above premises and the covenants and agreements contained herein, Buyer and Seller, intending to be bound legally, agree as follows:

SECTION 1

DEFINED TERMS

The following terms shall have the following meanings in this Agreement other terms are defined elsewhere in this Agreement:

1.1 “Accounts Receivable” shall mean the accounts receivable of the Stations existing as of the Closing Date, exclusive of trade receivables, if any. A list of the Accounts Receivable shall be provided to Buyer on the Closing Date.

1.2 “Assets” means those tangible and intangible assets, other than the Excluded Assets, which are to be sold, transferred, or otherwise conveyed by Seller to Buyer hereunder, as specified in detail in *Section 2.1*.

1.3 “Assignment Application” means the application to be filed with the FCC in accordance with *Section 6.1* hereof requesting FCC Consent to assign the FCC Licenses from Seller to Buyer.

1.4 “Assumed Contracts” means all contracts and agreements listed in *Schedule 3.6* and those contracts and agreements entered into from and after the date hereof in accordance with the provisions of *Section 5.1A(2)*.

1.5 “Capital Expenditure Contracts” shall mean contracts entered into after the date hereof as part of Seller’s present capital expenditure plans as set forth on *Schedule 1.4*.

1.6 “Closing” means the consummation of the transaction contemplated by this Agreement in accordance with the provisions of *Section 8*.

1.7 “Closing Date” means the date of the Closing specified in *Section 8*.

1.8 “Consents” means all of the consents, permits or approvals of governmental authorities and other third parties necessary to transfer the Assets to Buyer or otherwise to consummate the transaction contemplated hereby including without limitation the FCC Consent.

1.9 “Escrow Deposit” means the sum of Ten Million One Hundred Thousand Dollars (\$10,100,000) deposited by Buyer in an interest bearing account with The Chase Manhattan Bank (the “Escrow Agent”) pursuant to an escrow agreement of even date herewith, attached hereto as *Exhibit 1.7*, together with all interest earned thereon to secure the obligations of Buyer to close under this Agreement.

1.10 “Excluded Assets” shall mean the assets described at *Section 2.2*.

1.11 “FCC Consent” means the order or decision of the FCC (or its delegatee) granting its consent to the transfer of all of the FCC Licenses to Buyer.

1.12 “FCC Licenses” means all of the licenses, permits and other authorizations issued by the FCC to Seller in connection with the conduct of the business or operations of the Stations and listed in *Schedule 3.4*.

1.13 “HSR Act” shall mean the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended and the regulations adopted thereunder.

1.14 “HSR Filing” shall mean the filings required to made under the HSR Act in connection with the transactions contemplated by this Agreement.

1.15 “Licenses” means all of the licenses, permits and other authorizations, including the FCC Licenses, issued by the FCC, the Federal Aviation Administration (“FAA”), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business or operations of the Stations.

1.16 “Liens” means any security interest, pledge, mortgage, lien, encumbrance of any nature whatsoever, charge, adverse claim or restriction of any kind, including, but not limited to, any restriction on the use, transfer, receipt of income or other exercise of any attributes of ownership.

1.17 “Material Consents” shall mean the FCC Consents and the consents of the landlord for the tower sites leased for use by Stations WBSS and WKXW.

1.18 “Objection” shall mean any title defect or encumbrance (including any lien), other than the Permitted Liens, which renders title to the Real Property unmarketable.

1.19 “Permitted Liens” shall mean those Liens permitted in accordance with *Section 3.5* and *Section 3.18*.

1.20 “Personal Property” means all of the machinery, equipment, tools, furniture, leasehold improvements, office equipment, plant, inventory, spare parts, and other tangible personal property as specified in detail in *Schedule 3.5*, plus additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

1.21 “Purchase Price” means the purchase price specified in *Section 2.3*.

1.22 “Real Property” shall mean the real property owned by Seller as more particularly set forth on *Schedule 3.19* hereto and leasehold interests of Seller in real property as set forth at *Schedule 3.6* hereto. The term Real Property does not include any real property which is an Excluded Asset.

1.23 “Real Property Documents” shall mean:

(a) An executed bargain and sale deed with covenants against grantor’s acts in proper form for recording, duly executed, witnessed and acknowledged to convey good and marketable fee simple title to each parcel of Real Property owned by Seller to Buyer free and clear of all Liens other than the Permitted Liens;

(b) An Affidavit of Title in standard form executed by Seller;

(c) An affidavit at Closing in accordance with Treasury Regulations Section 1.1445-2(b)(2)(iii) that Seller is not now, nor will be at the time of Closing, a “foreign person,” as described in Section 1445 of the Internal Revenue Code of 1986, as amended (the “Code”).

1.24 “Seller Contact” shall mean any one of Richard T. Morena, Alfred D. Colantoni, Robert E. McAllan or John Dzuiba.

1.25 “Station WHTG” shall mean radio stations WHTG-AM and WHTG-FM, which are owned and operated by Seller and neither the licenses or assets associated therewith are part of the Assets or Licenses being conveyed to Purchaser.

1.26 “Taxes” means all taxes, charges, fees levies, or other assessments, including income, gross receipts, excise, property, sales, transfer, license, payroll, and franchise taxes, any taxes required by law to be withheld, and any taxes payable as a result of the consummation of the transactions contemplated by this Agreement, which taxes are imposed on Seller by any governmental authority; and such term shall include any interest, penalties, or additions to tax attributable to such assessments.

SECTION 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions of this Agreement, on the Closing Date, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and accept from Seller, all of Seller’s right, title and interest in all of the properties and assets, real and personal, tangible and intangible, of every type and description owned, leased or licensed by Seller and used or held for use in connection with the business and operations of the Stations, together with all rights and privileges associated with such assets and the business of the Stations, free and clear of all Liens (as defined in *Section 1.16*) except for any Excluded Assets (as defined in *Section 2.2*) (collectively, the “Assets”). Without limiting the foregoing, the Assets shall include the following:

- (a) The Personal Property specified in detail in *Schedule 3.5*;
- (b) The Licenses specified in detail in *Schedule 3.4*;
- (c) The Assumed Contracts specified in detail in *Schedule 3.6*;

(d) The intellectual property, trademarks, service marks and trade names (common law and otherwise), including without limitation the Stations' call letters WKXW-FM , WBUD-AM and WBSS-FM, of Seller with respect to the Stations specified in detail in *Schedule 3.12*, together with all goodwill relating to same and all registrations and pending applications with respect to same;

(e) All copyrights and all registrations of Seller with respect to the Stations and pending applications with respect to same specified in detail in *Schedule 3.12*;

(f) All trade secrets, confidential information, patent rights, including but not limited to all proprietary information, technical information and data, machinery and equipment warranties, maps, computer discs and tapes (including software contained therein), plans, diagrams, blueprints, and schematics of Seller, including filings with the FCC, relating to the Stations subject to the prior consent to assignment from the licensor's, if any, of said proprietary information as described at *Schedule 2.1(f)*;

(g) All books and records relating to the business or operations of the Stations, including executed copies of the written Assumed Contracts, and all records required by the FCC to be kept, subject to the right of Seller to have such books and records made available to Seller for a reasonable period, not to exceed three (3) years after the Closing Date (or such longer time as is reasonable to respond to an inquiry or defend against a claim, made prior to such three (3) year period, by any government entity or third party); provided that Seller timely notifies Buyer of any such claim and; further provided, however, Buyer is not purchasing and will not be entitled to receive journals, books of accounts or other confidential books and records which do not relate exclusively to the Assets or the operation of the Stations.

(h) The right to bring suit for trademark, copyright or patent infringement, unfair competition and/or misappropriation based upon the trademarks, trade names and service marks described in *Section 2.1(d)*, of the material and rights in *Section 2.1(e)* and the properties and rights described in *Section 2.1(f)*;

(i) All Seller's right, title and interest in and to the Real Property; and

(j) The Accounts Receivable.

2.2 Excluded Assets. The Excluded Assets are as follows:

(a) Seller's cash on hand as of the Closing Date and all other cash in any of Seller's bank or savings accounts; any and all insurance policies, letters of credit, or other similar items and any cash surrender value in regard thereto; and any stocks, bonds, certificates of deposit and similar investments;

(b) Any contract other than the Assumed Contracts;

(c) Any books and records which Seller is required by law to retain, subject to the right of Buyer to have access and to copy for a period of three (3) years from the Closing Date, and Seller's corporate minute books and other books and records related to internal corporate matters and financial relationships with Seller's lenders;

(d) Any claims, rights and interest in and to any refunds of federal, state or local franchise, income or other taxes or fees of any nature whatsoever for periods prior to the Closing Date;

(e) Any pension, profit-sharing or employee benefit plans, and any employment agreements;

(f) Any interest in Seller's leasehold interests in Real Property, with the exception of the leasehold rights granted to Buyer under the Assumed Contracts as more particularly described at *Schedule 3.6*;

(g) Insurance policies of the Seller covering damage to the Assets;

(h) Any asset associated with Station WHTG; and

(i) Any asset described on *Schedule 2.2(i)* hereof.

2.3 Purchase Price. The Purchase Price shall be One Hundred Ten Million Dollars (\$110,000,000) plus an amount equal to Ninety Six Percent (96%) of the face amount of the Accounts Receivable as set forth on the list described at *Section 1.1*, which shall be allocated in accordance with *Schedule 2.3*. *Schedule 2.3* shall be prepared and completed by Buyer and Seller at Closing, and the parties shall file Internal Revenue Service Form 8594 or any other form required by Section 1060 of the Code and the regulations thereunder, in accordance with such Schedule. The Purchase Price shall be paid as follows:

(a) The Escrow Deposit shall be transferred to Seller at Closing and credited to the Purchase Price;

(b) The Purchase Price shall be adjusted to reflect any adjustments or prorations made at Closing as provided in *Section 2.4* hereof;

(c) The balance of the Purchase Price, after the credit set forth in subsection (a), and the adjustment set forth in subsection (b), shall be payable at Closing to Seller by wire transfer of immediately available funds to such bank account as designated by Seller.

2.4 Adjustments and Prorations.

(a) All revenues arising from the Stations up until midnight on the day prior to the Closing Date, and all expenses arising from the Stations up until midnight on the day prior to the Closing Date, including business and license fees, utility charges, real and personal property taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges, taxes (except for taxes arising from the transfer of the Assets hereunder), and similar prepaid and deferred items, shall be prorated between Buyer and Seller on the following basis. Seller shall receive all revenues, and all refunds to Seller and deposits of Seller held by third parties, and shall be responsible for all expenses, costs and liabilities allocable to the conduct of the business or operations of the Stations for the period prior to the Closing Date, and Buyer shall receive all revenues and shall be responsible for all expenses, costs and obligations allocable to the conduct of the business or operations of the Stations on the Closing Date and for the period thereafter; provided, however, that there shall be no adjustment for, and Seller shall remain solely liable with respect to, any contract not included in the Assumed Contracts, or any other obligation or liability not being assumed by Buyer in accordance with *Section 2.5*. In the event Seller has received prepayment on an Assumed Contract for services to be provided in the future, such prepayments shall be credited to Buyer. In addition to the above adjustments, the Purchase Price shall also be adjusted upward by the net amount of any positive barter balance or downward by the net amount of any negative barter balance. Any adjustments or prorations will, insofar as feasible, be preliminarily determined by Seller at least five (5) days prior to the Closing Date and submitted to Buyer for its approval. Any amounts approved by Buyer shall be paid or credited on the Closing Date, with final settlement and payment by the appropriate party occurring no later than one hundred fifteen (115) days after the Closing Date.

(b) In the event that Seller has not completed the capital expenditure plans as described on *Schedule 1.4* hereto as of the Closing Date and has not paid for the amounts budgeted

therefore (as set forth on such *Schedule*), the difference between the amounts so budgeted and the amounts which Seller shall have paid as of the Closing Date shall be treated as a credit to Buyer.

(c) The initial determination of the final amount of adjustment under this *Section 2.4* shall be made by Seller. Upon such determination, at least thirty (30) days but no more than forty (40) days after the Closing Date, Seller shall submit such determination to Buyer for approval. If Buyer disagrees with the determination made by Seller of the adjustment, Buyer shall give prompt notice thereof, but in no event later than fifteen (15) days after receipt of such determination, specifying in reasonable detail the nature and extent of such disagreement, and Buyer and Seller shall have a period of twenty (20) days to resolve such disagreement. If the parties are unable to resolve such disagreement within such twenty (20) day period, the matter shall be submitted to an independent certified public accounting firm mutually selected by Buyer and Seller, which accounting firm shall be directed to submit a final resolution within thirty (30) days. Such accounting firm's determination shall be binding on Buyer and Seller. Each party shall bear the fees and expenses of its own representatives, including its independent accountants, if any, and shall share equally the fees and expenses of any firm selected to resolve any disagreement between the parties. Within fifteen (15) days following a final determination hereunder, the party obligated to make payment shall make the payment determined to be due and owing.

2.5 Assumption of Liabilities and Obligations. From and after the Closing Date, Buyer shall assume and pay, discharge and/or perform (i) all the obligations and liabilities of Seller under the Licenses and the Assumed Contracts insofar as they relate to the time period commencing on and after the Closing Date, and arise out of events occurring on or after the Closing Date, and (ii) all obligations and liabilities arising out of events occurring on or after the Closing Date related to Buyer's ownership of the Assets or its conduct of the business or operations of the Stations on or after the Closing Date. All other obligations and liabilities of Seller, including, but not limited to, (i) obligations under any contract not included in the Assumed Contracts, (ii) any obligations under the Assumed Contracts relating to the time period prior to the Closing Date, and (iii) any claims or pending litigation or proceedings relating to the operation of the Stations prior to the Closing Date, shall remain and be the obligations and liabilities solely of Seller. Other than as otherwise herein explicitly assigned and assumed, Buyer shall assume no liabilities or obligations of Seller.

SECTION 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

3.1 Organization, Standing and Authority. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing as a foreign limited liability company authorized to do business in the State of New Jersey. There are no other jurisdictions where the conduct of the business or operations of the Stations requires such qualification. Seller has all requisite power and authority (i) to own, lease, and use the Assets as presently owned, leased, and used, (ii) to conduct the business or operations of the Stations as presently conducted, (iii) to execute and deliver this Agreement and the documents contemplated hereby and (iv) to perform and comply with all of the terms, covenants and conditions to be performed and complied with by Seller hereunder and thereunder. Except as set forth on *Schedule 3.1*, Seller is not a participant in any joint venture or partnership with any other person or entity with respect to any part of the Stations' operations or the Assets. Seller has shown Buyer's counsel true and complete copies of the Seller's limited liability company operating agreement, Certificate of Formation or other similar organizational documents.

3.2 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Seller have been duly authorized by Seller's members. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligation of Seller, enforceable against it in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, or by court-applied equitable remedies generally.

3.3 Absence of Conflicting Agreements. Subject to obtaining the Consents set forth at *Schedule 3.7* and compliance with the HSR Act, the execution, delivery, and performance of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party; (ii) will not conflict with any provision of Seller's Certificate of Formation or operating agreement; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, decree, rule, regulation or ruling of any court or governmental instrumentality; (iv) will not conflict

with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which Seller is a party or by which Seller may be bound; or (v) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon the Assets.

3.4 Licenses. *Schedule 3.4* includes a true and complete list of the FCC Licenses applicable to the Stations, and all other material permits, licenses, approvals, franchises, notices and authorizations issued by any governmental authorities (collectively, the “Licenses”), held by Seller and applicable to the business and operations of the Stations. The Licenses were validly issued to the Seller, and the Seller is the authorized legal holder thereof. The FCC Licenses are in compliance with the FCC Act (as defined in *Section 7.1C(b)*). The Stations are operating in all material respects in accordance with the FCC Act and the FCC Licenses. The Licenses are all of the material permits, licenses, approvals, franchises, notices and authorizations required for the conduct of the business and operations of the Stations. Except as set forth at *Schedule 3.4*, all of the Licenses are in full force and effect, and Seller has not engaged in, nor has knowledge of, any activity which would cause or permit non-renewal, modification, revocation or suspension of any such License or result in the imposition of any fines, forfeitures or other administrative actions by the FCC or other governmental authority with respect to the Stations, and no action, complaint or proceeding looking to or contemplating the non-renewal, modification, revocation or suspension of any such License or the imposition of any such fines, forfeitures or renewals is pending or threatened. Seller is not subject to any outstanding judgment or order of the FCC or other governmental authority relating to the Stations. There are no existing defaults or events of default or events or state of facts which with notice or lapse of time or both would constitute a default by Seller under any such License. There is no default or claimed or purported or alleged default or state of facts which with notice or lapse of time or both would constitute a default on the part of any party in the performance of any obligation to be performed or paid by any party under any License. Except for the need for FCC approval, the consummation of the transactions contemplated hereby will in no way affect the continuation, validity or effectiveness of the Licenses, or require the consent of any person or entity.

Seller's city of license for Stations WKXW-FM and WBUD-AM, is Trenton, New Jersey. The Seller's city of license for station WBSS-FM is Millville, New Jersey.

3.5 Title to and Condition of Personal Property. *Schedule 3.5* describes all items of Personal Property, which comprises all personal property necessary to conduct the Business or operations of the Stations as now conducted. Seller has good title to all Personal Property listed in *Schedule 3.5* and none of the Personal Property is subject to any Lien, except for (i) liens for current taxes and other governmental charges not yet due; and (ii) any other claims or encumbrances which are described in *Schedule 3.5* and annotated to indicate that such claims or encumbrances shall be removed prior to or at Closing. Seller has delivered to Buyer true and complete copies of all leases and other agreements relating to any leased properties listed in *Schedule 3.5* (including any and all amendments), all of which are valid and enforceable. Seller is not in default, nor is any other party in default under any of such leases and other agreements. All items of transmitting and studio equipment included in the Personal Property, (i) have been maintained by Seller in a manner consistent with generally accepted standards of good engineering practice, and (ii) Seller has not done or refused to do any acts and shall not do any act, or refuse to do any act, the effect of which has resulted or would result in the Stations operating outside the terms of its FCC Licenses and FCC Act, and with all other applicable federal, state and local statutes, ordinances, rules and regulations, including but not limited to those relating to RF radiation, occupational safety and health and environmental impact. Except as shown in *Schedule 3.5*, the Personal Property is in good operating condition and repair (ordinary wear and tear excepted), and is available for immediate use in the business and operations of the Stations.

3.6 Assumed Contracts. *Schedule 3.6* contains descriptions of all of the Assumed Contracts. Seller has delivered to Buyer copies of all written Assumed Contracts (and at Closing will deliver all times sales contracts), and a written summary of all oral Assumed Contracts (including any and all amendments and other modifications to Assumed Contracts). Other than the Assumed Contracts and advertising contracts, no contract or agreement is required to enable the Stations to operate as presently operated. All of the Assumed Contracts are in full force and effect, and are valid, binding and enforceable in accordance with their terms. There is not under any Assumed Contract any material default by Seller or to Seller's knowledge, any other party thereto

or event which, after notice or lapse of time, or both, would constitute such a default as a result of which either party has the right to terminate such Assumed Contract. Except as expressly set forth in *Schedule 3.6*, Seller is not aware of any intention by any party to any Assumed Contract (i) to terminate such contract or amend the terms thereof, (ii) to refuse to renew the same upon expiration of its term, or (iii) to renew the same upon expiration only on terms and conditions which are materially more onerous to Seller than those pertaining to such existing contract. Except for the Consents, Seller has full legal power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability and continuation of any of the Assumed Contracts. With respect to each Assumed Contract for advertising, *Schedule 3.6* also describes a beginning and ending balance and reflecting time provided and expenses incurred.

3.7 Consents. Except for the FCC Consent provided for in *Section 6.1* any clearances or approvals under the HSR Act as provided for in *Section 6.2* and the other Consents described in *Schedule 3.6* or *3.7*, no consent, approval, permit or authorization of, or declaration to or filing with any governmental or regulatory authority, or any other third party is required (i) to consummate this Agreement and the transactions contemplated hereby or (ii) to permit Seller to assign or transfer the Assets to Buyer. Furthermore, except for the FCC Consent and the other Material Consents, the execution, delivery and performance of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both) by Seller: (a) do not and will not conflict with, result in a breach of, constitute a default under, or violate any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation or ruling of any court or governmental authority; and (b) 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, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, lease, instrument, license or permit to which Seller is a party or by which Seller may be bound legally. The Material Consents shall be deemed to be material to the obligations of the parties hereunder.

3.8 Labor Relations. Seller is not a party to or subject to any collective bargaining agreements with respect to the Stations. Except as set forth on *Schedule 3.8*, Seller has no written

or oral contract of employment with any employee of the Stations whose services are limited to the business of the Stations which is not terminable at will and without penalty or severance obligation. Seller acknowledges that Buyer is under no obligation and has not agreed to undertake any obligation with respect to any employee of Seller. Seller is and shall remain solely responsible for any obligation it may have to any of its employees or independent contractors. The operation of the Stations has been in compliance with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules or regulations. No controversies, disputes, or proceedings are pending or, to the best of Seller's knowledge, threatened, between it and employees (singly or collectively) of the Stations.

3.9 Taxes. Seller has filed or caused to be filed all federal income tax returns and all other federal, state, county, local or city tax returns which are required to be filed, and it has paid or caused to be paid all Taxes shown on said returns or on any tax assessment received by it to the extent that such taxes have become due, or has set aside on its books reserves (segregated to the extent required by sound accounting practice) reasonably deemed by it to be adequate with respect thereto. All Taxes accruing up to and including the Closing have been or will be paid by Seller when due regardless of whether such Taxes are due and payable as of the Closing, except where the failure to pay such Taxes would not result in Buyer being liable for any such Taxes and would not have an adverse impact on the Stations.

3.10 Claims, Legal Actions. Except as set forth in *Schedule 3.10*, and except for any investigations and rule making proceedings generally affecting the broadcasting industry, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets or the business and operations of the Stations. In particular, except as set forth in *Schedule 3.10*, but without limiting the generality of the foregoing, there are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened (i) before the FCC relating to the business or operations of the Stations other than applications, complaints or proceedings which affect the radio industry

generally, (ii) before any federal or state agency involving charges of illegal discrimination under any federal or state employment laws or regulations, or (iii) before any federal, state or local agency involving environmental or zoning issues under any federal, state or local environmental or zoning laws or regulations.

3.11 Compliance with Laws. Seller has complied with and the Stations have been operated in compliance with (i) the Licenses, and (ii) all applicable federal, state and local laws, rules, regulations and ordinances where the failure to so comply would have a material adverse effect on the Stations as presently operated. To the best of Seller's knowledge, neither the ownership or use of its properties nor the conduct of its business conflict in any material way with the rights of any other person, firm or corporation nor is there any violation in any material respect of the FCC Act, or any federal, state or local law.

3.12 Trademarks, Trade Names and Copyrights. *Schedule 3.12* is a true and complete list of all copyrights, trademarks, service marks, trade names, patents, trade secrets, permits, jingles, licenses, patents, permits, telephone numbers, call letters, domain names, websites, software and other similar intangible property rights and interests (the "Intellectual Property") (and any licenses with respect to Intellectual Property of third parties) which are material to the business and operations of the Stations. *Schedule 3.12* also lists all registrations and pending applications Seller has obtained and/or filed for with respect to the Intellectual Property owned by it. To the extent such documents exist, Seller has delivered to Buyer copies of all documents establishing such rights, licenses, or other authority as well as delivered copies of all registrations with respect to its Intellectual Property. Seller represents that it is the owner of all non-licensed Intellectual Property identified on *Schedule 3.12* and that it can assign its licenses with respect to all third party Intellectual Property identified on *Schedule 3.12*. To the best of Seller's knowledge, it is not infringing upon or otherwise acting adversely to the Intellectual Property rights of any third party and there is no claim or action pending, or to the best knowledge of Seller threatened against Seller or the Stations, with respect thereto. To the best of Seller's knowledge, no third party is infringing on its Intellectual Property. No person has a right to receive a royalty or similar payment with respect to the use of the Intellectual Property.

3.13 Insurance. All of the tangible property included in the Assets, is insured against loss or damage in amounts generally customary in the broadcast industry. *Schedule 3.13* comprises a true and complete list of all insurance policies which insure any part of the Assets or the business or operations of the Stations. All policies of insurance listed in *Schedule 3.13* are in full force and effect. No insurance policy on the Assets or the Stations has been canceled by the insurer and no application for insurance with respect to the Assets or the Stations has been rejected by any insurer during the three (3) year period ending on the date hereof.

3.14 Reports. All returns, reports and statements which the Stations is currently required to file with the FCC or with any other governmental agency have been filed, and all reporting requirements of the FCC and other governmental authorities having jurisdiction thereof have been complied with. All of such reports, returns and statements are substantially complete and correct as filed. The public inspection files for Stations WKXW-FM and WBUD-AM are located at 218 Ewingville Road, Trenton, New Jersey 08638 and the public inspection files for Station WBSS-FM are located at Buckhill Road, Corbin City, New Jersey 08270. All such files are in compliance with the FCC's rules and regulations and are materially complete and correct as filed as to each Station and Seller and are being delivered to Buyer on the Closing Date.

3.15 Employment Benefit Plans.

(a) All compensation or benefit plans, policies, practices, arrangements and agreements covering any employee or former employee of the Stations or the beneficiaries or dependents of such employee or former employee (such employees, former employees, beneficiaries and dependents herein referred to collectively as the "Employees") which are or have been established or maintained and are currently in effect, or to which contributions are being made by Seller or by any other trade or business, whether or not incorporated, which is or has been treated as a single employer together with Seller under Section 414 of the Code (such other trades and businesses referred to collectively as the "Related Persons") or to which Seller or any Related Person is obligated to contribute, including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), employment, retention, change of control, severance, stock option or other equity based, bonus, incentive compensation, deferred compensation, retirement, fringe benefit and welfare plans,

policies, practices, arrangements and agreements (collectively, the “Benefit Plans”), are disclosed in *Schedule 3.15*. Except pursuant to a Benefit Plan disclosed in *Schedule 3.15* or any agreements disclosed in *Schedule 3.8*, Seller has no fixed or contingent liability or obligation to any of the Employees or to any person whose services are or were provided as an independent contractor to Seller or the Stations.

(b) To the best of Seller’s knowledge, all Benefit Plans have been administered and are in compliance in all material respects with applicable provisions, if any, of ERISA and the Code and all other applicable law. Neither Seller nor any Related Person has engaged in a transaction with respect to any Benefit Plan that is likely to result in a material tax, penalty or other liability under the Code or ERISA being imposed against Buyer, the Stations or the Assets.

(c) No Benefit Plan is a multi-employer plan within the meaning of Section 3(37) or Section 4001(a)(3) of ERISA (a “Multi-Employer Plan”).

(d) Neither Seller nor any Related Person has, to Seller’s knowledge, incurred or expects to incur any material withdrawal liability with respect to a Multi-Employer Plan under Subtitle E of Title IV of ERISA regardless of whether based on contributions by any entity which is considered a predecessor of Seller or one employer with Seller under Section 4001 of ERISA.

(e) Seller has no unfunded obligations (including projected obligations) for retiree health and life benefits under any Benefit Plan other than continuation coverage required by law.

(f) Neither Seller nor any Related Person has incurred any material liability under or pursuant to Title I or IV of ERISA or the penalty, excise tax or joint and several liability provisions of the Code relating to employee benefit plans and, to Seller’s knowledge, no event or condition has occurred or exists which would result in any such material liability to Seller.

3.16 Environmental Matters. For purposes of this *Section 3.16*, references to the Stations and the Assets shall be deemed to include all property owned or used by Seller in connection with the Stations or any of the Assets.

(a) Except as set forth on *Schedule 3.16*, Seller has obtained all environmental, health and safety permits necessary for the operation of the Stations, all such permits are valid and in full force and effect, and Seller is in compliance in all material respects with all terms and conditions of such permits.

(b) Except as set forth on *Schedule 3.16*, there is no proceeding pending or, to Seller's knowledge, threatened which may result in the reversal, rescission, termination, modification or suspension of any environmental or health or safety permits necessary for the operation of the Stations, and to Seller's knowledge, there is no basis for any such proceeding.

(c) Except as set forth on *Schedule 3.16*, Seller has operated and is operating in all material respects in compliance with all federal, state, local and other laws, statutes, ordinances and regulations, and licenses, permits, exemptions, orders, writs, injunctions and decrees of any court, commission, board, agency or other governmental instrumentality, applicable to Seller relating to environmental matters.

(d) Except as set forth on *Schedule 3.16*, there are no conditions or circumstances associated with the Sale Assets which may give rise to any material liability or material cost under applicable environmental law. Except as listed on *Schedule 3.16*, Seller does not own or use any electrical or other equipment containing polychlorinated biphenyls.

(e) For the purposes of this *Section 3.16*, (i) "hazardous materials" shall mean any waste, substance, materials, smoke, gas, emissions or particulate matter designated as hazardous or toxic under any applicable environmental law, and (ii) "environmental law" shall mean any federal, state, local or other laws, statutes, ordinances, regulations, licenses, permits or any order, writ, injunction or decree of any court, commission, board, agency or other instrumentality relating to the regulation of hazardous materials.

(f) Except as set forth on *Schedule 3.16*, with respect to the operation of the Stations, Seller has not filed or been required to file any notice under any applicable law, rule, regulation, order, judgment, injunction, decree or ruling reporting a release of a hazardous material into the environment, and no notice pursuant to Section 103(a) or (c) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. 9601, *et seq.* ("CERCLA") or any other applicable environmental law or regulation has been or was required to be filed.

(g) Except as set forth on *Schedule 3.16*, Seller has not received any notice letter under CERCLA or any other written notice, and, to Seller's knowledge, there is no investigation pending or threatened, to the effect that Seller has or is likely to have material liability for or as a

result of the release or threatened release of a hazardous material into the environment or for the suspected unlawful presence of hazardous material thereon.

3.17 Financial Statements. Seller has provided to Buyer true and complete copies of (i) the audited financial statements from the period ending and as of December 31, 1999 and December 31, 2000 (the "Year-End Financial Statements"); and (ii) an unaudited balance sheet and statement of income of the Stations for the period ending on and as of April 30, 2001. Each of the foregoing financial statements were prepared in accordance with past practices. Each of the Year-End Financial Statements (including in all cases the notes thereto, if any) (i) is accurate and complete in all material respects, (ii) is consistent in all material respects with the year-end books and records of the Stations (which, in turn, are accurate and complete in all material respects) and (iii) fairly presents in all material respects the financial condition and results of operations of the Stations. Each of the Year-End Financial Statements were prepared in accordance with GAAP.

3.18 Absence of Certain Changes. Since December 31, 2000, except as disclosed in *Schedule 3.18*, there has not been any or in the aggregate, material damage, loss or destruction of any material Asset whether or not insured which has not been repaired or replaced and the Stations have not suffered any event which has resulted in all of the Stations being off of the air for a period of one hundred twenty (120) consecutive hours.

3.19 Real Property.

(a) The list of Real Property set forth on *Schedule 3.19* is a list of all of the interests in real estate which Seller owns and which is used to any material extent in the operation of the Stations. Leases for Real Property not owned by Seller are described on *Schedule 3.6*.

(b) Title to the Real Property owned by Seller is good and marketable and insurable, at standard premium rates, in an amount not greater than the portion of the Purchase Price allocated on *Schedule 2.3* to the Real Property, by a title insurance company selected by Buyer, free from all liens and encumbrances other than:

(i) The state of facts shown on an accurate survey of the Real Property which do not materially limit, restrict, prevent or jeopardize the present use of the Real Property;

(ii) Covenants, easements and restrictions which do not materially limit, restrict, prevent or jeopardize the present use of the Real Property;

(iii) The rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the Real Property next to the street or running to any building or other improvement on the Real Property which do not materially limit, restrict, prevent or jeopardize the present use of the Real Property; and

(iv) Liens for current taxes or assessments not yet due and payable.

(c) With respect to the Real Property, to the best of Seller's knowledge there are no (i) applications for any zoning change or pending zoning ordinance amendment; (ii) pending municipal improvement assessments; (iii) pending real estate tax appeals affecting the Real Property; or (iv) pending or threatened eminent domain proceedings.

(d) Seller has not received written notice of any default or breach under any covenant, condition, restriction, right-of-way or easement affecting the Real Property, or any portion thereof.

(e) All of Seller's improvements on the Real Property are in compliance in all material respects with applicable zoning and land use laws, ordinances and regulations.

(f) Seller's owned Real Property will be in compliance in all material respects with all regulations, codes, ordinances and statutes applicable to Seller and the Stations where the failure to be in compliance at the Closing would preclude the transfer of such Real Property to Buyer.

(g) There are no outstanding options or rights of first refusal to purchase owned Real Property or any parcel thereof or interest therein.

3.20 Full Disclosure. No representation or warranty made by Seller herein nor in any certificate, document or other instrument furnished or to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact known to Seller and required to make the statements herein or therein not misleading.

3.21 No Use of Excluded Assets. Except as set forth on *Schedule 3.21*, none of the Excluded Assets are used or useful in the business and operation of the Stations.

3.22 Accounts Receivable. Accounts Receivable constitute bona fide and valid claims arising in the ordinary course of the conduct of the business of the Stations and arose out of arm's length transactions with third parties. Seller has not received any notices from any of its account debtors objecting to the amounts set forth on such debtor's account receivable. Any

commission due or which could become due as a result of amounts collected or which could be collected on the Accounts Receivable shall be paid by Seller on or prior to the Closing. There shall be no adjustment for any commission paid by the Seller pursuant to the prior sentence if the related Account Receivable is not ultimately collected.

SECTION 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 Organization, Standing and Authority. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware and is in good standing as a foreign limited liability company authorized to do business in the State of New Jersey. Buyer has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms, covenants and conditions to be performed and complied with by Buyer hereunder and thereunder.

4.2 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer and its members. This Agreement has been duly executed by Buyer and constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, or by court-applied equitable remedies.

4.3 Absence of Conflicting Agreements. Subject to obtaining the FCC Consent any clearances or approvals under the HSR Act as provided for in *Section 6.2*, the execution, delivery, and performance of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party which shall not have been obtained on or before the Closing Date; (ii) will not conflict with any provision of Buyer's Certificate of Formation or operating agreement; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any court or governmental instrumentality; or (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under,

or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, licenses, or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire or operate the Assets.

4.4 Full Disclosure. No representation or warranty made by Buyer herein nor in any certificate, document or other instrument furnished or to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact known to Buyer and required to make the statements herein or therein not misleading.

SECTION 5

COVENANTS OF SELLER

5.1 Pre-Closing Covenants. Except as contemplated by this Agreement or with the prior written consent of Buyer, between the date hereof and the Closing Date, Seller shall operate the Stations or cause them to be operated in the ordinary course of business in accordance with past practices (except where such would conflict with the following covenants or with Seller's other obligations hereunder), and abide by the following negative and affirmative covenants:

A. Negative Covenants. Seller shall not, nor shall it permit any other party to, do any of the following:

(1) Compensation. Enter into any employment contract or increase the compensation, bonuses or other benefits payable or to be payable to any person employed in connection with the conduct of the business or operations of the Stations, except in accordance with past practices.

(2) Contracts. Modify or amend any of the Assumed Contracts in any material respect; enter into any new contracts which are intended to be Assumed Contracts except in the ordinary course of business, provided that all new Assumed Contracts (other than Capital Expenditure Contracts or time sales contracts) shall not involve individual liabilities exceeding Fifteen Thousand Dollars (\$15,000) in cash or trade value or One Hundred Thousand Dollars (\$100,000) in the aggregate, or any material non-monetary obligation without the prior written consent of Buyer. Provided further that all new Assumed Contracts (including time sales contracts and Capital Expenditure Contracts) shall be subject to pro-ration in accordance with *Section 2.4* and

trade or barter arrangements shall be made at normal operational rates consistent with past practices. At Closing, Seller shall provide to Buyer a list of all such Assumed Contracts with a beginning and ending balance and reflecting time provided and expenses incurred.

(3) Disposition of Assets. Sell, assign, lease, or otherwise transfer or dispose of any of the Assets, except for assets consumed or disposed of in the ordinary course of business, where no longer used or useful in the business or operations of the Stations or in connection with the acquisition of replacement property of equivalent kind and value.

(4) Encumbrances. Create, assume or permit to exist any Lien on the Assets of any nature whatsoever upon the Assets, except for (i) Permitted Liens and (ii) mechanics' liens and other Liens all of which will be removed on or prior to the Closing Date or incur any obligation or liabilities with respect to the business and operation of the Stations except in the ordinary course of business.

(5) Licenses. Do any act or fail to do any act which is likely to result in the expiration, revocation, suspension or modification of any of the Licenses, or fail to prosecute with due diligence any applications to any governmental authority in connection with the operation of the Stations.

(6) Rights. Waive any material right relating to the Stations or the Assets.

(7) No Inconsistent Action. Take any action which is inconsistent with its obligations hereunder or which could hinder or delay the consummation of the transaction contemplated by this Agreement or result in a breach or default under this Agreement.

(8) No Negotiation. Directly or indirectly solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiries or proposals from, any entity or person (other than Buyer) relating to any transaction involving the sale of the Stations or the business and operations thereof. In addition, in the event any person inquires in writing about acquiring any Station or the business and operations thereof, Seller shall notify Buyer of such inquiry promptly.

(9) Take any action which Seller knows would jeopardize Seller's rightful possession of the FCC Licenses, or the unconditional renewal of the FCC Licenses.

B. Affirmative Covenants. Seller shall do the following:

(1) Access to Information. Subject to the last sentence of this *Section 5.1B(1)*, allow Buyer and its authorized representatives reasonable access at Buyer's expense during normal business hours and upon reasonable advance notice to the Assets and to all other properties, equipment, books, records, Assumed Contracts and documents relating to the Stations for the purpose of audit and inspection, and furnish or cause to be furnished to Buyer or its authorized representatives all information with respect to the affairs and business of the Stations as Buyer may reasonably request. Buyer's access to the Stations and information relating to the Stations shall be coordinated solely through one of the Seller Contacts and the rights of Buyer hereunder shall not be exercised in such a manner as to unreasonably interfere with the operations of the Stations.

(2) Maintenance of Assets. Maintain all of the Assets or replacements thereof and improvements thereon in good condition (ordinary wear and tear excepted), and use, operate and maintain all of the above assets in a reasonable manner, with inventories of spare parts and expendable supplies being maintained at levels consistent with past practices.

(3) Insurance. Maintain the existing insurance policies on the Stations and the Assets.

(4) Consents. Use its best efforts to obtain the Material Consents.

(5) Books and Records. Maintain its books and records in accordance with past practices.

(6) Notification. Promptly notify Buyer in writing of any unusual or material developments with respect to the business or operations of the Stations, and (to the extent known to Seller) of any material change in any of the information contained in Seller's representations and warranties contained in *Section 3* hereof or in the Schedules hereto, provided that such notification shall not relieve Seller of any obligations hereunder.

(7) Compliance with Laws. Comply in all material aspects with all rules and regulations of the FCC, and all other laws, rules and regulations to which Seller, the Stations and the Assets are subject, and maintain in full force and effect the FCC Licenses, and all other Licenses, and prepare and prosecute all applications for renewal of FCC Licenses if necessary. Seller has obtained a grant for its modification application for WKXW-FM (FCC File No. BPH-

20010320AAQ). No representation or warranty or covenant is made that any construction contemplated by such modification application will be completed or performed. Seller acknowledges that its capital expenditure plans as set forth on *Schedule 1.4* hereto include some of the construction contemplated by the modification application. Although Seller does not covenant or agree that any such construction shall be completed, to the extent that construction is contemplated by such capital expenditure plans and are not completed prior to the Closing, the foregoing does not obviate the credit described at *Section 2.4(b)* hereof.

(8) Access For Environmental Audit.

(a) Prior to the Closing, subject to obtaining the consent of the owners thereof, Buyer, at its sole cost and expense, inspect and conduct an environmental audit (the "Audit") of the Real Property. Buyer may use any environmental consulting or engineering firm of Buyer's choice to conduct the Audit ("Consultant"). The scope of the Audit may also include, but shall not be limited to, invasive soil, surface water and groundwater sampling and a review of (i) records and information related to historical ownership of or operations at the Real Property; (ii) records maintained by federal, state and local regulatory agencies relating to the Real Property, and (iii) any non-privileged documents in Seller's possession, custody and control relating or pertaining to environmental matters associated with the Real Property. The foregoing notwithstanding, prior to conducting any invasive sampling or investigation at the Real Property, Buyer shall provide Seller with a copy of Buyer's work plan setting forth the nature and scope of the invasive sampling and investigation proposed by Buyer at the Real Property.

(b) Upon twenty-four (24) hours advance notice by Buyer to a Seller Contact, Seller shall provide Buyer and Consultant with access to the Real Property owned by Seller from time to time during normal business hours in order to permit Buyer to conduct activities associated with the Audit and shall make available from time to time to Buyer and Consultant for inspection and copying at Buyer's sole expense any non-privileged documents in Seller's possession, custody and control relating or pertaining to environmental matters associated with the Real Property.

(c) Buyer shall indemnify and hold Seller and any owner of the Real Property harmless from and against any liability, loss, cost, damages and/or expense (including

reasonable attorneys' fees and expenses) incurred by Seller and any owner of the Real Property which results out of or in connection with Buyer's or its Consultant's physical entry upon such Real Property or Buyer's conducting the Audit, provided however, the foregoing indemnification shall not apply to any environmental condition which existed prior to such physical entry and was merely discovered as a result of such physical entry.

(9) Supplemental Financial Statements. Provide Buyer with copies of the monthly unaudited income statements and balance sheets applicable to the business and operations of the Stations prepared by Seller in the ordinary course of business commencing with the month ending May 31, 2001 until the Closing Date (collectively, the "Supplemental Financial Statements"). Seller shall provide such Supplemental Financial Statements to Buyer promptly upon such Supplemental Financial Statements becoming available to Seller, but in no event later than forty-five (45) days after the end of each month. The Supplemental Financial Statements shall be prepared in accordance with past practices of Seller.

(10) Regulation S-X. In the event that Buyer is or becomes subject to the financial reporting requirements under Regulation S-X of the Securities Act of 1933, as amended ("Regulation S-X") Seller shall provide Buyer with access to the books and records relating to the business and operations of the Stations to the extent that Seller is in possession of such books and records and they are in a reasonably accessible location; provided however, that Seller does not make nor will make any representations or warranties with respect to such books and records and is indemnified and held harmless from and against any claims relating to the use by Buyer or any person of the information contained therein.

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

(12) Lien Search. Within five (5) business days following Buyer's request, Seller shall have a professional lien search company conduct UCC, tax lien and judgment searched in the name of Seller and the Stations in the jurisdictions (state - and county - level) where the Assets

are located and where Seller's principal offices are located ("Lien Searches"), deliver the results of the Lien Searches to Buyer promptly after receipt of the lien searches.

C. Joint Covenants. Seller and Buyer shall act in accordance with the following:

(a) The parties shall promptly notify each other of: (i) any change in any information contained in the representations and warranties made in this Agreement, or (ii) any litigation, arbitration or administrative proceeding pending or threatened against a party which challenges the transactions contemplated hereby, including any challenges to the assignment application, and the parties shall use their commercially reasonable efforts to take such steps as may be necessary to remove any such impediment to the transactions contemplated hereby.

(b) The parties shall not take any action: (i) inconsistent with their obligations or representations and warranties under this Agreement, or (ii) that would hinder or delay the consummation of the transactions contemplated hereby.

5.2 Post-Closing Covenants. After the Closing, Seller will take such actions, and execute and deliver to Buyer such further deeds, bills of sale, or other transfer documents as, in the reasonable opinion of counsel for Buyer, may be necessary to ensure, complete and evidence the full and effective transfer of the Assets to Buyer pursuant to this Agreement.

5.3 Restrictive Covenants.

(a) Seller's Non-Compete. Seller agrees that for a period equal to the greater of three (3) years or for so long as Buyer owns the Stations, Seller shall not own or operate a radio station with a city of license located in the State of New Jersey which broadcasts a long form talk format.

(b) Non-Solicitation. For a period of one (1) year after the Closing Date, neither Seller, nor any of its affiliates, will, directly or indirectly, hire, solicit, encourage, entice or induce any person who is employed by Buyer or any of its affiliates at the date hereof or at any time hereafter, to terminate his or her employment with Buyer or any of its affiliates; *provided, however*, (1) if Buyer has terminated an employee or not renewed his contract; or (2) if an employee has voluntarily left the employee of Buyer and has not been employed by Buyer for six (6) months, Seller may hire such employee without being in violation of this provision.

(c) Equitable Relief. Seller acknowledges that the provisions of this *Section 5.3* are reasonable, fair and equitable in scope, term and duration, are necessary to protect the legitimate business interests of Buyer, and are necessary for the protection of Buyer and that Buyer will be irrevocably damaged if such covenants are not specifically enforced. Accordingly, Seller agrees not to assert that Buyer has an adequate remedy at law. Buyer shall be entitled to seek and obtain injunctive relief from a court of competent jurisdiction for the purpose of restraining any Seller entity from any actual or threatened breach of such covenants. To the extent that a court finds that any provision hereof is unenforceable, such court shall seek to enforce the intention of the parties as set forth herein to the greatest extent allowable by law.

SECTION 6

SPECIAL COVENANTS AND AGREEMENTS

6.1 FCC Consent. The assignment of the FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC.

(a) Buyer and Seller shall file with the FCC the Assignment Application not later than five (5) business days after the execution of this Agreement. The parties shall prosecute the Assignment Application with all reasonable diligence and otherwise use their commercially reasonable efforts to obtain the grant of the Assignment Application as expeditiously as practicable. If the FCC Consent imposes any condition on any party hereto, such party shall use its commercially reasonable efforts to comply with such condition unless compliance would be unduly burdensome or would have a material adverse effect upon it. The parties agree to cooperate and to request, if necessary, such extensions of the effective date within which to close this transaction as may be permitted by the rules and policies of the FCC; provided that such extensions shall not extend the effective date within which to close this transaction to a date after January 31, 2002. If reconsideration or judicial review is sought with respect to the FCC Consent, Buyer and Seller shall oppose such efforts for reconsideration or judicial review (but nothing herein shall be construed to limit any party's right to terminate this Agreement pursuant to *Section 9* of this Agreement).

(b) The transfer of the Assets hereunder is expressly conditioned upon (i) the grant of the FCC Consent and (ii) compliance by the parties hereto with the conditions (if any) imposed in the FCC Consent.

6.2 HSR Filing. Within ten (10) business days after the execution of this Agreement, Seller and Buyer shall make the HSR Filing.

6.3 Title Report.

(a) Within thirty (30) days of the execution of this Agreement, the Buyer shall deliver to the Seller a copy of a title commitment with respect to any Real Property being sold to Buyer hereunder, and shall give written notice of any Objections to the Seller. Within ten (10) days of Seller's receipt of said title commitment, Seller shall give notice to Buyer whether Seller agrees to remedy such Objections. Notwithstanding anything to the contrary set forth herein, Buyer shall have the right to give written notice to Seller of Objections of which Buyer receives notice subsequent to said dates, and *Section 6.3(b)* shall apply to any and all such subsequent notices of Objection by Buyer.

(b) The Seller shall have no obligation to bring any action or proceeding or otherwise to incur any expense or liability (contingent or otherwise) to remedy an Objection. If the Seller fails, refuses or is unable to convey title in accordance with this Agreement or elects not to remedy any Objection, the Buyer may elect either (i) to accept such title as the Seller is able to convey on the Closing Date, without any reduction to the Purchase Price or any credit or allowance on account thereof or any other claim against the Seller, or (ii) exercise the remedy described at *Section 9.3* hereof. Seller shall be permitted to remedy any monetary Objections, such as mortgages, financing statements, judgments and/or other Liens, on or before Closing, including by the discharge of such monetary Objections from the proceeds paid at Closing.

6.4 Control of the Stations. Buyer shall not, control, supervise, direct, or attempt to control, supervise or direct the operations of the Stations. Control and supervision of all of the Stations' programs, employees, and policies, shall be the sole responsibility of Seller until the completion of the Closing hereunder.

6.5 Taxes, Fees and Expenses. All federal, state and local sales or transfer taxes arising out of the transfer of the Assets pursuant to this Agreement and all filing fees required by the FCC for the Assignment Application and the filing fees for the HSR Filing shall be paid one-half by Seller and one-half by Buyer. Notwithstanding the foregoing, the agreement regarding the sharing sales and transfer taxes, does not include any taxes imposed on the income, revenue or receipts of Seller, whether in the nature of an income tax, capital gains tax, recapture, excise tax, doing business fees or any similar items all of which shall be borne by Seller. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and other representatives. Buyer shall provide Notification of Sale, Notification of Transfer or Assignment of Bulk to the State of New Jersey, Division of Taxation (the "Tax Division"), Bulk Sales Unit, together with such information as the Tax Division may request at least ten (10) days prior to the Closing Date. In the event the Tax Division requests Buyer to deposit any amount of the Purchase Price in escrow, the Seller agrees that Buyer may deposit such funds in escrow in accordance with the terms and conditions of a mutually agreeable escrow agreement.

6.6 Brokers. Seller shall pay the fees charged by Kalil & Co. Buyer shall pay the fees charged by Peter Handy and Star Media Group. Buyer and Seller agree to indemnify and hold harmless the other party with respect to any claim or liability for any other finders' or brokers' fees or commissions in connection with the transaction contemplated by this Agreement as a result of the indemnifying party's conduct or alleged conduct upon which any such claim or liability is based.

6.7 Confidentiality. Except as necessary for the consummation of the transaction contemplated hereby each party hereto will keep confidential any information which is obtained from the other party in connection with the transaction contemplated hereby and which is not readily available to members of the general public. In the event this Agreement is terminated and the purchase and sale contemplated hereby abandoned, each party will return to the other party all documents, work papers and other written material obtained by it in connection with the transaction contemplated hereby. Commencing on the date hereof, Seller, Buyer and their respective affiliates

and agents shall not make any public announcement or issue any press release concerning the transactions contemplated hereby.

6.8 Cooperation. Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Seller shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement, and otherwise use their best efforts to consummate the transaction contemplated hereby and to fulfill their obligations hereunder.

6.9 Risk of Loss. The risk of any loss, damage or impairment, confiscation or condemnation of any of the Assets from any cause whatsoever shall be borne by Seller at all times prior to the completion of the Closing. In the event of any loss, damage or impairment, confiscation or condemnation, the proceeds of any claim for loss payable under any insurance policy, judgment or award with respect thereto shall be applied to repair, replace or restore such Assets to their prior condition as soon as possible after such loss, impairment, condemnation or confiscation.

6.10 “Great Gold” License. At Closing, Buyer shall enter into an agreement (in form and substance reasonably satisfactory to Seller and Buyer) pursuant to which Buyer shall grant to Seller a perpetual, royalty-free, non-exclusive, transferable right to use the tradename “Great Gold” at WHTG [AM/FM].

SECTION 7

CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER

7.1 Conditions to Obligations of Buyer. All obligations of Buyer at the Closing hereunder are subject to the fulfillment prior to and at the Closing Date of each of the following conditions:

A. Representations and Warranties. All representations and warranties of Seller in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time.

B. Covenants and Conditions. Seller shall have in all material respects performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

C. Consents.

(a) Each of the Material Consents shall have been duly obtained and delivered to Buyer and shall not impose any materially adverse condition on the performance by or assignment to Buyer of the Assumed Contract to which such Material Consent apply.

(b) The FCC Consent shall have been issued and shall have become a final order as that term is customarily used in the radio broadcast industry in buy-sell transactions (a “Final Order”) under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC thereunder (collectively, the “FCC Act”).

(c) The waiting period (including any extensions) under the HSR Act applicable to the sale and purchase of the Assets pursuant to this Agreement shall have expired or been terminated.

(d) Seller shall have received the grant for its modification application for WBSS-FM (FCC File No. BLH-19981104KD).

D. Licenses. Seller shall be the holder of the Licenses, and there shall not have been any modification of any of such Licenses which has an adverse effect on the Stations or the conduct of its business or operations. No proceeding shall be pending the effect of which would be to revoke, cancel, fail to renew, suspend or modify adversely any of the Licenses.

E. Deliveries. Seller shall have made or stand willing and able to make all the deliveries to Buyer set forth in *Section 8.2*.

F. Opinion of Seller’s Counsel. The Buyer shall have received (a) the written opinion of Seller’s counsel, dated as of the Closing Date, that (i) Seller is a limited liability company duly formed and in good standing under the laws of the State of Delaware and is in good standing and duly qualified to do business under the laws of the State of New Jersey, (ii) the execution, delivery and performance of the Agreement and each of the other Documents have been duly authorized by all requisite action (including any necessary member approval) on the part of Seller, and (iii) the Agreement and other Documents have been duly and validly executed and delivered by

Seller and constitute valid and legally binding obligations enforceable against Seller in accordance with their terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and general principles of equity; and (b) the written opinion of Seller's FCC counsel, dated as of the Closing Date, that (i) Seller holds the FCC Licenses, which (A) are in full force and effect and constitute all of the licenses, permits and authorizations required by the FCC for the operation of, the Stations as now operated; and (B) constitute all of the licenses and authorizations issued by the FCC to Seller for, or in connection with, the operation of the Stations, (ii) all authorizations, approvals and consents of the FCC required under the FCC Act to permit the assignment of the FCC Licenses by Seller to Buyer have been obtained, are in effect, and have not been reversed, stayed, enjoined, set aside, annulled or suspended, and (iii) except as set forth in *Schedule 3.4*, there is no FCC or judicial order, judgment, decree, notice of apparent liability or order of forfeiture outstanding, and to counsel's knowledge, no action, suit, notice of apparent liability, order of forfeiture, investigation or other proceeding pending, by or before the FCC Seller that might result in a revocation, cancellation, suspension, non-renewal, short-term renewal or materially adverse modification of the FCC Licenses, except FCC proceedings generally affecting the radio industry. The opinions of Seller's counsel and FCC counsel may be subject to customary qualifications and limitations.

G. No Litigation. No injunction relating to any action, suit or proceeding against any Seller or Buyer relating to the consummation of any of the transactions contemplated by this Agreement shall have been issued.

H. Other Certificates. Buyer shall have received certificates as to the good standing of Seller as a limited liability company in the State of Delaware, as of a date not more than twenty (20) days before the Closing, and such other certificates, instruments and other documents customary for transactions of the nature provided for in this Agreement, in form and substance reasonably satisfactory to Buyer, as Buyer shall have reasonably requested in connection with the transactions contemplated by this Agreement.

I. Post-Closing Insurance. Seller shall have obtained on behalf of Buyer the insurance policy referenced in *Section 10.5*.

7.2 Conditions to Obligations of Seller. All obligations of Seller at the Closing hereunder are subject to the fulfillment prior to and at the Closing Date of each of the following conditions:

A. Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time.

B. Covenants and Conditions. Buyer shall have in all material respects performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

C. Deliveries. Buyer shall have made or stand willing and able to make all the deliveries set forth in *Section 8.3*.

D. Opinion of Buyer's Counsel. Seller shall have received the written opinion of Buyer's counsel, dated as of the Closing Date, that (i) Buyer is a limited liability company duly formed and in good standing under the laws of the State of Delaware and is in good standing and duly qualified to do business under the laws of the State of New Jersey, (ii) the execution, delivery and performance of the Agreement and each of the other Documents have been duly authorized by all requisite action (including any necessary member approval) on the part of Buyer and (iii) the Agreement and each of the other Documents have been duly and validly executed and delivered by Buyer and constitute valid and legally binding obligations enforceable against Buyer in accordance with their terms, subject to bankruptcy, insolvency and other laws effecting the enforcement of creditors' rights generally and general principles of equity. The opinion of Buyer's counsel may be subject to customary qualifications and limitations.

SECTION 8

CLOSING AND CLOSING DELIVERIES

8.1 Closing. The Closing shall take place at 10:00 a.m. on a date (the "Closing Date"), to be set by Buyer, no later than seven (7) days following the date of the FCC Consent has become a Final Order or such earlier date following the issuance of FCC Consent as Buyer and Seller shall mutually agree. Notwithstanding the foregoing, in no event shall closing occur later than

the date set forth at *Section 9.1(c)*. Closing shall be held at the offices of Witman, Stadtmauer & Michaels, P.A., 26 Columbia Turnpike, Florham Park, New Jersey 07932, or such other place as shall be mutually agreed upon by Buyer and Seller.

8.2 Deliveries by Seller. Prior to or on the Closing Date, Seller shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) Transfer and Assumption Documents. Duly executed bills of sale, assignments, assumption agreements and other transfer documents which shall be sufficient to vest good and marketable title to the Assets other than Real Property owned by Seller, in the name of Buyer or its permitted assignees, free and clear of any Liens (except for Permitted Liens) and for Buyer to assume the Assumed Contracts;

(b) Consents. The original of each Material Consent except that only a copy of the FCC Consent shall be required;

(c) Officer's Certificate. A certificate, dated as of the Closing Date, executed by the Chief Executive Officer of Seller, certifying: (i) that the representations and warranties of Seller contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, except for changes contemplated by this Agreement or changes that are not materially adverse and arose in the ordinary course of business; and (ii) that Seller has, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with prior to or on the Closing Date;

(d) Secretary's Certificate. A certificate, dated as of the Closing Date, executed by Seller's secretary: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by Seller and its Member, authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect; and (ii) providing, as attachments thereto, Seller's Certificate of Formation, and a Certificate of Good Standing certified by an appropriate state official of the State of New Jersey and the State of Delaware, all certified by such state officials as of a date not more than fifteen (15) days before the Closing Date and by Seller's President as of the Closing Date;

(e) Licenses, Contracts, Business Records, Etc. Copies of all Licenses, written Assumed Contracts, blueprints, schematics, working drawings, plans, projections, statistics,

engineering records, and all files and records used by Seller in connection with its operations which copies shall be available at the Closing or at the Stations' principal business office;

(f) Opinion of Seller's Counsel. Opinion of Seller's counsel dated as of the Closing Date in accordance with *Section 7.1F*;

(g) Real Property. The Real Property Documents; and

(h) Insurance Policy. The insurance policy specified in Section 10.5.

8.3 Deliveries by Buyer. Prior to or on the Closing Date, Buyer shall deliver to Seller the following, in form and substance reasonably satisfactory to Seller and its counsel:

(a) Purchase Price. The Purchase Price as provided in *Section 2.3*;

(b) Assumption Agreements. Assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations under the Licenses and Assumed Contracts arising on or after the Closing Date;

(c) Officer's Certificate. A certificate, dated as of the Closing Date, executed by an authorized representative of Buyer, certifying (i) that the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, and (ii) that Buyer has in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed or complied with on or prior to the Closing Date;

(d) Secretary's Certificate. A certificate, dated as of the Closing Date, executed by Buyer's Secretary: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by Buyer's Members, authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect; and

(e) Opinion of Counsel. An opinion of Buyer's counsel dated as of the Closing Date in accordance with *Section 7.2D*.

SECTION 9
RIGHTS OF BUYER AND SELLER
ON TERMINATION OR BREACH

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

(a) If on the Closing Date (i) any of the conditions precedent to the obligations of the terminating party set forth in *Section 7* of this Agreement shall not have been materially satisfied, and (ii) satisfaction of such condition shall not have been waived by the terminating party;

(b) If there shall be in effect on the Closing Date any judgment, decree or order that would prevent or make unlawful the Closing of this Agreement; or

(c) If the Closing Date shall not occur on or before January 31, 2002 or at the election of Seller, June 30, 2002, which election shall be made on or before January 31, 2002.

Upon termination: (i) if neither party hereto is in breach of any material provision of this Agreement, the parties hereto shall not have any further liability to each other and the Escrow Agent shall deliver the Escrow Deposit together with earnings thereon to Buyer; (ii) if Buyer shall be in breach of any material provision of this Agreement and Seller is not then in breach of any material portion of this Agreement, Seller shall be entitled only to liquidated damages as provided in *Section 9.2* hereof; (iii) if Seller shall be in breach of any material provision of this Agreement and Buyer is not then in breach of any material provision of this Agreement, Buyer shall have the rights and remedies provided in *Section 9.3* or otherwise available at law or equity, including the right to receive the Escrow Deposit and all earnings thereon; or (iv) if both Seller and Buyer are in breach of a material provision of this Agreement and breaches are not waived by the non-breaching party, then, the rights of Buyer and Seller hereunder shall be resolved by a court of competent jurisdiction (*see Section 11.3* regarding governing law).

9.2 Liquidated Damages. In the event this Agreement is terminated by Seller due to a material breach by Buyer of its representations, warranties, and covenants under this Agreement and all of the conditions precedent to Buyer's performance have been satisfied or waived by Buyer,

then the Escrow Deposit shall be paid to Seller as liquidated damages, it being agreed that the Escrow Deposit shall constitute full payment for any and all damages suffered by Seller by reason of Buyer's failure to close this Agreement. Seller acknowledges and agrees that notwithstanding any acts or failures to act by Buyer hereunder, the payment of liquidated damages hereunder is Seller's sole and exclusive remedy for Buyer's failure to close this Agreement. Buyer and Seller agree in advance that actual damages would be difficult to ascertain and that the amount of the Escrow Deposit is a fair and equitable amount to reimburse Seller for damages sustained due to Buyer's failure to consummate this Agreement for the above-stated reason. All interest or other proceeds from the investment of the Escrow Deposit, less any compensation due the Escrow Agent, shall be paid to Buyer.

9.3 Specific Performance. The parties recognize that in the event Seller should refuse to perform under the provisions of this Agreement, monetary damages alone will not be adequate. Buyer shall therefore be entitled, in addition to any other remedies which may be available, including money damages, to obtain specific performance of the terms of this Agreement. In the event of any action to enforce this Agreement, Seller hereby waives the defense that there is an adequate remedy at law.

SECTION 10

SURVIVAL OF REPRESENTATIONS AND WARRANTIES, AND INDEMNIFICATION

10.1 Representations and Warranties. All representations and warranties contained in this Agreement shall be deemed continuing representations, warranties and covenants, and shall survive the Closing Date for a period of eighteen (18) months. Any investigations by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty or covenant contained herein.

10.2 Indemnification by Seller. Notwithstanding the Closing, and regardless of any investigation made at any time by or on behalf of Buyer or any information Buyer may have, Seller shall indemnify and hold Buyer and permitted assignees harmless against and with respect to, and shall reimburse Buyer for:

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

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

(c) Any and all losses, liabilities or damages resulting from Seller's operation or ownership of the Stations prior to the Closing Date, including any and all liabilities arising under environmental laws, employment laws, the FCC Act, the Licenses or the Assumed Contracts which relate to events occurring prior to the Closing Date;

(d) Except as provided in *Section 5.1B(8)(c)*, any environmental condition which existed or originated prior to the Closing Date or as a result of activities conducted by Seller on the Property, or as a result of conditions present on any such Property;

(e) Any Tax relating to any period prior to the Closing Date and any liability relating to any Benefit Plan; and

(f) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

10.3 Indemnification by Buyer. Notwithstanding the Closing, and regardless of any investigation made at any time by or on behalf of Seller or any information Seller may have, Buyer shall indemnify and hold Seller harmless against and with respect to, and shall reimburse Seller for:

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

(b) Any and all losses, liabilities or damages resulting from Buyer's operation or ownership of the Stations on and after the Closing Date including any and all liabilities arising under the Licenses or the Assumed Contracts which relate to events occurring after the Closing Date; and

(c) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

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

(a) The party claiming indemnification (the “Claimant”) shall promptly give written notice to the party from whom indemnification is claimed (the “Indemnifying Party”) of any claim, whether between the parties or brought by a third party, specifying (i) the factual basis for such claim, and (ii) if known, the estimated amount of the claim. If the claim relates to an action, suit or proceeding filed by a third party against Claimant, such notice shall be given by Claimant within five (5) days after written notice of such action, suit or proceeding was received by Claimant.

(b) Following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and/or its authorized representative(s) the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of said thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within said period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every effort to reach a decision with respect thereto as expeditiously as possible.

(e) If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third party claim, it shall be bound by the results obtained by the Claimant with respect to such claim.

(f) The indemnification rights provided in *Sections 10.2 and 10.3* shall extend to the partners, shareholders, directors, officers, employees and representatives of the Claimant although for the purpose of the procedures set forth in this *Section 10.3*, any indemnification claims by such parties shall be made by and through the Claimant.

(g) The indemnification rights provided in *Sections 10.2 and 10.3* shall expire three (3) years following the Closing; *provided, however*, (i) claims brought with respect to a breach of a representation or warranty shall expire eighteen (18) months following the Closing; provided further that any claims asserted prior to the expiration of the indemnification right entitling an Indemnified Party to such a claim shall not expire until such claim has been resolved.

(h) In the event Closing occurs, no claim for indemnification may be brought by a Claimant against an Indemnifying Party unless and until the cumulative total of all claims by such Claimant shall have equaled or exceeded \$250,000 (the "Basket"). Thereafter, such Indemnifying Party shall be obligated to indemnify such Claimant, as provided herein, with respect to all claims in excess of the Basket.

10.5 Post-Closing Insurance. As of the Closing Date, Seller shall have obtained at its sole expense (i) three (3) years tail coverage to its libel and tort, directors and officers, and fiduciary liability insurance policies; and (ii) an environmental insurance policy reasonably satisfactory to Buyer naming Buyer (and/or its designated assignees) as an additional insured or loss payee an amount not to exceed the lesser of the maximum coverage available or Five Million Dollars (\$5,000,000). Seller shall pay timely all premiums on such policy that becomes due at any time prior to, from or after the Closing Date.

SECTION 11

MISCELLANEOUS

11.1 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, (ii) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, or by facsimile followed by one of the foregoing methods, (iii) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (iv) addressed as follows:

If to Buyer:

Mr. Charles Banta
Millennium Radio Group, LLC
220 North Pointe Parkway
Suite D
Amherst, New York 14228
(716) 639-9300 X2
Fax: (716) 636-8782
E-mail: cbanta@mercurycapitalpartners.com

With Copies (which shall not constitute notice) to:

Nancy E. Fuchs, Esq.
Bill Wallace, Esq.
Kaye Scholer, LLP
425 Park Avenue
New York, New York 10022
(212) 836-8565
Fax: (212) 836-7246 (Fuchs)
E-Mail: nfuchs@kayescholer.com
Fax: (917) 836-7172 (Wallace)
E-Mail: wwallace@kayescholer.com

If to Seller:

Richard T. Morena, Chief Financial Officer
Press Communications, LLC
1350 Campus Parkway
Suite 106
Wall, New Jersey 07753
(732) 751-1119
Fax: (732) 751-1726
E-mail: rmorena@netscape.net

With Copies (which shall not constitute notice) to:

Eric J. Michaels, Esq.
Witman, Stadtmauer & Michaels, P.A.
26 Columbia Turnpike
Florham Park, New Jersey 07932-2246
(973) 822-0220
Fax: (973) 822-1188
E-mail: emichaels@wsmesq.com

or to any such other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this *Section 11.1*.

11.2 Benefit and Binding Effect. Neither party hereto may assign this Agreement without the prior written consent of the other party hereto, except that Buyer may designate a wholly-owned subsidiary or subsidiaries or another entity under common control with Buyer to which any or all of Buyer's rights under this Agreement and any or all of the Assets may be assigned and that will assume the Assumed Contracts. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.3 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of, and the forum for the judicial resolution of any dispute arising under this Agreement shall be, the State of New Jersey. The parties hereto consent to the jurisdiction of the State of New Jersey.

11.4 Headings. The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

11.5 Entire Agreement. This Agreement, all Exhibits and Schedules hereto, and all documents and certificates to be delivered by the parties pursuant hereto collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof. The parties have participated jointly in the negotiation and drafting of this Agreement, and they agree that any ambiguity or question of intent or interpretation that may arise shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement. This Agreement supersedes all prior negotiations between Buyer and Seller, and all letters of intent and other writings relating to such negotiations, and cannot be amended, supplemented or modified except by an agreement in writing which makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is signed by the party against which enforcement of any such amendment, supplement or modification is sought.

11.6 Press Releases and Announcements. Except for any public disclosure which any party in good faith believes is required by applicable law (in which case with respect to matters arising prior to the Closing, if practicable, the disclosing party will give the other party an opportunity to review and comment upon such disclosure before it is made):

(a) prior to the Closing, no press releases related to this Agreement or any transaction contemplated hereby, or other announcements generally to the employees, customers or other persons having business relationships with Seller, will be issued or made without the mutual approval of the parties;

(b) after the Closing, Seller will not make any press release or other public announcement of or with respect to the Stations, this Agreement or any transaction contemplated hereby without Buyer's consent (which consent Buyer will not unreasonably withhold); and

(c) after the Closing, Buyer will not make any press release or other public announcement that mentions the name of Seller without Seller's consent (which consent the Seller will not unreasonably withhold).

11.7 Further Assurances. The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement. Buyer or Seller shall execute and deliver such additional documents following the Closing Date as Seller or

Buyer, as the case may be, may reasonably deem necessary or desirable to vest in Buyer title to the Assets and the Stations, and to confirm for Seller Buyer's assumption pursuant to *Section 2.5*.

11.8 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by Buyer and Seller as of the date first above written.

WITNESS:

SELLER:
PRESS COMMUNICATIONS, LLC

, Secretary

By: _____
Robert E. McAllan, CEO

BUYER:
MILLENNIUM RADIO GROUP, LLC

By: _____
Charles Banta, President