

2ND DRAFT
JANUARY 9, 2002

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, made and entered into this ____ day of January, 2002, by and between MILLENIUM BROADCASTING, INC. ("Seller"), MEGAHERTZ RADIO, LLC ("Radio, LLC") and MEGAHERTZ LICENSES, LLC ("Licenses, LLC"), and sometimes hereinafter referred to collectively with Radio, LLC as "Buyers", and Seller and Buyers are sometimes hereinafter collectively referred to as the "Parties" or singly as "Party").

W I T N E S S E T H:

WHEREAS, Seller is the licensee of, and owns and operates, radio broadcast station WWZB(FM), licensed to Huntingdon, Pennsylvania ("Station"); and

WHEREAS, Buyers desire to purchase and Seller desires to sell to Buyers substantially all of the tangible and intangible personal property (excluding accounts receivable) and real property used and useful in the operation of the Station, including the assignment of certain contracts, leases and agreements of Seller and the Station, and also the licenses and other authorizations issued by the Federal Communications Commission (the "FCC" or "Commission") for the operation of the Station (the "FCC Licenses");

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements between the Parties hereto herein contained, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged and intending to be legally bound, the parties hereby agree as follows:

1. Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

1.1 "Accounts Receivables" means the accounts due Seller for the cash sales of advertising time on the Station.

1.2 "Assignment Application" means the application which Seller and Licenses, LLC will join in and file with the Commission requesting its written consent to the assignment of the FCC Licenses from Seller to Licenses, LLC;

1.3 "Final Order" means action by the Commission, granting its consent to the Assignment Application, which is no longer subject to administrative or judicial appeal, review, reconsideration, or rehearing within applicable administrative or judicial time limits;

1.4 "Closing" means the consummation of the transactions contemplated by this Agreement.

1.5 "Closing Date" means 10:00 a.m. on the date on which the Closing occurs, which date shall be within fifteen

(15) days after the occurrence of the Final Order, unless otherwise agreed to by the Parties.

1.6 "Closing Place" means such place as the Parties may mutually agree to in writing;

1.7 "Escrow Agent" means CAPERS, DUNBAR, SANDERS & BRUCKNER.

1.8 "Escrow Agreement" means that certain earnest money escrow agreement entered into by and among Seller, Buyers and Escrow Agent, substantially in the form attached hereto as Exhibit "G".

1.9 "Purchased Assets" means all of the assets to be conveyed to Buyers by Seller pursuant to Section 2.

2. Assets to be Conveyed. On the Closing Date at the Closing Place, Seller will sell, assign, convey, transfer and deliver to Radio, LLC (and, as to the FCC Licenses, to Licenses, LLC), by instruments of conveyance in form reasonably satisfactory to Buyers, and free and clear of all liens, charges, encumbrances, debts, liabilities and obligations whatsoever, all of the following:

LICENSES, LLC

2.1 The FCC Licenses as listed on Exhibit "A" attached hereto, as well as all of Seller's right, title and interest in and to the call letters WWZB, or any other call letter then assigned by the Commission to the Station.

RADIO, LLC

2.2 All of the tangible personal property, physical assets and equipment used in the operation of the Station, together with any replacements thereof or additions thereto made between the date hereof and the Closing Date, including specifically that shown and described on Exhibit "B" attached hereto ("Tangible Personal Property").

2.3 The leased real property including all buildings, towers, structures and improvements thereon, as described on Exhibit "C" attached hereto ("Real Property").

2.4 The contracts, leases and agreements in effect on the Closing Date which are listed and described on Exhibit "D" attached hereto ("Assumed Contracts").

2.5 The intangible personal property, used in the operation of the Station as listed and described on Exhibit "E".

2.6 Such files, records and logs pertaining to the operation of the Station, including, but not limited to, the Station's public files and the Station's broadcast logs, as Buyers shall reasonably require, including all contracts, leases and agreements assigned hereunder but excluding the corporate, tax and accounting records of Seller.

3. Excluded Assets/Accounts Receivable Collections.

The Purchased Assets do not include cash, cash equivalents,

accounts receivable, prepaid expenses, deposits, or the assets of any pension or other employee benefit plans of Seller. With respect to Accounts Receivable, Buyers acknowledge that all Accounts Receivable arising prior to the Closing Date in connection with the operation of the Station, including but not limited to accounts receivable for advertising revenues for programs and announcements performed prior to the Closing Date and other broadcast revenues for services performed prior to the Closing Date, shall remain the property of Seller (the "Seller Accounts Receivable") and that Buyers shall not acquire any beneficial right or interest therein or responsibility therefor.

For a period of one hundred twenty (120) days from the Closing Date ("Collection Period"), Radio, LLC agrees to use commercially reasonable best efforts to assist in collection of the Seller Accounts Receivable in the normal and ordinary course of Radio, LLC's business and will apply all such amounts collected to the debtor's oldest account receivable first, except that any such accounts collected by Radio, LLC from persons who are also indebted to Radio, LLC may be applied to Radio, LLC's account if so directed by the debtor if there is a bona fide dispute between Seller and such account debtor with respect to such account and in which case Radio, LLC shall notify the Seller of such dispute and after such notification Seller shall have the right to pursue collection of such account

and to avail itself of all legal remedies available to it. Radio, LLC's obligation and authority shall not extend to the institution of litigation, employment of counsel or a collection agency or any other extraordinary means of collection. During the Collection Period, neither Seller nor its agents shall make any direct solicitation of any account debtor for collection purposes or institute litigation for the collection of amounts due. After the Collection Period, Radio, LLC agrees to reasonably cooperate with Seller, at Seller's expense, as to any litigation or other collection efforts instituted by Seller to collect any delinquent Seller Accounts Receivable. Any amounts relating to the Seller Accounts Receivable that are paid directly to the Seller shall be retained by the Seller (less any commissions and/or other expenses due thereon, which Seller agrees to timely pay), but Seller shall provide Radio, LLC with prompt notice of any such payment. Every thirty (30) days during the Collection Period, Radio, LLC shall make a payment to Seller equal to the amount of all collections of Seller Accounts Receivable during such thirty (30) day period less any commissions and/or other expenses due thereon (which Radio, LLC is hereby directed to pay on Seller's behalf); provided, however, that no commissions shall be deducted from Seller Accounts Receivable and paid to former employees or local sales agents of Seller without Seller's prior approval. At the end of the 120-

day collection period, any remaining Seller Accounts Receivable shall be returned to Seller for collection and Radio, LLC shall provide Seller with a photocopy of any checks made payable to Buyer which included amounts included within Seller Account Receivable; provided, however, that any payment of Seller's Accounts Receivable received by Radio, LLC following the Collection Period shall be promptly remitted to Seller.

4. Purchase Price and Method of Payment.

4.1 Purchase Price. The aggregate amount to be paid to Seller by Buyers for the Purchased Assets shall be SIX HUNDRED TWENTY THOUSAND (\$620,000) DOLLARS (the "Purchase Price"), subject to adjustments as set forth in Section 5 below.

4.2 Method of Payment. The Purchase Price shall be paid by Buyers on the Closing Date, as follows:

(i) the sum of FOUR HUNDRED THOUSAND (\$400,000) DOLLARS by wire transfer of immediately available funds to such bank account(s) as Seller shall designate;

(ii) the execution and delivery of a ONE HUNDRED THOUSAND (\$100,000) DOLLAR Promissory Note in the form attached hereto as Exhibit "H", payable, together with interest at the rate of seven percent (7%), quarterly over a period of seven (7) years, the first payment being due

and payable three (3) months following the Closing Date;
and

(iii) the execution with Seller and Seller's Shareholder (to wit: WARREN DIGGINS), of a Noncompetition Agreement in form and substance substantially identical to that set forth at Exhibit "F" (the "Noncompetition Agreement"), attached hereto, and pursuant to which the aggregate sum of ONE HUNDRED TWENTY THOUSAND (\$120,000) DOLLARS will be paid, annually over a period of six (6) years.

4.4 Earnest Money Escrow Deposit. Buyers shall deposit the sum of THIRTY ONE THOUSAND (\$31,000) DOLLARS with the Escrow Agent ("Escrow Deposit"), which sum shall be held and disbursed in accordance with the provisions of the Escrow Agreement. On the Closing Date, and the closing of the transactions contemplated by this Agreement, all or part of the Escrow Deposit plus accrued interest thereon may at the option of Buyers be delivered to Seller and applied to the Purchase Price. Provided that Buyers are not then in default in the performance of their obligations under this Agreement, if Seller defaults in the performance of its obligations hereunder, the Escrow Deposit plus accrued interest thereon shall be returned to Buyers, and Buyers may bring an action against Seller for its damages, and/or for specific performance, or

both. Provided that Seller is not then in default in the performance of its obligations under this Agreement, and if all conditions precedent to the closing of the transactions contemplated herein shall have been satisfied, if Buyers default in the performance of their obligations hereunder, Seller may receive the Escrow Deposit plus accrued interest thereon as provided in the Escrow Agreement, in which case the Escrow Deposit plus the accrued interest shall constitute full and complete liquidated damages to Seller from Buyers' said default and shall be Seller's sole and exclusive remedy in the event this Agreement is terminated as a result of Buyer's default hereunder.

5. Prorations. Operation of the Station and all income, expenses and liabilities attributable thereto through 12:01 a.m. on the Closing Date shall be for the account of Seller and thereafter for the account of Buyers. All: (i) income and expenses, including, but not limited to, such items as power and utilities charges, ad valorem and other real and personal property taxes and business taxes upon the basis of the most recent assessment available; (ii) the Assumed Contracts to be assigned to Licenses, LLC pursuant to Section 2.4; (iii) rents, wages and salaries of employees, including accruals of bonuses, commissions, sick pay and vacations of employees who are employed by Licenses, LLC, and related payroll taxes; and

(iv) other prepaid and deferred items, shall be prorated between Seller and Buyers in accordance with generally accepted accounting principles consistently applied, the proration to be made and paid, insofar as determinable, on the Closing Date, with a final proration settlement within sixty (60) days after the Closing Date. Additionally, any excess of the net liability for advertising trade owed by Seller on the Closing Date shall be considered as a reduction of the Purchase Price, shall be included in the proration calculation on the Closing Date, and on the Closing Date Seller shall deliver to Buyers a trade schedule certified by its President or Secretary, showing all trade amounts and items payable and receivable as of said date.

6. Representations and Warranties of Seller. Seller represents and warrants to Buyers that:

6.1 Organization and Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to transact business in the Commonwealth of Pennsylvania.

6.2 Authorization. Seller has taken all necessary corporate action to duly approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement constitutes the valid and binding agreement of Seller

enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

6.3 FCC Licenses. Seller is the holder of the FCC Licenses as listed in Exhibit "A", and the FCC Licenses are in full force and effect and unimpaired by any act or omission of Seller, or its officers, directors, employees or agents. As of the date hereof, there is no pending action by or before the Commission to revoke, cancel, rescind, modify or refuse to renew in the ordinary course any of the FCC Licenses, and, except as set forth on Exhibit "A", there is not now pending, issued or outstanding by or before the FCC any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability or of Forfeiture or material complaint against the Station or Seller. In the event of any such action that arises prior to Closing, or the filing or issuance of any such order, notice or complaint, Seller shall promptly notify Buyers of same in writing and shall take all reasonable measures to contest in good faith or seek removal or rescission of such action, order, notice or complaint. Otherwise, the Station are now operating in all material respects in accordance with the FCC Licenses,

and in substantial compliance with the Communications Act of 1934, as amended, and the rules of the Commission.

6.4 Personal Property. Seller has listed and identified on Exhibit "B" all material items of Tangible Personal Property as of the date hereof used in the operation of the Station. On the Closing Date, Seller will have good and valid title to all of the Tangible Personal Property, free and clear of all mortgages, liens, charges, claims, pledges, security interests and encumbrances whatsoever. The items of Tangible Personal Property listed on Exhibit "B" include all the material tangible property and assets presently used or necessary to conduct in all material respects the business and operations of the Station as now conducted.

6.5 Real Property.

(a) The Real Property listed and described on Exhibit "C" constitutes all of the real property interests of any nature whatsoever, whether owned or leased, necessary to conduct the business or operations of the Station as now conducted. Seller has delivered to Buyers true, correct and complete copies of all leases by which Seller is the lessee or lessor of any of the Real Property. All of the Real Property has full, practical and insurable legal access to public roads or streets and has all utilities and services necessary for the proper and

lawful conduct and operation of the Station as now conducted. To Seller's knowledge, all towers, satellite receiving dishes and facilities, and other installations, equipment and facilities utilized in connection with the Station (including any related buildings and guy anchors) are maintained, placed and located in accordance with the provisions of all applicable laws, rules, regulations, deeds, easements, restrictions, leases, permits or other arrangements, and are located entirely on the Real Property either owned or leased by Seller.

(b) With respect to each leasehold interest included in the Real Property being conveyed hereunder, Seller is not in default thereunder (nor to the knowledge of Seller is any other party thereto) and such leasehold interest (i) is valid, subsisting and in full force and effect; (ii) is not subject to any liens or encumbrances; and (iii) so long as Seller fulfills its obligations under the lease therefor, Seller has enforceable rights to non-disturbance and peaceful and quiet enjoyment, and no third party holds any real property interests in the leased premises with the right to foreclose upon or otherwise terminate or materially impair Seller's leasehold interest in such premises (absent a default by such Seller under the terms of the lease therefor). The rental set forth in each

lease included in the Real Property is the actual rental being paid, and there are no separate agreements or understandings with respect to same. Seller currently has the full right to exercise any renewal options contained in any of said leases, on the terms and conditions contained therein and, upon due exercise, currently would be entitled to enjoy the use of each leased premises for the full term of such renewal options. To Seller's knowledge, the leased premises are occupied under a valid and current occupancy permit or the like to the extent required by law; there are no facts known to Seller which would prevent any leased premises from being occupied after the Closing in substantially the same manner as before; and, to the extent that third-party consents are required to transfer any leases included in the Real Property to Buyers, Seller and Buyers will use their reasonable best efforts to obtain such consents.

(c) All Real Property (including all of the improvements thereon), (i) is available for immediate use in the conduct of the business or operations of the Station, and (ii) to the best of Seller's knowledge complies in all material respects with all applicable building or zoning codes and the regulations of any governmental authority having jurisdiction. There are no

condemnation proceedings or eminent domain proceedings, lawsuits or legal proceedings of any kind pending or, to the knowledge of Seller, threatened, in connection with any Real Property. To Seller's knowledge there are no underground storage tanks for fuel of any kind located on any of the Real Property. All improvements made by or constructed for Seller and, to Seller's knowledge with respect to improvements used by Seller but not made by it or constructed for it, on the Real Property, were constructed in compliance in all material respects with all applicable Federal, state or other statutes, laws, ordinances, regulations, rules, codes, orders or requirements (including, but not limited to, any building, zoning or environmental laws or codes) affecting such premises. Seller has paid or shall have paid prior to Closing all amounts owing by Seller to any architect, contractor, subcontractor or materialman for labor or materials performed, rendered or supplied to or in connection with any Real Property.

6.6 Litigation. There is no litigation, action, suit, judgment, proceeding or, to Seller's knowledge, investigation pending, or outstanding before any forum, court, or governmental body, department or agency of any kind to which Seller or the Station is a party which would materially

adversely affect the Purchased Assets or Seller's ability to perform under this Agreement, nor to Seller's knowledge is any such litigation threatened.

6.7 Assumed Contracts. The Assumed Contracts listed on Exhibit "D" constitute all of the material contracts, leases and agreements (other than leases for real property interests) to which the Station is a party as of the Date hereof and which are to be assigned to and assumed by Buyers hereunder.

As of the date hereof, no material breach or event of default by Seller exists with respect to any of the Assumed Contracts, and to the knowledge of the Seller no other party to any Assumed Contract has committed a material breach or an event of default thereunder (except as disclosed in Exhibit "D").

6.8 Taxes and Reports. On the Closing Date Seller shall have filed all federal, state and local tax returns which are required to be filed, and all other statements, reports and returns required by any governmental agency or department, including the Commission, and all reporting requirements of the Commission and other governmental authorities having jurisdiction thereof have been complied with in all material respects. To the knowledge of Seller's owners, all such tax returns and reports filed by it as of the date hereof are accurate, and all taxes due thereunder have been paid.

6.9 Insolvency. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of its assets or properties is pending or, to the knowledge of Seller, threatened.

6.10 Personnel and Benefits. As a matter of information only, Seller has delivered to Buyers: (a) A true and complete list as of the date of this Agreement of all personnel currently employed at the Station, together with a statement of the amount paid or payable to each such person for such services and the basis thereof, and any bonus and other compensation arrangements presently in effect, (b) A true and complete list as of the date of this Agreement of all employee benefit plans or arrangements applicable to the employees of Seller employed at the Station, none of which shall be assumed by Buyers, including, without limitation, pension, profit sharing or thrift plans, cash or deferred ("401(k)") plans, tax-qualified or non-tax-qualified stock option arrangements, individual or supplemental pension or accrued compensation arrangements, contributions to hospitalization or other health or life insurance programs, incentive plans for salesmen, bonus arrangements and vacation, sick leave, disability and termination arrangements or policies.

6.11 Compliance with Applicable Laws. To the best of Seller's knowledge, all of the Tangible Personal Property is now in compliance in all material respects with all applicable laws, ordinances, regulations, rules and orders. Seller has all requisite authority and all necessary and material permits, certificates, licenses, approvals, consents and other authorizations required to carry on and conduct the Station's business and to own, lease, use and operate the Station's properties at the places and in the manner in which the Station's business currently is conducted.

6.12 Third-Party Consents. Except as disclosed on Exhibit "I" no third-party consents are required to transfer the Purchased Assets to Buyers.

6.13 Labor Relations. Seller is not a party to any contract with any labor organization, nor has Seller agreed to recognize any union or other collective bargaining unit, nor has any union or collective bargaining unit been certified as representing any of Seller's employees at the Station. To the best of Seller's knowledge, Seller has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor including, without limitation, those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and similar taxes, and Seller has not

received any notice from any government authority alleging that it has failed to comply with any of the foregoing which has not been resolved. There are no controversies or proceedings pending or, to Seller's knowledge, threatened, between Seller and the employees of the Station as a group or any labor union or other collective bargaining unit representing or claiming to represent any of the employees of the Station.

6.14 Environmental. To Seller's knowledge, Seller has not disposed of any hazardous waste or hazardous substance including Polychlorinated Byphenyls ("PCBs") on any of the Real Property. To Seller's knowledge, Seller has complied in all material respects with all federal, state and local environmental laws, rules and regulations applicable to the Station and their operations, including but not limited to the FCC's guidelines regarding radio frequency radiation. To the knowledge of the Seller no hazardous waste or hazardous substance including PCBs has been disposed of by any other person on any of the Real Property. As used in this Section 6, the term "hazardous waste" is defined as the term is defined in the Resource Conservation and Recovery Act ("RCRA"), as amended, and in the equivalent state statute under Pennsylvania law, and the term "hazardous substance" is defined as the term is defined in the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. '9601 et seq.

6.15 Seller's Knowledge. As used herein phrases such as "Seller's knowledge," or the "best of Seller's knowledge" or "known to Seller's" or similar phrases shall mean the actual knowledge of WARREN DIGGINS, Seller's president.

7. Affirmative Covenants of Seller. Between the date hereof and the Closing Date, except as permitted by this Agreement, Seller will maintain the FCC Licenses and the Station:

(a) In substantial conformity with Communications Act of 1934, as amended, and the rules and regulations of the Commission; and

(b) In substantial conformity with all other material applicable laws, ordinances, regulations, rules and orders.

(c) Between the date hereof and the Closing Date, Seller will cooperate with Buyers as to any FCC or other governmental agency filings with respect to the Station, and, upon request of Buyers, will file with the FCC or any other governmental agencies, such applications and filings with respect to the Station as Buyers shall request.

(d) Following the Closing Date, Seller shall permit Buyer to use the studio and office space currently used by Seller in the operation of the Station located on

Fairgrounds Road, Huntingdon, Pennsylvania, rent free, for a period of six (6) months.

8. Negative Covenants of Seller. From the date hereof through the Closing Date, except as contemplated by this Agreement, Seller will not, without the prior written consent of Buyers (which consent shall not be unreasonably withheld, conditioned or delayed):

8.1 Create or assume any mortgage or pledge, or subject to lien or encumbrance any of the Purchased Assets, whether now owned or hereafter acquired, unless discharged prior to Closing.

8.2 Sell, assign, lease or otherwise transfer or dispose of any of the Purchased Assets, whether now owned or hereafter acquired, except for retirements in the normal and usual course of business or unless replaced with comparable assets.

8.3 Enter into, any contract, lease or agreement, or amend, renew or extend any Assumed Contract involving the Station in any manner, except in the normal course of business.

8.4 Change the Station's call letters or, except as may be reasonably required by Seller to operate the Station in accordance with the usual and ordinary course of business, modify the Station's facilities.

9. Representations and Warranties of Buyers. Buyers represent and warrant to Seller that:

9.1 Standing. Radio, LLC is now and on the Closing Date will be a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and Licenses, LLC is now and on the Closing Date will be a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

9.2 Authorization. All necessary administrative action to duly approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby has been taken by each Buyer, and this Agreement constitutes a valid and binding agreement of each Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

9.3 Absence of Restrictions. The execution, delivery and performance of this Agreement and the transactions contemplated hereby by each Buyer do not violate any provisions of law applicable to either Buyer or conflict with or result in a breach of any term, condition or provision of, or constitute

a default under, the Certificate of Formation, Bylaws, or Operating Agreement of either Buyer.

9.4 Legal Proceedings. There are no disputes, claims, actions, suits or proceedings, arbitrations or investigations, administrative or judicial, pending or, to the knowledge of Buyers, threatened against or affecting either Buyer or its respective businesses, at law or in equity or otherwise, before or by any court or governmental agency or body, domestic or foreign, or before an arbitrator of any kind, which would materially adversely affect the transactions contemplated in this Agreement.

9.5 FCC Qualifications. Licenses, LLC is legally, financially, technically and otherwise qualified under the Communications Act of 1934, as amended, and under the rules and regulations of the FCC, to become the holder of the FCC Licenses. Buyers neither know, nor with reasonable diligence could know, of any facts, nor will they take any action, which would cause the FCC to withhold or delay its consent to the assignment of the FCC Licenses to Licenses, LLC, and should any facts come to Buyers' attention, Buyers shall promptly notify Seller, and Buyers shall use their best efforts and take such steps as may be necessary to remove any such impediment to the assignment of the FCC Licenses to Licenses, LLC.

10. Conditions Precedent to Buyers' Obligations. The obligation of Buyers to consummate the transactions contemplated hereby as to the Purchased Assets is subject to the fulfillment prior to and as of the Closing on the Closing Date of each of the following conditions (and Buyers will use reasonable good faith efforts to satisfy the conditions within its control), each of which (except for FCC consent) may be waived (but only by an express written waiver unless otherwise provided herein) at the sole discretion of Buyers:

10.1 Commission Approval. The Commission shall have given its written consent to the Assignment Application and such consent shall be in effect and shall have become a Final Order, subject to the provisions of Section 15.1 hereof.

10.2 Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and correct in all respects at and as of the Closing Date as if made on the Closing Date except as specifically contemplated by this Agreement.

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

10.4 Insolvency. No insolvency proceedings of any character including, without limitation, reorganization, receivership, voluntary or involuntary, or bankruptcy or reorganization under the laws of the United States, affecting Seller or any of its assets or properties shall be pending; and Seller shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceedings.

10.5 Consents. All necessary approvals and consents to the assignment to Radio, LLC hereunder of the Assumed Contracts and leases for Real Property have been obtained and delivered to Radio, LLC.

10.6 Litigation. All material claims, demands, suits, litigation, and controversies of every nature, including with respect to the Commission, and involving the Station, shall have been totally and completely resolved, and to the extent applicable, dismissed with prejudice, and releases in form and content satisfactory to Buyers, from such persons, firms or entities as Buyers shall deem appropriate or necessary, shall have been delivered to Buyers, unless Seller agrees to indemnify Buyers from such claims, demands, suits, litigation or controversy..

10.7 Estoppel Certificates. Seller shall have delivered to Radio, LLC on or prior to the Closing Date an

estoppel certificate or status letter from the landlord under each lease of Real Property which will certify (i) that the lease is valid and in full force and effect; (ii) the amounts payable by Seller under the lease and the date to which the same have been paid; (iii) whether there are, to the knowledge of said landlord, any defaults thereunder, and, if so, specifying the nature thereof; and (iv) that the transactions contemplated by this Agreement will not constitute a default under the lease and that the landlord consents to the assignment of the lease to Radio, LLC; except that if Seller is unable, despite diligent effort to obtain such certificate from each Landlord, Seller may certify to the foregoing in lieu of delivering such certificate.

10.8 Investigation of Station Facilities.

Buyers shall conduct such examination and investigation of the Real Estate and title thereto, studios, transmitter facilities, and other Station Assets and personnel on matters as Buyers deem available or appropriate. Buyers shall indemnify, defend and hold harmless Seller from and against any liability, loss, damage, claim, fee, cost or expenses, including reasonable attorneys' fees, which may have resulted or may result from any such entry or inspection of the Real Property by Buyers. This investigation may include the obtaining of surveys of all Real Estate, each prepared in accordance with ALTA/ASCM standards and each detailing the legal description, the perimeter boundaries, all improvements thereon, all easements and encroachments

affecting each parcel, and such other matters as may be reasonably required by Buyers or the title insurance company, each containing a surveyor certificate reasonably acceptable to Buyers and the title insurance company, and each prepared by a registered land surveyor satisfactory to Buyers. If, within sixty (60) days after the date of this Agreement, Buyers advise Seller of any findings or results which are inconsistent with the substance of Seller's representations and warranties and which involve costs to cure the same in excess of \$5,000 in the aggregate, and such are capable of being cured by Seller to Buyers' reasonable satisfaction, Seller shall have caused the same to be cured to Buyers' reasonable satisfaction prior to the Closing Date.

11. Conditions Precedent to Seller's Obligations. The obligation of Seller to consummate the transactions contemplated hereby is subject to the fulfillment prior to and as of the closing on the Closing Date of each of the following conditions (and Seller will use reasonable good faith efforts to satisfy conditions within its control), each of which (except for FCC consent) may be waived (but only by an express written waiver) at the sole discretion of Seller:

11.1 Commission Approval. The Commission shall have given its written consent to the Assignment Application,

and such consent shall be in effect and shall have become a Final Order, subject to the provisions of Section 15.1 hereof.

11.2 Representations and Warranties. The representations and warranties of Buyers contained in this Agreement shall be true and correct in all respects at and as of the Closing Date as if made on the Closing Date except as specifically contemplated by this Agreement.

11.3 Performance. Buyers shall have in all respects performed and complied with all covenants, agreements and conditions, required by this Agreement to be performed or complied with by each prior to and at the Closing Date.

11.4 Insolvency. No insolvency proceedings of any character including, without limitation, reorganization, receivership, voluntary or involuntary, or bankruptcy or reorganization under the laws of the United States, affecting Buyers or any of the assets or properties of Buyers shall be pending, and Buyers shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceedings.

12. Application for Commission Consent and Approval. Seller and Licenses, LLC shall join in and file the Assignment Application with the Commission within thirty (30) days following execution of this Agreement (or the next succeeding business day if such 30th day shall be a weekend day or

holiday). Each Party will cooperate in the diligent submission of any additional information requested by the Commission with respect to the Assignment Application and expeditiously and diligently use its commercially reasonable best efforts to prosecute the Assignment Application to a favorable conclusion.

13. Control of the Station. The transactions contemplated by this Agreement shall not be consummated until after the Commission has given its written consent to the Assignment Application. Between the date of this Agreement and the Closing Date, neither Buyers, nor their employees or agents shall directly or indirectly control, supervise or direct or attempt to control, supervise or direct the operation of the Station, but such operation shall be the sole responsibility and in the complete discretion of Seller.

14. Termination.

14.1 This Agreement may be terminated at any time by:

(i) the mutual written consent of the Parties hereto;

(ii) Buyers, if any of the conditions set forth in Article 11 shall have become incapable of fulfillment, and shall not have been waived by Buyers, or if Seller shall have breached in any material respect any of its material representations, warranties or obligations

hereunder and such breach shall not have been cured in all material respects or waived by Buyers prior to the Closing; or

(iii) Seller, if any of the conditions set forth in Article 12 shall have become incapable of fulfillment, and shall not have been waived by Seller, or if Buyers shall have breached in any material respect any of its material representations, warranties or obligations hereunder and such breach shall not have been cured in all material respects or waived prior to the Closing; or

(iv) Either Party if the Closing has not occurred within two hundred forty (240) days of the filing of the Assignment Application with the FCC.

14.2 In the event of the termination of this Agreement by Buyers or Seller pursuant to this Section 15, written notice thereof shall promptly be given to the other Party and, except as otherwise provided herein, the transactions contemplated by this Agreement shall be terminated, without further action by any Party. Nothing in this Section 15 shall be deemed to release any Party from any liability for any breach by such Party of the terms and provisions of this Agreement or to impair the right of Buyers to compel specific performance of Seller of its obligations under this Agreement.

14.3 A Party shall be deemed to be in default under this Agreement only if such Party has materially breached or failed to perform its obligations hereunder, and non-material breaches or failures shall not be grounds for declaring a Party to be in default, postponing the Closing, or terminating this Agreement. For purposes of this section 15.3, the term "materially" shall be measured by reference to the business or operations of the Station, taken as a whole, the value of the Purchased Assets, taken as a whole, or the ability of Seller or Buyers to perform or carry out the transactions contemplated by this Agreement, as the context requires.

15. Risk of Loss. The risk of any loss, damage or impairment, confiscation or condemnation of any of the assets of the Station from any cause whatsoever shall be upon Seller at all times up to the Closing on the Closing Date. In the event of any such loss or damage, Seller shall notify Buyers of same in writing immediately, specifying with particularity the loss or damage incurred, the cause thereof, if known or reasonably ascertainable, and the insurance coverage. The proceeds of any claim for any loss payable under any insurance policy with respect thereto shall be used to repair, replace or restore any such property to its former condition subject to the conditions stated below. If any portion of the property is not substantially repaired, replaced or restored (the term

"substantially repaired, replaced or restored" shall mean operation with effective radiated power equal to at least fifty percent (50%) of the effective radiated power under the FCC Licenses) within the later of: (i) six (6) days of said casualty, or (ii) six (6) days following the day that the Commission's consent to the Assignment Application has become a Final Order, then Buyers may elect to: (1) consummate the Closing and accept the Purchased Assets which are damaged in their then condition, in which event Seller shall assign to Radio, LLC all proceeds of insurance covering the property involved in full satisfaction of any and all claims with respect to the damage to the property; or (2) terminate this Agreement; or (3) postpone the Closing Date until such time as the Purchased Assets which have been damaged are completely repaired, replaced or restored.

16. Indemnification.

16.1 Indemnification by Seller. Buyers do not assume and shall not be obligated to pay any liability of Seller under the terms of this Agreement or otherwise and shall not be obligated to perform any obligations of Seller of any kind or manner, except by reason of contracts assumed by Radio, LLC hereunder and with respect to such contracts only such obligations which arise subsequent to Closing on the Closing

Date, or as herein provided. Seller hereby agrees to indemnify, defend and hold harmless Buyers, their successors and assigns, from and against:

16.1.1 Any and all claims, demands, liabilities, obligations, actions, suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, of every kind and description, contingent or otherwise, but not consequential damages of any kind whatsoever (the foregoing herein collectively referred to as "Damages"), occasioned by, arising out of or resulting from the operation of the Station prior to Closing on the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to Closing on the Closing Date under any contract, agreement or lease assumed by Radio, LLC hereunder.

16.1.2 Any and all Damages occasioned by, arising out of or resulting from any misrepresentation, breach of warranty or covenant, or default or nonfulfillment of any agreement on the part of Seller under this Agreement, or from any misrepresentation in or breach of any certificate, agreement, appendix, schedule, or other instrument furnished to Buyers pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

16.2 Indemnification by Buyers. Buyers shall indemnify, defend and hold harmless Seller, its successors and assigns, from and against:

16.2.1 Any and all Damages occasioned by, arising out of or resulting from the operation of the Station subsequent to Closing on the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed subsequent to closing on the Closing Date under any contract, agreement or lease assumed by Buyers hereunder.

16.2.2 Any and all Damages occasioned by, arising out of or resulting from any misrepresentation, breach of warranty or covenant, or default or nonfulfillment, of any agreement on the part of Buyers under this Agreement, or from any misrepresentation in or breach of any certificate, agreement, appendix, schedule or other instrument furnished to Seller pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

16.3 Third-Party Claims. In the event of third-party claims, each Party ("Indemnified Party") shall give notice in accordance with Section 24 below, to the other Party ("Indemnifying Party") as soon as practicable and in no event later than ten (10) business days of the occurrence of any event, or of its discovery of any facts, which in its opinion

entitle or may entitle it to indemnification under this Section.

However, failure to give such notice shall not preclude the Indemnified Party from seeking indemnification hereunder, unless, and to the extent that, such failure adversely affects to a material degree the Indemnifying Party's ability to defend against such a claim. The Indemnifying Party shall promptly defend such a claim by counsel of its own choosing and the Indemnified Party may appear at any proceeding, at its own cost, by counsel of its own choosing and shall otherwise cooperate in the defense of such claim, including the settlement of the matter on the basis stipulated by the Indemnifying Party (with the Indemnifying Party's being responsible for all costs and expenses of such settlement). If the Indemnifying Party within fourteen (14) calendar days after notice of a claim fails to defend the Indemnified Party, the Indemnified Party shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the Indemnifying Party. Upon the assumption of defense of such claim, the Indemnifying Party may settle, compromise or defend as it sees fit. However, anything in this Section to the contrary notwithstanding:

16.3.1 If there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party, the Indemnified Party will have the right, at its own

cost and expense, to appear, but shall cooperate with the Indemnifying Party, which shall continue to control such action; and the Indemnified Party shall not compromise or settle such claim in a manner which materially adversely affects the Indemnifying Party without the Indemnifying Party's prior written consent, such consent not unreasonably to be withheld;

16.3.2 If the facts giving rise to indemnification hereunder shall involve a possible claim by the Indemnified Party against a third party, the Indemnified Party shall have the right, at its own cost and expense, to undertake the prosecution, compromise and settlement of such claim; and

16.3.3 The Indemnifying Party will not enter into an agreement to settle or compromise any claim or consent to any entry of judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect to such claim.

16.4 Time Period. The indemnification provisions set out in this Section are intended to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs, and expenses arising within twelve (12) months of the Closing Date. It shall not matter for the purposes of the parties' indemnity obligations under this Section whether suit is instituted or not and, if instituted,

whether the suit is resolved or not during the twelve (12) month period, so long as the indemnifying party has received notice of the claim triggering the indemnity obligation during the period.

17. Expenses/Taxes.

(a) All FCC filing fees shall be shared equally by Seller and Licenses, LLC. All other expenses incurred in connection with this transaction shall be borne by the Party incurring the same.

(b) All real estate transfer taxes, escrow fees and recording fees assessed or levied in connection with the sale of the Real Property shall be paid by the Seller on the Closing Date.

18. Seller's Performance at Closing. Buyers' obligation to consummate the transactions contemplated hereby is expressly conditioned upon delivery of each of the following by or on behalf of Seller on the Closing Date:

18.1 One or more bills of sale conveying to Radio, LLC all of the Tangible Personal Property to be acquired by Radio, LLC hereunder and the intangibles listed on Exhibit "E".

18.2 An assignment assigning to Licenses, LLC the FCC Licenses.

18.3 An assignment of lease in favor of Radio, LLC for the leased portion of the Real Property and an Assignment

assigning to Radio, LLC the Assumed Contracts, together with necessary consents thereto, and the original copies of each Assumed Contract.

18.4 The files, records and logs referred to herein.

18.5 An opinion of Seller's counsel (addressed to both Buyers and their lenders) dated as of the Closing Date, in the form attached hereto as Exhibit "J".

18.6 An opinion of Seller's FCC counsel (addressed to Buyers and their lenders) dated as of the Closing Date, in the form attached hereto as Exhibit "K".

18.7 A copy of a resolution of the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and the transaction contemplated hereby, in the form attached hereto as Exhibit "L".

18.8 For the purpose of satisfying certain of Buyer's conditions to closing, a certificate, dated as of the Closing Date, executed by President or Secretary of Seller in the form attached hereto as Exhibit "M".

18.9 Delivery of the Noncompetition Agreement, executed by Seller.

18.10 Seller shall further execute and deliver to Buyers such other instruments, documents and certificates as

reasonably may be requested by Buyers to consummate this Agreement and the transactions contemplated hereby.

19. Buyers' Performance at Closing. Seller's obligation to consummate the transactions contemplated hereby is expressly conditioned upon delivery of each of the following to it by or on behalf of Buyers on the Closing Date:

19.1 Payment of the Purchase Price as hereinabove provided.

19.2 Each Buyer shall further execute and deliver to Seller such other instruments, documents and certificates as reasonably may be requested by Seller to consummate this Agreement and the transactions contemplated hereby.

20. Survival of Representations and Warranties. The representations and warranties contained in this Agreement or in any Schedule, Exhibit or Appendix hereto, or in any Certificate issued hereunder, shall survive the Closing Date for a period of two (2) years.

21. Other Governmental Consents. The Parties shall cooperate fully with each other in taking any actions, including actions to obtain any other required consents of any governmental instrumentality or any third party necessary or helpful to accomplish the transactions contemplated by this Agreement. However, neither Party shall be required to take any

action which would have a material adverse effect upon it (performance of a Party's specific obligation under this Agreement shall not be deemed an action having an adverse effect upon that Party), any affiliated entity, or the Station.

22. Cure. Except for the FCC approvals required pursuant to this Agreement and Buyers' obligation to pay the Purchase Price to Seller pursuant to Section 4, Buyers and Seller each shall have the right, but not the obligation, to cure any condition precedent to a closing hereunder which has not been fully satisfied on or prior to the Closing Date. Unless otherwise provided herein, such cure period shall extend for a duration of twenty (20) days from the date that the Party claiming one of its conditions precedent has not been satisfied gives written notice of such fact to the other Party, and if necessary, the time for closing hereunder shall be extended for the duration of such cure period. In the event the Closing Date is extended, the obligation of Buyers and Seller to consummate this Agreement shall then be subject to the fulfillment of all of the conditions precedent hereunder at the expiration of such cure period.

23. Finders, Consultants and Brokers. The Parties represent and warrant to one another that KOZACKO MEDIA SERVICES has represented Seller and Buyers in the negotiations leading up to the execution of this Agreement, and that Seller shall be

responsible for and shall pay any fees or commissions due to KOZACKO MEDIA SERVICES as the only broker involved in the transaction contemplated under this Agreement. Each of the Parties represents to the other that with the exception of the foregoing, no other broker is involved in this transaction, and agrees to indemnify, defend and hold the other party harmless from any claim for a commission to anyone other than KOZACKO MEDIA SERVICES resulting from the acts of the indemnifying party.

24. Notices. All notices, demands and requests, required or permitted to be given under the provisions of this Agreement shall be in writing and deemed duly given on the next business day after being deposited with a nationally recognized overnight delivery service for delivery on the next business day or upon personal delivery or three (3) business days after being sent by certified mail, postage prepaid, or when received by facsimile, provided an additional copy is sent by one of the other methods set forth herein addressed as follows:

24.1 If to Seller:

Millenium Broadcasting, Inc.
1418 East 3rd Street
Williamsport, PA 17701
Attn: Warren Diggins

Telephone: (570) 322-7070
Fax: (570) 322-8850

24.2 If to Buyers:

Megahertz Radio, LLC
c/o Robert F. Wright, Jr., Esq.
First Union Bank Building
699 Broad Street, 15th Floor
Augusta, GA 30901
Telephone: (706) 722-7542
Fax: (706) 724-7776

24.3 If to Escrow Agent:

Capers, Dunbar, Sanders & Bruckner
First Union Bank Building
699 Broad Street, 15th Floor
Augusta, GA 30901
Attn: Ziva P. Bruckner
Telephone: (706) 722-7542
FAX: (706) 724-7776

or any such other addresses as the Parties may from time to time supply in writing.

25. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns, and the parties hereto may not assign their rights and obligations hereunder to another party or parties without the approval of the other party. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or give any person or entity other than the parties hereto or their

permitted assigns any rights, remedy or claim, legal or equitable, under or by reason of this Agreement.

26. Announcements/Press Releases. Subject to the requirements of applicable law, all announcements and press releases, and their contents, concerning this Agreement and the transactions contemplated herein shall be mutually consented to by the Buyers and Seller prior to their release and such consent shall not be unreasonably withheld or delayed. Buyers and Seller agree that there shall be no public announcement or press release issued concerning this Agreement and the transactions contemplated herein until the filing of the FCC Application.

27. Other Documents. The Parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

28. Exhibits and Schedules. All exhibits and schedules attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein. In the event of any inconsistency, the provisions of this Agreement shall govern.

29. Construction. This Agreement shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

30. 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.

31. Headings. The headings of the sections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any section.

32. Entire Agreement. This Agreement, and the exhibits hereto and all agreements to be delivered by the Parties represent the entire understanding and agreement between the Parties with respect to the subject matter hereof, supersede all prior negotiations between the Parties, and can be amended, supplemented, waived or changed only by an amendment in writing which makes specific reference to this Agreement or the amendment, as the case may be, and which is signed by the Party against whom enforcement of any such amendment, supplement, waiver or modification is sought.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

SELLER:

MILLENIUM BROADCASTING, INC.

BY: _____
AS ITS

BUYERS:

MEGAHERTZ RADIO, LLC

BY: _____
AS ITS

MEGAHERTZ LICENSES, LLC

BY: _____
AS ITS MANAGER

2ND DRAFT
JANUARY 9, 2002

ASSET PURCHASE AGREEMENT

Between

MILLENIUM BROADCASTING, INC.

as Seller

and

MEGAHERTZ RADIO, LLC

and

MEGAHERTZ LICENSES, LLC

as Buyers

Dated: JANUARY ____, 2002

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. Definitions	2
2. Assets to be Conveyed	3
3. Excluded Assets\Accounts Receivable Collections. . . .	4
4. Purchase Price and Method of Payment	6
5. Prorations	8
6. Representations and Warranties of Seller	9
7. Affirmative Covenants of Seller	17
8. Negative Covenants of Seller	18
9. Representations and Warranties of Buyers	18
10. Conditions Precedent to Buyers' Obligations	20
11. Conditions Precedent to Seller's Obligations	23
12. Application for Commission Consent and Approval	24

13.	Control of the Station	25
14.	Termination	25
15.	Risk of Loss	27
16.	Indemnification	28
17.	Expenses/Taxes	31
18.	Seller's Performance at Closing	32
19.	Buyers' Performance at Closing	33
20.	Survival of Representations and Warranties.	34
21.	Other Governmental Consents	34
22.	Cure	34
23.	Finders, Consultants and Brokers	35
24.	Notices	35
25.	Successors and Assigns	36
26.	Announcements/Press Releases	37
27.	Other Documents	37
28.	Exhibits and Schedules	37

29.	Construction	37
30.	Counterparts	37
31.	Headings	37
32.	Entire Agreement	38

EXHIBITS:

	Exhibit "A":	Licenses
	Exhibit "B":	Tangible Personal Property
	Exhibit "C":	Real Property
	Exhibit "D":	Assumed Contracts
	Exhibit "E":	Intangible Personal Property
	Exhibit "F":	Noncompetition Agreement
	Exhibit "G":	Escrow Agreement
	Exhibit "H":	Form of Promissory Note
	Exhibit "I":	Third Party Consents
	Exhibit "J":	Opinion Letter - Seller's Counsel
	Exhibit "K":	Opinion Letter - Seller's FCC
Counsel	Exhibit "L":	Seller's Resolution
	Exhibit "M":	Seller's Closing Certificate

EXHIBIT "A"

FCC Licenses

STATION

AUTHORIZATION

EXHIBIT "B"

Tangible Personal Property

EXHIBIT "C"

Real Property

1. Lease Agreement for transmitter site....

EXHIBIT "D"

Assumed Contracts

EXHIBIT "E"

Intangible Personal Property

Call sign WWZB(FM)

EXHIBIT "F"

Noncompetition Agreement

EXHIBIT "G"

Escrow Agreement

EXHIBIT "H"

Form of Promissory Note

EXHIBIT "I"

Third Party Consents

EXHIBIT "J"

Opinion Letter - Seller's Counsel

EXHIBIT "K"

Opinion Letter - Seller's FCC Counsel

EXHIBIT "L"

Seller's Resolution

EXHIBIT "M"

Seller's Closing Certificate