

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** ("Agreement") is made and entered into this \_\_\_\_\_ day of August, 2002, by and among **BOMAR BROADCASTING COMPANY-TERRE HAUTE, INC.**, an Indiana corporation and **BOMAR BROADCASTING COMPANY – MARION, INC.**, an Indiana corporation (collectively, "Seller"), and (for the purposes of Sections 14 and 15 hereof), **FRANK A. BOVE**, of Marion, Indiana, **ANTHONY J. BOVE JR.**, of Muncie, Indiana, **THOMAS M. MARCUCCILLI**, of Fort Wayne, Indiana, and **JAMES C. MARCUCCILLI**, of Fort Wayne, Indiana (hereinafter collectively referred to individually or collectively as the "Shareholders"), and **STONEGATE ACQUISITION CORP.**, a Delaware corporation ("Buyer").

### BACKGROUND:

Bomar Broadcasting Company – Terre Haute is the licensee, owner and operator of radio broadcast station WLEZ (FM), licensed to Terre Haute, Indiana, and Bomar Broadcasting Company – Marion is the licensee, owner and operator of radio broadcast stations WGOM(AM) and WMRI(FM), licensed to Marion, Indiana (collectively, the "Stations"). Seller desires to sell and assign, and Buyer desires to purchase and acquire, substantially all of the property and assets used or held for use in the operation of the Stations (the "Transaction"). The Shareholders are the principal shareholders of **BOMAR BROADCASTING CORPORATION**, an Indiana corporation ("BBC"), which is the sole shareholder of Seller, and, as such, shall benefit directly and substantially from the consummation of the Transaction. The parties acknowledge that the licenses issued by the Federal Communications Commission (the "Commission" or "FCC") for the operation of the Stations may not be assigned without the prior written consent of the Commission.

Accordingly, in consideration of the foregoing and of the mutual promises, covenants, and conditions set forth below, the parties agree as follows:

1. **ASSETS TO BE CONVEYED.** On the Closing Date (as defined below), Seller shall sell, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, and accept from the Seller an assignment of, all of the assets, property rights, licenses and authorizations used or held for use in the operation of the Stations other than the Excluded Assets (as defined below), including, without limitation, the following (collectively, the "Assets"):

1.1 **Licenses and Authorizations.** All licenses, permits, permissions and other authorizations issued for the operation of the Stations by the Commission and other governmental agencies, including, but not limited to, those listed on Schedule 1.1 and the right to use the Stations' call letters (the "Station Licenses"), and all applications for modification, extension or renewal thereof, and any pending applications for any new licenses, permits, permissions or authorizations pending on the Closing Date, including, but not limited to, those listed on Schedule 1.1 (the "Station Applications").

1.2 **Station Equipment.** All the tangible personal property owned by Seller and historically or presently used or useful for radio broadcasting operations, or used, useful or held

for use in the operation of the Stations including, but not limited to, the transmitters, towers, studio equipment, mobile transmitting equipment, furniture, fixtures, machinery, equipment, motor vehicles, automotive equipment, supplies and other property now or since January 1, 2002 located at the Marion, Indiana studio facilities or the Terre Haute, Indiana studio facilities or at any of the Marion, Indiana or Terre Haute, Indiana tower facilities (collectively, the "Facilities") or as listed on Schedule 1.2 together with any replacements, improvements, or additions thereto made between the date hereof and the Closing Date (the "Station Equipment").

1.3 Contracts. All rights of Seller for the benefit of the Stations under any or all of the following which are binding upon Seller immediately prior to the Closing Date: (a) all agreements, contracts and leases which are described on Schedule 1.3 or which Buyer subsequent to the date hereof agrees in writing to assume; (b) such other contracts (other than for the sale of time on the Stations), agreements and leases entered into by Seller after the date hereof in the ordinary course of business that (i) are terminable by Buyer following Closing, without penalty, upon no greater than thirty (30) days notice, (ii) represent replacements of agreements, contracts or leases set forth on Schedule 1.3 and which provide the Stations with substantially the same goods or services, at substantially the same cost, as provided under the agreement, contract or lease being replaced (and the term of which does not exceed one (1) year), or (iii) impose financial obligations on the Stations which do not exceed \$3,000 in any individual case or \$20,000 in the aggregate (the contracts, agreements and leases described in clauses (a) and (b) are collectively referred to as the "Operating Contracts"); (c) all contracts for the sale of time on the Stations for cash ("Sales Agreements"); (d) all contracts for the sale of time on the Stations in exchange for programming set forth on Schedule 1.3 or entered into after the date hereof with the written consent of Buyer; and (e) all trade agreements and barter agreements for goods and services for use by the Stations (i) entered into prior to the date hereof which (x) have an expiration (or "must use by") date within six (6) months of Closing, (y) are for spots which are preemptable for cash sales and which can be placed on a "run of schedule" basis and (z) do not in the aggregate represent Trade Obligations (as defined below) in excess of Twenty Five Thousand and 00/100 Dollars (\$25,000.00) on the Closing Date or (ii) entered into after the date hereof with the written consent of Buyer ("Approved Barter Agreements"). Seller shall submit in writing any agreement or contract to Buyer for its consent, such consent shall not be unreasonably withheld and shall be deemed to have been given unless Buyer notifies Seller of its disapproval of such contract or agreement in writing within three (3) days after the date of this Agreement (with respect to contracts and agreement which are specifically described on Schedule 1.3) or within five (5) days after its receipt of Seller's written request for such consent (with respect to any contract or agreement first delivered or disclosed to Buyer after the date of this Agreement). The Operating Contracts, the Sales Agreements, and those other agreements and contracts consented to by Buyer after the date hereof are sometimes hereinafter collectively referred to as "Contracts." Contracts conveyed will include all contracts, agreements and commitments necessary to operate all broadcasting and all computer equipment used, useful or held of use in connection with, or reasonably believed by the Buyer to be necessary for the operation of, the Stations (and which Buyer has agreed to assume and perform subject to Section 2 hereof). Contracts conveyed shall not include (and Buyer shall not be obligated to assume or perform) any contracts, agreements, leases or commitments constituting or evidencing

MFM:dml/113729v7 55808.066

Encumbrances (as hereinafter defined) other than Permitted Encumbrances (as hereinafter defined) on any of the Assets or lessor interests in any personal property included among the Assets. In the event that the trade agreements and barter agreements to be assumed, or which by their terms are required to be assumed by the Buyer or which are stated to be binding on the Stations' successor owner, or which are not cash preemptable, run-of-schedule, or scheduled to expire within six (6) months of Closing, in the aggregate represent Trade Obligations in excess of Twenty Five Thousand and 00/100 Dollars (\$25,000.00) on the Closing Date, the Purchase Price will be reduced by the amount of such excess amount of Trade Obligations. "Trade Obligations" means the aggregate value of time owed pursuant to trade agreements and barter agreements other than Approved Barter Agreements (based upon the rate card or, if there is no rate card, the generally prevailing rates for cash sales on the Stations in effect on the Closing Date, but not less than such rates in effect on April 1, 2002).

1.4 Real Property. All of Seller's right, title, and interest in the real property described in Schedule 1.4 but excluding that parcel of real property specifically identified in the drawing attached as Schedule 1.4(a) as being excluded from the Assets) (such included property being hereinafter called the "Real Property").

1.5 Call Signs, Promotional Materials and Intangible Property. All of Seller's rights in the Stations' call letters, copyrights, trademarks, tradenames, domain names, slogans, logos, service marks, computer software (if any), magnetic media, data processing files, systems and programs, business lists, sales and operating plans, telephone numbers, post office boxes, E-mail addresses, internet addresses, websites, all goodwill of the Stations and other intangible property rights used or held for use in the operation of the Stations, including but not limited to the intangible property identified on Schedule 1.5 (the "Intangible Property").

1.6 Records. All records, including but not limited to all books of account, customer lists, supplier lists, catalogues, literature, advertising materials, promotional materials, employee personnel files for employees who enter the employment of Buyer, local public records, file materials, engineering data, engineering records, inventory records, product warranties, logs, programming records, photographic records, consultants' reports, ratings reports, budgets, financial reports and projections, and sales, operating and business plans and records, relating to or used in the operation of the Stations and not pertaining solely to Seller's corporate affairs (the "Station Records").

1.7 Deposits and Prepaid Expenses. All of Seller's right, title and interest in and to all deposits and expenses prepaid by Seller, including, without limitation, those described in Schedule 1.7 (provided Seller shall be given credit for such prepaid deposits and expenses pursuant to Section 4 hereof).

1.8 Excluded Assets. It is understood and agreed that the following assets shall not be among the Assets purchased pursuant to this Agreement: (i) Seller's accounts, accounts receivable, notes receivable and other receivables outstanding on the Closing Date ("Receivables"); (ii) Seller's cash and cash equivalents on hand or in banks, certificates of

MFMD:dl/113729v7 55808.066

deposit, money market funds, and similar type investment securities; (iii) all tangible and intangible personal property disposed of or consumed between the date of this Agreement and the Closing Date with the consent of Buyer or as expressly permitted by this Agreement; (iv) all agreements that have terminated or expired by their terms prior to the Closing Date in the ordinary course of business; (v) the books and records of Seller pertaining to Seller's corporate organization, existence, capitalization and affairs and duplicate copies of such records as are necessary to enable Seller to file its tax returns and reports as well as any other records or materials relating to the organization of Seller; (vi) contracts of insurance, including the cash surrender value thereof, and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the date hereof; (vii) sales, income and other tax refunds and claims therefor relating to the period prior to Closing; (viii) any employee pension or benefit plan, arrangement and/or trusts maintained by Seller, and the assets thereof; (ix) any and all claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof, other than claims (and the proceeds thereof) (A) arising under Contracts to be assigned to Buyer pursuant to (and as limited by) Section 1.3 above, (B) with respect to other Assets which are required to be conveyed to Buyer at Closing, and (C) which are assigned to Buyer at Closing under Section 13.4 hereof; (x) claims against officers, directors, and affiliates of Seller; (xi) agreements, contracts and leases in each case not constituting Contracts; (xii) the parcel of real property specifically identified on the drawing attached hereto as Schedule 1.4(a) as being excluded from the Assets; and (xiii) other assets listed in Schedule 1.8 (if any).

2. ASSUMPTION OF LIABILITIES. Buyer shall not assume any of Seller's liabilities except liabilities which accrue after the closing of the Transaction (the "Closing") under the Contracts to be assigned to Buyer pursuant to (and as limited by) Section 1.3 above. If any Contract requires the consent of third parties for assignment, but such consent has not been obtained as of the Closing Date, then Buyer may in its sole discretion elect to assume Seller's obligations under such Contract only to the extent that, and for the period after Closing during which, Buyer receives the benefits to which Seller is currently entitled under such Contract.

3. PURCHASE PRICE AND ALLOCATION.

3.1 Purchase Price. The purchase price for the Assets shall be Four Million Six Hundred Fifty Thousand and 00/100 Dollars (\$4,650,000.00) (the "Purchase Price").

3.2 Escrow Deposit. Within fifteen (15) business days following the date on which Seller shall have certified in writing to Buyer that the condition set forth in Section 9.3.5 hereof has been satisfied, Buyer shall place the sum of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) in immediately available funds in escrow with Frank A. Bove (the "Escrow Agent") to be held in escrow in accordance with the Escrow Agreement attached as Exhibit 1 (the "Escrow Agreement"). The sum held at any time by the Escrow Agent in escrow as contemplated by this Section 3.2 is hereinafter referred to as the "Escrow Deposit."

3.3 Cash at Closing. At the Closing, Buyer will pay to Seller by wire transfer of federal funds (pursuant to wire instructions that Seller shall deliver to Buyer prior to Closing) a sum

MFMD:\dml\113729v7 55808.066

equal to the Purchase Price (which sum may include the Escrow Deposit) plus or minus any adjustments provided for in this Agreement (and subject to reduction pursuant to Section 1.3 in the event of excess Trade Obligations as therein provided). Seller and Shareholders acknowledge and agree that One Million and 00/100 Dollars (\$1,000,000.00) of the Purchase Price shall be deemed paid in consideration of the covenants of Seller and the Shareholders set forth in Section 14 hereof and the covenants of the Other Shareholders (as hereinafter defined) under the Non-Compete Agreements (as hereinafter defined).

3.4 Allocation. The Purchase Price shall be allocated among the Assets as agreed to by Buyer and Seller prior to or on the Closing Date. Notwithstanding the foregoing, if Buyer and Seller are unable to agree upon the manner in which the Purchase Price shall be allocated among the Assets prior to or on the Closing Date, Buyer and Seller shall jointly engage Broadcast Investment Analysts to determine the allocation of the Purchase Price among the Assets. The determination of such appraiser shall be binding on Buyer and Seller (the cost of such appraisal shall be borne equally by Buyer and Seller). Buyer and Seller agree to use such Purchase Price allocation in completing and filing Internal Revenue Code Form 8594 for federal income tax purposes and in filing any other statement or information that may be required pursuant to such regulations.

#### 4. PRORATIONS AND ADJUSTMENTS.

4.1 Prorations and Adjustments. The operation of the Stations and the income and normal operating expenses, including without limitation assumed liabilities and prepaid expenses, attributable thereto to the Closing Date shall be for the account of Seller and thereafter for the account of Buyer. Expenses for goods or services received both before and after the Closing Date, power and utilities charges, prepaid cash time sales agreements, and rents, annual license fees, wages, payroll taxes, vacation pay and other fringe benefits for employees who enter the employment of Buyer (Buyer undertaking no obligation to employ any such person) and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Closing Date (the "Closing Date Adjustments"). All special assessments, regulatory fees and similar charges or taxes imposed against the Real Property, any of the other Facilities (all such Facilities not included within the definition of "Real Property" being hereinafter referred to as the "Other Facilities"), Station Equipment and Station Licenses in respect of any period of time through the Closing Date, whether payable in installments or otherwise, shall be the responsibility of Seller, and amounts payable with respect to such special assessments, charges or taxes in respect of any period of time after the Closing Date shall be the responsibility of Buyer, and such charges shall be adjusted as required hereunder. At the Closing, Seller shall estimate all apportionments pursuant to this Section 4.1 and shall deliver a statement of its estimates to Buyer (which statement shall set forth in reasonable detail the basis for those estimates). At the Closing, Buyer shall pay to Seller, or Seller shall pay to Buyer, as the case may be, the net amount due as a result of the estimated apportionments (excluding any item that is in dispute). Within ninety (90) days after the Closing Date (the "Payment Date"), Buyer shall deliver to Seller a statement of any adjustments to Seller's estimate of the apportionments, and Buyer shall pay to Seller, or Seller shall pay to Buyer, as the case may be, any amount due as a

MFMD:\dml\113729v7 55808.066

result of the adjustment (or, if there is any dispute, the undisputed amount). If Seller disputes Buyer's determinations, or if at anytime after delivery of Buyer's statement of determinations, either party determines that any item included in the apportionments is inaccurate, or that an additional item should be included in the apportionments, the parties shall confer with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties (or, if they are unable to resolve the matter, they shall select a firm of independent certified public accountants to resolve the matter, whose decision on the matter shall be binding and whose fees and expenses shall be borne equally by the parties).

5. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller makes the following representations and warranties all of which have been relied upon by Buyer in entering into this Agreement and, except as otherwise specifically provided, all of which shall be true and correct at and as of the Closing, as though made de novo at such time.

5.1 Organization. Each Seller is a corporation duly organized, validly existing and in good standing, under the laws of the state of its organization and is qualified to do business and in good standing in the State of Indiana, and has full corporate power and authority to own, lease and operate the Assets owned, leased and/or operated by it, to conduct its business as currently conducted and proposed to be conducted and to enter into and perform this Agreement (and the other agreements and instruments referred to in this Agreement).

5.2 Authorization; Consents. The execution, delivery and performance of this Agreement (and the other agreements and instruments referred to in this Agreement) by Seller has been duly authorized by all necessary action on the part of Seller. Evidence of such authorizations reasonably acceptable to Buyer shall be delivered to Buyer at Closing. This Agreement and the agreements and instruments called for hereunder have been or will be duly and unanimously approved by all directors and stockholders of each Seller and by such number of directors and stockholders of BBC as is necessary to duly approve the execution and delivery of this Agreement by each Seller, have been or will be, as the case may be, duly executed by Seller and each of the Shareholders and delivered to Buyer, and constitute or will constitute, legal, valid, and binding obligations of Seller and each of the Shareholders, enforceable in accordance with their respective terms. Except as specified in Schedule 5.2, the execution, delivery and performance by Seller and the Shareholders of this Agreement and the agreements and instruments called for hereunder will not require the consent, approval or authorization of any person, entity or governmental authority other than the FCC.

5.3 No Breach. None of (i) the execution, delivery and performance of this Agreement and the agreements and instruments called for hereunder by Seller or any of the Shareholders, (ii) the consummation by Seller of the Transaction, or (iii) Seller's or any of the Shareholders' compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Seller's organizational documents, any judgment, decree, order or injunction applicable to Seller, any of the Shareholders, the Assets or the Stations, or (except as disclosed in Schedule 5.3) any agreement, lease, commitment or other instrument to which Seller or any of

MFMDml/113729v7 55808.066

the Shareholders is a party or by which Seller or any of the Shareholders is legally bound or to which any of the Assets or any of the Stations are subject, or any law, ordinance, rule, or regulation applicable to Seller, any of the Shareholders, any of the Assets, or the operation of the Stations.

5.4 Station Licenses. The Station Licenses set forth on Schedule 1.1 are all of the licenses, permits, and other authorizations used or necessary to operate the Stations as they are now operated and are validly issued in the name of Seller. The Station Licenses are in full force and effect, are valid for the balance of the current license term applicable to radio stations licensed to communities in the state where the Stations are located, unimpaired by any acts or omissions of Seller, Seller's employees, officers, directors or shareholders, and to Seller's knowledge, are free and clear of any restrictions which might limit or restrict the full operation of any of the Stations as now operated (other than restrictions on the face of such Station Licenses). Except as set forth on Schedule 5.4, there are no applications or proceedings pending (including, without limitation, any action, proceeding, investigation or order to show cause, notice of violation, notice of apparent liability or complaint involving Seller or any of the Stations by or before the FCC) nor, to the knowledge of Seller, are there any such applications, proceedings or complaints threatened, (x) with respect to any Station License or (y) which individually or in the aggregate may have a material adverse effect on the business or operation of the Stations (other than rulemaking proceedings that apply to the radio broadcasting industry generally). Seller is not aware of any reason why, upon proper application therefor filed at the appropriate time, those of the Station Licenses subject to expiration might not be renewed in the ordinary course based on current FCC rules or of any reason why any of the Station Licenses might be revoked. The Stations (including studio facilities) are in compliance with the Commission's policy on exposure to radio frequency radiation and do not result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields, 3kHz to 300 Grlz," adopted November 18, 1992 by the American Standards Institute. To Seller's knowledge, no renewal of any Station License would constitute a major environmental action under the rules of the Commission. Without limiting any of the foregoing, the Stations are being operated in all material respects in accordance with the Station Licenses and in compliance in all material respects with the Communications Act of 1934, as amended, and the rules and regulations of the Commission. Seller knows of no reason why the Commission or the United States Department of Justice would disapprove, disallow, refuse to consent to, or legally act to prevent the consummation of the Transaction because of any reason intrinsic to Seller or any of the Shareholders.

5.5 Assets. Except as set forth on Schedule 5.5, Seller has, or as of the Closing will have, good and marketable title to the Assets, free and clear of all mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, easements, covenants, restrictions and encumbrances or other defects of title ("Encumbrances") other than, with respect to the Real Property, the Encumbrances described in Schedule 1.4 (the "Permitted Encumbrances"). On the Closing Date, Buyer shall acquire good and marketable title to the Assets free and clear of any and all Encumbrances (other than, with respect to the Real Property, the Permitted

MFM:dml/113729v7 55808.066

Encumbrances). The Permitted Encumbrances do not, and will not following the Closing, interfere with or otherwise adversely affect the continued use of the Real Property as presently used by Seller in the conduct of its business and operation of the Stations. The Assets constitute all of the real, personal and mixed properties and assets, both tangible and intangible, that are used, held for use or necessary for the business and operation of the Stations as presently conducted by Seller, necessary to assure the operation of the Stations in conformity with (a) sound engineering practices, (b) all rules, regulations and policies of the Commission, and (c) other applicable material laws, regulations and requirements. Since April 1, 2002, except as set forth on Schedule 5.5 and except for the disposition of inventories of supplies, tubes and spare parts in the ordinary course of business, the Seller has not transferred, conveyed or assigned, or otherwise removed, and prior to Closing the Seller will not, except with the express written consent of Buyer, transfer, convey, assign or otherwise remove, from the Facilities, any Assets.

5.6 Condition, Quality and Quantity of Equipment. The Station Equipment listed on Schedule 1.2 (the "Operating Equipment") constitutes all of the personal property that is used or held by Seller for use in the operation of the Stations. The Operating Equipment is sufficient in all material respects to permit the Stations to operate in accordance with sound engineering practices, the Station Licenses and the rules and regulations of the Commission. The Operating Equipment is in good operating condition and repair, meets or exceeds all FCC requirements and all other legal requirements, is suitable, adequate and fit for the use for which the Operating Equipment is being used, and the present use of the Operating Equipment does not violate any applicable patent, copyright, trademark, licensing or use agreement, license, statute or building, fire, zoning, health and safety or other law or regulation.

5.7 Contracts. The Contracts are assignable to Buyer without consent, or, if consent of the other party to the Contract is required, Seller shall use its commercially reasonable efforts to secure all such consents before the Closing Date (provided that Buyer shall not be obligated to assume any obligations or liabilities arising on or after the Closing Date under any Contracts for which such consent has not been secured) and shall use its best efforts to obtain such consents with respect to all Contracts which are designated by Buyer as "Material Contracts" on Schedule 1.3 ("Material Contracts"). Seller is not aware of any reason why any of the other parties to the Contracts requiring consent of such party to assignment thereof would refuse to issue such consent. Upon assumption and assignment to Buyer, each Contract will be in full force and effect, and constitute a valid and binding obligation of, and will be legally enforceable in accordance with its terms against, the parties thereto, and will be unimpaired by any acts or omissions of Seller, Seller's employees, officers, directors or shareholders. There has not occurred as to any Contract any default by Seller or any event that, with the lapse of time or otherwise, could become a default by Seller. To the knowledge of Seller, there has not occurred as to any Contract any default by any other party thereto or any event that, with the lapse of time or at the election of any person other than Seller, could become a default by such party. Those Contracts whose stated duration extends beyond the Closing Date will, at Closing, be in full force and effect and will be unimpaired by any acts or omissions of Seller, Seller's employees, officers, directors or shareholders. Seller has provided to Buyer true and correct copies of all Operating Contracts and all other Contracts that are material to the operation of the Stations or

MFMDml/113729v7 55808.066



create obligations that in the aggregate are material or create aggregate payment obligations of more than Two Thousand Five Hundred Dollars (\$2,500), other than Sales Agreements (though Seller has provided or prior to Closing will provide to Buyer one or more forms that is representative of the terms of the Sales Agreements now in effect). The Contracts constitute all of the contracts, agreements, leases and commitments necessary for the operation of the Stations as currently being operated by Seller.

5.8 Employees. There are no strikes, work stoppages, grievance proceedings, union organization efforts, or other controversies pending or to Seller's knowledge, threatened, between Seller and any of its employees or agents or any union or collective bargaining unit. Except as set forth in Schedule 5.8, Seller has complied and is in compliance in all material respects with all laws and regulations relating to the employment of labor, including without limitation provisions relating to wages, hours, collective bargaining, occupational safety and health, equal employment opportunity, and the withholding of income taxes and social security contributions. Except as set forth in Schedule 5.8, there are no collective bargaining agreements or employment agreements between Seller and any of its employees. The consummation of the transactions contemplated hereby will not cause Buyer to incur or suffer any liability relating to, or obligation to pay, severance, termination or other payments to any person or entity. Seller has provided Buyer, or prior to Closing will provide Buyer, with an accurate and complete list of all employees of Seller and the rate of compensation (including salary, bonuses and commissions) of each such employee.

5.9 Employee Benefit Plans. The consummation of the Transaction (and the employment by Buyer of former employees of Seller) will not result in any carry over liability to Buyer for taxes, penalties, interest or other liabilities resulting from any "employee welfare benefit plan" or an "employee pension benefit plan" as such terms are defined in Section 3(1) and 3(2), respectively, of the Employee Retirement Income Security Act of 1974, as amended.

5.10 Litigation. Except as set forth on Schedule 5.10, there is no unsatisfied judgment against Seller or any of the Assets outstanding, there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature pending against Seller or the Assets and, to Seller's knowledge, there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature, threatened against Seller or the Assets which may adversely affect Seller's ability to perform in accordance with the terms of this Agreement. Seller is not aware of any facts that could reasonably result in any such proceedings.

5.11 Payment of Taxes. Except as set forth in Schedule 5.11, Seller has timely filed with all appropriate governmental agencies all federal, state, commonwealth, local, and other tax or information returns and tax reports (including, but not limited to, all income tax, unemployment compensation, social security, payroll sales and use, profit, excise, privilege, occupation, property, ad valorem, franchise, license, school and any other tax under the laws of the United States or of any state or any commonwealth or any municipal entity or of any political subdivision with valid taxing authority) due for all periods ended on or before the date hereof. Seller has paid in full all federal, state, commonwealth, foreign, local and other governmental

MFMDml/113729v7 55808.066

taxes, estimated taxes, interest, penalties, assessments and deficiencies (collectively, "Taxes") which have become due pursuant to such returns or without returns or pursuant to any assessments received by Seller except as set forth in Schedule 5.11, which amounts shall be paid at Closing. Such returns and forms are true, correct and complete in all material respects, and to Seller's knowledge, Seller has no liability for any Taxes in excess of the Taxes shown on such returns. Prior to the Closing, Seller will pay and discharge all taxes or other charges due on or with respect to the Assets or the sale thereof as of the Closing such that no liability shall be chargeable against Buyer or the Assets. Seller will provide all appropriate "tax clearance" certificates at the Closing to the extent available from the appropriate governmental authority.

5.12 Compliance With Laws. Except as disclosed on Schedule 5.12, Seller has complied and is in compliance in all material respects with, all laws, ordinances, regulations, orders, judgments, decrees and injunctions applicable to Seller, to the Assets, to the Stations and to the business and operations of the Stations, including all federal, state and local laws, ordinances and regulations and orders pertaining to employment or labor, safety, health, environmental protection, zoning and other matters. Notwithstanding the foregoing, this Section 5.12 shall not limit or qualify in any respect the representations and warranties set forth in any other provision of this Agreement.

5.13 Patents, Trademarks, Copyrights. The Seller owns or possesses the right to use, and will convey to Buyer at Closing, all of its right, title and interest under the call signs and all slogans, logos, copyrights, trademarks, tradenames, service marks, and other similar intangible property rights currently used to promote or identify any of the Stations, or otherwise used or necessary in the conduct of the Stations' business (the "Promotional Rights"). All material Promotional Rights are described on Schedule 1.5. Seller has no knowledge that, nor has Seller received any notice to the effect that, Seller's use of any of the Promotional Rights may or are claimed to infringe on the right of another. Seller is not aware of any basis for any claim that Seller's use of any of the Promotional Rights infringe on the right of another. The Stations have maintained licenses appropriate for their formats with ASCAP, BMI and any other music licensing agents as necessary for the lawful use of copyrighted material. Seller has no knowledge of any infringement or unlawful or unauthorized use of such Promotional Rights by any person or entity other than Seller. To Seller's knowledge, the operation of the Stations (including by means of the use of the Promotional Rights) does not infringe any copyright, patent, trademark, tradename, service mark, or other similar right of any third party.

5.14 Financial Statements; Liabilities. Seller has furnished Buyer with unaudited financial statements for the Stations for the fiscal years ending December 31, 1999, December 31, 2000 and December 31, 2001 (the "Financial Statements") and monthly internally prepared unaudited financial statements for each month ending between May 31, 2002 and the date of this Agreement (the "Interim Statements"). The Financial Statements and the Interim Statements are in accordance with the books and records of Seller and in all material respects fairly and accurately present the financial results of the operations of the Stations for the periods indicated, and the position of Seller as of the dates indicated, based upon consistent reporting standards throughout the periods involved. Except as may have occurred in the ordinary course of business

MFMD:\dml\113729v7 55808.066

since the date of the most recent Interim Statement, there are no material liabilities or obligations of Seller of any kind whatsoever, whether or not contingent, absolute, determined or determinable, which are not reflected or reserved against in such Interim Statement. The Financial Statements have been prepared in accordance with generally accepted accounting principles.

5.15 No Misleading Statements. To Seller's knowledge, no statement made by Seller to Buyer, and no information delivered or to be delivered to Buyer in connection with the transactions provided for by this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary in order to make such statements or information, in light of the circumstances under which such statement or information is delivered, not misleading. To Seller's knowledge, Seller has disclosed to Buyer all material facts and information relating to the Assets and the business, operations, financial condition or prospects of the Stations.

5.16 Insurance. Schedule 5.16 contains a list and brief description of all policies of title, property, fire, casualty, liability, life, workmen's compensation, business interruption and other forms of insurance of any kind relating to the Assets or the business and operations of the Stations and owned or held by Seller. All such policies: (i) are in full force and effect; (ii) are sufficient for compliance in all material respects by Seller with all requirements of law and of all agreements to which Seller is a party; (iii) are valid, outstanding, and enforceable policies; (iv) insure against risks of a kind, and in an amount, consistent with the past practice of Seller; and (v) in the sound business judgment of Seller, insure against risks of the kind customarily insured against and in amounts customarily carried by business entities similarly situated and provide adequate insurance coverage for the Assets and the Stations (including the business and operations thereof).

5.17 Real Property. To Seller's knowledge, the Real Property and all improvements thereon and the Other Facilities and all improvements thereon presently comply and will comply at the time of the Closing in all material respects with all applicable restrictive covenants, zoning and subdivision ordinances, building and fire codes, health and environmental laws and regulations, and all other applicable municipal, state or federal laws, rules and regulations. The Seller has received no notice of any condemnation or eminent domain proceedings or negotiations for the purchase of any of the Real Property or any of the Other Facilities in lieu of condemnation and, to the Seller's knowledge, no condemnation or eminent domain proceedings or negotiations have been threatened or commenced in connection with the Real Property or any of the Other Facilities or any portion thereof. To Seller's knowledge, the Real Property and the improvements thereon and the Other Facilities and all improvements thereon adjoin public streets and all public utilities required for the operation of the Real Property or such Other Facilities (including, without limitation, telephone, electric, gas, public water and public sanitary sewers) enter the Real Property through adjoining public streets and are connected to or servicing the Real Property or such Other Facilities. To Seller's knowledge, the Real Property and the improvements thereon and, to the knowledge of Seller and the Shareholders, the Other Facilities and all improvements thereon do not encroach upon the real property or improvements of any

MFM:dml/113729v7 55808.066

other party (and none of the real property or improvements of any such other party encroaches upon the Real Property or the improvements thereon or the Other Facilities or the improvements thereon. To Seller's knowledge, there are no material structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the buildings located on the Real Property or any of the Other Facilities, and to Seller's knowledge, the roof of the buildings thereon are free from leaks and in good condition (normal wear and tear excepted), and any and all other improvements and fixtures which are part of the Real Property or any of the Other Facilities are, likewise, in good condition (normal wear and tear excepted).

5.18 Related Party Transactions. Except as set forth in Schedule 5.18, none of the shareholders, officers, directors, or to Seller's knowledge, employees of Seller (i) is an officer, director, employee or consultant of, or owns or otherwise controls, any person or entity which is, or is engaged in business as, a competitor, customer or supplier of Seller, (ii) owns, supplies, or has supplied, directly or indirectly, in whole or in part, any tangible or intangible property which Seller is using in connection with the business or operation of the Stations, or (iii) to Seller's knowledge, has any cause of action or other claim whatsoever against, or owes any amount to Seller, except for claims in the ordinary course of business, such as for accrued vacation pay, accrued benefits and other similar matters existing as of the date hereof and all of which are reflected in the Financial Statements or the Interim Statements, as applicable.

6. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer makes the following representations and warranties, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically provided, all of which shall be true and correct as of Closing.

6.1 Organization. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the state of its organization and will be, on or prior to the Closing, qualified to do business and in good standing in the State of Indiana, and has full power and authority to enter into and perform this Agreement (and the other agreements and instruments referred to in this Agreement).

6.2 Authorization. The execution, delivery and performance of this Agreement (and the other agreements and instruments referred to in this Agreement) by Buyer has been duly authorized by all necessary organizational action on the part of Buyer. Evidence of such authorizations reasonably acceptable to Seller shall be delivered to Seller at Closing. This Agreement and the other agreements and instruments called for hereunder have been or will be duly executed by Buyer and delivered to Seller and constitute or will constitute legal, valid, and binding obligations of Buyer, enforceable in accordance with their respective terms. The execution, delivery and performance by Buyer of this Agreement and the agreements and instruments called for hereunder will not require the consents, approval or authorization of any person, entity or governmental authority other than the FCC.

6.3 No Breach. None of (i) the execution, delivery and performance of this Agreement and the agreements and instruments called for hereunder by Buyer, (ii) the consummation of the

MFMD:dlm/113729v7 55808.066

Transaction, or (iii) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Buyer's articles of incorporation or organization, bylaws, operating agreement, any judgment, decree, order, agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound, or any law, rule or regulation applicable to Buyer.

6.4 Litigation. There is no unsatisfied judgment against Buyer and there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature pending against Buyer and, to Buyer's knowledge, there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature threatened against Buyer which may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement. Buyer is unaware of any facts which could reasonably result in any such proceeding.

6.5 No Misleading Statements. To Buyer's knowledge, no statement made by Buyer to Seller set forth in this Agreement, or information delivered or to be delivered to Seller in satisfaction of a requirement of this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary in order to make such statements or information, in light of the circumstances under which such statement or information is delivered, not misleading.

6.6 Qualification as Broadcast Licensee. Buyer is legally and financially qualified to acquire the Stations. Buyer knows of no reason why it should not be found by the Commission to be qualified under the Communications Act of 1934, as amended, and the Commission's rules and regulations to become the licensee of the Stations. Should Buyer become aware of any such reason, it will so inform Seller and will use all reasonable efforts to remove any such disqualification. Buyer knows of no facts which, under the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, or the antitrust policies as applied to the broadcasting industry by the Federal Trade Commission and the U.S. Department of Justice would disqualify Buyer as the assignee of the Station Licenses or delay the consummation of the transactions contemplated by this Agreement. Buyer has no reason to believe that the Assignment Applications contemplated by this Agreement might be challenged by a government agency or third party or might not be granted by the FCC in due ordinary course. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification or in a material delay in the processing of the Assignment Applications by the FCC.

## 7. ENVIRONMENTAL MATTERS.

### 7.1 Definitions.

7.1.1 "*Hazardous Materials*" means substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," "petroleum or any fraction thereof," under and regulated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the

MFM:dml/113729v7 55808.066

Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), 42 U.S.C. § 9601 et seq.; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 9601 et seq.; the Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act ("CAA"), 42 U.S.C. § 7401 et seq.; or any analogous federal or state law; and in the rules, regulations or ordinances adopted, or other enforceable criteria and guidelines promulgated pursuant to the preceding laws; all as in effect as of the Closing Date (collectively the "Environmental Laws").

7.1.2 "*Environmental Conditions*" means conditions of the environment, including the ocean, natural resources (including flora and fauna), soil, surface water, ground water, any present or potential drinking water supply, subsurface strata or the ambient air, relating to or arising out of the use, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaking, pumping, pouring, emptying, discharging, injecting, escaping, leaching, disposal, dumping or threatened release of Hazardous Materials by Seller or Seller's predecessors in interest on or into the Real Property. With respect to claims by employees, Environmental Conditions also includes the exposure of persons to Hazardous Materials introduced to the environment prior to the Closing Date, within a work place on the Real Property.

7.1.3 "*Environmental Noncompliance*" means: (1) the release or threatened release of any Hazardous Materials into the environment, any storm drain, sewer, septic system or publicly owned treatment works, in violation of any effluent or emission limitations, standards or other Environmental Law; (2) any noncompliance with applicable Environmental Laws; (3) any facility operations, procedures, designs, etc. which do not conform in all material respects to applicable statutory or regulatory requirements of the CAA, the CWA, the TSCA, the RCRA or any other applicable Environmental Laws intended to protect public health, welfare and the environment; (4) the failure to have obtained permits, variances or other authorizations required under applicable Environmental Laws for the operation of any equipment, process, facility or any other activity; (5) the operation of any facility or equipment in violation of any permit condition, schedule of compliance, or administrative or court order.

7.1.4 "*Environmental Claims*" means claims, demands, suits, causes of action for personal injury or property damage (including any depreciation of property values and lost use of property) arising directly or indirectly out of Environmental Conditions or Environmental Noncompliance; claims for damages to natural resources arising directly or indirectly out of Environmental Noncompliance; claims for the recovery of response costs, or administrative or judicial orders directing the performance of investigations, response or remedial actions under CERCLA, RCRA, or other applicable Environmental Laws; a requirement to implement a "corrective action" plan pursuant to any order or permit issued pursuant to RCRA; claims for restitution, contribution or indemnity from third parties or any governmental agency arising directly or indirectly out of Environmental Conditions or Environmental Noncompliance; fines, penalties, liens against property arising directly or indirectly out of Environmental Conditions or Environmental Noncompliance; claims for injunctive relief or other orders or notices of violation from federal, state or local agencies or courts arising directly or indirectly out of Environmental

MFMDml/113729v7 55808.066

Conditions or Environmental Noncompliance; and, with regard to any present or former employees, claims for exposure to or injury from Environmental Conditions.

7.1.5 "*Expenses*" includes any liability, loss, cost or expense arising directly or indirectly from an Environmental Condition or Environmental Noncompliance, including, without limitation, costs of investigation, cleanup, remedial or response action, the costs associated with posting financial assurances for the completion of response, remedial or corrective actions, the preparation of any closure or other necessary or required plans or analyses, or other reports or analyses submitted to or prepared by regulating agencies, including the cost of health assessments, epidemiological studies and the like, retention of engineers and other expert consultants, legal counsel, capital improvements, operation and maintenance testing and monitoring costs, power and utility costs and pumping taxes or fees, and administrative costs incurred by governmental agencies.

7.2 Seller's Environmental Representations. In the event that, during the period between the execution of this Agreement and the Closing Date, Seller learns, or has reason to believe, that any of the following disclosures may cease to be true, Seller hereby covenants to give notice thereof to Buyer as promptly as reasonably possible. For the purposes of this Agreement "to the knowledge of Seller" means to the actual knowledge of Michael Day or Frank Bove without the obligation to conduct any further investigation of the facts. Except as set forth or described on Schedule 7.2, Seller hereby represents that, to Seller's knowledge:

7.2.1 No Proceedings. There are no Environmental Claims pending or threatened against Seller based on Environmental Conditions or Environmental Noncompliance at the Real Property or any of the Other Facilities, or any part thereof, or otherwise arising from Seller's activities at the Real Property or any of the Other Facilities involving Hazardous Materials, including proceedings under CERCLA, RCRA, or any other Environmental Laws based on the off-site transportation, treatment, storage, recycling or disposal of Hazardous Materials generated by Seller;

7.2.2 Environmental Compliance. With respect to operations conducted at the Real Property or any of the Other Facilities, Seller is, and at all times during its occupancy of the Real Property and the Other Facilities has been, in compliance with applicable Environmental Laws;

7.2.3 Asbestos. There are no structures, improvements, equipment, activities, fixtures or facilities on the Real Property or the Other Facilities which are constructed with, use or otherwise contain unencapsulated friable asbestos-containing construction materials. For the purposes of this subsection: (1) "asbestos" means fibrous forms of chrysotile (fibrous serpentine), crocidolite (fibrous riebeckite), amosite (fibrous cummingtonite-grunerite), fibrous tremolite, fibrous actinolite, and fibrous anthophyllite, to the extent regulated under applicable Environmental Laws; (2) "asbestos-containing construction materials" means any manufactured construction material which contains more than one-tenth of one percent asbestos by weight;

7.2.4 Hazardous Materials; Releases. There are no conditions, facilities, procedures or any other facts or circumstances which could give rise to any Expenses to, or governmental action against, Buyer in connection with any Hazardous Materials present at or disposed of from the Real Property or any of the Other Facilities, including without limitation the following conditions arising out of, resulting from, or attributable to, the assets, business, or operations of Seller at the Real Property or any of the Other Facilities: (A) the presence of any Hazardous Materials on the Real Property or any of the Other Facilities or the release or threatened release of any Hazardous Materials into the environment from the Real Property or any of the Other Facilities; (B) the off-site disposal of Hazardous Materials originating on or from the Real Property or any of the Other Facilities or the business or operations of Seller; (C) the release or threatened release of any Hazardous Materials into any storm drain, sewer, septic system or publicly owned treatment works in violation of applicable law; (D) any noncompliance with federal, state or local requirements governing occupational safety and health, or presence or release in the air and water supply systems of the Real Property or any of the Other Facilities of any substances that pose a hazard to human health or an impediment to working conditions; or (E) any facility operations, procedures or designs, which do not conform to any Environmental Laws in any material respect.

7.2.5 Underground Storage Tanks. There are no underground storage tanks, or underground piping associated with such tanks, used currently or in the past for the management of Hazardous Materials at the Real Property.

8. PRE-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period prior to the Closing Date:

8.1 Application for Commission Consent. As soon as practicable, and in no event later than ten (10) days, after the date on which Seller shall have certified in writing to Buyer that the condition set forth in Section 9.3.5 hereof has been satisfied, Seller and Buyer shall join in and file an application or applications requesting the Commission's written consent to the assignment of the Station Licenses from Seller to Buyer (the "Assignment Applications"), and they will diligently take all steps necessary or desirable and proper to prosecute expeditiously the Assignment Applications and to obtain the Commission's determination that approval of the Assignment Applications will serve the public interest, convenience, and necessity. In furtherance thereof, each party agrees to comply with any condition imposed on it by the Commission, except that no party shall be required to comply with a condition that would have an adverse effect upon it unless the condition was imposed as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the Commission of the assignment application (but nothing in this Section shall limit any party's right to terminate this Agreement pursuant to, and subject to, Section 13 of this Agreement).

8.2 Intentionally Omitted.



8.3 Consents. Seller shall use its commercially reasonable efforts to obtain the consents of the other contracting parties to the assignment of the Contracts which by their terms require such consent (provided, however, that Buyer shall have no obligation to assume any obligation or liability under any Contract that is not assumed and assigned or for which such consent has not been obtained prior to the Closing Date). Seller shall use its best efforts to obtain consents of the other contracting parties to the assignment of all Material Contracts.

8.4 Confidentiality. Each party acknowledges that, during the course of its negotiation of this Agreement and in connection with the consummation of the Transaction, such party and certain of its affiliates have obtained and may obtain access to confidential information relating to Seller's or Buyer's business, properties, operations, condition (financial and otherwise), programming, equipment and other technical matters, employees, sales representatives, agents, advertisers, and prospects. All such confidential information except (a) information which at the time of disclosure is already known to the receiving party or such affiliate or is in the public domain or (b) information which after such disclosure becomes known to the receiving party through a third party or becomes part of the public domain by publication or otherwise through no fault of such party or any of its affiliates, is hereinafter referred to as "Confidential Information." Except as required by law or legal process which appears genuine (the party receiving notice thereof having no duty to investigate the genuineness thereof), each party shall use all Confidential Information solely for purposes of analyzing or furthering the Transaction and shall not disclose any Confidential Information to any third party except to persons participating in the Transaction or advising the parties on the Transaction, including attorneys and accountants, and other persons who in each case are under a duty to maintain such information as confidential (collectively for purposes of this Paragraph 8.4, "Agents") or as otherwise required by law (or as permitted pursuant to Section 16.16 hereof). If for any reason the Transaction shall not close, (i) all Confidential Information and all copies of Confidential Information obtained from the books and records of a party and theretofore furnished to another party, any affiliate of such party or such party's Agents shall be promptly destroyed or returned by the receiving party to the disclosing party; (ii) each party shall promptly destroy all analyses and reports prepared by such party, any affiliate of such party or any of such party's Agents based upon Confidential Information of the other party; and (iii) for a period of two (2) years after termination of this Agreement, neither Buyer nor Seller shall hire or retain, or attempt to hire or retain, any employee of the other party. All provisions contained in this Section 8.4 shall survive any termination of this Agreement.

8.5 Access. Between the date hereof and the Closing Date, Seller shall give, upon prior reasonable notice, Buyer or representatives of Buyer (including lenders, consultants, accountants and attorneys) reasonable access to the Assets, the Real Property, the Other Facilities, the Financial Records, and to the books and records of Seller relating to the business and operation of the Stations. It is expressly understood that, pursuant to this Section, Buyer, at its sole expense, shall be entitled to make such engineering inspections of the Stations and surveys and environmental inspections of the Real Property, and such audits of the Stations' financial records as Buyer may desire, so long as the same do not unreasonably interfere with Seller's operation of the Stations in Seller's reasonable judgment. Buyer shall indemnify Seller for any and all loss,

MFMD:\dml\113729v7 55808.066

cost and expense incurred by Seller as a result of Buyer's exercise of its rights of access and inspection described in this Section 8.5, which obligation of indemnity shall survive Closing and/or termination of this Agreement.

8.6 Employee Matters. Seller has provided, or prior to Closing will provide, to Buyer an accurate list of all current employees of the Stations on Schedule 8.6 (the "Station Employees") together with a description of the terms and conditions of their respective employment (including their respective rates of compensation and incentive arrangements), their duties as of the date of this Agreement, their date of hiring, and their accrued vacation and sick days.

8.7 Operations Prior to Closing. Between the date of this Agreement and the Closing Date:

(a) Seller shall: (i) maintain the Assets in their present condition (reasonable wear and tear in normal use excepted); and (ii) maintain all inventories of supplies, tubes, and spare parts at levels generally consistent with the Stations' prior practices, but in any event in compliance with past practice of Seller and all applicable laws and regulations.

(b) Seller shall maintain its books and records in the usual and ordinary manner, on a basis consistent with prior periods.

(c) Seller shall comply in all material respects with all laws, rules, ordinances and regulations applicable to it, to the Assets and to the business and operation of the Stations.

(d) Seller shall (i) perform all Contracts; (ii) cure all defaults of Seller under any Contracts; and (iii) pay all of Seller's accounts payable incurred in the ordinary course of Seller's business, in a timely manner consistent with Seller's recent past practices; provided, however, that Seller may dispute, in good faith, any alleged obligation of Seller.

(e) Seller shall not, without the express written consent of Buyer: (i) sell or agree to sell or otherwise transfer, assign or dispose of any of the Assets or merge or consolidate with any other entity or enter into negotiations or agreements relating thereto, except that Seller may dispose of Assets which are expended (A) in the ordinary course of business and consistent with Seller's past practice, or (B) and which are replaced prior to Closing by assets of equal or greater worth, quality and utility; (ii) acquiesce in any infringement, use or impairment of the Intangible Property or change any of the Stations' call signs; (iii) enter into any employment, professional service, bonus, severance pay or similar contract on behalf of the Stations unless the same is terminable at will and without penalty; (iv) enter into any other contract, lease or agreement that will be binding on Buyer after Closing, except for Sales Agreements, Approved Barter Agreements, and other trade agreements and barter agreements to the extent entered into in the ordinary course of Seller's business, consistent with past practice and consistent with Section 1.3; or (v) increase the compensation payable to any employee, or pay or arrange to pay

MFMDml/113729v7 55808.066

any bonus to any employee, of the Stations, other than (i) normal salary increases in the ordinary course of business and consistent with Seller's past increases (but in any event not to exceed increases of more than three percent (3%) in annual compensation payable to a total of not more than four (4) persons none of whom shall be parties to any employment agreement which shall be binding on Buyer after Closing), and (ii) the establishment of a Section 125 flexible benefit plan pursuant to which Seller shall reimburse employees for the cost of health insurance coverage obtained by such employees in their individual capacities (in lieu of Seller providing employees with the opportunity to participate in a group health insurance program maintained by Seller).

(f) Seller shall not, without the express written consent of Buyer which consent will not be unreasonably withheld, enter into any broadcast time sales agreement, contract, commitment or understanding other than those that are in the ordinary course of business and consistent with Seller's past practice. No commitment or contract for the sale of broadcast time shall extend for more than nine (9) months past the Closing Date unless subject to cancellation by Buyer.

(g) Other than compromises and adjustments of Receivables in the ordinary course of business, consistent with Seller's past practices, Seller shall not accelerate the collection of, or sell or assign, (or agree to sell or assign), cancel, adjust, discount, compromise or forgive (or agree to cancel, adjust, discount, compromise or forgive) any Receivable.

(h) Seller shall not, without the express written consent of Buyer, materially modify or amend any of the Operating Contracts.

(i) Seller shall preserve its corporate existence and business organization intact, maintain its existing franchises and licenses, and use its commercially reasonable efforts to preserve for Buyer its relationships with suppliers, customers, employees and others having business relations with Seller.

(j) Seller shall carry on the business and activities of the Stations, including, without limitation, the sale of advertising time and the purchasing and scheduling of programming, in the usual and ordinary course of business consistent with Seller's past business practices and shall not compete in any manner with the Stations.

(k) Seller shall maintain the validity of the Station Licensees, and comply in all material respects with all rules and regulations of the Commission.

(l) Seller shall maintain in full force and effect all of its existing casualty, liability and other insurance through the day following the Closing Date in amounts not less than those in effect on the date hereof.

(m) Seller shall not, without the express written consent of Buyer, incur material obligations or liabilities, pay liens, cancel debts or waive any rights other than in the ordinary course of business.

(n) Seller shall not, without the express written consent of Buyer, change accounting practices.

8.8 Adverse Developments. Seller shall promptly notify Buyer of any developments that occur prior to Closing that cause or create or pose a risk to cause a material adverse consequence to the Assets or the operation or condition (financial or otherwise) of the Stations; provided, however, that Seller's compliance with the disclosure requirements of this Section 8.8 shall not relieve Seller of any obligation with respect to any representation, warranty or covenant of Seller in this Agreement or waive any condition to Buyer's obligations under this Agreement.

8.9 Administrative Violations. If Seller receives any finding, order, complaint, citation or notice prior to the Closing Date which states or alleges that any aspect of the Stations' operations violates any rule of regulation of the Commission or of any other governmental authority (an "Administrative Violation"), including without limitation any rule or regulation concerning environmental protection, the employment of labor, or equal employment opportunity, Seller shall promptly notify Buyer of the Administrative Violation, promptly undertake efforts to remove or correct the Administrative Violation, and be responsible for the payment of all costs associated therewith, including any fines or back pay that may be assessed.

8.10 Control of Stations. This Agreement shall not be consummated until after the Commission has given its written consent thereto, and notwithstanding anything herein to the contrary, between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Stations in contravention of FCC rule or policy.

8.11 Environmental Reports. Buyer shall, as promptly as practicable following the Effective Date, engage a qualified environmental consultant to conduct phase I environmental reports and assessments with respect to the Real Property (the "Phase I Reports") (and, in any event, Buyer shall endeavor to engage a qualified environmental consultant who expresses an ability to complete such Phase I Reports with sixty (60) days following the Effective Date). Seller shall cooperate with Buyer and the consultant to arrange for such environmental consultant to obtain access to the Real Property for such purpose. Buyer shall provide Seller with copies of all Phase I Reports obtained by Buyer hereunder.

8.12 Engineering Reports. Buyer shall, as promptly as practicable following the Effective Date, engage a qualified engineer or other professional to report on the condition and function of the buildings, structures and equipment (including electrical, mechanical, plumbing, air conditioning, heating, and other systems and technical facilities associated therewith) located on the Real Property and the structures and equipment located at the Other Facilities (the "Engineering Reports") (and, in any event, Buyer shall endeavor to engage a qualified engineer

MFM:dml/113729v7 55808.066

or other professional who expresses an ability to complete such reports within sixty (60) days following the Effective Date). Seller shall cooperate with Buyer and the qualified engineer or other professional to arrange for such qualified engineer or other professional to obtain access to the Real Property and Other Facilities for such purpose. Buyer shall promptly provide to Seller a copy of any written engineering reports obtained by Buyer hereunder.

8.13 Audit. Buyer shall, as promptly as practicable following the Effective Date, engage accountants or other qualified professionals to perform a review or audit of the Financial Statements and Interim Statements and to verify the accuracy of the representations and warranties of Seller set forth in Section 5.14 hereof (the "Audit") (and, in any event, Buyer shall endeavor to engage accountants or other qualified professionals who express an ability to complete such Audit within sixty (60) days following the Effective Date). Seller shall cooperate with Buyer and such accountants or other professionals to arrange for such accountants or other professionals to obtain access to the books and records of Seller.

## 9. CONDITIONS PRECEDENT

9.1 Mutual Conditions. The obligation of both Seller and Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions:

9.1.1 Commission Consent. The Commission shall have granted its consent to the Assignment Applications in accordance with the terms thereof, such consent shall be in effect and such consent shall not be subject to any conditions which are adverse to Buyer or which in any way diminish the operating rights with respect to the Assets or any of the Stations (except any such conditions as are expressly accepted by Buyer in writing) (the "FCC Consent").

9.1.2 Absence of Litigation. As of the Closing Date, except as set forth in Schedule 5.10, no action, claim, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of the Transaction, or alleging or asserting that the consummation of the Transaction or Buyer's ownership or operation of any of the Stations shall violate any federal or state antitrust, unfair competition or similar laws or regulations, shall be pending before any court, the Commission, or any other governmental authority; provided, however, that this condition may not be invoked by a party if any such action, suit, or proceeding was solicited or encouraged by such party.

9.1.3 Finality. The FCC Consent shall have become a Final Order (as defined below) not less than thirty (30) days prior to the Outside Closing Date and the Closing Date shall be on or before the Outside Closing Date. "Final Order" means an order or action of the Commission as to which, under FCC Rules, the time for filing a request for administrative or judicial review, or for instituting administrative review sua sponte, shall have expired without any such filing having been made or notice of such review having been issued; or, in the event of such filing or review sua sponte, as to which such filing or review shall have been disposed of favorably to the grant and the time for seeking further relief with respect thereto under the

applicable FCC or court rules shall have expired without any request for such further relief having been filed.

9.1.4 Allocation. Buyer and Seller shall have agreed on an allocation of the Purchase Price or shall have engaged an appraiser in accordance with Section 3.4 hereof.

9.2 Conditions to Buyer's Obligation. In addition to satisfaction of the mutual conditions contained in Section 9.1, the obligation of Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions (any of which may be waived in writing by it):

9.2.1 Representations and Warranties. The representations and warranties of Seller and the Shareholders to Buyer shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made (and, for purposes of this Section 9.2.1, without regard to any knowledge qualifications set forth therein).

9.2.2 Compliance with Conditions. All of the terms, conditions and covenants to be complied with or performed by Seller on or before the Closing Date shall have been timely complied with and performed in all material respects.

9.2.3 Validity of Station Licenses. On the Closing Date, Seller shall be the owner and holder of the Station Licenses. Without limiting the generality of the condition set forth in Section 9.2.1 hereof, the representations and warranties of Seller relating to the Station Licenses (set forth in Section 5.4) shall be true, complete and correct as of the Closing Date with the same force and effect as if the made.

9.2.4 Closing Documents. Seller shall deliver to Buyer all of the closing documents specified in Section 10.2.1, all of which documents shall be dated as of the Closing Date, duly executed, and in a form customary in the state where the Assets are located and reasonably acceptable to Buyer.

9.2.5 Third Party Consents. Seller shall have obtained all consents required for Seller to assign to Buyer (and on the Closing Date Seller shall assign to Buyer) (i) all rights under all Material Contracts such that Buyer will enjoy all of the rights and privileges of Seller under the Material Contracts subject only to the same obligations as are binding on Seller thereunder arising on or after the Closing Date, pursuant to the present terms thereof and (ii) all rights to broadcast the programs and programming described on Schedule 9.2.5 on the Stations following the Closing Date (and Buyer shall be thereby authorized to broadcast such programs and programming on the Stations immediately following the Closing Date).

9.2.6 Title to Assets. Seller shall hold and be able to deliver to Buyer on the Closing Date good and marketable title to the Assets free and clear of all Encumbrances other than, with respect to the Real Property, the Permitted Encumbrances. Without limiting the generality of the foregoing, Seller shall hold and be able to deliver to Buyer (i) good, marketable and insurable (as evidenced by Buyer having obtained, at Buyer's cost, title insurance, subject only to standard

MFMDml/113729v7 55808.066

exceptions and the Permitted Encumbrances, and at standard rates) fee simple title to the Real Property, together with all appurtenant rights, free and clear of all Encumbrances other than the Permitted Encumbrances, and (ii) good and insurable (as evidenced by Buyer having obtained, at Buyer's cost, leasehold title insurance, subject only to standard exceptions and Permitted Encumbrances and at standard rates) leasehold interests in the leased Facilities, subject to the terms of the Contracts pursuant to which such Facilities are leased. Seller shall execute such affidavits as may be reasonably required by title insurance companies in the State of Indiana for the issuance of title insurance protecting against mechanics liens and parties in possession.

9.2.7 Absence of Material Adverse Change. Neither the Assets nor any of the Stations shall have suffered a material adverse change since the date of the most recent Interim Statement, and there shall have been no material changes since such date in the business, operations, prospects, condition (financial or otherwise), properties, assets or liabilities of Seller, of any of the Stations or of the Assets, except changes in the ordinary course of business which are not (either individually, or in the aggregate) materially adverse.

9.2.8 Environmental Report. The Phase I Reports conducted with respect to the Real Property shall not identify environmental conditions which would cost, in the reasonable judgment of the environmental consultant who prepared the Phase I Reports, in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00) in the aggregate to remediate. Notwithstanding anything contained in this Agreement to the contrary, if Buyer does not exercise its right to terminate this Agreement due to a failure of the condition set out in this Subsection 9.2.8 to be satisfied prior to the date which is ninety (90) days following the date on which Seller has certified to Buyer that the condition set forth in Section 9.3.5 hereof has been satisfied, then this condition shall be satisfied and Buyer shall be deemed to have waived its right to terminate this Agreement for this reason.

9.2.9 Engineering Reports. Buyer shall have obtained the Engineering Report(s) and (i) such reports shall not have revealed any defects in the condition or function of any buildings, structures or equipment located on or at the Real Property or any structures or equipment located at the Other Facilities, and (ii) Seller shall have remedied, to the reasonable satisfaction of Buyer, all defects in such condition as revealed in such report. The Engineering Report(s) obtained by Buyer shall not identify any "defects" (as defined below) which would cost, in the reasonable judgment of the engineer or other professional who prepared the Engineering Report(s), in excess of Fifty Thousand and 00/100 Dollars (\$50,000) in the aggregate to repair. For purposes of this Section 9.2.9, "defects" shall mean defects or conditions which (a) adversely affect the structural integrity or functional operation of the roof or foundation or any interior or exterior walls of any building located on the Real Property, (b) adversely affect the functional operation of any electrical, mechanical, plumbing, air conditioning, heating or other system associated therewith, (c) represent or cause, in the reasonable judgment of such engineer or other professional, a risk to the safety of building occupants, (d) adversely affect the structural integrity or functional operation of any structures or equipment located at any of the Other Facilities, or (e) must be remedied in order to comply with applicable laws, rules or regulations. If Buyer does not exercise its right to terminate this

MFMDml/113729v7 55808.066

Agreement due to a failure of a condition set out in this Subsection 9.2.9 to be satisfied prior to the date which is 90 days following the date on which Seller has certified to Buyer that the condition set forth in Section 9.3.5 hereof has been satisfied, then this condition shall be satisfied and Buyer shall be deemed to have waived its right to terminate this Agreement for this reason.

9.2.10 Audit. The Audit shall not have disclosed that the representations and warranties of Seller set forth in Section 5.14 are untrue in any material respect.

9.2.11 Insurance. Seller shall have demonstrated to the reasonable satisfaction of Buyer that the insurance coverages maintained by Seller are in accordance with industry standards and adequately insure against claims and liabilities that may be asserted on or after the Closing Date (including, without limitation, claims based on slander, libel or other personal injuries).

9.2.12 Remediation. (a) If the Phase I Reports shall have identified environmental conditions which would cost, in the reasonable judgment of the environmental consultant who prepared the Phase I Reports, less than Fifty Thousand and 00/100 Dollars (\$50,000.00) in the aggregate to remediate, Seller shall have completed such remediation to the reasonable satisfaction of Buyer or shall have provided Buyer with other assurance which is reasonably satisfactory to Buyer that such remediation will be completed at Seller's cost.

(b) If the Engineering Report(s) have identified any "defects" which would cost, in the reasonable judgment of the engineer or other professional who prepared the Engineering Reports, in excess of Fifty Thousand and 00/100 Dollars (\$50,000) in the aggregate to repair, Seller shall have completed such repairs to the reasonable satisfaction of Buyer or shall have provided Buyer with other assurance which is reasonably satisfactory to Buyer that such repairs will be completed at Seller's cost.

9.3 Conditions to Seller's Obligation. In addition to satisfaction of the mutual conditions contained in Section 9.1, the obligation of Seller to consummate this Agreement is subject to satisfaction of each of the following conditions any of which may be waived by it:

9.3.1 Representations and Warranties. The representations and warranties of Buyer to Seller shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made.

9.3.2 Compliance with Conditions. All of the terms, conditions and covenants to be complied with or performed by Buyer on or before the Closing Date shall have been timely complied with and performed in all material respects.

9.3.3 Payment. Buyer shall pay Seller the consideration as set forth in Section 3.

9.3.4 Closing Documents. Buyer shall deliver to Seller all the closing documents specified in Section 10.2.2, all of which documents shall be dated as of the Closing Date, duly  
MFM:dml/113729v7 55808.066



executed, and in a form customary in transactions of this type and reasonably satisfactory to Seller.

9.3.5 Stockholder Approval. The stockholders of each Seller and a majority of the stockholders of Bomar Broadcasting Corporation (the sole stockholder of each Seller) shall have approved the transactions contemplated by this Agreement, upon the terms and conditions set forth herein (provided that Seller may not, after thirty (30) days following execution of this Agreement exercise its right to terminate this Agreement by reason of the failure of the condition set forth in this Section 9.3.5).

## 10. CLOSING.

10.1 Closing Date. The Closing hereunder shall occur on a date mutually agreeable to Buyer and Seller which is not more than ten (10) business days following the date on which the FCC Consent becomes a Final Order (such date set for Closing being the "Closing Date") and which, absent an extension mutually agreed upon by the parties, is not later than June 30, 2003 (the "Outside Closing Date"). The Closing shall be effective as of 12:01 a.m. on the Closing Date. The Closing shall take place at the offices of Buyer's counsel, commencing at 11:00 a.m. on the Closing Date. If, as of the Closing Date, any condition precedent described in Section 9.1.2, 9.2 or 9.3 has not been satisfied, the party who is entitled to require such condition be satisfied may (in its sole discretion) notify the other party of the absence of such condition precedent at or before the Closing and simultaneously therewith postpone the Closing until a date ten (10) days after all such conditions have been (or are able to be) performed, and such postponed date shall constitute the new Closing Date for all purposes hereunder.

10.2 Performance at Closing. The following documents shall be executed and delivered at Closing:

10.2.1 Seller. Seller shall deliver to Buyer:

(a) A certificate executed by the President of each Seller attesting to such Seller's compliance with the matters set forth in Sections 9.2.1 and 9.2.2.

(b) One or more assignments transferring to Buyer all of the interests of Seller in and to the Station Licenses, and all other licenses, permits, and authorizations issued by any other governmental authorities that are used in or necessary for the lawful operation of the Stations, in such form as shall be reasonable acceptable to Buyer.

(c) One or more bills of sale conveying to Buyer the Station Equipment and other Assets which constitute tangible personal property, in such form as shall be reasonably acceptable to Buyer.

(d) One or more assignments, together with all consents obtained by Seller, assigning to Buyer any leases of Real Property and the Facilities, all of the Contracts, Stations

MFM:dml/113729v7 55808.066

Records, Promotional Rights, other Intangible Property and other Assets, in such form as shall be reasonably acceptable to Buyer.

(e) Opinions of counsel (corporate counsel and FCC counsel) to Seller in form and substance customary for transactions of the nature of the Transaction (and otherwise acceptable to Buyer and its counsel).

(f) Copies of the resolutions of the board of directors and the shareholders of each Seller and the resolutions of the directors and shareholders of BBC, certified by the Secretary of such Seller as being correct and complete and then in full force and effect, in each case sufficient under applicable law and organizational instruments and agreements to authorize the execution, delivery and performance of this Agreement and the agreements and instruments called for hereunder, and the consummation of the transactions contemplated hereby and by such agreements and instruments.

(g) A certificate of the Secretary of each Seller certifying as to (i) the completeness, accuracy and continuing effectiveness of the attached certificate of incorporation or articles of organization, and bylaws or operating agreement of such Seller (together with any amendments thereto), and (ii) the due authority of persons executing documents on behalf of such Seller.

(h) Certificates of good standing issued with respect to each Seller by the State of Indiana and the state of its organization.

(i) A schedule in form acceptable to Buyer certified by the President of each Seller, setting forth the Trade Balance existing as of the Closing Date.

(j) Certificates of title with respect to any motor vehicles included among the Assets (duly endorsed to Buyer).

(k) Evidence satisfactory to Buyer of Seller's satisfaction of all obligations to current and former employees of Seller accrued through the Closing Date (and evidence of the termination of employment of all such employees).

(l) A limited/special warranty deed or deeds (the "Deed"), in form and substance reasonably satisfactory to Buyer, sufficient to convey to Buyer good, marketable and insurable (at standard rates), fee simple title to the Real Property, together with all appurtenant rights, free and clear of any Encumbrances other than Permitted Encumbrances.

(m) Affidavits of Seller as may be reasonably required by title insurance companies in the State of Indiana for the issuing of title insurance protecting against mechanics liens and parties in possession.

(n) Such tax clearance certificates, if any, as are customarily issued by the taxing authorities of the State of Indiana (evidencing the payment by the Seller of franchise, income and sales taxes, as applicable).

(o) A schedule of Receivables outstanding as of the Closing Date.

(p) In addition to any consents required from lessors of the Other Facilities, (i) estoppel certificates executed by such lessors, in form and substance reasonably acceptable to Buyer, and (ii) attornment and non-disturbance agreements executed by any mortgagees of such Other Facilities (in which such mortgagees agree, in form and substance reasonably acceptable to Buyer, not to disturb Buyer's use and occupancy of such Other Facilities).

(q) The Indemnification Escrow Agreement in the form attached hereto as **Exhibit 2** (the "Indemnification Escrow Agreement") executed by Seller (together with evidence that is satisfactory to Buyer that Seller has deposited the amount required thereby with the escrow agent thereunder).

(r) Non-competition agreements, in form and substance reasonably satisfactory to Buyer pursuant to which each of Robert Wright and Elana Bove (the "Other Shareholders") shall have agreed to non-compete covenants in all substantive respects the same as those set forth in Section 14 hereof (such agreements being hereinafter referred to as the "Non-Compete Agreements").

(s) Such other instruments of transfer as may reasonably be requested by Buyer to vest title to the Assets in and to Buyer.

10.2.2 **By Buyer.** Buyer shall deliver to Seller:

(a) A certificate executed by Buyer attesting to Buyer's compliance with the matters set forth in Sections 9.3.1 and 9.3.2, together with copies of the resolutions of the board of directors and shareholders of Buyer, certified by the Secretary of Buyer as being correct and complete and then in full force and effect, authorizing the execution, delivery and performance of this Agreement and the agreements and instruments called for hereunder, and the consummation of the transactions contemplated hereby and by such agreements and instruments.

(b) The Purchase Price.

(c) Such assumption agreements and other instruments and documents as are required to make, confirm, and evidence Buyer's assumption of and obligation to pay, perform, or discharge Seller's obligations under the Contracts to the extent the same are to be assumed by Buyer pursuant to the terms of this Agreement.

(d) An opinion of counsel to Buyer in form and substance customary for transactions of the nature of the Transaction (and otherwise acceptable to Seller and its counsel).

MFM:dml/113729v7 55808.066

(e) A certificate of the Secretary of Buyer certifying as to (i) the completeness, accuracy and continuing effectiveness of the attached certificate of incorporation and bylaws of Buyer (together with any amendments thereto), and (ii) the due authority of persons executing documents on behalf of Buyer.

(f) Certificates of good standing issued with respect to Buyer by the state of its organization and the State of Indiana.

(g) The Indemnification Escrow Agreement executed by Buyer in the form of Exhibit 2 attached hereto.

10.2.3 Other Documents and Acts. The parties will also execute such other documents and perform such other acts, before and after the Closing Date, as may be necessary for the complete implementation and consummation of this Agreement.

11. POST-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period subsequent to the Closing Date:

11.1 Indemnification.

11.1.1 Buyer's Right to Indemnification. It is understood and agreed that Buyer does not assume and shall not be obligated to pay, any liabilities of Seller, all of which shall remain the sole responsibility of Seller, except those first accruing and payable on or after the Closing Date under the Contracts assigned to and assumed by Buyer hereunder. Subject to the limitations set forth in Section 15.5 hereof, all representations, warranties and agreements by Seller shall survive the Closing for a period of one (1) year. Seller hereby agrees to indemnify and defend by counsel acceptable to Buyer, and hold Buyer and its subsidiaries, affiliates, successors and assigns and their respective directors, officers, employees, shareholders, members, partners, representatives and agents, (hereinafter referred to collectively as "Buyer Indemnitees") harmless from and against and in respect of any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees (including attorneys' fees arising out of third party disputes) incurred or suffered by a Buyer Indemnitee (hereinafter sometimes collectively referred to as "damages") arising from: (i) any and all claims, liabilities and obligations arising from or related to Seller's ownership or operation of any of the Stations or the Assets prior to the Closing hereunder, including without limitation, any claims arising in connection with any failure by Seller to pay or discharge any liability relating to any of the Stations that is not expressly assumed by Buyer pursuant to the provisions of this Agreement; (ii) any and all damages resulting from any misrepresentation or breach of warranty on the part of the Seller under this Agreement; and (iii) any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing or to the enforcement of any of the foregoing (including, without limitation, any and all reasonable legal fees and expenses). The foregoing indemnity is intended by Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, diminution in

MFMDml/113729v7 55808.066

value, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth but shall not extend to indirect, consequential or punitive damages except to the extent such damages are due on account of third party claims.

11.1.2 Seller's and the Shareholders' Right to Indemnification. Buyer undertakes and agrees to indemnify, defend by counsel acceptable to Seller, and hold Seller and its respective subsidiaries, affiliates, successors and assigns and their respective directors, officers, employees, shareholders, partners, representatives and agents (hereinafter referred to collectively as "Seller Indemnitees"), harmless from and against and in respect of any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorneys' fees (including attorneys' fees arising out of third party disputes) incurred or suffered by a Seller Indemnitee (hereinafter sometimes collectively referred to as "damages") arising from: (i) any and all claims, liabilities and obligations arising from or related to the Buyer's ownership or operation of any of the Stations or the Assets after the Closing hereunder, including, without limitation, any claims arising in connection with any failure by Buyer to pay or discharge any liability which accrues and is payable on or after the Closing Date under any Contracts assigned to and assumed by Buyer hereunder; (ii) any and all damages resulting from any misrepresentation or breach of warranty on the part of the Buyer under this Agreement; and (iii) any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing or to the enforcement of any of the foregoing (including, without limitation, any and all reasonable legal fees and expenses). The foregoing indemnity is intended by Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth but shall not extend to indirect or consequential damages except to the extent such damages are due on account of third party claims.

11.1.3 Conduct of Proceedings. If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification (the "Indemnified Party") shall give written notice thereof to the other party or parties (individually or collectively the "Indemnitor") promptly after the Indemnified Party learns of the existence of such claim or proceeding; provided, however, that the Indemnified Party's failure to give the Indemnitor prompt notice shall not bar the Indemnified Party's right to indemnification unless such failure has materially prejudiced the Indemnitor's ability to defend the claim or proceeding. The Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against any such claim or proceeding, or to compromise, settle or otherwise dispose of the same, if the Indemnitor deems it advisable to do so, all at the expense of the Indemnitor; provided that the Indemnitor shall not have the right to control the defense of any such claim or proceeding unless it has acknowledged in writing its obligation to indemnify the Indemnified Party fully from all liabilities incurred as a result of such claim or proceeding and then and periodically thereafter provides the Indemnified Party with reasonably sufficient evidence of the ability of the Indemnitor to satisfy any such liabilities. The parties will fully cooperate in any such action, and shall make available to each other any books or records useful for the defense of any such claim or proceeding. If the Indemnitor fails to acknowledge in writing its obligation to defend or contest such obligation against or settle such

MFMD:\dml\113729v7 55808.066

claim or proceeding within twenty (20) days after receiving notice thereof from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Indemnified Party shall be free to dispose of the matter, at the expense of the Indemnitor, in any way in which the Indemnified Party deems to be in its best interest.

11.1.4 Limits on Indemnity Obligations.

(a) No Indemnification shall be required to be made by Seller under Section 11.1.1(ii) or by Buyer under Section 11.1.2(ii) until the aggregate amount of damages exceeds Twenty Thousand and 00/100 Dollars (\$20,000.00).

(b) The indemnification obligations of Seller under Section 11.1.1(ii) shall in no event exceed Four Hundred Thousand and 00/100 Dollars (400,000.00).

11.1.5 Post-Closing Indemnity Escrow. Seller shall have placed in the escrow account established and maintained pursuant to the Indemnification Escrow Agreement Four Hundred Thousand and 00/100 Dollars (\$400,000.00).

11.2 Collection of Accounts Receivables. On the Closing Date, Seller will assign and turn over to Buyer, for collection only, all Receivables. Such assignment shall be accompanied by a schedule of all such Receivables. Buyer shall use such efforts as Buyer uses to collect its own accounts (but without responsibility to institute legal or collection proceedings or grant any consideration to any account debtor or make any expenditure of monies to any person except personnel then employed by Buyer) to collect such Receivables during the period between the Closing Date and the date which is 150 days following the Closing Date (the "Collection Period"). Provided that Buyer uses such effort, Buyer shall not incur any liability for failure to collect any of such Receivables. Within fifteen (15) days following the end of the first calendar month which follows the Closing Date by at least thirty (30) days and within fifteen (15) days following the end of each subsequent calendar month through and including the month immediately following the expiration of the Collection Period, Buyer shall remit to Seller all Receivables actually collected, if any, together with a schedule thereof, during such previous month (or partial month). At the end of the Collection Period, Buyer shall reassign and turn back over to Seller, without recourse, any Receivables which shall not have been collected by Buyer during the Collection Period.

11.2.1 Disputed Accounts. In the event Buyer is advised during the Collection Period by an account debtor that it refuses or declines to pay a Receivable because that account debtor contends that the amount is not owed or is incorrect (a "Disputed Account"), Buyer shall so notify Seller. Buyer may then, at its option, either (i) without recourse, re-assign and turn such Disputed Account back over to Seller, in which case Buyer shall have no further responsibility therefor, or (ii) with Seller's consultation and approval, cancel, adjust or re-bill and seek collection of the Disputed Account in accordance with the procedures set forth in this Section 11.2.

11.2.2 Seller's Efforts. Except with respect to a Disputed Account which has been reassigned to Seller, Seller shall make no effort to collect any Receivable during the Collection Period. Following the expiration of the Collection Period, Seller shall possess the full right and authority to take any and all actions it deems necessary or desirable to collect any Receivables which shall not have been collected by Buyer during the Collection Period.

11.2.3 Common Accounts. During the Collection Period, if Buyer receives a payment from an advertiser or agency ("Account Debtor") who has (i) placed advertising on any of the Stations both prior to and after the Collection Date, and (ii) has been invoiced both as a Receivable and as an account receivable of Buyer (a "Common Account"), such payment shall be applied to the oldest outstanding balance due from that Account Debtor, unless such payment is specifically identified (by check, correspondence or accompanying invoice) as a payment on a specific receivable owed on a Common Account, in which case such payment shall be applied as directed (provided, however, that Buyer shall not encourage or solicit any Account Debtor to direct that a payment be applied to an account receivable of Buyer while any Receivables owed by such Account Debtor remain outstanding). Following expiration of the Collection Period, should Buyer receive a payment from an Account Debtor which is directed to a specific Receivable of Seller, Buyer shall promptly forward the proceeds of such payment directly to the Seller.

11.2.4 Review Rights. Following the expiration of the Collection Period, upon reasonable advance written notice to Buyer, Seller shall, on no more than one occasion, be given access by Buyer during normal business hours to review, inspect and copy the records of Buyer relating to collection of Receivables by Buyer during the Collection Period (and Buyer agrees to cooperate with Seller in its review, inspection and copying of such records).

## 12. DEFAULT AND REMEDIES.

12.1 Breach and Opportunity to Cure. If either Buyer or Seller believes the other to be in default of any material representation, warranty, covenant, term or condition of this Agreement (a "default"), the nondefaulting party shall provide the defaulting party with notice specifying in reasonable detail the nature of such default. If such default has not been cured by the earlier of: (i) the Closing Date, or (ii) within twenty-one (21) days after delivery of such notice, then the party giving such notice may (x) terminate this Agreement, (y) extend the Closing Date under Section 10.1 (but no such extension shall constitute a waiver of such non-defaulting party's right to terminate as a result of such default), and/or (z) exercise the remedies available to such party pursuant to Section 12.2 or 12.3, subject to the right of the other party to contest such action through appropriate proceedings. In no event shall the failure of Buyer to pay the Purchase Price on the Closing Date (notwithstanding the satisfaction of all other conditions to Buyer's obligation to perform at the Closing) be deemed to be a "default" by Buyer which would be subject to the notice provisions of this Subsection 12.1 hereof, it being understood and agreed by the parties that if Buyer fails to pay the Purchase Price to Seller on the Closing Date pursuant to the terms of this Agreement, Seller may immediately exercise its rights under this Subsection 12.1 without needing to give notice of such default to Buyer.

MFMDml/113729v7 55808.066

12.2 Seller's Remedies. Buyer recognizes that if the Transaction is not consummated as a result of Buyer's default, Seller would be entitled to compensation. The parties, therefore, agree that if this Agreement is not consummated due to the default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with its obligations under this Agreement, shall be entitled to recover from Buyer the Escrow Deposit including any and all interest earned thereon, which sum the parties agree shall constitute liquidated damages and shall be in lieu of (and complete satisfaction of) any and all other relief to which Seller might otherwise be entitled due to such default by Buyer under this Agreement.

12.3 Buyer's Remedies. Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer would be irreparably injured if this Agreement is not specifically enforced after default. The parties agree, therefore, that if this Agreement is not consummated due to the default of Seller, Buyer, provided, Buyer is not in default and has otherwise complied with its obligations under this Agreement, shall have the rights to (i) specifically enforce Seller's performance under this Agreement and to sue to recover damages occasioned by the need to pursue the remedy of specific performance, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy, or (ii) terminate this Agreement as a result of Seller's default, obtain the return of the Escrow Deposit and sue to recover Buyer's damages.

### 13. TERMINATION.

13.1 Absence of Final Order. This Agreement may be terminated at the option of either Buyer or Seller upon notice to the other if the FCC Consent approving the Assignment Application has not become a Final Order on or before June 30, 2003 provided that if the parties have mutually agreed to extend the Outside Closing Date, or if Buyer shall have extended the Outside Closing Date by notice to Seller (in the event of Seller's default), such date shall be extended to such extended Outside Closing Date; provided, further however, that neither Buyer nor Seller may terminate this Agreement if such party is in default hereunder. In the event of termination pursuant to this Section, the Escrow Deposit shall be returned to Buyer, and the parties shall be released and discharged from any further obligation hereunder

13.2 Designation for Hearing. The time for Commission approval provided in Section 13.1 notwithstanding, (i) Buyer may terminate this Agreement upon notice to Seller if, for any reason, other than by reason of the qualifications of Buyer under the Communications Act of 1934, as amended the Assignment Application is designated for hearing by the Commission provided that notice of termination is given not sooner than forty-five (45) days and not later than sixty-five (65) days after Buyer has received written notice of the release of the hearing designation order and Buyer is not in default and has otherwise complied with its obligations under this Agreement, or (ii) Seller may terminate this Agreement upon notice to Buyer if, by reason of the qualifications of Buyer under the Communications Act of 1934, as amended, the Assignment Application is designated for hearing by the Commission provided that notice of

MFMD:ml/113729v7 55808.066



termination is given not sooner than forty-five (45) days and not later than sixty-five (65) days after Seller has received written notice of the release of the hearing designation order and Seller is not in default and has otherwise complied with its obligations under this Agreement. Upon termination pursuant to this Section 13.2, the Escrow Deposit shall be returned to Buyer, and the parties shall be released and discharged from any further obligation hereunder.

13.3 Loss or Damage; Failure of Broadcast Transmission. In the event of loss or damage to the Assets, or the failure of broadcast transmission of the Stations, the rights of Buyer or Seller shall be as set forth below.

13.4 Risk of Loss. The risk of loss or damage to the Assets shall be upon Seller at all times prior to the Closing. In the event of loss or damage, Seller shall promptly notify Buyer thereof and use all reasonable efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If such repair, replacement, or restoration has not been completed by Seller prior to the Closing Date and the cost of repair in Buyer's good faith judgment is estimated to exceed Fifty Thousand and 00/100 Dollars (\$50,000.00), Buyer may, at its option:

(a) elect to consummate the Transaction in which event the Purchase Price shall be reduced by Fifty Thousand and 00/100 Dollars (\$50,000.00) and Seller shall assign to Buyer all of Seller's rights to insurance proceeds related to such casualty under any applicable insurance policies; or

(b) elect to postpone the Closing Date, with prior consent of the Commission if necessary, which consent both parties will use all reasonable efforts to obtain, for such reasonable period of time (not to exceed ninety (90) days) as is necessary for Seller if Seller so elects in its sole discretion to repair, replace, or restore the lost or damaged property to its former condition; or

(c) before or after the expiration of such extension period, if the lost or damaged property has not been adequately repaired, replaced or a restored, Buyer may terminate this Agreement, and the parties shall be released and discharged from any further obligation hereunder (and the Escrow Deposit returned to Buyer).

13.4.2 Failure of Broadcast Transmission. Seller shall give prompt written notice to Buyer if either of the following (a "Specified Event") shall occur (including if as a result of weather conditions or utility failure affecting generally the broadcast stations in the market served by the Stations): (i) the regular broadcast transmissions of any of the Stations in the normal and usual manner are interrupted or discontinued other than for routine maintenance or repairs; or (ii) if any of the Stations are, for more than one (1) hour, operated at less than its licensed antenna height above average terrain or at less than ninety percent (90%) of its licensed effective radiated power other than for routine maintenance or repairs. If any Specified Event with respect to any of the Stations persists for more than forty-eight (48) hours, or if more than four (4) Specified Events occur with respect to any of the Stations which persist for more than

MFMDml/113729v7 55808.066

four (4) hours at any time during the period between the date hereof and the Closing Date, or if more than eight (8) Specified Events occur with respect to any of the Stations at any time during the period between the date hereof and the Closing Date, then Buyer may, at its option: (i) terminate this Agreement by written notice given to Seller not more than ten (10) days after the expiration of such (30) day period, or (ii) proceed in the manner set forth in Section 13.3.1. In the event of termination of this Agreement by Buyer pursuant to this Section, the Escrow Deposit shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

13.4.3 Resolution of Disagreements. If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section 13.3, the disagreement shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, binding upon and nonappealable by the parties, and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer.

13.5 Legal Action. If, prior to the Closing Date, any action, suit, inquiry, investigation or proceeding shall have been instituted by or before any court or other governmental authority (other than the Commission) to enjoin, restrain or prohibit the consummation of the Transaction, or questioning whether or not the consummation of the Transaction or Buyer's operation or ownership of the Stations will violate any federal or state antitrust laws, unfair competition laws or other similar laws or regulations, the Closing may be adjourned at the option of either Buyer or Seller, with prior consent of the Commission if necessary, which consent both parties will use all reasonable efforts to obtain, for a period of up to ninety (90) days, and if, at the end of such period, the action, suit, or proceeding shall not have been favorably resolved, either Buyer or Seller may, by written notice to the other, terminate this Agreement; provided, however, that if such action, suit, or proceeding shall have been solicited or encouraged, or shall have resulted from actions intentionally undertaken, by Seller or Buyer, then such party shall not have any right of adjournment or termination pursuant to this Section. In the event of termination pursuant to this Section, the Escrow Deposit shall be returned to Buyer and the parties shall be released and discharged from any other obligation hereunder.

14. COVENANTS OF SELLER AND THE SHAREHOLDERS. Seller and each of the Shareholders acknowledge that (i) Seller is engaged in the business of owning and operating radio broadcast stations and businesses (the " Business") throughout the Restricted Area (as hereinafter defined), (ii) Buyer intends to continue to operate the Business throughout the Restricted Area, (iii) Seller has developed, and, upon consummation of the transactions contemplated hereby, will convey to Buyer, trade secrets and confidential information concerning the Business, (iv) the Shareholders will benefit directly and substantially from the consummation of the Transaction, and (v) the agreements and covenants contained in this Section 14 are essential to protect Buyer following the consummation of the Transaction.

"Restricted Area" shall mean the geographic areas encompassing Marion, Indiana, Terre Haute, Indiana and a forty-five (45) mile radius of each of Marion, Indiana, and Terre Haute, Indiana.

14.1 Non-Compete. For a period commencing on the Closing Date and ending on the date which is four (4) years following the Closing Date (the "Restricted Period"), neither Seller nor any of the Shareholders shall, directly or indirectly, within the Restricted Area, (i) engage in the Business by owning or operating radio broadcast stations, facilities, systems or operations for its or his own account, or (ii) become a partner, owner, principal, consultant or agent of any Person engaged in the Business; provided, however, that Seller or any of the Shareholders may own not more than five percent (5.0%) of the outstanding shares of (but may not be employed by, or engaged as a consultant or other service provider for) publicly-held corporations engaged in a business which competes with the Business which have shares listed for trading on a securities exchange registered with the Securities and Exchange Commission or through the automated quotation system of a registered securities association. Seller, each of the Shareholders and Buyer agree that the Restricted Area and the description of the Business are reasonable. To the extent that either definition is determined by a court of competent jurisdiction to be unreasonably broad, the covenant shall continue to be enforceable over a geographic area and range of activities that are determined by such court of competent jurisdiction to be reasonable and enforceable.

14.2 Confidential Information. Seller and each of the Shareholders shall keep secret and retain in strictest confidence, and shall not use, in competition with or in a manner otherwise detrimental to the interests of Buyer, for the benefit of itself, himself or others other than Buyer any confidential information, including, without limitation, any confidential "know-how," trade secrets, customer lists, customer personnel information, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans and new personnel acquisition plans of Buyer ("Confidential Information"). The term "Confidential Information" does not include, and there shall be no obligation hereunder with respect to, (i) information that is or becomes generally available to the public other than as a result of a disclosure by Seller, any of the Shareholders or any agent or other representative thereof after the Closing Date, and (ii) information that relates to the general nature of Buyer's business. Neither Seller nor any of the Shareholders shall have any obligation hereunder to keep confidential any of the Confidential Information to the extent disclosure of any thereof is required by law, or determined in good faith by Seller or any of the Shareholders to be necessary or appropriate to comply with any legal or regulatory order, regulation or requirement; provided, however, that in the event disclosure is required by law, Seller and each of the Shareholders shall use best efforts to provide Buyer with prompt advance notice of such requirement so that Buyer may seek an appropriate protective order.

14.3 Rights and Remedies upon Breach. In the event Seller or any of the Shareholders breaches, or threatens to commit a breach of, any of the provisions of this Section 14 (the "Restrictive Covenants"), Buyer may have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to Buyer and that money damages would

MFMD:\dml\113729v7 55808.066

not provide an adequate remedy to Buyer. Such rights and remedies shall be independent of any others and severally enforceable and shall be in addition to, and not in lieu of, any other rights and remedies available to Buyer at law or in equity.

14.4 Severability of Covenants. Seller and each of the Shareholders acknowledge and agree that the Restrictive Covenants are reasonable and valid in geographical and temporal scope and in all other respects. If any court determines that any of the Restrictive Covenants, or any part thereof, are invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

14.5 Enforceability in Jurisdictions. The parties hereto intend to and hereby confer jurisdiction to enforce the Restrictive Covenants upon the courts of the State of Indiana (and Buyer, Seller and each of the Shareholders hereby consent to the jurisdiction of such courts).

15. ADDITIONAL COVENANTS OF SHAREHOLDERS. Each of the Shareholders covenants and agrees that he will cause Seller and the shareholders of BBC (including by exercising all authority and rights in the capacity of shareholder, director, officer or otherwise) to comply with the terms and conditions of Section 11.1.5 hereof as well as the terms and conditions of the Indemnification Escrow Agreement. Each of the Shareholders acknowledges that, but for the covenant of the Shareholders set forth in this Section 15, Buyer would not be willing to enter into this Agreement and consummate the Transaction.

#### 16. GENERAL PROVISIONS.

16.1 Brokerage. The parties represent and warrant to each other that no person is entitled to any fee as a broker or finder in connection with the Transaction, other than Roehling Broadcast Services, Ltd. and Van Huss Media Services, Inc., whose fees shall be paid by Seller at Closing, and agree to indemnify and hold each other harmless against any claim from any other broker or finder based upon any agreement, arrangement, or understanding alleged to have been made by the indemnifying party.

16.2 Expenses. Except as otherwise provided herein, all expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring the same whether or not the Transaction is consummated. All Commission filing fees for the Assignment Applications shall be shared equally by Buyer and Seller. All recording costs for instruments of transfer, and all stamp, sales, use and transfer taxes shall be paid by Buyer. The cost of Buyer's due diligence, including but not limited to the cost of obtaining the Phase I Reports and Engineering Reports shall be borne solely by Buyer. The cost of obtaining the Audit will be borne by Buyer, unless such Audit reveals that the representations and warranties of Seller set forth in Section 5.14 are untrue in any material respect, in which case Seller shall reimburse Buyer for the cost thereof. Seller will arrange for, place and broadcast at its expense advertising giving public notice of the pending sale of the Stations as contemplated by this Agreement.

16.3 Notices. All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally (which shall include delivery by Federal Express or other nationally recognized, reputable overnight courier service that issues a receipt or other confirmation of delivery) to the party for whom such communication is intended, or three (3) business days after the date mailed by certified or registered U.S. mail, return receipt requested, postage prepaid, addressed as follows:

(a) If to Seller or the Shareholders:

Bomar Broadcasting Company - Terre Haute, Inc.  
Bomar Broadcasting Company - Marion, Inc.

820 South Pennsylvania Street  
Marion, Indiana 46953  
Attention: Mr. Michael O. Day, President

And to:

Mr. Frank A. Bove, Chairman  
Bomar Broadcasting Company  
c/o United Cartage  
5785 East 500 South  
Marion, Indiana 46953

or

P.O. Box 10  
Gas City, Indiana 46933

With a copy (which shall not constitute notice) to:

Shook, Hardy & Bacon L.L.P.  
Hamilton Square  
600 14th Street N.W.  
Suite 800  
Washington, D.C. 20005-2004  
Attention: Erwin Krasnow, Esq.

(b) If to Buyer:

StoneGate Acquisition Corp.  
20 Stanford Drive  
Farmington, CT 06032  
Attention: Mr. Joel M. Hartstone

With a copy (which shall not constitute notice) to:

Michael F. Mulpeter, Esq.  
Cohn Birnbaum and Shea P.C.  
100 Pearl Street  
Hartford, Connecticut 06103-4500

Any party may change its address for notices by notice to the others given pursuant to this Section.

16.4 Attorney's Fees. If any party initiates any litigation against any other involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

16.5 Survival of Representations, Warranties and Indemnification Rights. The several representations and warranties of the parties contained herein, and the parties' respective indemnification rights, shall survive the Closing for a period of one (1) year. Notwithstanding the foregoing, the representations and warranties of Seller and the Shareholders set forth in such sections (and the obligation of Seller and the Shareholders to indemnify Buyer Indemnities pursuant to Section 11.1.1(ii) by reason of a breach of a representation or warranty of Seller or the Shareholders set forth in such sections) shall, with respect to claims which have arisen and of which Seller shall have received written notice in compliance with this Agreement, and which have not been resolved prior to one (1) year after the Closing Date, shall continue and survive beyond any such expiration date.

16.6 Exclusive Dealings. For so long as this Agreement remains in effect, neither Seller, its officers, directors, shareholders or employees, nor any person acting on Seller's behalf, shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person other than Buyer or Buyer's assignee(s) concerning the acquisition of the Stations.

16.7 Waiver. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by any other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by any other shall be valid unless in writing and acknowledged by an authorized representative of the nondefaulting party, and no such waiver shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

16.8 Assignment. No party may assign its rights or obligations hereunder without the prior written consent of the other parties except: (i) Buyer may assign all or a portion of its rights and obligations to one or more corporations, partnerships or other business entities that are

MFm:dml/113729v7 55808.066

controlled by one or more of Joel M. Hartstone, Claudia S. Horn, Paul H. Rothfuss or StoneGate Capital Group LLC, (ii) Buyer may assign all or a portion of its rights and obligations to Sabre Communications, Inc. or to one or more corporations, partnerships or other business entities that are controlled by Sabre Communications, Inc. or that are under common control therewith, and (iii) Buyer may make a collateral assignment of its rights under this Agreement to any lender who provides funds to Buyer for the acquisition or operation of the Stations, and Seller agrees to execute acknowledgments of such assignment(s) and collateral assignment(s) in such forms as Buyer or Buyer's lender(s) may from time to time request. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assignees.

16.9 Entire Agreement. This Agreement, the Exhibits and Schedules hereto (which are incorporated by reference herein), constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, supersede and terminate any prior agreements between the parties (written or oral). This Agreement may not be altered or amended except by an instrument in writing signed by all parties hereto.

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

16.11 Construction; Definition of Seller's Knowledge. The Section headings of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement. As used herein, the neuter gender shall also denote the masculine and feminine, and the masculine gender shall also denote the neuter and feminine, where the context so permits. For the purposes of this Agreement "to the knowledge of Seller" and similar phrases means to the actual knowledge of Michael Day or Frank Bove without the obligation to conduct any further investigation of the facts.

16.12 Schedules and Exhibits. The Schedules and Exhibits to this Agreement are a material part of this Agreement.

16.13 Severability. If any one or more of the provisions contained in this Agreement should be found invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby; provided that if any one or more of Sections 1, 2 or 3 (or any other provision describing a material item of consideration to be received by a party) shall be deemed invalid in whole or in part or unenforceable, Buyer shall have the right to terminate this Agreement. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law.

16.14 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana without regard to the choice of law rules utilized in that jurisdiction.

16.15 Counsel. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

16.16 Public Statements. Prior to the Closing Date, neither Seller nor Buyer shall, without the prior written approval of the other party, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except (i) Seller and Buyer shall issue a mutually agreeable public announcement press release promptly after the signing of this Agreement announcing the substance of the Transactions contemplated by this Agreement; (ii) to the extent that either party shall be so obligated by law, in which case the other party shall be so advised and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued (provided that either party may give notice of the filing of the Assignment Application as required by FCC rules without obtaining agreement of the other party as to such notice); (iii) either party may make any public announcements or statements which are consistent with information set forth in public filings; and (v) Buyer or any affiliate of Buyer may issue one or more press releases or public announcements or make public announcements or broadcasts in connection with its programming and advertising sales for the Stations.

16.17 Effectiveness. This Agreement shall become effective immediately upon execution by each of the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and through their duly authorized officers on the day and year first above written.

BOMAR BROADCASTING COMPANY -  
TERRE HAUTE, INC.

By: 

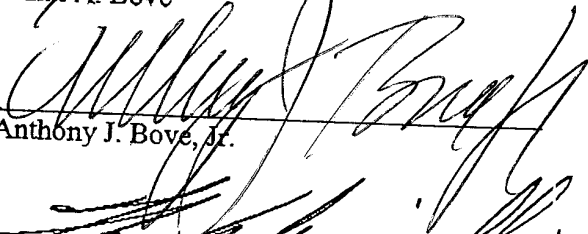
BOMAR BROADCASTING COMPANY -  
MARION, INC.

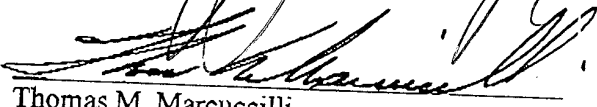
By: 

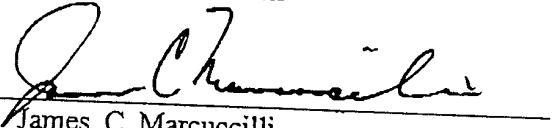
STONEGATE ACQUISITION CORP.

By: 

Frank A. Bove

  
Anthony J. Bove, Jr.

  
Thomas M. Marcuccilli

  
James C. Marcuccilli

MFm:dml/113729v7 55808.066

**IN WITNESS WHEREOF**, the parties hereto have caused these presents to be executed and through their duly authorized officers on the day and year first above written.

**BOMAR BROADCASTING COMPANY –  
TERRE HAUTE, INC.**

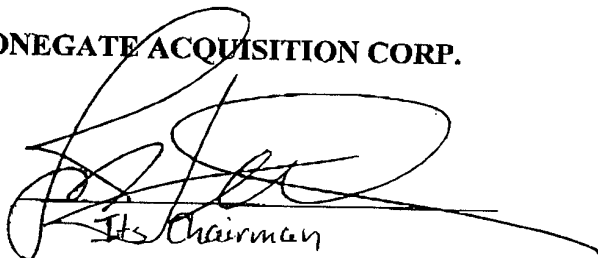
By: \_\_\_\_\_

**BOMAR BROADCASTING COMPANY –  
MARION, INC.**

By: \_\_\_\_\_

**STONEGATE ACQUISITION CORP.**

By: \_\_\_\_\_

  
Its Chairman

\_\_\_\_\_  
Frank A. Bove

\_\_\_\_\_  
Anthony J. Bove, Jr.

\_\_\_\_\_  
Thomas M. Marcuccilli

\_\_\_\_\_  
James C. Marcuccilli

James C. Marcuccilli  
(09/04/02)09/04/0209/04/0209/04/02(09/04/02)0  
9/04/0209/04/02September 4, 200209/04/02