

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated as of February _____, 2001, and is between AGM Rocky Mountain Broadcasting I, LLC (the "Seller"), a limited liability company organized under the laws of Maryland, and Thomas F. Dobrez (the "Buyer") an individual residing in the state of Illinois.

R E C I T A L S:

1. Seller holds licenses from the Federal Communications Commission (the "FCC") for KZYR - FM, Avon, Colorado (FCC Facility No. 57335) and KSNO - FM, Snowmass, Colorado (FCC Facility No. 57337) to operate radio stations (the "Stations") and owns or holds other assets used or useful in the operation of the Stations.

2. Seller desires to sell, assign, and transfer to Buyer, to the fullest extent permitted by law, the FCC licenses and other tangible and intangible assets owned or held by Seller and used or useful in the operation of the Stations, all under the terms described herein.

3. To the fullest extent permitted by law, Buyer desires to acquire the FCC licenses for the Stations and other tangible and intangible assets owned or held by Seller and used or useful in the operation of the Stations, all under the terms described herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, the parties hereby agree as follows:

ARTICLE 1. Sale and Purchase

1.1. Consideration Conveyed by Seller. On the Closing Date, Seller shall sell and assign to Buyer and Buyer shall purchase from Seller:

1.1.1. Stations Assets. Subject to the terms and conditions of this Agreement, Seller shall, to the fullest extent permitted by law, assign, convey, transfer, and deliver to Buyer, and Buyer shall, to the fullest extent permitted by law, acquire from Seller free and clear of all debts, liens, claims, financing leases, security interests and encumbrances of any kind whatsoever (except as permitted herein), all of Seller's right, title and interest in and to Seller's assets, real

and personal, tangible and intangible, of every kind and description, owned or held by Seller and used or useful in the operation of the Stations (collectively the "Stations Assets") except the assets described in Section 1.1.2. of this Agreement. The Stations Assets consist of the following items:

(a) Government Licenses. All licenses and other authorizations issued by the FCC to Seller (the "FCC Licenses") with respect to the Stations, as well as any licenses and authorizations issued by any other governmental authority (the "Other Governmental Licenses"), true copies of which are included in Schedule 1 to this Agreement, together with any and all applications pending before the FCC or any other governmental authority with respect to renewals, extensions, or modifications thereof.

(b) Tangible Personal Property. All equipment, furniture, fixtures, office materials and supplies, spare parts, and other tangible personal property of every kind and description owned as of the date of this Agreement by Seller and used or useful in the operation of the Stations, with all material items set forth on Schedule 2 to this Agreement, less any non-material tangible assets consumed in the ordinary course of the Stations' business after the date hereof, and any additions, improvements, replacements, and alterations made thereto in the ordinary course of business between the date of this Agreement and the Closing Date, as defined herein. For purposes of this paragraph only, a material asset is deemed to be one with a value of at least \$250.

(c) Contracts. All contracts for the sale of time on the Stations for cash which are in existence on the Closing Date and which were entered into in the normal course of business (A Time Sales Contracts@); all rights in and under those contracts, agreements, and leases of any kind relating to the operation of the Stations (except those relating to real property) which are listed or described in Schedule 3 hereto, and all contracts entered into by Seller subsequent to the date which Buyer agrees in writing to assume the Contracts: provided, that Schedule 3 includes true copies of all written Contracts as well as accurate descriptions of all oral Contracts to be assumed by Buyer; provided further, that, except as provided herein, Buyer shall not assume

any Contract not identified in Schedule 3; provided further, that no Contract created subsequent to the date of this Agreement shall be assigned to Buyer without Buyer's prior written approval and in no event unless such Contract can be canceled upon 30 days notice without liability to Buyer; and provided further, that Seller shall promptly provide Buyer with a true copy or, in the event of an oral agreement, an accurate description of all material terms, of any such Contract entered into subsequent to the date of this Agreement which Seller proposes to be assumed by Buyer.

(d) Leases. All leases relating to real property (the "Real Estate Leases"), true copies of which or, in the case of oral agreements, summaries of which are annexed hereto in Schedule 4.

(e) Marketing Items. All trademarks, service marks, franchises, patents, trade names, jingles, fictitious names, slogans, Internet Domain Names, and logotypes (the "Marketing Items") owned and used by Seller as of the date hereof (except those included in the Excluded Assets), as well as those acquired between the date hereof and the Closing Date in connection with the operation of the Stations.

(f) Programming and Copyrights. All programs and programming materials and elements of whatever form or nature owned or licensed for use by Seller and used in the operation of the Stations as of the date hereof (except those included in the Excluded Assets), together with all such programs, materials, elements, intellectual property rights, and copyrights acquired between the date hereof and the Closing Date, whether recorded on tape or any other medium or intended for live performance, and whether completed or in production, and all related common law and statutory copyrights owned or licensed for use by Seller and used or useful in the operation of the Stations.

(g) Records. Any and all files, program logs, public inspection files, and other records that relate to the operation of the Stations in the possession of Seller on the Closing Date, except Seller's records that pertain to the organization of Seller.

(h) Goodwill. All of Seller's goodwill in and going concern value of the Stations.

1.1.2. Excluded Assets. Notwithstanding the foregoing, there shall be excluded from the Stations Assets and retained by Seller, to the extent in existence on the Closing Date, the following assets (the "Excluded Assets"):

(a) **Accounts Receivable.** All notes and accounts receivable of Seller relating to or arising out of the sale of advertising time on the Stations prior to the date of the Closing ("Seller Accounts Receivable").

(b) **Cash and Investments.** All cash on hand or in bank accounts and all cash equivalents and similar investments of Seller, such as certificates of deposit.

(c) **Prepaid Items.** All deposits, reserves, and prepaid expenses and taxes (unless prorated as provided in Section 1.4. of this Agreement).

(d) **Personal Property.** All non-material tangible personal property disposed of or consumed in the ordinary course of business of the Stations.

(e) **Insurance.** All contracts of insurance.

(f) **Securities.** Any and all securities owned or held by Seller.

(g) **Claims.** Any and all claims of Seller with respect to transactions which transpire prior to the Closing Date, including, without limitation, claims for tax refunds.

(h) **Agreements.** Agreements, contracts, and leases not assumed by Buyer in accordance with Section 1.1.1.(c), (e) and (f) and Article Thirteen of this Agreement.

(i) **Miscellaneous Assets.** Pension, profit-sharing, and savings plans and trusts and any assets thereof.

(j) **Organizational Documents.** Seller's books and original records that pertain to the organization, existence or capitalization of Seller.

1.1.3. Seller's Retained Liabilities. The Stations Assets shall be sold and conveyed to Buyer free and clear of all debts, liens, claims, financing leases, security interests and encumbrances or liabilities of any kind or nature except for liens for current taxes not yet due and payable (the "Permitted Encumbrances"). Unless reflected in a document executed by Buyer, Buyer shall not assume or be liable for (a) any contract, agreement or lease not specifically assumed by Buyer hereunder; (b) any obligation of Seller arising out of any contract of insurance, any pension, retirement or profit-sharing plan, or any trust or other benefit plan; (c) any litigation, proceeding, or claim relating to the business or operation of the Stations prior to the Closing, regardless of whether such litigation, proceeding, or claim is pending, threatened, or asserted before, on, or after the Closing; or (d) any obligation (including but not limited to wages, salaries, vacation pay, payroll taxes, COBRA coverage or severance payments) to or for persons employed by Seller (recognizing that Buyer has no obligation to employ any of Seller's employees).

1.2. Purchase Price. The Purchase Price for the Assets shall total One Million Five Hundred Thousand Dollars (\$1,500,000) payable in immediately available funds at Closing.

1.3. Escrow Deposit. Upon execution of this Agreement, Buyer shall place Seventy-Five Thousand Dollars (\$75,000) (the "Escrow Deposit") in escrow in accordance with the terms of an Escrow Agreement in the form of Exhibit C annexed hereto. The Escrow Deposit shall be disbursed as follows:

1.3.1. Delivery to Seller. If, (x) at the time of Closing, Seller shall have satisfied each of the conditions precedent to Closing set forth in Sections 7.1 through 7.9 and Buyer is in material default of its obligations hereunder, and Buyer has failed to cure such material default within fifteen (15) calendar days after it receives written notice from Seller of such material breach, then the Escrow Deposit will be delivered to Seller, it being understood and agreed that payment to Seller of the full amount of the Escrow Deposit as and when due under the terms of the Escrow Agreement will constitute full payment for any and all damages suffered by Seller by reason of Buyer's failure to consummate the purchase and sale contemplated by this Agreement. In

such event, Buyer and Seller shall jointly notify the Escrow Agent in Writing of the Escrow Agent's obligation to deliver the Escrow Deposit to Seller.

1.3.2. Delivery to Buyer. If, (x) at the time of Closing, Seller shall fail or refuse to perform any of Seller's material obligations under this Agreement and Buyer is not then in material default under this Agreement, or (y) at any time Seller is in material default of its obligations hereunder and Seller has failed to cure such material default within fifteen (15) calendar days after it receives written notice from Buyer of such material breach and Buyer is not then in material default under this Agreement, or (z) at the time of Closing, any condition precedent to the obligations of Buyer to close under this Agreement shall remain unsatisfied, and Buyer is not then in material default under this Agreement, then the Escrow deposit shall be delivered to Buyer. In such event, Buyer and Seller shall jointly notify the escrow Agent in Writing of the Escrow Agent's obligation to deliver the Escrow Deposit to Buyer.

1.4. Adjustments.

1.4.1. Prorations. At the Closing, all income of the Stations and all taxes and assessments, rent, water, sewer and other utility charges and lienable municipal services, if any, with respect to the Stations Assets to be acquired by Buyer shall be apportioned and allocated between Buyer and Seller on the basis of the period of time to which such income or liabilities apply in accordance with generally accepted accounting principles. To the extent such items cannot be determined at Closing, a final settlement on such prorations shall be made within thirty (30) days after the Closing Date. If the Closing occurs before the tax rate is fixed for the then current term, the apportionment of taxes at Closing shall be upon the basis of the tax rate for the preceding tax year applied to the latest assessed valuation. If the tax rate is changed with respect to any period of time prior to the Closing Date, as defined herein, the post-Closing prorations shall include a corresponding adjustment in the final prorations made pursuant to this Section.

1.4.2. Intentionally Omitted.

1.4.3. Disputes. In the event of any disputes between the parties as to any adjustments under this Section, the amounts not in dispute shall be paid at the time provided herein and the dispute shall be resolved by an independent certified public accountant ("CPA") who shall be jointly selected by the parties within thirty (30) days after the Closing or after the final settlement on prorations, as the case may be. The decision of the CPA shall be binding on each of the parties and enforceable by a court of competent jurisdiction. The fees and expenses of the CPA shall be paid one-half by Seller and one-half by Buyer.

1.5. Allocation. At or before the Closing, the Purchase Price shall be allocated between tangible and intangible assets in accordance with an allocation to be prepared by Buyer which shall reflect the reasonable fair market value of the assets and shall be reasonably satisfactory to Seller. Seller and Buyer shall use such allocation for all purposes related to the valuation of the Stations Assets, including, without limitation, in connection with any federal, state, county or local tax returns. Neither Seller nor Buyer shall take any position in any tax return, tax proceeding, tax audit or otherwise that is inconsistent with such allocation.

1.6. Closing.

1.6.1. Date and Location. The closing of the transactions provided for in this Agreement (the "Closing") shall be held at the offices of American General Media Corp. or at such other place mutually agreed to by the parties, or by the exchange of documents by overnight mail commencing at 10:00 a.m. on a date (the "Closing Date") five (5) business days after the date that the FCC Consent is a Final Order, except at the sole option of the Buyer, Closing may take place at any earlier time after receipt of FCC Consent with no less than five (5) business days notice to the Seller. FCC Consent shall be deemed to be a Final Order on the date that FCC Consent is no longer subject to reconsideration, rescission, appeal or review.

1.6.2. Exchange of Documents. At the Closing, each party shall execute and deliver to the other party the other items specified herein as well as any additional document(s) and item(s) reasonably necessary for the consummation of the transactions

contemplated herein. Such additional documents shall be reasonably satisfactory to the other party as to both form and substance.

1.7 Timing. It is the intention of the parties that the Closing of the transactions contemplated herein occur not later than six (6) months from the date of the FCC Public Notice accepting the Application referenced in Section 4.5 of this Agreement.

ARTICLE 2. Representations and Warranties of Seller.

Seller represents and warrants to Buyer that the following matters are true and correct as of the date of this Agreement:

2.1. Status. Seller is a corporation duly organized, validly existing, and in good standing in the State of Maryland, which is qualified to do business, and is in good standing, in the State of Colorado. Seller has the power to carry on the business of the Stations as it is now being conducted, to own, hold and use the Stations Assets, and to enter into and consummate the transactions contemplated by this Agreement. Seller has not used any name in the operation of its business other than its name as first set forth above and the Stations' call letters.

2.2. Licenses. Seller is the holder of the FCC Licenses and Other Government Licenses, true copies of which are included in Schedule 1 to this Agreement, and all of which are in full force and effect. The FCC Licenses constitute all of the licenses required under the Communications Act of 1934, as amended (the "Act"), and the current rules, regulations, and policies of the FCC for the operation of the Stations as currently conducted. The FCC Licenses authorize the operation of the Stations for a term expiring on April 2005. The Seller has filed with the FCC all regulatory fees, material applications, reports and other disclosures required by the Act and by FCC rules and policies. There is not pending or, to Seller's knowledge, threatened, any petition, complaint, objection (whether formal or informal), order to show cause, investigation, or other action by or before the FCC or any court to revoke, cancel, rescind, modify, or refuse to renew any of the FCC Licenses, or which would otherwise have a material

adverse impact on the operation of the Stations. Other than proceedings of general applicability to the broadcasting industry, there is not now pending or, to Seller's knowledge, threatened, any other petition, complaint, objection (whether formal or informal), investigation, order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or other proceeding by or before the FCC or any court against Seller with respect to any matter affecting the Stations. Except as disclosed in Schedule 1, the Stations has been and is operating in material compliance with the FCC Licenses, the Other Governmental Licenses, the Act, and the rules, regulations and policies of the FCC. Seller maintains public files for the Stations as required by FCC rules. The Stations are currently operating at their fully authorized power under their FCC Licenses. The radio towers for each of the Stations are each less than 200 feet high and do not require registration under the FCC's antenna structure registration rules.

2.3. Title. On the Closing Date, the Stations Assets will be in each case free and clear of all debts, claims, liabilities, security interests, mortgages, pledges, liens, conditional sales agreements, leases, encumbrances, or charges of any kind or nature whatsoever except for the Permitted Encumbrances or such liabilities expressly assumed by Buyer hereunder.

2.4. Employees. Seller is not a party to any pending or, to its knowledge, threatened labor dispute affecting the Stations. Seller (1) has complied in all material respects with all applicable federal, state, and local laws, ordinances, rules and regulations and requirements relating to employment or labor, including but not limited to provisions relative to wages, hours, collective bargaining, pension, profit-sharing and savings plans and trusts including, without limitation, 401-K plans ("Trusts") and payment of Social Security, unemployment and withholding taxes and (2) is not liable for any arrears of wages or Trusts or benefit payments ("Payments") or any taxes or penalties for failure to comply with any of the foregoing. In accordance with the provisions of Article 8 of this Agreement, Seller will hold Buyer harmless from and against (1) any liability for any taxes or Payments or penalties which have not been paid or made for employment of persons by Seller, (2) any claims of discrimination or wrongful termination

or hiring, including, without limitation, violations of federal or state law relating to civil rights, regulations of the United States Equal Employment Opportunity Commission, or the Americans With Disabilities Act of 1990, (3) all claims for severance (recognizing that Buyer has no obligation to employ any of Seller's employees), and (4) any other claims by employees of Seller relating to or arising from their employment (or severance therefrom) by Seller. There are no collective bargaining agreements, or negotiations for the same, in existence which affect any of the Stations' employees.

2.5. Taxes. Seller has duly and timely filed all required federal, state and local tax returns and paid all taxes, interest and penalties due with respect to Seller's interest in the Stations Assets or its operation of the Stations, has sought and obtained extensions of time to file such and pay same within the time provided therefor, or is challenging such taxes in good faith in accordance with applicable procedures (and has in place adequate financial reserves to satisfy any adverse decision). Between the date hereof and the Closing Date Seller shall duly and timely file all such required returns and pay all such taxes, interest and penalties or obtain such extensions within the time provided therefor, unless such taxes are being challenged in good faith in accordance with applicable procedures (and has in place adequate financial reserves to satisfy any adverse decision). In accordance with the provisions of Article 8 of this Agreement, Seller shall indemnify, defend, save and hold Buyer harmless from and against all claims, obligations and liabilities for all taxes, interest and penalties attributable to Seller's ownership or operation of the Stations and the ownership or holding of the Stations Assets prior to the Closing Date.

2.6. Contracts. Schedule 3 annexed hereto includes true copies of all written Contracts and describes the material terms of all oral Contracts to which Seller is a party as of the date of this Agreement and which will be assumed by Buyer. Those Contracts requiring a third party's consent to assignment are identified by an asterisk in Schedule 3. Seller has complied in all material respects with all Contracts and is not in default beyond any applicable grace periods under any of such Contracts. To Seller's knowledge, no other contracting party is in material default under any

of the Contracts. All Contracts are in full force and effect and are valid, binding and enforceable in accordance with their respective terms, except as enforceability may be limited by laws affecting creditor rights or equitable principles generally.

2.7. Environmental. The Stations Assets and Seller's use thereof are not in material violation of any Environmental Laws, including but not limited to FCC rules, policies and guidelines concerning RF radiation. To the best of Seller's knowledge and belief, there are no above or underground fuel storage tanks, asbestos or PCBs on the real property used by the Seller in operation of the Stations. Seller has not received any notice, summons, citation, directive, letter or other communication, written or oral, from the United States, the State of Colorado, or any other party concerning any intentional or unintentional action or omission on the part of Seller or any other party which resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping or disposing of Hazardous Waste on, above or under Stations Assets owned or used by Seller in operation of the Stations. The Buyer will have until forty (40) days after the date of this Agreement to complete a Phase I environmental due diligence study of the Real Property if required or desired by the Buyer, which study will be commissioned by Buyer and which shall be paid for by Buyer. If Buyer determines, in good faith, that it is not satisfied with an adverse environmental report from such study, Buyer will report in writing such adverse report to Seller, and Seller will have ten (10) days in which to notify Buyer that Seller will correct the adverse conditions to the Buyer's satisfaction. Closing of this Agreement may be delayed or postponed by the Buyer pending such corrections, or Buyer may go forward with Closing upon the receipt from Seller of assurances deemed adequate by the Buyer that the adverse conditions will be corrected. In the event that Seller refuses to correct the adverse conditions to the Buyer's satisfaction, this Agreement may be terminated by the Buyer within five (5) days after Buyer receives written notice of Seller's refusal, and in such case, the Seller shall join with Buyer in directing Escrow Agent to return the Escrow Deposit and any accrued interest to Buyer, and thereafter neither party will have any further obligation to the other under this Agreement.

2.8. Financial Statements. Seller has provided Buyer with true copies of statements which indicate revenue and expense of the Stations for the period ending October 31, 2000 (the "Financial Statements"). True copies of the Financial Statements are included in Schedule 5. The Financial Statements fairly reflect the financial performance of the Stations for the periods indicated. The Seller represents and warrants as a material condition of this Agreement that for the time period of January 1, 2000 through December 31, 2000, cash revenues attributable to the operations of the Stations will be equal to or exceed \$500,000.

2.9. Litigation. Seller has not been operating under and is not subject to, or in default with respect to, any order, judgment, writ, injunction, or decree of any court or any federal, state, municipal, or other governmental department, commission, board, agency, or instrumentality, foreign or domestic, which has had or could reasonably be expected to have a material adverse effect on the Stations Assets or the manner in which Seller currently operates the Stations. There is no litigation, arbitration, dispute, proceeding or investigation ("Litigation") pending by or against, or, to Seller's knowledge, threatened against the Stations or Seller which relates to or affects the Stations Assets or the business of the Stations or which materially interferes or could reasonably be expected materially to interfere with Seller's (1) right, title to, or interest in the Stations Assets, (2) operation of the Stations or (3) ability to transfer the Stations Assets to Buyer free of such Litigation.

2.10. Insurance. Annexed hereto in Schedule 6 are true copies of all insurance policies maintained by Seller. All of such policies are in full force and effect, and Seller is not in default of any material provision thereof. Seller has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

2.11. Compliance with Laws. Seller is in material compliance with all applicable laws, rules, regulations, policies and orders of the federal, state, and local governments with respect to the Stations and Stations' Assets. The present uses by Seller of the Stations Assets do not violate any such laws,

regulations, policies or orders in any material respect, and there is no investigation or proceeding regarding the foregoing which is currently pending or, to Seller's knowledge, threatened.

2.12. No Defaults. Neither the execution and delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated herein are events that, by themselves or with the giving of notice or the passage of time or both, constitute a material violation of or will conflict with or result in any material breach of or any default under (1) the terms, conditions, or provisions of any arbitration award, judgment, law, order, decree, writ, or regulation to which Seller is subject, (2) Seller's articles of incorporation or bylaws, or (3) any agreement or instrument to which Seller is a party or by which Seller is bound, or result in the creation of imposition of any lien, charge, or encumbrance on any of the Stations Assets.

2.13. Brokers. There is no broker or finder or other person who would, as a result of any agreement of or action taken by Seller, have any valid claim against any of the parties to this Agreement for a commission or brokerage fee in connection with this Agreement or the transactions contemplated herein except for McCoy Broadcasting, whose fees shall be paid by the Seller.

2.14. Seller Action. All Seller actions and proceedings necessary to be taken by or on the part of Seller in connection with the transactions contemplated by this Agreement and necessary to make the Agreement effective have been, or will be prior to the Closing, duly and validly taken. This Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with and subject to its respective terms, except as enforceability may be limited by laws affecting the enforcement of creditor rights or equitable principles generally. At the Closing, Seller will provide Buyer with certified resolutions executed by Seller's stockholders and directors authorizing the execution, delivery, and performance of this Agreement.

2.15. Stations Assets. The Stations Assets are in good working order, meet any and all applicable governmental and industry standards, and are sufficient to enable Seller to operate the Stations as currently conducted. All of the statements made and Schedules referred to in this Agreement with respect to the Stations Assets are true, accurate, and complete in all material respects.

2.16. Leases. All of the Real Estate Leases included in Schedule 4 have been complied with in all material respects by Seller, and no material default of Seller in respect to any duties or obligations required to be performed by Seller has occurred. All rents and other payments required thereunder have been paid. All such leases are valid, binding, and enforceable in accordance with their respective terms except as enforceability may be limited by laws affecting the enforcement of creditor rights or equitable principles generally. To Seller's knowledge, no other party to any of the Real Estate Leases is in default thereunder.

2.17. Insolvency. No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Seller or any of the Stations Assets is pending or, to Seller's knowledge, threatened, and Seller has not made any assignment for the benefit of creditors, nor taken any actions with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

2.18. Approvals. No approval of any third party, governmental agency or court is required to be obtained by Seller with regard to the assignment of the FCC Licenses and other Stations Assets except (1) parties to certain Contracts and Real Estate Leases being assumed by Buyer under this Agreement, and (2) the approval by the FCC as provided herein.

2.19. No Material Omission. Seller has not failed to disclose any material fact within its knowledge which would make any statement or representation in this Agreement inaccurate or misleading.

ARTICLE 3. Representations and Warranties of Buyer.

Buyer represents and warrants to Seller as to the truth of the following matters as of the date of this Agreement:

3.1. Status. Buyer is an individual, residing in the State of Illinois, and has the power to enter into and consummate the transactions contemplated by this Agreement.

3.2. Organizational Action. This Agreement has been duly and validly authorized, executed, and delivered by Buyer and constitutes the valid and binding agreement of Buyer, enforceable in accordance with and subject to its terms, except as enforceability may be limited by laws affecting the enforcement of creditors' rights or equitable principles generally. At the Closing.

3.3. No Defaults. Neither the execution and delivery by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated herein are events that, by themselves or with the giving of notice or the passage of time or both, constitute a material violation of or will conflict with or result in any material breach of or any default under (1) the terms, conditions, or provisions of any arbitration award, judgment, law, order, or regulation to which Buyer is subject, (2) the operating agreement or other organizational documents of Buyer, or (3) any agreement or instrument to which

3.4. Litigation. There is no litigation, proceeding, or investigation of any nature pending or, to Buyer's knowledge, threatened against or affecting Buyer that would affect Buyer's ability to carry out the transactions contemplated herein.

3.5. Qualification as a Broadcast Licensee. To its knowledge, Buyer is legally qualified under the Communications Act of 1934, as amended by the Telecom Act

of 1996 ("the Act") and all other applicable federal, state and local laws, rules and regulations, to acquire the Stations Assets from Seller.

2.6 No Material Omission. Buyer has not failed to disclose any material fact within its knowledge which would make any statement or representation in this Agreement inaccurate or misleading.

ARTICLE 4. Covenants of Seller Pending Closing.

Seller covenants and agrees that, from the date of this Agreement to and including the Closing Date, subject to the provisions of this Agreement, it will take, or refrain from taking, the following actions:

4.1. Maintenance of Stations. Seller shall continue to carry on the Stations business and keep its books of account, records, and files in the ordinary course of business and shall continue to operate the Stations in all material respects in accordance with the terms of the FCC Licenses and in material compliance with all applicable rules, regulations, policies and laws. Seller shall keep all tangible Personal Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies of inventory, office supplies, spare parts and other materials as have been customarily maintained in the past. To that end, Seller will file with the FCC any and all reports, applications, and disclosures as may be required by the Act or FCC rules or policies. Seller shall maintain in full force and effect through and including the Closing Date the existing property damage, liability, and other insurance with respect to the Stations Assets to cover contingencies that can reasonably be anticipated. Prior to the Closing, Seller will not, without the prior written consent of Buyer:

4.1.1. sell, lease, transfer, or agree to sell, lease, or transfer any Stations Assets without replacement thereof with an asset of equivalent kind, condition, and value;

4.1.2. enter into any collective bargaining agreement or written contract of employment without Buyer's prior approval, unless said contract is

subject to cancellation upon thirty (30) days notice without penalty to Buyer;

4.1.3. renew, re-negotiate, modify, amend, or terminate any existing Time Sales Contracts except in the ordinary course of business;

4.1.4. Subject to Section 1.1.1.(c) hereof, enter into any contract or agreement with respect to the Stations or the Stations Assets except in the ordinary course of business or as provided in this Agreement;

4.1.5. make, allow, or consent to any material change in the leasehold improvements, or fixtures used or useful in the operation of the Stations except in the ordinary course of business;

4.1.6. make any material change in the insurance policies included in Schedule 6; or

4.1.7. enter into any trade or barter agreements relating to the Stations.

4.2. Organization, Good Will, Promotion.

Subject to the provisions of this Agreement, Seller shall use its reasonable best efforts to preserve the business organization of the Stations intact and shall cooperate with Buyer to preserve the goodwill of the Stations' suppliers, customers, and others having business relations with the Stations.

4.3. Access to Facilities, Files, and Records.

At the reasonable request of Buyer, Seller shall give Buyer and its representatives (1) reasonable access during normal business hours to all facilities, property, accounts, books, title papers, insurance policies, licenses, contracts, agreements, commitments, records, equipment, machinery, fixtures, furniture, and inventories related to the Stations or the Stations Assets, and (2) all such other information concerning the affairs of the Stations as Buyer may reasonably request. All such information, when provided by Seller, shall be deemed to have been represented and warranted by the Seller to the best of the Seller's knowledge, and in all material respects, to be correct, complete and fully responsive to Buyer's request therefor. The rights of Buyer under this Section shall not be exercised in such a

manner as to interfere unreasonably with the business of the Stations.

4.4. Representations and Warranties. Seller shall give notice to Buyer promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would cause or constitute a material breach of any of Seller's representations or warranties in this Agreement.

4.5. Application for FCC Consent. Within five (5) business days after execution of this Agreement, Seller shall prepare and file an appropriate application (the "Application") with the FCC requesting its written consent to the assignment of the FCC Licenses for the Stations to Buyer. Seller shall diligently take, or cooperate in the taking of, all steps necessary and appropriate to expedite the preparation of the Application and its prosecution to a favorable conclusion. Seller will promptly provide Buyer with a copy of any pleading, order, or other document received by it relating to the Application. Seller will use its best efforts and otherwise cooperate with Buyer in responding to any information requested by the FCC related to the Application, in making any amendment to this Agreement requested by the FCC which does not adversely affect Seller in a material manner, and in defending against any petition, complaint, or objection which may be filed against the Application. The FCC filing fees shall be divided equally between Seller and Buyer.

4.6. Consents. Seller shall obtain or cause to be obtained prior to the Closing consents to the assignment to or assumption by Buyer of all Contracts and Real Estate Leases included in the Stations Assets that require the consent of any third party by reason of the transactions provided for in this Agreement.

4.7. Notice of Proceedings. Seller will promptly notify Buyer (and in any event within five (5) business days) upon becoming aware of any actual or threatened claim, dispute, arbitration, litigation, complaint, judgment, order, decree action or proceeding relating to Seller, the Stations, the Stations Assets, or the consummation of this Agreement or any transaction contemplated herein.

4.8. Confidential Information. If the transactions contemplated in this Agreement are not consummated for any reason, Seller shall not disclose to third parties (except its agents and representatives, who will be bound by this section) any information designated as confidential and received from Buyer or its agents in the course of investigating, negotiating, and consummating the transactions contemplated by this Agreement: provided, that no information shall be deemed to be confidential that (1) becomes publicly known or available other than through disclosure by Seller; (2) is rightfully received by Seller from a third party; or (3) is independently developed by Seller. All originals of all material provided to Seller by Buyer or its agents shall be returned to Buyer and all copies thereof shall be destroyed.

4.9. Consummation of Agreement. Seller shall fulfill and perform all conditions and obligations to be fulfilled and performed by Seller under this Agreement and make every reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

4.10. Performance under Contracts and Leases. Seller will perform in all material respects its obligations under, and keep in good standing, all Contracts, and Real Estate Leases to which Seller is a party and which will be assigned to Buyer at the Closing pursuant to this Agreement.

4.11. Consummation of KSKE Purchase. Seller shall use its best reasonable efforts to consummate its purchase of Station KSKE (as hereinafter defined).

ARTICLE 5. Covenants of Buyer Pending the Closing.

Buyer covenants and agrees that, from the date of this Agreement to and including the Closing, it will take, or refrain from taking, the following actions:

5.1. Representation and Warranties. Buyer shall give notice to Seller promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would cause or constitute a material breach of any of the representations and warranties of Buyer in this Agreement.

5.2. Application for Commission Consent.

Within five (5) business days after execution of this Agreement, Buyer will prepare and provide Seller's counsel with the assignee's portion of the Application. Buyer will diligently take, or cooperate in the taking of, all steps necessary and appropriate to expedite the preparation of the Application and its prosecution to a favorable conclusion. Buyer will promptly provide Seller with a copy of any pleading, order, or other document served on it relating to the Application. Buyer will use its best efforts and otherwise cooperate with Seller in responding to any information requested by the FCC related to the Application or this Agreement, in making any amendment to this Agreement requested by the FCC which does not adversely affect Buyer in a material manner, and in defending against any petition, complaint, and other objection which may be filed against the Application.

5.3. Confidential Information. If the transactions contemplated in this Agreement are not consummated for any reason, Buyer shall not disclose to third parties (except its lenders, agents and representatives, who will be bound by this section) any information designated as confidential and received from Seller or its agents in the course of investigating, negotiating, and performing the transactions contemplated by this Agreement: provided, however, that no information shall be deemed to be confidential that (1) becomes publicly known or available other than through disclosure by Buyer; (2) is rightfully received by Buyer from a third party; or (3) is independently developed by Buyer. All originals of material provided by Seller to Buyer or its agents shall be returned to Seller and all copies thereof destroyed.

5.4. Consummation of Agreement. Buyer shall fulfill and perform in all material respects all conditions and obligations to be fulfilled and performed by Buyer under this Agreement and make every reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

5.5. Notice of Proceedings. Buyer will promptly (and in any event within five (5) business days) notify Seller upon becoming aware of any actual or threatened claim, dispute, arbitration, litigation, complaint, judgment, order, decree, action or proceeding relating to

Buyer, the Stations, the Stations Assets, or the consummation of this Agreement or any transaction contemplated herein.

ARTICLE 6. Conditions Precedent to Obligation of Seller to Close.

The obligation of Seller to consummate the transactions under this Agreement is subject to the fulfillment of the following conditions prior to or at the Closing:

6.1. Representations, Warranties, Covenants.

6.1.1. Buyer's Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement shall have been true and accurate in all material respects as of the date when made and as of the Closing Date;

6.1.2. Buyer's Performance Under Agreement. Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by Buyer prior to or at the Closing; and

6.1.3. Buyer's Deliveries. Buyer shall have delivered to Seller a certificate executed by Buyer, dated the Closing Date, certifying to the fulfillment of the conditions set forth in Sections 6.1.1. and 6.1.2.

6.2. Proceedings.

6.2.1. Absence of Litigation. No action or proceeding shall have been instituted before any court or governmental body which has resulted in the issuance of a preliminary or permanent injunction against consummation of this Agreement.

6.2.2. Notice of Investigation. Neither of the parties to this Agreement shall have received written notice from any governmental body of the institution of any investigation to restrain, enjoin or nullify this Agreement or the transactions contemplated hereby (other than a routine letter of inquiry, including a routine Civil Investigative Demand).

6.3. FCC Approval. The FCC approval contemplated by this Agreement shall have been granted without any conditions materially adverse to Seller.

6.4. Purchase of KSKE. The Seller shall have consummated the Seller's purchase of Station KSKE-FM, Vail, Colorado (Station KSKE@).

ARTICLE 7. Conditions Precedent to Obligation of Buyer to Close.

The obligation of Buyer to consummate the transactions under this Agreement is subject to the fulfillment of the following conditions prior to or at the Closing:

7.1. Representations, Warranties, Covenants.

7.1.1. Seller's Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall have been true and accurate in all material respects as of the date when made and as of the Closing Date.

7.1.2. Seller's Performance Under Agreement. Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing; and

7.1.3. Seller's Deliveries. Seller shall have delivered to Buyer (a) a certificate executed by an officer of Seller, dated the Closing Date, certifying to the fulfillment of the conditions set forth in Sections 7.1.1. and 7.1.2., (b) the resolutions of Seller's stockholders and directors identified in Section 2.14 of this Agreement, and (c) the consents of third parties required for the assignment to Buyer of Contracts and Real Estate Leases specified in Section 1.1.1.

7.2. Proceedings.

7.2.1. Absence of Litigation. No action or proceeding shall be pending or have been instituted before any court or governmental body to restrain or prohibit, or to obtain substantial damages in respect of, the consummation of this Agreement that, in the

reasonable opinion of Buyer, may reasonably be expected to result in the issuance of a preliminary or permanent injunction against such consummation or otherwise result in a decision materially adverse to Buyer.

7.2.2. Absence of Investigation. Neither of the parties to this Agreement shall have received written notice from any governmental body of (1) its intention to institute any action or proceeding to restrain or enjoin or nullify this Agreement or the transactions contemplated hereby, or to commence any investigation into the consummation of this Agreement or (2) the actual commencement of such an investigation. To the best of Seller's knowledge and belief, the current proceeding before the Department of Justice will not hinder, delay or prohibit the consummation of this transaction.

7.3. Physical Damage to the Stations Assets.

7.3.1. Repair of Stations Assets. In the event of material loss or damage to the Stations Assets, Seller shall promptly and in any event within ten (10) days notify Buyer thereof and use its best efforts promptly to repair, replace or restore the lost or damaged property to its former condition: provided, that any replacement property need only be of the same kind and quality as the lost or damaged property, and Seller shall have no obligation to replace used property with new property. If the estimated aggregate cost of repairing, replacing or restoring any lost or damaged property is Fifty Thousand Dollars (\$50,000) or less, Closing shall occur as scheduled and Seller shall assign to Buyer all rights under any insurance claim covering the loss or damage and pay over to Buyer any proceeds under any such insurance policy theretofore received by Seller with respect thereto along with the amount of any deductible or other difference between the expected insurance proceeds and the cost of the lost or damaged asset. If the estimated cost to repair, replace, or restore the lost or damaged property exceeds Fifty Thousand Dollars (\$50,000), and the lost or damaged property has not been repaired, replaced or restored prior to Closing, Buyer may, at its option:

(a) elect to consummate the Closing in which event Seller shall assign to Buyer all of Seller's rights under any applicable insurance policies covering

the loss or damage and pay over to Buyer any proceeds under any such insurance policy theretofore received by Seller with respect thereto along with the amount of any deductible or other difference between the expected insurance proceeds and the cost of the lost or damaged asset; or

(b) elect to postpone the Closing Date, with the prior consent of the FCC if necessary, for such reasonable period of time (in no event longer than 60 days) as is necessary for the lost or damaged property to be repaired, replaced, or restored to its former condition. If, after the expiration of the extension period, the lost or damaged property has not been adequately repaired, replaced or restored, Buyer may, at its option, proceed with the Closing in the manner provided for in Section 7.3.1(a) or terminate this Agreement, in which event the Escrow Deposit shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

7.3.2. Repair of Transmission Facilities.

Notwithstanding anything to the contrary in this Agreement, Seller shall make any and all necessary repairs to the Stations' transmission facilities to enable the Stations to operate at its fully-authorized power under its FCC Licenses. To the extent necessary, Seller shall obtain Special Temporary Authorizations and such other approvals of the FCC to enable the Stations to utilize the repaired transmission facilities at the earliest practicable date.

7.4. FCC Approval. The FCC Consent shall have been granted without any conditions materially adverse to Buyer and if Buyer shall have exercised the option granted to Buyer in Section 1.6 to postpone the Closing until the consent has become a Final Order, the Consent shall be a Final Order.

7.5. Contract and Real Estate Lease Payments. As of the Closing, Seller shall be current in its payment under Contracts or Real Estate Leases to be assumed by Buyer.

6.6. Legal Opinion.

Buyer shall have received an opinion from Seller's corporate

and FCC counsel in the forms annexed hereto as Exhibit D.

7.7. No Material Adverse Change. Between the date of this Agreement and the Closing, none of the business and operations of the Stations, nor the Tangible Personal Property, Contracts, Real Estate Leases or property associated therewith or shall have incurred or otherwise be subject to any change which shall have, in the aggregate, caused a material adverse effect on the business, operations or financial condition of the Stations.

7.8 INTENTIONALLY LEFT BLANK

7.9. Estoppel Certificates. Seller shall have provided to Buyer an estoppel certificate in form and substance reasonably satisfactory to Buyer which shall be signed by the landlord for each Real Estate Lease to be assigned to Buyer under this Agreement confirming that Seller is in material compliance with such lease and that such lease can and will be assigned to such Buyer.

7.10. Administrative Services Agreement. At Closing, Buyer and Seller shall execute and deliver an Administrative Services Agreement in the form attached hereto as Exhibit F.

ARTICLE 8. Indemnification.

8.1. Survival. The several representations, warranties, covenants, and agreements of the Seller and Buyer contained in or made pursuant to this Agreement shall be deemed to have been made on and as of the Closing, shall survive the Closing, and shall remain operative and in full force and effect for a period of twenty-four (24) months after the Closing: provided, that all representations, warranties, covenants and agreements relating to litigation or taxes shall remain operative until the expiration of any applicable statutes of limitation; and provided further, that liabilities assumed or retained, as the case may be, pursuant to this Agreement shall remain in effect until such liabilities have been paid or discharged in full.

8.2. Indemnification of Buyer. Seller shall indemnify, defend, and hold Buyer harmless from and against any and all damages, claims, losses, expenses,

costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees ("Loss and Expense"), suffered, directly or indirectly, by Buyer after the Closing Date by reason of, or arising out of, (1) any breach of a representation or warranty made by Seller pursuant to this Agreement, (2) any failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, (3) any failure by Seller to pay or discharge any liabilities which remain the responsibility of Seller under this Agreement or to comply, if required, with any bulk sales or similar law, or (4) any litigation, proceeding, or claim by any third party relating to the business or operation of the Stations prior to the Closing.

8.3. Indemnification of Seller. Buyer shall indemnify, defend and hold Seller harmless from and against any and all Loss and Expense suffered, directly or indirectly, by Seller after the Closing Date by reason of, or arising out of, (1) any breach of a representation or warranty made by Buyer pursuant to this Agreement, (2) any failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement, (3) any failure by Buyer to pay or discharge any liabilities assumed pursuant to this Agreement, or (4) any litigation, proceeding, or claim by any third party relating to the business or operation of the Stations after the Closing.

8.4. Notice of Claim. If either Seller or Buyer believes that any Loss and Expense has been suffered or incurred, such party shall notify the other promptly in writing describing such Loss and Expense, the amount thereof, if known, and the method of computation of such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any action at law or suit in equity is instituted by a third party with respect to which any of the parties intends to claim any liability or expense as Loss and Expense under this Article 8, such party shall promptly notify the indemnifying party of such action or suit. In no event, however, may the indemnifying party avoid or limit its obligations under this Article 8 by reason of delay unless such delay has materially prejudiced the indemnifying party, and then the indemnifying party's

obligations shall be reduced only to the extent of such prejudice.

8.5. Defense of Third Party Claims. The indemnifying party under this Article 8 shall have the right to conduct and control, through counsel of that party's own choosing, any third party claim, action, or suit at the indemnifying party's sole cost and expense, but the indemnified party may, at that latter party's election, participate in the defense of any such claim, action, or suit at that party's sole cost and expense: provided, that if the indemnifying party shall fail to defend any such claim, action, or suit, then the indemnified party may defend, through counsel of that party's own choosing, such claim, action, or suit and settle such claim, action, or suit, and recover from the indemnifying party the amount of such settlement or of any judgment and the costs and expenses of such defense; and provided further, that the indemnifying party shall be given at least (15) days prior notice of the terms of any proposed settlement thereof so that the indemnifying party may then undertake and/or resume the defense against the claim. The indemnifying party shall not compromise or settle any third party claim, action, or suit without the prior written consent of the indemnified party, which consent will not be unreasonably withheld or delayed: provided, that any such compromise or settlement shall include a release for the Indemnified Party of all liability with respect to the matter being compromised or settled.

8.6. Limitations. Neither party shall be required to indemnify the other party under this Article 8 unless written notice of a claim under this Article 8 was received by the party within the pertinent survival period specified in Section 8.1.

ARTICLE 9. Miscellaneous.

9.1. Termination of Agreement. This Agreement may be terminated immediately on or prior to the Closing under one or more of the following circumstances, provided the party is seeking to terminate is not in breach or default of this agreement:

9.1.1. by the mutual consent of the parties hereto;

9.1.2. by Seller, if any of the conditions provided in Article 6 hereof have not been met by the time required and have not been waived;

9.1.3. by Buyer, pursuant to Sections 7.4 or 7.7, or if any of the conditions provided in Article 7 hereof have not been met by the time required and have not been waived;

9.1.4. by Seller or Buyer, if the FCC has failed to grant the Consent within six (6) months after the FCC places the Application on public notice as accepted for filing.

9.1.5. by any party hereto, if the FCC denies the Application or designates the Application for hearing in an order which has become Final.

9.2. Liabilities Upon Termination.

9.2.1. Seller's Remedies. If the parties hereto fail to consummate this Agreement on the Closing Date due solely to Buyer's material breach of any representation, warranty, covenant or condition hereunder, and Seller is not at that time in breach of any material representation, warranty, covenant or condition hereunder, then Seller would suffer direct and substantial damages that cannot be determined with reasonable certainty. Seller may therefore in such event obtain the Escrow Deposit together with the interest accrued thereon as a reasonable estimate of Seller's damages and as its exclusive remedy.

9.2.2. Buyer's Remedies. Seller agrees that the Stations Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right, if Buyer is not in material default in their obligations hereunder, specifically to enforce Seller's performance under this Agreement 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. Buyer shall be entitled to recover from Seller, Buyer's reasonable costs of obtaining specific performance, including without limitation, court costs and attorney's fees. If Seller is in material breach

of its obligations hereunder and Buyer elects to terminate this Agreement rather than to exercise its right to specific performance, and if Buyer is not in material default in its obligations hereunder, Buyer, in addition to the return of the Escrow Deposit, shall be entitled to recover from Seller an additional amount as damages not to exceed Seventy-Five Thousand Dollars (\$75,000.00) in the aggregate for Buyer's costs relating to this Agreement and the transactions contemplated herein.

9.2.3. Notice of Breach. In the event that any party to this Agreement believes that the other party is in material breach of its representations, warranties or obligations hereunder, such party shall give prompt written notice thereof, detailing the nature of the breach and the steps necessary to cure such breach. For purposes of this Agreement, no "breach" shall be deemed to have occurred hereunder unless the party alleged to be in breach has been afforded a cure period of at least twenty (20) business days following such notice within which to cure such breach: provided, that the cure period will be extended for an additional 20 days in the event that such party is diligently and in good faith proceeding to cure such breach and the breach is reasonably capable of being cured within such extended period.

9.2.4. Survival of Confidentiality Obligations. Notwithstanding any other provision of this Agreement, the provisions of Sections 4.8, and 5.3 shall survive any termination of this Agreement

9.3. Expenses. Except as otherwise provided herein, each party hereto shall be solely responsible for all fees and expenses each party incurs in connection with the transactions contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith: provided, that the FCC filing fees and all transfer, sales, use or other taxes imposed by any governmental body on the sale of the Station Assets shall be divided equally between Buyer and Seller. The Seller shall be responsible for payment of all fees required to secure the assignment of the Real Estate Leases. In the event Closing does not occur hereunder due to Seller's failure to consummate Seller's purchase of Station KSKE, the Seller shall pay up to a total of Five Thousand Dollars (\$5,000.00) of Buyer's expenses incurred in conjunction with this Agreement.

9.4. Assignments. Seller may not assign its rights or obligations under this Agreement without the prior written consent of Buyer. Buyer may assign its rights and obligations under this Agreement without the prior written consent of Seller to any party who (1) controls Buyer or (2) is controlled by the same parties who control Buyer.

9.5 Further Assurances. From time to time prior to, at and after the Closing, each party hereto will execute all such instruments and take all such actions any other party shall reasonably request in connection with effectuating the intent and purpose of this Agreement and all transactions contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at the Closing.

9.6 Notices. All notices, demands and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery, by United States certified mail-return receipt requested (postage prepaid), or by overnight delivery service (charges prepaid), and shall be deemed to have been given or made when personally delivered, within five (5) days after being deposited in the mail, postage prepaid, or within one (1) day after being delivered to an overnight delivery service, charges prepaid. Notices shall be delivered to each party at the following addresses (or at such other address as any party may designate in writing to the other parties):

If to Seller:

Mr. Anthony S. Brandon
AGM Rocky Mountain Broadcasting I,
LLC
P.O. Box 129
Riderwood, MD 21139

with a copy to:

Timothy J. Pursel, Esquire
Hodes, Ulman, Pessin & Katz
Suite 400, 901 Dulaney Valley
Road
Towson, MD 21204

If to Buyer:

Mr. Thomas F. Dobrez
StateNet
17911 Harwood Avenue
Homewood, IL 60430

with a copy to:

John F. Garziglia, Esquire
Pepper & Corazzini, LLP
11776 K Street, N.W.
Suite 200
Washington, D.C. 20006-2334

9.7. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado without regard to conflict of laws provisions.

9.8. Amendment, Waiver of Provisions. The terms, covenants, representations, warranties, and conditions of this Agreement may be changed, amended, modified, waived or terminated only by a written instrument executed by the amending or waiving party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall not affect the exercise of a party's rights at a later date. No waiver by any party of any condition or the breach of any provision, term, covenant, representation, or warranty contained in this Agreement in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

9.9. Counterparts. This Agreement may be executed in counterparts, and all counterparts so executed shall collectively constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

9.10. Litigation Expenses. If a formal legal proceeding is instituted by a party to enforce that party's rights under this Agreement, the party prevailing in the proceeding shall be reimbursed by the other party

for all reasonable costs incurred thereby, including but not limited to reasonable attorneys' fees.

9.11. Publicity. Except as required by applicable law or with the other party's express written consent, which shall not be unreasonably withheld, no party to this Agreement nor any affiliate of any party shall issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement.

9.12. Seller's Access to Records. Any records delivered to Buyer by Seller relating to the operation of the Stations or Seller's business shall be maintained by Buyer for a period of three (3) years from and after the Closing Date. Upon reasonable prior notice, Seller shall be entitled to inspect and copy any of such records for purposes of preparing and completing any tax returns or other compilations of its operation of the Stations. In the event that it wishes to dispose of such records, Buyer shall give Seller thirty (30) days' prior written notice and an opportunity to retrieve such records at Seller's expense.

9.13. Entire Agreement. This Agreement constitutes the entire agreement among the parties, supersedes and cancels any and all prior or contemporaneous agreements and understandings between them, and may not be amended except in a writing signed by the parties.

9.14. Tax Free Exchange. Buyer may elect to structure this transaction as a tax-deferred like-kind exchange pursuant to Internal Revenue Code Section 1031. Seller will cooperate with such an exchange: provided, that such tax-deferred, like-kind exchange shall (1) not delay the Closing by the initiation of another statutory 30-day public notice period under the FCC's published rules, regulations or policies or otherwise delay the Closing, (2) not result in any additional expense to Seller, (3) not result in any tax consequences to Seller and (4) not affect Buyer's liability for any of the representations, warranties, covenants and obligations of Buyer pursuant to this Agreement.

ARTICLE 10. Rules of Construction

10.1. Number and Gender. Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders.

10.2. Headings and Cross-references. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context. The term "including" means "including without limitation."

10.3. Computation of Time. Whenever any time period provided for in this Agreement is measured in "business days," there shall be excluded from such time period each day that is a Saturday, Sunday, recognized federal legal holiday, or other day on which the FCC's offices are closed and are not reopened prior to 5:30 p.m. Washington, D.C. time. In all other cases all days shall be counted.

ARTICLE 11. [Intentionally Deleted.]

ARTICLE 12. Seller's Accounts Receivables.

At the Closing, Seller shall provide Buyer with an accurate listing of the Accounts Receivable and Seller shall assign to Buyer the Accounts Receivable for purposes of collection only. Buyer shall use such efforts as are reasonable and in the ordinary course of business to collect the Accounts Receivable for a period of one hundred twenty (120) days following the Closing Date (the "Collection Period"). This obligation, however, shall not extend to the institution of litigation, employment of counsel, or any other extraordinary means of collection. So long as the Accounts Receivable are in Buyer's possession, neither Seller nor its agents shall make any solicitation of them for collection purposes or institute litigation for the collection of any amounts due thereunder. All payments received by Buyer during the Collection Period from any

person or entity obligated with respect to any of the Accounts Receivable shall be applied first to Seller's account and only after full satisfaction thereof to Buyer's account; provided, however, that if during the Collection Period any account debtor contests in writing the validity of its obligation with respect to any account receivable or indicates that payment is for a specific invoice of the Buyer, then Buyer shall return that account receivable to Seller after which Seller shall be solely responsible for the collection thereof. On or before the tenth (10th) business day of each calendar month during the Collection Period (or if such day is a weekend or holiday, on the next business day), Buyer shall furnish Seller with a list of the Accounts Receivable collected during the prior calendar month and shall pay to Seller the full amount collected with respect to the Accounts Receivable during such month. Any of the Accounts Receivable that are not collected during the Collection Period shall be reassigned to Seller after which Buyer shall have no further obligation to Seller with respect to the Accounts Receivable; provided, however, that all funds subsequently received by Buyer (without time limitation) that can be specifically identified, whether by accompanying invoice or otherwise, as a payment on any account included among the Accounts Receivable shall be promptly paid to Seller. Buyer shall not have the right to compromise, settle, or adjust the amounts of any of the Accounts Receivable without Seller's prior written consent, or to withhold any proceeds of the Accounts Receivable or to retain any uncollected accounts receivable after the expiration of the Collection Period for any reason whatsoever. Seller shall be responsible for the payment of all salesperson's, agency, and representative commissions due with respect to the Accounts Receivable.

ARTICLE 13. Frequency Change

Seller has entered into an Agreement with ColoRadio, Inc. which is attached hereto as Exhibit E, which provides that Seller will , upon the grant of a Construction Permit from the FCC, change KZYR B FM's broadcast frequency to 97.7 Mhz FM from 103.1 Mhz FM. It is anticipated that the frequency change will be complete prior to the Closing date. However, in the event that the frequency change occurs after the Closing, Buyer shall cooperate with Seller to cause KZYR B FM to adhere to the terms of the Frequency Change Agreement and to

broadcast on 97.7 Mhz. The costs of changing the KZYR B FM frequency to 97.7 and reasonable promotional costs associated with the frequency change shall be born by the Seller. Additionally, the Seller shall devote at least Thirty-Five Thousand Dollars (\$35,000.00), in the aggregate, of advertising time subsequent to the Closing Date on the Seller's and the Seller's affiliates= radio stations in the Avon, Snowmass and Vail, Colorado areas promoting the KZYR-FM frequency change in excess of FCC requirements. All payments provided by the Frequency Change Agreement will belong to the Seller.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year written above.

BUYER:

Thomas F. Dobrez

SELLER:

**AGM ROCKY MOUNTAIN
BROADCASTING I, LLC**

BBy: _____

Anthony S. Brandon
Member/President

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