

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT (this “Agreement”) is made as of the date set forth below among the company or companies set forth as Clear Channel on the signature page hereto (collectively, “Clear Channel”) and the company or companies set forth as Exchange Party on the signature page hereto (collectively, “Exchange Party”).

Recitals

A. Clear Channel owns and operates the following radio broadcast stations (each a “Clear Channel Station” and collectively the “Clear Channel Stations”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”):

KWID(FM), 101.9 MHz, Las Vegas, Nevada (Facility ID #55503)
KBKO-FM (currently KDFO(FM)), 96.5 MHz, Bakersfield, California (Facility ID #28847)

B. Exchange Party owns and operates the following radio broadcast station (the “Exchange Party Station”) pursuant to certain authorizations issued by the FCC:

KZEP-FM, 104.5 MHz, San Antonio, Texas (Facility ID #65329)

D. Pursuant to the terms and subject to the conditions set forth in this Agreement, the parties desire to exchange the Clear Channel Station Assets (defined below) for the Exchange Party Station Assets (defined below). The parties intend the transactions contemplated by this agreement to be a like-kind exchange in accordance with the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended (the “Code”).

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: EXCHANGE OF ASSETS

1.1 Station Assets.

1.1.1. Clear Channel Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Sections 1.2 and 1.3, Clear Channel shall assign, transfer, convey and deliver to Exchange Party, and Exchange Party shall acquire from Clear Channel, all right, title and interest of Clear Channel in and to all assets and properties of Clear Channel, real and personal, tangible and intangible, that are used or held for use in the operation of the Clear Channel Stations (the “Clear Channel Station Assets”), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Clear Channel by the FCC with respect to the Clear Channel Stations (the “Clear Channel FCC Licenses”),

including those described on *Schedule 1.1.1(a)* and any renewals or modifications thereof between the date hereof and Closing;

(b) all of Clear Channel's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Clear Channel Stations, including without limitation those listed on *Schedule 1.1.1(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in accordance with Article 4 (the "Clear Channel Tangible Personal Property");

(c) all of Clear Channel's interests in real property, including leases or licenses to occupy, used or held for use in the operation of the Clear Channel Stations (including any appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1.1(c)* (the "Clear Channel Real Property");

(d) all agreements for the sale of advertising time on the Clear Channel Stations entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of the Clear Channel Stations' business, including without limitation those listed on *Schedule 1.1.1(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the "Clear Channel Station Contracts");

(e) all of Clear Channel's rights in and to the Clear Channel Stations' call letters and Clear Channel's rights in and to the trademarks, trade names, service marks, goodwill, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, internet websites and other intangible property which are used or held for use in the operation of the Clear Channel Stations, including without limitation those listed on *Schedule 1.1.1(e)* (the "Clear Channel Intangible Property");

(f) all information obtained from or about listeners of the Clear Channel Stations, subject to applicable privacy policy restrictions and applicable privacy laws; and

(g) Clear Channel's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Clear Channel Stations, including the Clear Channel Stations' local public files, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating primarily to Clear Channel Excluded Assets (defined below).

The Clear Channel Station Assets shall be transferred to Exchange Party free and clear of liens, claims and encumbrances ("Liens") except for Exchange Party Assumed Obligations (defined below), liens for taxes not yet due and payable and for which adequate reserves have been established in accordance with GAAP (defined below), liens that will be released at or prior to Closing, and, with respect to the Clear Channel Real Property, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Clear Channel Stations (such exceptions, collectively, "Clear Channel Permitted Liens").

1.1.2. Exchange Party Station Assets. On the terms and subject to the conditions hereof, at Closing, except as set forth in Sections 1.2 and 1.3, Exchange Party shall assign, transfer, convey and deliver to Clear Channel, and Clear Channel shall acquire from Exchange Party, all right, title and interest of Exchange Party in and to all assets and properties of Exchange Party, real and personal, tangible and intangible, that are used or held for use in the operation of the Exchange Party Station (the “Exchange Party Station Assets”), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Exchange Party by the FCC with respect to the Exchange Party Station (the “Exchange Party FCC Licenses”), including those described on *Schedule 1.1.2(a)* and any renewals or modifications thereof between the date hereof and Closing;

(b) all of Exchange Party’s equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Exchange Party Station, including without limitation those listed on *Schedule 1.1.2(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in accordance with Article 4 (the “Exchange Party Tangible Personal Property”);

(c) all of Exchange Party’s interests in real property, including leases or licenses to occupy, used or held for use in the operation of the Exchange Party Station (including any appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1.2(c)* (the “Exchange Party Real Property”);

(d) all agreements for the sale of advertising time on the Exchange Party Station entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of the Exchange Party Station’s business, including without limitation those listed on *Schedule 1.1.2(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the “Exchange Party Station Contracts”);

(e) all of Exchange Party’s rights in and to the Exchange Party Station’s call letters and Exchange Party’s rights in and to the trademarks, trade names, service marks, goodwill, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, internet websites and other intangible property which are used or held for use in the operation of the Exchange Party Station, including without limitation those listed on *Schedule 1.1.2(e)* (the “Exchange Party Intangible Property”);

(f) all information obtained from or about listeners of the Exchange Party Station, subject to applicable privacy policy restrictions and applicable privacy laws; and

(g) Exchange Party’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Exchange Party Station, including the Exchange Party Station’s local public files, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating primarily to Exchange Party Excluded Assets (defined below).

The Exchange Party Station Assets shall be transferred to Clear Channel free and clear of Liens except for Clear Channel Assumed Obligations (defined below), liens for taxes not yet due and payable and for which adequate reserves have been established in accordance with GAAP, liens that will be released at or prior to Closing, and, with respect to the Exchange Party Real Property, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Exchange Party Station (such exceptions, collectively, “Exchange Party Permitted Liens”).

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the assets to be exchanged under this Agreement shall not include the following assets or any rights, title and interest therein (the “Clear Channel Excluded Assets” or the “Exchange Party Excluded Assets” as applicable):

- (a) all cash and cash equivalents, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;
- (b) all tangible and intangible personal property retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;
- (c) all contracts that are terminated or expire prior to Closing in accordance with Article 4;
- (d) all trade names not used in and unrelated to the operation of the Clear Channel Stations or the Exchange Party Station, as applicable, the respective corporate names of the parties and their respective affiliates, charter documents, and books and records relating to organization, existence or ownership, duplicate copies of records, and all records not relating to the operation of the Clear Channel Stations or the Exchange Party Station, as applicable;
- (e) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;
- (f) all Employee Plans (defined below) and the assets thereof, if any;
- (g) all accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Effective Time (defined below) or otherwise arising during or attributable to any period prior to the Effective Time (“A/R”);
- (h) any non-transferable shrink-wrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Clear Channel Stations or the Exchange Party Station, as applicable;
- (i) all rights and claims of the conveying party, whether mature, contingent or otherwise, against third parties with respect to the Clear Channel Stations or the Exchange Party Station, as applicable, to the extent arising during or attributable to any period prior to the Effective Time;

(j) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent the conveying party receives a credit therefor under Section 1.6;

(k) computers and other similar assets located anywhere other than at the studio or transmitter sites of the Clear Channel Stations or Exchange Party Station, as applicable, and any operating systems and related assets that are used in the operation of multiple stations or other business units;

(l) the Clear Channel Stations' studio and office facilities listed on *Schedule 1.2*, and all studio, tower and other assets primarily used or held for use in the operation of any other radio or television station owned or operated by the conveying party or any affiliate of the conveying party;

(m) any AdSense for Audio Services Agreement with Google, Inc. for the Clear Channel Stations or the Exchange Party Station; and

(n) any shares of stock in Broadcast Music, Inc., any arrangement with Premiere Radio Networks that is not listed on *Schedule 1.1.1(d)*, and the assets listed on *Schedule 1.2*.

With respect to any marks or similar intangible property used in the operation of multiple stations, the Clear Channel Station Assets or Exchange Party Station Assets, as applicable, include only the right to use such items in the manner used by the conveying party at the applicable station on a basis exclusive in the market but non-exclusive in that no right is granted with respect to other markets (some of which may overlap), and such right (i) is limited to the extent of the conveying party's transferable rights, (ii) may not be assigned by the acquiring party except to a transferee of the applicable station who assumes the acquiring party's obligations in respect thereof (and any such assignment shall not relieve the acquiring party of any obligation or liability), (iii) may be used by the acquiring party only in a manner that does not diminish the quality of such items, and only without violating law or any third-party rights (and the acquiring party shall be solely responsible for such use and the related services), and (iv) shall terminate for noncompliance or non-use, but otherwise shall be coterminous with the conveying party's rights. If any party requests further documentation of such rights, then upon Closing the parties shall enter into a separate license agreement that provides such rights in accordance with this Agreement.

For purposes of clarification, except for agreements for the sale of advertising time entered into in the ordinary course of business consistent with past practices, to the extent any Clear Channel Station Contracts or Exchange Party Station Contracts (i) are not set forth on *Schedule 1.1.1(d)* or *Schedule 1.1.2(d)*, as applicable, and (ii) exceed the limitations set forth in Section 4.1(g) or Section 4.2(g), as applicable, such Clear Channel Station Contracts or Exchange Party Station Contracts shall be Clear Channel Excluded Assets or Exchange Party Excluded Assets, as applicable.

1.3 Shared Contracts.

(a) Certain Clear Channel Station Contracts and Exchange Party Station Contracts may be used in the operation of multiple stations or other business units. Following

Closing, the rights and obligations under such contracts shall be equitably allocated among stations and such other business units as described on *Schedule 1.1.1(d)* or *Schedule 1.1.2(d)*.

(b) With respect to each such contract, (i) the parties shall cooperate with each other and each contract counterparty in such allocation, (ii) only the allocated portion of each such contract is included in the contracts to be assigned and assumed under this Agreement (without need for further action and whether such allocation occurs before or after Closing), and (iii) such allocation may occur by termination of the shared contract and execution of a new contract. Completion of documentation of any such allocation is not a condition to Closing.

1.4 Exchange Party Assumed Obligations. On the Closing Date (defined below), Exchange Party shall enter into any new contracts required by *Schedule 1.1.1(d)* or *Schedule 1.1.1(e)* or otherwise required by this Agreement and shall assume the obligations of Clear Channel arising during, or attributable to, any period of time on or after the Closing Date under the Clear Channel Station Contracts, the Clear Channel Intangible Property, the obligations described in Section 5.7 and any other liabilities of Clear Channel to the extent Exchange Party receives a credit therefor under Section 1.6 (collectively, the “Exchange Party Assumed Obligations”). Except for the Exchange Party Assumed Obligations, Exchange Party does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Clear Channel (the “Clear Channel Retained Obligations”).

1.5 Clear Channel Assumed Obligations. On the Closing Date, Clear Channel shall enter into any new contracts required by *Schedule 1.1.2(d)* or *Schedule 1.1.2(e)* or otherwise required by this Agreement and shall assume the obligations of Exchange Party arising during, or attributable to, any period of time on or after the Closing Date under the Exchange Party Station Contracts, the Exchange Party Intangible Property, the obligations described in Section 5.7 and any other liabilities of Exchange Party to the extent Clear Channel receives a credit therefor under Section 1.6 (collectively, the “Clear Channel Assumed Obligations”). Except for the Clear Channel Assumed Obligations, Clear Channel does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Exchange Party (the “Exchange Party Retained Obligations”).

1.6 Prorations and Adjustments.

(a) All prepaid and deferred income and expenses arising from the operation of the Clear Channel Stations and the Exchange Party Station shall be prorated between Exchange Party and Clear Channel in accordance with generally accepted accounting principles (“GAAP”) as of 12:01 a.m. on the day of Closing (the “Effective Time”). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), music and other license fees, utility expenses, rent and other amounts under contracts and similar prepaid and deferred items. Each conveying party shall receive a credit for deposits and prepaid expenses. Sales commissions related to the sale of advertisements broadcast prior to Closing shall be the responsibility of conveying party, and sales commissions related to the sale of advertisements broadcast after Closing shall be the responsibility of the acquiring party. Prorations and adjustments shall be made no later than ninety (90) calendar days after Closing. In the event of any disputes between the parties as to

such proration and adjustments, the parties shall attempt in good faith to promptly resolve any such dispute. If the parties are not able to resolve any such dispute, then the amounts not in dispute shall be paid at the time provided herein and any such dispute shall be settled by an independent certified public accountant mutually acceptable to the parties, whose fees and expenses shall be borne equally by the parties and whose determination shall be binding on the parties. Except as may be provided by *Schedule 5.7*, there shall be no proration or adjustment for employee leave accrued in the calendar year in which Closing occurs, but the proration shall include an adjustment for employee leave (if any) accrued in a prior calendar year.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services that are included in the Clear Channel Station Contracts or Exchange Party Station Contracts, as applicable, if at Closing the conveying party has an aggregate negative barter balance (i.e., the amount by which the value of air time to be provided after Closing exceeds the fair market value of corresponding goods and services), there shall be no proration or adjustment, unless the aggregate negative barter balance exceeds \$25,000 per station, in which event such excess shall be treated as prepaid time sales, and adjusted for as a proration in the acquiring party's favor. In determining barter balances, the value of air time shall be based upon the conveying party's rates as of Closing, and corresponding goods and services shall include those to be received after Closing plus those received before Closing to the extent conveyed to the acquiring party.

1.7 Allocation.

(a) Clear Channel and Exchange Party agree that the fair market value of the Clear Channel Station Tangible Assets (defined below) and the Exchange Party Station Tangible Assets (defined below) (collectively, the "Tangible Assets") will be appraised by Bond & Pecaro, at a level of specificity that will permit the parties to complete IRS Forms 8594 and 8824. The expense of such appraisal (the "Appraisal") will be shared equally by the parties. The parties shall use their commercially reasonable efforts to cause the Appraisal to be completed within a reasonable period of time after the Closing Date. The parties will negotiate the allocation of the fair market value among the Clear Channel Station Intangible Assets (defined below) and the Exchange Party Station Intangible Assets (defined below) (collectively, the "Intangible Assets") for a period of ninety (90) days after Closing. If the parties cannot agree on the allocation of the fair market value among the Intangible Assets within such period then each party shall use the allocation it deems appropriate and consistent with the fair market value of each Intangible Asset and with the requirements of Sections 1031 and 1060 of the Code and the Treasury Regulations thereunder (including without limitation Treasury Regulations sections 1.1031(j)-1(b) and 1.1060-1(b)(8)).

(b) The parties shall each prepare IRS Forms 8594 and 8824 reflecting the allocation of the fair market value among the Tangible Assets consistent with the Appraisal and reflecting the allocation of the fair market value among the Intangible Assets consistent with the agreed upon allocation, if agreed, or using each party's own allocation if not agreed, and reflecting (in the case of both the Tangible Assets and the Intangible Assets) the requirements of Sections 1031 and 1060 of the Code and the Treasury Regulations thereunder (including without limitation Treasury Regulations sections 1.1031(j)-1(b) and 1.1060-1(b)(8)) and such other information as required by such IRS forms, and taking into account the fact that the parties are exchanging some or all of the assets as part of a like-kind exchange under Section 1031 of the

Code. The parties shall cooperate with each other in good faith to file, with their respective federal income tax returns for the tax year in which the Closing occurs, IRS Forms 8594 and 8824 that are consistent with each other's forms, the Appraisal and the principles set forth in the immediately preceding sentence. If, after fulfilling their obligation to cooperate in good faith to agree on consistent Forms 8594 and 8824, the parties cannot so agree, then each party shall file such forms as it deems appropriate and consistent with the Appraisal and the principles set forth in the first sentence of this subsection (b). Each party, not later than thirty (30) days prior to the filing of its Forms 8594 and 8824 relating to this transaction, shall deliver to the other party a copy of its Forms 8594 and 8824.

(c) As used herein, (i) "Clear Channel Station Intangible Assets" means the Clear Channel FCC Licenses and the goodwill/going concern value of the Clear Channel Stations, (ii) "Exchange Party Station Intangible Assets" means the Exchange Party FCC Licenses and the goodwill/going concern value of the Exchange Party Stations, (iii) "Clear Channel Station Tangible Assets" means all Clear Channel Station Assets other than the Clear Channel Station Intangible Assets, and (iv) "Exchange Party Station Tangible Assets" means all Exchange Party Station Assets other than the Exchange Party Station Intangible Assets.

1.8 Closing. The consummation of the exchange of assets provided for in this Agreement (the "Closing") shall take place on or before the tenth (10th) calendar day after the date of the last to occur of (i) the FCC Consent pursuant to the FCC's initial order and (ii) HSR Clearance (defined below), if required under the HSR Act (defined below), or on such later day after such consent as Exchange Party and Clear Channel may mutually agree, subject to Section 5.7 and the satisfaction or waiver of the conditions set forth in Articles 6 and 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9 Governmental Consents.

(a) Within ten (10) business days of the date of this Agreement, Exchange Party and Clear Channel shall file applications with the FCC (collectively, the "FCC Application") requesting the FCC's consent to the assignment of the Clear Channel FCC Licenses to Exchange Party and the Exchange Party FCC Licenses to Clear Channel. The FCC's consent to the FCC Application, without any material adverse conditions other than those of general applicability, is referred to herein as the "FCC Consent". Exchange Party and Clear Channel shall diligently process the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) If required under the HSR Act, within fifteen (15) business days after the date of this Agreement, Exchange Party and Clear Channel shall make any required filings with the Federal Trade Commission and the United States Department of Justice (the "DOJ") pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") with respect to the transactions contemplated hereby (including a request for early termination of the applicable waiting period thereunder), and shall thereafter promptly respond to all requests received from such agencies for additional information or documentation. Expiration or termination of any applicable waiting period under the HSR Act is referred to herein as "HSR Clearance."

(c) KWID, one of the Clear Channel Stations, is subject to a US District Court Final Judgment (the “Final Judgment”) dated February 13, 2008, made in connection with antitrust clearance for Clear Channel’s parent company merger, a copy of which has been provided to Exchange Party. The Final Judgment becomes effective upon consummation of Clear Channel’s parent company merger. The Final Judgment among other things requires divestiture of KWID to an acquiring party acceptable to the DOJ Antitrust Division (the “Division”), who will maintain and operate KWID as a viable, ongoing business engaged in commercial Spanish language radio broadcasting. To the extent applicable, this Agreement is made in furtherance of the Final Judgment. Clear Channel has notified the Division of the proposed conveyance of KWID to Exchange Party. Prior to Closing, each party shall respond to any Division information requests regarding the proposed conveyance of KWID within fifteen (15) days of the receipt of such request, including, in the case of Exchange Party, confirmation that it will maintain and operate KWID in the manner expected of an acquiring party under the Final Judgment. The Division has approved Exchange Party as the acquiring party for KWID pursuant to the Final Judgment. For avoidance of doubt, Closing hereunder is not subject to consummation of Clear Channel’s parent company merger. If such merger is consummated before Closing hereunder then Clear Channel may provide for operation of KWID prior to Closing consistent with the terms of the hold separate stipulation that accompanies the Final Judgment, including without limitation by entering into an LMA with an independent third party for KWID for the period prior to Closing. Such operational arrangements, including without limitation any such LMA, shall end at Closing.

(d) Exchange Party and Clear Channel shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Exchange Party and Clear Channel shall furnish each other with information and assistance as the other may reasonably request in connection with, and consult with each other as reasonably appropriate with respect to, their preparation of any governmental filing required hereunder. The FCC Consent and HSR Clearance are referred to herein, collectively, as the “Governmental Consents”.

(e) In connection with the pending merger involving Clear Channel’s parent (as it may be modified from time to time), notwithstanding anything to the contrary set forth in this Agreement, if Clear Channel notifies Exchange Party at any time prior to Closing, whether before or after the Governmental Consents are obtained, that it is necessary to specify a new transferor or otherwise change the FCC Application or any filing under the HSR Act (if required thereunder), the parties shall amend, withdraw and re-file, or otherwise modify the FCC Application and any filing under the HSR Act (if required thereunder), as reasonably necessary to make such change, whether minor or major.

1.10 Bakersfield Station. The Clear Channel Station in the Bakersfield market, now known as KDFO, currently broadcasts on 96.5 MHz. Another station in the Bakersfield market owned by Clear Channel (or an affiliate), now known as KBKO-FM, currently broadcasts on 98.5 MHz. The two stations recently exchanged call signs and formats. Prior to Closing, Clear Channel will reverse such exchange and publicize such change in the Bakersfield market, consistent with past practice. Accordingly, at Closing, the Clear Channel Station in the Bakersfield market will be broadcasted on 96.5 MHz, but will be known as KBKO-FM, not KDFO. The Clear Channel Station Assets to be conveyed under this Agreement include the

intangible property, programming contracts and other format assets used for the KBKO-FM programming (other than the Clear Channel Excluded Assets), not the KDFO programming.

ARTICLE 2: CLEAR CHANNEL REPRESENTATIONS AND WARRANTIES

Clear Channel makes the following representations and warranties to Exchange Party:

2.1 Organization. Clear Channel is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Clear Channel Station Assets are located. Clear Channel has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Clear Channel pursuant hereto (collectively, the “Clear Channel Ancillary Agreements”) and to consummate the transactions contemplated hereby.

2.2 Authorization. The execution, delivery and performance of this Agreement and the Clear Channel Ancillary Agreements by Clear Channel have been duly authorized and approved by all necessary action of Clear Channel and do not require any further authorization or consent of Clear Channel. This Agreement is, and each Clear Channel Ancillary Agreement when made by Clear Channel and the other parties thereto will be, a legal, valid and binding agreement of Clear Channel enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Except as set forth on *Schedule 2.3* and except for the Governmental Consents and consents to assign certain of the Clear Channel Station Contracts as identified on *Schedule 1.1.1(c)* and *Schedule 1.1.1(d)*, the execution, delivery and performance by Clear Channel of this Agreement and the Clear Channel Ancillary Agreements, and the consummation by Clear Channel of any of the transactions contemplated hereby and thereby, will not result in any breach of, constitute a default under, result in a violation of, or result in the creation of any Lien (other than a Clear Channel Permitted Lien) upon any of the Clear Channel Station Assets under, any organizational documents of Clear Channel, any material contract or agreement to which Clear Channel is a party or by which it is bound, or any law, judgment, order, or decree to which Clear Channel is subject, or require any material permit, consent or approval of, notification to or filing by Clear Channel with, any governmental or regulatory authority or any third party.

2.4 FCC Licenses. Except as set forth on *Schedule 1.1.1(a)*:

Clear Channel is the holder of the Clear Channel FCC Licenses described on *Schedule 1.1.1(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Clear Channel Stations. The Clear Channel FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Clear Channel’s knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the Clear Channel FCC Licenses (other than proceedings to amend FCC rules of general

applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Clear Channel Stations or against Clear Channel with respect to the Clear Channel Stations that could result in any such action. The Clear Channel Stations are operating in compliance in all material respects with the Clear Channel FCC Licenses, the Communications Act of 1934, as amended (the “Communications Act”), and the rules, regulations and policies of the FCC. All material reports and filings required to be filed with the FCC by Clear Channel with respect to the Clear Channel Stations have been timely filed. All such reports and filings are accurate and complete in all material respects.

2.5 Taxes.

(a) Clear Channel has, in respect of the Clear Channel Stations’ business and the Clear Channel Station Assets, timely filed (taking into account all extensions of time properly obtained) all federal and all material foreign, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due (whether or not shown on any tax return). All such tax returns are complete and accurate in all material respects.

(b) There are no liens for taxes upon any of the Clear Channel Station Assets, except for Clear Channel Permitted Liens.

(c) All taxes required to have been withheld, collected, deposited or paid, as the case may be, relating to any of the Clear Channel Station Assets or employees, including the Transferred Employees, have been timely withheld, collected, deposited or paid in the manner prescribed by applicable law in all material respects.

2.6 Personal Property. *Schedule 1.1.1(b)* contains a list of material items of Clear Channel Tangible Personal Property included in the Clear Channel Station Assets. Except as set forth on *Schedule 1.1.1(b)*, Clear Channel has good and marketable title to the Clear Channel Tangible Personal Property free and clear of Liens other than Clear Channel Permitted Liens. Except as set forth on *Schedule 1.1.1(b)*, all material items of Clear Channel Tangible Personal Property are in good operating condition, ordinary wear and tear excepted.

2.7 Real Property. *Schedule 1.1.1(c)* contains a description of the Clear Channel Real Property. Clear Channel has good and marketable fee simple title to the owned Clear Channel Real Property described on *Schedule 1.1.1(c)* (the “Clear Channel Owned Real Property”) (if any), free and clear of Liens other than Clear Channel Permitted Liens. *Schedule 1.1.1(c)* includes a description of each lease of Clear Channel Real Property or similar agreement included in the Clear Channel Station Contracts (the “Clear Channel Real Property Leases”). To Clear Channel’s knowledge, the Clear Channel Real Property is not subject to any suit for condemnation or other taking by any public authority. The Clear Channel Real Property includes access to the Clear Channel Stations’ facilities consistent with past practices.

2.8 Contracts. *Schedule 1.1.1(d)* contains a list of all material contracts that are used in the operation of the Clear Channel Stations other than agreements for the sale of advertising time entered into in the ordinary course of business. The Clear Channel Station Contracts requiring the consent of a third party to assignment are identified with an asterisk on *Schedule 1.1.1(c)* and

Schedule 1.1.1(d) (except for those Clear Channel Station Contracts not exceeding the limits set forth in Section 4.1(g)). Each of the Clear Channel Station Contracts (including, without limitation, each of the Clear Channel Real Property Leases) is in effect and is binding upon Clear Channel and, to Clear Channel's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Clear Channel has performed its obligations under each of the Clear Channel Station Contracts in all material respects, and is not in material default thereunder, and to Clear Channel's knowledge, no other party to any of the Clear Channel Station Contracts is in default thereunder in any material respect.

2.9 Environmental. Except as set forth on *Schedule 1.1.1(c)*, in any environmental report delivered by Clear Channel to Exchange Party, or in any Phase I (defined below) or other environmental study conducted pursuant to Section 5.5, to Clear Channel's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Clear Channel Real Property included in the Clear Channel Station Assets. Except as set forth on *Schedule 1.1.1(c)* or in any environmental report delivered by Clear Channel to Exchange Party, or in any Phase I or other environmental study conducted pursuant to Section 5.5, Clear Channel has complied in all material respects with all environmental, health and safety laws applicable to the Clear Channel Stations.

2.10 Intangible Property. *Schedule 1.1.1(e)* contains a description of the material Clear Channel Intangible Property included in the Clear Channel Station Assets. Except as set forth on *Schedule 1.1.1(e)*, (i) to Clear Channel's knowledge, Clear Channel's use of the Clear Channel Intangible Property does not infringe upon any third-party rights in any material respects, (ii) no material Clear Channel Intangible Property is the subject of any pending or, to Clear Channel's knowledge, threatened legal proceedings claiming infringement or unauthorized use, and (iii) Clear Channel has not received any written notice that its use of any material Clear Channel Intangible Property is unauthorized or infringes upon the rights of any other person. Except as set forth on *Schedule 1.1.1(e)*, to Clear Channel's knowledge, Clear Channel owns or has the right to use the Clear Channel Intangible Property free and clear of Liens other than Clear Channel Permitted Liens.

2.11 Employees. Except as set forth on *Schedule 2.11*, (i) Clear Channel has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Clear Channel Stations' business and employees, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, (ii) there is no unfair labor practice charge or complaint against Clear Channel in respect of the Clear Channel Stations' business pending or, to Clear Channel's knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Clear Channel Stations' business, and (iii) Clear Channel is not party to any collective bargaining, union or similar agreement with respect to the employees of Clear Channel at the Clear Channel Stations, and to Clear Channel's knowledge, no union represents or claims to represent or is attempting to organize such employees.

2.12 Employee Benefits. There are no liens arising under ERISA or the Code with respect to the operation, termination, restoration or funding of any Clear Channel Employee Plan

or arising in connection with any excise tax or penalty tax with respect to any Clear Channel Employee Plan. With respect to the Clear Channel Employee Plans, no event has occurred and, to the knowledge of Clear Channel, there exists no condition or set of circumstances in connection with which Exchange Party could reasonably be expected to be subject to any liability under the terms of, or with respect to, such Clear Channel Employee Plans, or under ERISA, the Code or any other applicable law with respect to such Clear Channel Employee Plans.

For purposes of this Agreement:

“Employee Plan” shall mean (i) each severance, termination, pension, retirement, profit sharing, bonus, incentive, compensation, deferred compensation, retention and change in control plan, program, arrangement, agreement or commitment, (ii) each stock option, restricted stock or other equity-based plan, program, arrangement, agreement or commitment, (iii) each savings, life, health, disability, accident, medical, insurance, vacation and other material fringe benefit program, arrangement, agreement or commitment (whether formal or informal), including in each case, each “employee benefit plan” as defined in Section 3(3) of ERISA under which any employee, consultant or director of any Clear Channel Station or the Exchange Party Station, as applicable, has any right to receive compensation or benefits from any such Clear Channel Station or the Exchange Party Station or any of their respective affiliates, as applicable.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.13 Insurance. Clear Channel maintains insurance policies or other arrangements with respect to the Clear Channel Stations and the Clear Channel Station Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time. Clear Channel has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any such insurance policy.

2.14 Compliance with Law. Except as set forth on *Schedule 2.14*, (i) Clear Channel has complied in all material respects with all laws, rules and regulations, including without limitation all FCC and Federal Aviation Administration rules and regulations applicable to the operation of the Clear Channel Stations or to any of the Clear Channel Station Assets, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Clear Channel Stations or to any of the Clear Channel Station Assets, and (ii) to Clear Channel’s knowledge, there are no governmental claims or investigations pending or threatened against Clear Channel in respect of the Clear Channel Stations except those affecting the industry generally.

2.15 Litigation. Except as set forth on *Schedule 2.15*, there is no legal or administrative action, suit or proceeding pending or, to Clear Channel’s knowledge, threatened against Clear Channel in respect of the Clear Channel Stations or the Clear Channel Station Assets that will subject Exchange Party to liability, that challenges or seeks to prevent, enjoin, materially alter or materially delay the transactions contemplated by this Agreement or that will affect Clear Channel’s ability to perform its obligations under this Agreement in any material respect. Clear Channel is not operating under or subject to any order, writ, injunction or decree relating to the Clear Channel Stations or the Clear Channel Station Assets of any court or governmental

authority which would have a material adverse effect on the condition of the Clear Channel Stations or any of the Clear Channel Station Assets or on the ability of Clear Channel to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

2.16 Financial Statements. Clear Channel has provided to Exchange Party copies of its statements of operations for the Clear Channel Stations for the years ended December 31, 2005, December 31, 2006 and December 31, 2007 and for the year-to-date through April 30, 2008. Such year-end statements are the statements included in the audited consolidated financial statements of Clear Channel and its affiliates (but such statements are not separately audited and the year-to-date statements are not audited). Shared operating expenses and revenue from combined sales are allocated among the Clear Channel Stations and other stations and business units as determined by Clear Channel. Such statements may reflect the results of intercompany arrangements that are Excluded Assets. Except for the foregoing and except for the absence of footnotes, such statements have been prepared in accordance with GAAP consistently applied and in the aggregate present fairly in all material respects the results of operations of the Clear Channel Stations as operated by Clear Channel for the respective periods covered thereby. Between April 30, 2008 and the date of this Agreement, the Clear Channel Stations have been operated in all material respects in the ordinary course of business consistent with past practices (for avoidance of doubt, any expense reductions previously made consistent with Clear Channel's practices for similarly situated stations shall be deemed in the ordinary course of business consistent with past practices).

2.17 No Undisclosed Liabilities. There are no liabilities or obligations of Clear Channel with respect to the Clear Channel Stations that will be binding upon Exchange Party after the Effective Time other than the Exchange Party Assumed Obligations and other than pursuant to the prorations under Section 1.6.

2.18 Clear Channel Station Assets. The Clear Channel Station Assets include all assets that are owned or leased by Clear Channel and used or held for use in the operation of the Clear Channel Stations in all material respects as currently operated, except for the Excluded Assets.

2.19 Qualification. Clear Channel is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Exchange Party Station under the Communications Act and the rules, regulations and policies of the FCC. To Clear Channel's knowledge, there are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Clear Channel as an assignee of the FCC Licenses or as the owner and operator of the Exchange Party Station. The FCC Application will not include a request by Clear Channel for a waiver of FCC rules or policy.

2.20 No Finders. No broker, finder or other person or entity is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Clear Channel Ancillary Agreements or the transactions contemplated hereby or thereby, respectively, as a result of any agreements or action of Clear Channel or any party acting on Clear Channel's behalf.

ARTICLE 3: EXCHANGE PARTY REPRESENTATIONS AND WARRANTIES

Exchange Party hereby makes the following representations and warranties to Clear Channel:

3.1 Organization. Exchange Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Exchange Party Station Assets are located. Exchange Party has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Exchange Party pursuant hereto (collectively, the “Exchange Party Ancillary Agreements”) and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Exchange Party Ancillary Agreements by Exchange Party have been duly authorized and approved by all necessary action of Exchange Party and do not require any further authorization or consent of Exchange Party. This Agreement is, and each Exchange Party Ancillary Agreement when made by Exchange Party and the other parties thereto will be, a legal, valid and binding agreement of Exchange Party enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except as set forth on *Schedule 3.3* and except for the Governmental Consents and consents to assign certain of the Exchange Party Station Contracts as identified on *Schedule 1.1.2(c)* and *Schedule 1.1.2(d)*, the execution, delivery and performance by Exchange Party of this Agreement and the Exchange Party Ancillary Agreements, and the consummation by Exchange Party of any of the transactions contemplated hereby and thereby, will not result in any breach of, constitute a default under, result in a violation of, or result in the creation of any Lien (other than an Exchange Party Permitted Lien) upon any of the Exchange Party Station Assets under, any organizational documents of Exchange Party, any material contract or agreement to which Exchange Party is a party or by which it is bound, or any law, judgment, order, or decree to which Exchange Party is subject, or require any material permit, consent or approval of, notification to or filing by Exchange Party with, any governmental or regulatory authority or any third party.

3.4 FCC Licenses. Except as set forth on *Schedule 1.1.2(a)*:

Exchange Party is the holder of the Exchange Party FCC Licenses described on *Schedule 1.1.2(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Exchange Party Station. The Exchange Party FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Exchange Party’s knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the Exchange Party FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Exchange Party Station or against Exchange Party with respect to the Exchange Party Station that could result in any such action. The Exchange Party Station is operating in compliance in all material

respects with the Exchange Party FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC. All material reports and filings required to be filed with the FCC by Exchange Party with respect to the Exchange Party Station have been timely filed. All such reports and filings are accurate and complete in all material respects.

3.5 Taxes.

(a) Except as set forth on *Schedule 3.5*, Exchange Party has, in respect of the Exchange Party Station's business and the Exchange Party Station Assets, timely filed (taking into account all extensions of time properly obtained) all federal and all material foreign, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due (whether or not shown on any tax return). All such tax returns are complete and accurate in all material respects.

(b) There are no liens for taxes upon any of the Exchange Party Station Assets, except for Exchange Party Permitted Liens.

(c) Except as set forth on *Schedule 3.5*, all taxes required to have been withheld, collected, deposited or paid, as the case may be, relating to any of the Exchange Party Station Assets or employees, including the Transferred Employees, have been timely withheld, collected, deposited or paid in the manner prescribed by applicable law in all material respects.

3.6 Personal Property. *Schedule 1.1.2(b)* contains a list of material items of Exchange Party Tangible Personal Property included in the Exchange Party Station Assets. Except as set forth on *Schedule 1.1.2(b)*, Exchange Party has good and marketable title to the Exchange Party Tangible Personal Property free and clear of Liens other than Exchange Party Permitted Liens. Except as set forth on *Schedule 1.1.2(b)*, all material items of Exchange Party Tangible Personal Property are in good operating condition, ordinary wear and tear excepted.

3.7 Real Property. *Schedule 1.1.2(c)* contains a description of the Exchange Party Real Property. Exchange Party has good and marketable fee simple title to the owned Exchange Party Real Property described on *Schedule 1.1.2(c)* (the "Exchange Party Owned Real Property") (if any), free and clear of Liens other than Exchange Party Permitted Liens. *Schedule 1.1.2(c)* includes a description of each lease of Exchange Party Real Property or similar agreement included in the Exchange Party Station Contracts (the "Exchange Party Real Property Leases"). To Exchange Party's knowledge, the Exchange Party Real Property is not subject to any suit for condemnation or other taking by any public authority. The Exchange Party Real Property includes access to the Exchange Party Station's facilities consistent with past practices.

3.8 Contracts. *Schedule 1.1.2(d)* contains a list of all material contracts that are used in the operation of the Exchange Party Station other than agreements for the sale of advertising time entered into in the ordinary course of business. The Exchange Party Station Contracts requiring the consent of a third party to assignment are identified with an asterisk on *Schedule 1.1.2(c)* and *Schedule 1.1.2(d)* (except for Exchange Party Station Contracts not exceeding the limits set forth in Section 4.2(g)). Each of the Exchange Party Station Contracts (including, without limitation, each of the Exchange Party Real Property Leases) is in effect and is binding upon Exchange Party and, to Exchange Party's knowledge, the other parties thereto (subject to

bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Exchange Party has performed its obligations under each of the Exchange Party Station Contracts in all material respects, and is not in material default thereunder, and to Exchange Party's knowledge, no other party to any of the Exchange Party Station Contracts is in default thereunder in any material respect.

3.9 Environmental. Except as set forth on *Schedule 1.1.2(c)*, in any environmental report delivered by Exchange Party to Clear Channel, or in any Phase I or other environmental study conducted pursuant to Section 5.5, to Exchange Party's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Exchange Party Real Property included in the Exchange Party Station Assets. Except as set forth on *Schedule 1.1.2(c)* or in any environmental report delivered by Exchange Party to Clear Channel, or in any Phase I or other environmental study conducted pursuant to Section 5.5, Exchange Party has complied in all material respects with all environmental, health and safety laws applicable to the Exchange Party Station.

3.10 Intangible Property. *Schedule 1.1.2(e)* contains a description of the material Exchange Party Intangible Property included in the Exchange Party Station Assets. Except as set forth on *Schedule 1.1.2(e)*, (i) to Exchange Party's knowledge, Exchange Party's use of the Exchange Party Intangible Property does not infringe upon any third-party rights in any material respects, (ii) no material Exchange Party Intangible Property is the subject of any pending or, to Exchange Party's knowledge, threatened legal proceedings claiming infringement or unauthorized use, and (iii) Exchange Party has not received any written notice that its use of any material Exchange Party Intangible Property is unauthorized or infringes upon the rights of any other person. Except as set forth on *Schedule 1.1.2(e)*, to Exchange Party's knowledge, Exchange Party owns or has the right to use the Exchange Party Intangible Property free and clear of Liens other than Exchange Permitted Liens.

3.11 Employees. Except as set forth on *Schedule 3.11*, (i) Exchange Party has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Exchange Party Station's business and employees, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, (ii) there is no unfair labor practice charge or complaint against Exchange Party in respect of the Exchange Party Station's business pending or, to Exchange Party's knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Exchange Party Station's business, and (iii) Exchange Party is not party to any collective bargaining, union or similar agreement with respect to the employees of Exchange Party at the Exchange Party Station, and to Exchange Party's knowledge, no union represents or claims to represent or is attempting to organize such employees.

3.12 Employee Benefits. There are no liens arising under ERISA or the Code with respect to the operation, termination, restoration or funding of any Exchange Party Employee Plan or arising in connection with any excise tax or penalty tax with respect to any Exchange Party Employee Plan. With respect to the Exchange Party Employee Plans, no event has occurred and, to the knowledge of Exchange Party, there exists no condition or set of circumstances in connection with which Clear Channel could reasonably be expected to be

subject to any liability under the terms of, or with respect to, such Exchange Party Employee Plans, or under ERISA, the Code or any other applicable law with respect to such Exchange Party Employee Plans.

3.13 Insurance. Exchange Party maintains insurance policies or other arrangements with respect to the Exchange Party Station and the Exchange Party Station Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time. Exchange Party has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any such insurance policy.

3.14 Compliance with Law. Except as set forth on *Schedule 3.14*, (i) Exchange Party has complied in all material respects with all laws, rules and regulations, including without limitation all FCC and Federal Aviation Administration rules and regulations applicable to the operation of the Exchange Party Station or to any of the Exchange Party Station Assets, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Exchange Party Station or to any of the Exchange Party Station Assets, and (ii) to Exchange Party's knowledge, there are no governmental claims or investigations pending or threatened against Exchange Party in respect of the Exchange Party Station except those affecting the industry generally.

3.15 Litigation. Except as set forth on *Schedule 3.15*, there is no legal or administrative action, suit or proceeding pending or, to Exchange Party's knowledge, threatened against Exchange Party in respect of the Exchange Party Station or the Exchange Party Station Assets that will subject Clear Channel to liability, that challenges or seeks to prevent, enjoin, materially alter or materially delay the transactions contemplated by this Agreement or that will affect Exchange Party's ability to perform its obligations under this Agreement in any material respect. Exchange Party is not operating under or subject to any order, writ, injunction or decree relating to the Exchange Party Station or the Exchange Party Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Exchange Party Station or any of the Exchange Party Station Assets or on the ability of Exchange Party to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

3.16 Financial Statements. Exchange Party has provided to Clear Channel copies of its statements of operations for the Exchange Party Station for the years ended December 31, 2005, December 31, 2006 and December 31, 2007 and for the year-to-date through April 30, 2008. Such year-end statements are the statements included in the audited consolidated financial statements of Exchange Party and its affiliates (but such statements are not separately audited and the year-to-date statements are not audited). Shared operating expenses and revenue from combined sales are allocated among the Exchange Party Station and other stations and business units as determined by Exchange Party. Such statements may reflect the results of intercompany arrangements that are Excluded Assets. Except for the foregoing and except for the absence of footnotes and except as set forth on *Schedule 3.16*, such statements have been prepared in accordance with GAAP consistently applied and in the aggregate present fairly in all material respects the results of operations of the Exchange Party Station as operated by Exchange Party for the respective periods covered thereby. Between April 30, 2008 and the date of this Agreement, the Exchange Party Station has been operated in all material respects in the ordinary course of business consistent with past practices.

3.17 No Undisclosed Liabilities. Except as set forth on *Schedule 3.17*, there are no liabilities or obligations of Exchange Party with respect to the Exchange Party Station that will be binding upon Clear Channel after the Effective Time other than the Clear Channel Assumed Obligations and other than pursuant to the prorrations under Section 1.6.

3.18 Exchange Party Station Assets. The Exchange Party Station Assets include all assets that are owned or leased by Exchange Party and used or held for use in the operation of the Exchange Party Station in all material respects as currently operated, except for the Excluded Assets.

3.19 Qualification. Exchange Party is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Clear Channel Stations under the Communications Act and the rules, regulations and policies of the FCC. To Exchange Party's knowledge, there are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Exchange Party as an assignee of the FCC Licenses or as the owner and operator of the Clear Channel Stations. The FCC Application will not include a request by Exchange Party for a waiver of FCC rules or policy.

3.20 No Finders. No broker, finder or other person or entity is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Exchange Party Ancillary Agreements or the transactions contemplated hereby or thereby, respectively, as a result of any agreements or action of Exchange Party or any party acting on Exchange Party's behalf.

ARTICLE 4: COVENANTS

4.1 Clear Channel Covenants. Between the date hereof and Closing, except as provided by Section 1.9(c) or Section 1.10 or as otherwise permitted by this Agreement or with the prior written consent of Exchange Party, which shall not be unreasonably withheld, delayed or conditioned, Clear Channel shall:

(a) except for format and programming changes at KBKO-FM, operate the Clear Channel Stations in the ordinary course of business consistent with past practice (for avoidance of doubt, any expense reductions made hereafter consistent with Clear Channel's past practices for similarly situated stations shall be deemed in the ordinary course of business consistent with past practices), and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses;

(c) except in the ordinary course of business consistent with past practice, not sell, lease or dispose of or agree to sell, lease or dispose of any of the Clear Channel Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Clear Channel Station Assets, except for Clear Channel Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Clear Channel Tangible Personal Property and the Clear Channel Real Property in the ordinary course of business consistent with past practice;

(e) upon reasonable notice, give Exchange Party and its representatives reasonable access during normal business hours to the Clear Channel Station Assets, and furnish Exchange Party with information relating to the Clear Channel Station Assets that Exchange Party may reasonably request, provided that such access rights shall not be exercised in a manner that unreasonably interferes with the operation of the Clear Channel Stations;

(f) except in the ordinary course of business consistent with past practice and as otherwise required by law, not (i) enter into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Exchange Party after Closing or (ii) increase the compensation payable to any employee of the Clear Channel Stations, except for bonuses and other compensation payable by Clear Channel in connection with the consummation of the transactions contemplated by this Agreement (if any); and

(g) not enter into new Clear Channel Station Contracts that will be binding upon Exchange Party after Closing or amend any existing Clear Channel Station Contracts, except for (i) new time sales agreements and other Clear Channel Station Contracts made in the ordinary course of business consistent with past practice that are terminable on ninety (90) days' notice or less without penalty, (ii) other Clear Channel Station Contracts made with Exchange Party's prior consent, and (iii) other Clear Channel Station Contracts that do not require post-Closing payments by Exchange Party of more than the Contract Basket (defined below) in the aggregate for all such new contracts. As used herein, the "Contract Basket" means \$25,000 if Closing occurs during the four-month period after the date hereof, which amount shall increase by additional increments of \$25,000 each on the date four (4) months after the date hereof and on each four-month anniversary thereafter.

For purposes of calculating the amount of any post-Closing payment by Exchange Party under Section 4.1(g)(iii), if such a contract is terminable by giving advance notice, then such amount shall include only the post-Closing amount that would be payable if a termination notice were given at Closing (whether or not such notice is in fact given), but in no event shall such amount be more than the amount payable absent such termination notice.

4.2 Exchange Party Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Clear Channel, which shall not be unreasonably withheld, delayed or conditioned, Exchange Party shall:

(a) operate the Exchange Party Station in the ordinary course of business consistent with past practice and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses;

(c) except in the ordinary course of business consistent with past practice, not sell, lease or dispose of or agree to sell, lease or dispose of any of the Exchange Party Station Assets unless replaced with similar items of substantially equal or greater value and utility, or

create, assume or permit to exist any Liens upon the Exchange Party Station Assets, except for Exchange Party Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Exchange Party Tangible Personal Property and the Exchange Party Real Property in the ordinary course of business consistent with past practice;

(e) upon reasonable notice, give Clear Channel and its representatives reasonable access during normal business hours to the Exchange Party Station Assets, and furnish Clear Channel with information relating to the Exchange Party Station Assets that Clear Channel may reasonably request, provided that such access rights shall not be exercised in a manner that unreasonably interferes with the operation of the Exchange Party Station;

(f) except in the ordinary course of business consistent with past practice and as otherwise required by law, not (i) enter into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Clear Channel after Closing or (ii) increase the compensation payable to any employee of the Exchange Party Station, except for bonuses and other compensation payable by Exchange Party in connection with the consummation of the transactions contemplated by this Agreement (if any); and

(g) not enter into new Exchange Party Station Contracts that will be binding upon Clear Channel after Closing or amend any existing Exchange Party Station Contracts, except for (i) new time sales agreements and other Exchange Party Station Contracts made in the ordinary course of business consistent with past practice that are terminable on ninety (90) days' notice or less without penalty, (ii) other Exchange Party Station Contracts made with Clear Channel's prior consent, and (iii) other Exchange Party Station Contracts that do not require post-Closing payments by Clear Channel of more than the Contract Basket in the aggregate for all such new contracts.

For purposes of calculating the amount of any post-Closing payment by Clear Channel under Section 4.2(g)(iii), if such a contract is terminable by giving advance notice, then such amount shall include only the post-Closing amount that would be payable if a termination notice were given at Closing (whether or not such notice is in fact given), but in no event shall such amount be more than the amount payable absent such termination notice.

ARTICLE 5: JOINT COVENANTS

Exchange Party and Clear Channel hereby covenant and agree as follows:

5.1 Confidentiality. Clear Channel or an affiliate of Clear Channel and Exchange Party or an affiliate of Exchange Party are parties to one or more nondisclosure agreements (collectively the "NDA") with respect to the parties and their stations. To the extent not already a direct party thereto, Exchange Party and Clear Channel hereby assume the NDA and agree to be bound by the provisions thereof. Without limiting the terms of the NDA, subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including, without limitation, all financial information) shall be

confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except (i) to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, (ii) that the parties shall cooperate to make a mutually agreeable announcement, (iii) as necessary to enforce rights under or in connection with this Agreement, or (iv) as necessary in any filing with the FCC or pursuant to the HSR Act.

5.3 Control.

(a) Exchange Party shall not, directly or indirectly, control, supervise or direct the operation of the Clear Channel Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Clear Channel Stations prior to Closing shall remain the responsibility of Clear Channel as the holder of the Clear Channel FCC Licenses.

(b) Clear Channel shall not, directly or indirectly, control, supervise or direct the operation of the Exchange Party Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Exchange Party Station prior to Closing shall remain the responsibility of Exchange Party as the holder of the Exchange Party FCC Licenses.

5.4 Risk of Loss. With respect to the Clear Channel Station Assets and the Exchange Party Station Assets, as applicable:

(a) The conveying party shall bear the risk of any loss of, or damage to, any of its assets at all times until the Effective Time, and the acquiring party shall bear the risk of any such loss or damage thereafter.

(b) If prior to the Effective Time any item of the conveying party's tangible personal property is damaged or destroyed or otherwise not in the condition described in Section 2.6 or Section 3.6, as applicable, in any material respect, then:

(i) the conveying party shall use commercially reasonable efforts to repair or replace such item in all material respects; and

(ii) if such repair or replacement is not completed prior to Closing, then the parties shall proceed to Closing (with the conveying party's representations and warranties deemed modified to take into account any such condition) and the conveying party shall promptly repair or replace such item in all material respects after Closing (and the acquiring party will provide access and any other reasonable assistance requested with respect to such obligation), except that if such damage or destruction materially disrupts station operations, then the acquiring party may postpone Closing until the date five (5) business days after operations are restored in all material respects, subject to Section 10.1.

(c) If prior to Closing a Clear Channel Station or Exchange Party Station is off the air or operating at a power level that results in a material reduction in coverage (a “Broadcast Interruption”), then the conveying party shall use commercially reasonable efforts to return the station to the air and restore prior coverage as promptly as possible. Notwithstanding anything herein to the contrary, if, prior to Closing, there is a Broadcast Interruption exceeding twenty-four (24) hours in duration, then the acquiring party may postpone Closing until the date five (5) business days after the station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1.

5.5 Environmental.

(a) With respect to any owned real property or ground lease included in the Clear Channel Station Assets or the Exchange Party Station Assets, the acquiring party may at its expense conduct Phase I environmental assessments (each a “Phase I”) prior to Closing, provided that such assessments are conducted during normal business hours upon reasonable prior notice (and subject to landlord consent if necessary), but completion of such assessments (or the results thereof) is not a condition to Closing.

(b) If any Phase I or any item set forth on *Schedule 1.1.1(c)* or *Schedule 1.1.2(c)* as applicable or any environmental report provided by the conveying party to the acquiring party prior to the date of this Agreement identifies a condition requiring remediation under, applicable environmental law, then:

(i) except as set forth below, the conveying party shall use commercially reasonable efforts to remediate such condition in all material respects; and

(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with the conveying party’s representations and warranties deemed modified to take into account any such condition) and the conveying party shall remediate such item in all material respects after Closing (and the acquiring party will provide access and any other reasonable assistance requested with respect to such obligation).

(c) Notwithstanding anything herein to the contrary, if at any time any such condition exists and the reasonably estimated cost to remedy all such conditions in the aggregate with respect to either the Clear Channel Station Assets or the Exchange Party Station Assets, respectively, exceeds \$250,000, then either party shall have the right to terminate this Agreement upon written notice to the other party.

5.6 Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third-party consents necessary for the assignment of any Clear Channel Station Contract and any Exchange Party Station Contract (which shall not require any payment to any such third party), and (ii) execution of reasonable estoppel certificates by lessors under any Clear Channel Real Property Leases or Exchange Party Real Property Leases requiring consent to assignment (if any), but no such consents or estoppel certificates are conditions to Closing except that (i) receipt of consent to assign to Exchange Party the Clear Channel Stations’ main tower leases designated with a diamond on *Schedule 1.1.1(c)* (if any) is a condition precedent to Exchange Party’s obligation to close under this Agreement (the “Clear Channel Required Consents”) and (ii)

receipt of consent to assign to Clear Channel the Exchange Party Station's main tower leases designated with a diamond on *Schedule 1.1.2(c)* (if any) is a condition precedent to Clear Channel's obligation to close under this Agreement (the "Exchange Party Required Consents").

(b) To the extent that any Clear Channel Station Contract or Exchange Party Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment thereof; provided, however, with respect to each such contract, the parties shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which acquiring party shall receive the benefits thereunder from and after Closing, and to the extent of the benefits received, the acquiring party shall pay and perform the conveying party's obligations arising thereunder from and after Closing in accordance with its terms.

5.7 Employees. With respect to the Clear Channel Stations and the Exchange Party Station, as applicable:

(a) The conveying party has provided the acquiring party a list showing employee positions and certain compensation information for employees of its stations. Except as set forth on *Schedule 1.1.1(d) or 1.1.2(d)*, as applicable, the acquiring party may, but is not obligated to, offer post-Closing employment to any or all of such employees on such terms and conditions as the acquiring party may determine, in its sole discretion, subject to Section 5.7(d) below. Following execution of this Agreement, the conveying party shall make the employees on such lists reasonably available to the acquiring party during normal business hours to discuss potential employment with the acquiring party following the Closing. With respect to each such employee, within thirty (30) calendar days after the date of this Agreement, the acquiring party shall notify the conveying party in writing whether it will offer Comparable Employment (defined below), employment on different terms or no employment, to such employee upon Closing. Within thirty (30) calendar days after Closing, the acquiring party shall give the conveying party written notice identifying (i) all Transferred Employees (defined below) and (ii) all individuals who were employed by the conveying party prior to the Closing who were offered Comparable Employment with the acquiring party who did not accept such offers. As used herein, "Comparable Employment" means employment with no reduction in base salary or change in the amount of scheduled hours, and no requirement to commute more than thirty (30) miles further than the employee's commute while employed by the conveying party. With respect to Transferred Employees, employment with the conveying party terminates and employment with the acquiring party begins at the Effective Time.

(b) Between the date of this Agreement and the date one (1) year after Closing, (i) the acquiring party shall not, without the prior written consent of the conveying party, solicit for hire any of the conveying party's (or its affiliates') employees in the applicable station's market who are not on the list of employees available for hire pursuant to Section 5.7(a), and (ii) the conveying party shall not, without the prior written consent of the acquiring party, solicit for hire any of the employees in the applicable station's market who are on its list of employees available for hire pursuant to Section 5.7(a) (other than those to whom the acquiring party does not timely offer Comparable Employment). Notwithstanding the foregoing, the restrictions set forth in this Section 5.7(b) shall not prohibit general solicitations not directed at such employees or the use of employee recruiting or search firms (provided that such employee

recruiting or search firms do not direct their activities at such employees), or the hiring of any such employee that does not result from a breach of this Section.

(c) If applicable, the conveying party shall give any notice required under 29 U.S.C. § 2101 et seq. (the “WARN Act”) or any similar state or local law, including without limitation, the California WARN Act, as amended, Cal. Lab. Code § 1400 et. seq. (the “Cal WARN Act”), and the acquiring party shall comply with any applicable requirements thereunder after the Effective Time. If the WARN Act, Cal WARN Act, or any such other law is applicable, then the conveying party may by written notice to the acquiring party delay the Closing Date to a date no later than five (5) business days after the expiration of all applicable notice periods. In all cases, any liabilities associated with a conveyed Station’s employees under the WARN Act and/or the Cal Warn Act (i) which arise due to a failure to comply by the conveying party shall be borne by the conveying party, and (ii) which arise due to a failure to comply by the acquiring party shall be borne by the acquiring party. Each conveying party shall comply with the provisions of COBRA and be solely liable for all liabilities which arise on or prior to the Closing Date thereunder with respect to its employees, former employees or beneficiaries who are covered under any group health plan (as defined in Section 5001(b)(1) of the Code) maintained by such conveying party or its affiliates.

(d) With respect to employees of the Clear Channel Stations or Exchange Party Station, as applicable, hired by the acquiring party (“Transferred Employees”), the conveying party shall be responsible for all compensation and benefits arising prior to the Effective Time (in accordance with the conveying party’s employment terms), and the acquiring party shall be responsible for all compensation and benefits arising after the Effective Time (in accordance with the acquiring party’s employment terms). Without limiting the generality of the foregoing, the Clear Channel Retained Obligations shall include any and all liabilities arising under all Clear Channel Employee Plans, and the Exchange Party Retained Obligations shall include any and all liabilities arising under all Exchange Party Employee Plans, in each case, whether arising under contract, law, regulation or otherwise. Each conveying party shall also remain solely liable for compensation, benefits and other employment-related liabilities (if any) to or in connection with all employees of their respective stations who do not become Transferred Employees. Except as provided by *Schedule 5.7*, the acquiring party shall grant credit to each Transferred Employee for all unused vacation and sick leave accrued as of the Effective Time as an employee of the conveying party, and the acquiring party shall assume and discharge the conveying party’s obligation to provide such leave to such employees, in accordance with policy applicable to similarly situated employees of the acquiring party (such obligations being a part of the Clear Channel Assumed Obligations or the Exchange Party Assumed Obligations, as applicable). If any such leave is accrued in a year prior to the calendar year in which Closing occurs, then the acquiring party shall receive an appropriate adjustment as provided by Section 1.6.

(e) The acquiring party shall permit Transferred Employees (and their spouses and dependents) to participate in its “employee welfare benefit plans” (including without limitation health insurance plans) and “employee pension benefit plans” (as defined in ERISA) in which similarly situated employees are generally eligible to participate, with coverage effective as soon as practicable following the Closing, but no later than (i) the Closing Date (if Closing occurs on the first day of a month) or the first day of the first month immediately following the Closing Date (if Closing occurs other than on the first day of a month), with

respect to “employee welfare benefit plans” and (ii) ninety (90) days after Closing with respect to “employee pension benefit plans” (and without exclusion from coverage on account of any pre-existing condition), with service with the conveying party deemed service with the acquiring party for purposes of any length of service requirements, waiting periods, vesting periods and differential benefits based on length of service, and with credit under any welfare benefit plan for any deductibles or co-insurance paid for the current plan year under any plan maintained by the conveying party.

(f) Nothing in this Agreement shall (i) obligate any party hereto to establish or maintain the employment of any Transferred Employee for any particular period of time or (ii) create any third-party rights in any Transferred Employee (or any beneficiary or dependent thereof) with respect to compensation or benefits. No provision of this Agreement shall confer upon any Transferred Employee any right with respect to continued employment with the acquiring party or any affiliate thereof, nor shall anything herein interfere with the right of any acquiring party to terminate the employment of any Transferred Employee at any time, with or without cause, or restrict any acquiring party in the exercise of its independent business judgment in modifying any of the terms and conditions of employment, compensation and/or employee benefits provided to Transferred Employees. Nothing in this Agreement shall obligate any acquiring party or any affiliate thereof to adopt or maintain any employee benefit plan at any time. Nothing in this Section 5.7(f) limits a party’s obligation to deliver accurate hiring notices pursuant to Section 5.7(a).

(g) The acquiring party shall also permit each Transferred Employee to elect to make direct rollovers of their account balances into the acquiring party’s 401(k) plan as soon as administratively feasible after Closing, subject to (i) compliance with applicable law, (ii) applicable requirements of the acquiring party’s 401(k) plan, and (iii) the acquiring party’s reasonable determination that any such rollover will not adversely affect the tax-qualified status of such party’s 401(k) plan.

5.8 Accounts Receivable. For a period of one hundred and eighty (180) days after Closing (the “Collection Period”), Clear Channel shall, without charge to Exchange Party, use commercially reasonable efforts to collect Exchange Party’s A/R in the ordinary course of business (but without obligation to institute proceedings or use any other extraordinary means of collection) and shall apply all amounts collected from Exchange Party’s account debtors to the oldest account first, unless the account debtor disputes application of the payment to such older account in good faith and in writing and directs such payment to a newer account. Any amounts relating to such A/R that are paid directly to Exchange Party shall be retained by Exchange Party. Clear Channel shall not discount, adjust or otherwise compromise such A/R and Clear Channel shall refer any disputed A/R to Exchange Party. Within ten (10) calendar days after the end of each month, Clear Channel shall deliver to Exchange Party a report showing A/R collections for the prior month and Clear Channel shall make a payment, without offset, to Exchange Party equal to the amount of all such collections. At the end of the Collection Period, any remaining A/R of Exchange Party shall be returned to Exchange Party for collection, and Clear Channel shall have no further obligations with respect thereto. Clear Channel, and not Exchange Party, shall collect the A/R of the Clear Channel Stations.

5.9 Actions. With respect to the Clear Channel Stations and the Exchange Party Station, as applicable, after Closing the acquiring party shall cooperate with the conveying party

in the investigation, defense or prosecution of any action which is pending or threatened against the conveying party or its affiliates, whether or not any party has notified the other of a claim for indemnification with respect to such matter; provided, however, that the conveying party shall reimburse the acquiring party for the out-of-pocket costs reasonably incurred by the acquiring party as a result of its compliance with this Section 5.9. Without limiting the generality of the foregoing, the acquiring party shall make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that the conveying party may reasonably request.

5.10 FCC Compliance. If after Closing the FCC Consent is reversed or otherwise set aside by final order of the FCC (or court of competent jurisdiction), then the exchange of assets pursuant to this Agreement shall be rescinded. In such event, Exchange Party shall reconvey to Clear Channel the Clear Channel Station Assets, free and clear of Liens other than Clear Channel Permitted Liens, and Clear Channel shall reconvey to Exchange Party the Exchange Party Station Assets, free and clear of Liens other than Exchange Party Permitted Liens. Any such rescission shall be consummated on a mutually agreeable date within thirty (30) days of such final order (or, if earlier, within the time required by such order). In connection therewith, Exchange Party and Clear Channel shall each execute such documents (including instruments of conveyance and instruments of assumption) and make such payments as are necessary to give effect to such rescission.

5.11 Real Property.

(a) With respect to each parcel of Clear Channel Owned Real Property or Exchange Party Owned Real Property, as applicable, the acquiring party may obtain customary owner's title commitments and current surveys, all at the acquiring party's expense, but completion of such commitments and surveys is not a condition to Closing. The conveying party shall provide the acquiring party access to the applicable owned real property to perform such surveys, provided that such surveys are conducted during normal business hours upon reasonable prior notice to the conveying party.

(b) If any such title commitment or survey discloses an encumbrance on the Clear Channel Owned Real Property or Exchange Party Owned Real Property, as applicable, that is not a Clear Channel Permitted Lien or Exchange Party Permitted Lien, as applicable, or discloses any Clear Channel Station Assets or Exchange Party Station Assets, as applicable, encroaching upon adjacent real property in any material respect, then:

(i) except as set forth below, the conveying party shall use commercially reasonable efforts to remediate such encumbrance or encroachment in all material respects; and

(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with the conveying party's representations and warranties deemed modified to take into account any such condition) and the conveying party shall remediate such item in all material respects after Closing as promptly as practicable (and the acquiring party will provide access and any other reasonable assistance requested with respect to such obligation).

ARTICLE 6: CLEAR CHANNEL CLOSING CONDITIONS

The obligation of Clear Channel to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Clear Channel):

6.1 Representations and Covenants.

(a) The representations and warranties of Exchange Party made in this Agreement, shall be true and correct in all material respects as of the Closing Date (in each case without duplication of materiality qualifications or material adverse effect qualifications) except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Exchange Party at or prior to Closing shall have been complied with or performed in all material respects (in each case without duplication of materiality qualifications or material adverse effect qualifications).

(c) Clear Channel shall have received a certificate dated as of the Closing Date from Exchange Party executed by an authorized officer of Exchange Party to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 Proceedings. Neither Clear Channel nor Exchange Party shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Authorization. The FCC Consent pursuant to the FCC's initial order shall have been obtained.

6.4 Hart Scott Rodino. If required under the HSR Act, the HSR Clearance shall have been obtained.

6.5 Deliveries. Exchange Party shall have complied with its obligations set forth in Section 8.2.

6.6 Required Consents. The Clear Channel Required Consents (if any) shall have been obtained.

ARTICLE 7: EXCHANGE PARTY CLOSING CONDITIONS

The obligation of Exchange Party to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Exchange Party):

7.1 Representations and Covenants.

(a) The representations and warranties of Clear Channel made in this Agreement shall be true and correct in all material respects as of the Closing Date (in each case without duplication of materiality qualifications or material adverse effect qualifications) except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Clear Channel at or prior to Closing shall have been complied with or performed in all material respects (in each case without duplication of materiality qualifications or material adverse effect qualifications).

(c) Exchange Party shall have received a certificate dated as of the Closing Date from Clear Channel executed by an authorized officer of Clear Channel to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

7.2 Proceedings. Neither Clear Channel nor Exchange Party shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Authorization. The FCC Consent shall have been obtained.

7.4 Hart Scott Rodino. If required under the HSR Act, the HSR Clearance shall have been obtained.

7.5 Deliveries. Clear Channel shall have complied with its obligations set forth in Section 8.1.

7.6 Consents. The Exchange Party Required Consents (if any) shall have been obtained.

ARTICLE 8: CLOSING DELIVERIES

8.1 Clear Channel Documents. At Closing, Clear Channel shall deliver or cause to be delivered to Exchange Party:

(i) good standing certificates issued by the Secretary of State of Clear Channel's jurisdiction of formation of each of the Clear Channel entities party to this Agreement;

(ii) a certificate executed by Clear Channel's secretary or assistant secretary evidencing authorization by the Clear Channel's board of directors for the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iii) the certificate described in Section 7.1(c);

(iv) an assignment of FCC authorizations assigning the Clear Channel FCC Licenses from Clear Channel to Exchange Party;

(v) an assignment and assumption of contracts with respect to the Clear Channel Station Contracts and an assignment and assumption of contracts with respect to the Exchange Party Station Contracts;

(vi) an assignment and assumption of leases with respect to the Clear Channel Real Property Leases (if any) and an assignment and assumption of leases with respect to the Exchange Party Real Property Leases (if any);

(vii) special warranty deeds conveying the Clear Channel Owned Real Property (if any) from Clear Channel to Exchange Party, together with customary owner affidavits reasonably requested of Clear Channel by any title company retained by Exchange Party;

(viii) affidavits of non-foreign status of each of the Clear Channel entities party to this Agreement, each of which complies with Section 1445 of the Code and Treasury Regulations section 1.1445-2(b)(2);

(ix) an assignment of marks assigning the Clear Channel Stations' registered marks listed on *Schedule 1.1.1(e)* (if any) from Clear Channel to Exchange Party;

(x) domain name transfers with respect to the Clear Channel Stations' domain names listed on *Schedule 1.1.1(e)* (if any) and domain name transfers with respect to the Exchange Party Station's domain names listed on *Schedule 1.1.2(e)* (if any), following customary procedures of the domain name administrator;

(xi) endorsed vehicle titles conveying the vehicles included in the Clear Channel Tangible Personal Property (if any) from Clear Channel to Exchange Party;

(xii) a bill of sale conveying the other Clear Channel Station Assets from Clear Channel to Exchange Party;

(xiii) any new agreements required by the Schedules to this Agreement (if any);

(xiv) any consents and estoppel certificates obtained by Clear Channel; and

(xv) any other instruments of conveyance or assumption that may be reasonably necessary to consummate the exchange of assets as set forth in this Agreement.

8.2 Exchange Party Documents. At Closing, Exchange Party shall deliver or cause to be delivered to Clear Channel:

(i) good standing certificates issued by the Secretary of State of Exchange Party's jurisdiction of formation of each of the Exchange Party entities party to this Agreement;

(ii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iii) the certificate described in Section 6.1(c);

(iv) an assignment of FCC authorizations assigning the Exchange Party FCC Licenses from Exchange Party to Clear Channel;

(v) an assignment and assumption of contracts with respect to the Clear Channel Station Contracts and an assignment and assumption of contracts with respect to the Exchange Party Station Contracts;

(vi) an assignment and assumption of leases with respect to the Clear Channel Real Property Leases (if any) and an assignment and assumption of leases with respect to the Exchange Party Real Property Leases (if any);

(vii) special warranty deeds conveying the Exchange Party Owned Real Property (if any) from Exchange Party to Clear Channel, together with customary owner affidavits reasonably requested of Exchange Party by any title company retained by Clear Channel;

(viii) affidavits of non-foreign status of each of the Exchange Party entities party to this Agreement, each of which complies with Section 1445 of the Code and Treasury Regulations section 1.1445-2(b)(2);

(ix) an assignment of marks assigning the Exchange Party Station's registered marks listed on *Schedule 1.1.2(e)* (if any) from Exchange Party to Clear Channel;

(x) domain name transfers with respect to the Clear Channel Stations' domain names listed on *Schedule 1.1.1(e)* (if any) and domain name transfers with respect to the Exchange Party Station's domain names listed on *Schedule 1.1.2(e)* (if any), following customary procedures of the domain name administrator;

(xi) endorsed vehicle titles conveying the vehicles included in the Exchange Party Tangible Personal Property (if any) from Exchange Party to Clear Channel;

(xii) a bill of sale conveying the other Exchange Party Station Assets from Exchange Party to Clear Channel;

(xiii) any new agreements required by the Schedules to this Agreement (if any);

(xiv) any consents and estoppel certificates obtained by Exchange Party;
and

(xv) any other instruments of conveyance or assumption that may be reasonably necessary to consummate the exchange of assets as set forth in this Agreement.

ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Section 2.5 and 3.5 (Taxes), Section 2.9 and 3.9 (Environmental), and those under Sections 2.6, 2.7, 2.10, 3.6, 3.7 and 3.10 solely with respect to title, all of which shall survive until sixty (60) days after the expiration of any applicable statute of limitations, and (ii) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in

reasonable detail the nature and basis of such claim, then such claim shall survive until the resolution of such claim. The covenants and agreements in this Agreement shall survive Closing until performed pursuant to their terms.

9.2 Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Clear Channel shall defend, indemnify and hold harmless Exchange Party from and against any and all losses, costs, damages, liabilities, taxes and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Exchange Party arising out of or resulting from:

(i) any breach by Clear Channel of its representations and warranties made under this Agreement; or

(ii) any breach by Clear Channel of any covenant or agreement made under this Agreement; or

(iii) the Clear Channel Retained Obligations or the business or operation of the Clear Channel Stations before the Effective Time, except for the Exchange Party Assumed Obligations; or

(iv) the business or operation of the Exchange Party Station after the Effective Time; or

(v) the Clear Channel Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Clear Channel shall have no liability to Exchange Party under clause (i) of Section 9.2(a) until Exchange Party's aggregate Damages exceed \$300,000, after which such threshold amount shall be included in, not excluded from, any calculation of Damages, and (ii) the maximum aggregate liability of Clear Channel under Section 9.2(a)(i) shall be an amount equal to \$5,000,000.

(c) Subject to Section 9.2(d), from and after Closing, Exchange Party shall defend, indemnify and hold harmless Clear Channel from and against any and all Damages incurred by Clear Channel arising out of or resulting from:

(i) any breach by Exchange Party of its representations and warranties made under this Agreement; or

(ii) any breach by Exchange Party of any covenant or agreement made under this Agreement; or

(iii) the Exchange Party Retained Obligations or the business or operation of the Exchange Party Station before the Effective Time except for Clear Channel Assumed Obligations; or

(iv) the business or operation of the Clear Channel Stations after the Effective Time; or

(v) the Exchange Party Assumed Obligations.

(d) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Exchange Party shall have no liability to Clear Channel under clause (i) of Section 9.2(c) until Clear Channel's aggregate Damages exceed \$300,000, after which such threshold amount shall be included in, not excluded from, any calculation of Damages, and (ii) the maximum aggregate liability of Exchange Party under Section 9.2(c)(i) shall be an amount equal to \$5,000,000.

9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby materially prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake, at its expense, the defense or opposition to such Claim with counsel selected by it unless the indemnified party reasonably concludes, based on the advice of counsel, that the indemnified party and the indemnifying party have a material conflict of interest with respect to such Claim, in which case the indemnified party may employ separate counsel at the indemnifying party's expense; provided, however, that in no event shall the indemnifying party be responsible for more than one counsel for all of the indemnified parties (except to the extent local counsel is necessary or advisable for the defense or opposition of such Claim). In the event that the indemnifying party does not undertake such defense or opposition within thirty (30) days following receipt of notice of a Claim, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost.

(c) Anything herein to the contrary notwithstanding:

(i) subject to Section 9.3(b), the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim;

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim; and

(iv) neither party shall have any liability to the other under any circumstances for special, indirect, consequential, punitive or exemplary damages or lost profits or similar damages of any kind, whether or not foreseeable.

(d) After Closing, all claims for breach of representations or warranties under this Agreement shall be subject to the limitations set forth in Section 9.2(b) or 9.2(d), as applicable.

ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. Subject to Section 10.3, this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Exchange Party and Clear Channel;
- (b) by written notice of Exchange Party to Clear Channel if Clear Channel breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);
- (c) by written notice of Clear Channel to Exchange Party if Exchange Party breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period;
- (d) by written notice of Clear Channel to Exchange Party or Exchange Party to Clear Channel if Closing does not occur by the date nine (9) months after the date of this Agreement; or
- (e) as provided by Section 5.5(c).

10.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term “Cure Period” as used herein means a period commencing on the date Exchange Party or Clear Channel receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 1.8; provided, however, that if such breach or default is not monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.8, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under Section 1.8.

10.3 Survival. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 5.1 (Confidentiality), 11.1 (Expenses) and 11.9 (Governing Law) shall survive any termination of this Agreement.

10.4 Specific Performance. In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction

restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

ARTICLE 11: MISCELLANEOUS

11.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to any requests for Governmental Consents and any transfer taxes applicable to the exchange of assets under this Agreement shall be shared equally by the parties. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

11.2 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, except that a party may assign to an affiliate its right to acquire assets under this Agreement upon written notice to (but without need for the consent of) the other party if it does not adversely affect the other party's like-kind exchange treatment under the Code and (i) any such assignment does not delay processing of the FCC Application, grant of the FCC Consent or Closing, (ii) the assignee delivers to the other party a written assumption of this Agreement, (iii) the assignor and assignee shall remain liable for all of its obligations hereunder, and (iv) the assignor and assignee shall be solely responsible for any third-party consents necessary in connection therewith (none of which additional third-party consents shall be a condition to Closing). The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Clear Channel: Clear Channel Broadcasting, Inc.
200 E. Basse Road
San Antonio, TX 78209
Attention: Dirk Eller
Facsimile: (210) 822-2299

with a copy (which shall not constitute notice) to: Clear Channel Broadcasting, Inc.
Legal Department
200 E. Basse Road
San Antonio, TX 78209

Attention: Christopher M. Cain, Esq.
Facsimile: (210) 832-3433

and to:

Wiley Rein LLP
1776 K Street, N.W.
Washington, D.C. 20006
Attention: Doc Bodensteiner
Facsimile: (202) 719-7049

if to Exchange Party:

Texas Lotus Corp.
c/o Lotus Communications Corp.
3301 Barham Blvd. Ste. 200
Los Angeles, CA 90068
Attention: Howard A. Kalmenson
Facsimile: (323) 512-2224

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

Latham & Watkins LLP
633 West Fifth Street, Suite 4000
Los Angeles, CA 90071
Attention: Samuel R. Weiner
Allen C. Wang
Facsimile: (213) 891-8763

11.5 Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. Without limiting the generality of the foregoing, neither party makes any representation or warranty to the other with respect to any projections, budgets or other estimates of revenues, expenses or results of operations, or, except as expressly set forth in Article 2 or Article 3, as applicable, any other financial or other information made available to the other party.

11.7 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

11.9 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof.

11.10 Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

11.11 Guaranty. Lotus Guarantor, who holds a direct or indirect ownership interest in Exchange Party, hereby irrevocably guarantees to Clear Channel the timely payment in full of all amounts payable by Exchange Party under this Agreement. The foregoing obligation of Lotus Guarantor constitutes a continuing guarantee of payment which is absolute and unconditional, including in any circumstances that might otherwise constitute a legal or equitable discharge of a guarantor. Clear Channel need not attempt to collect any obligation guaranteed hereunder from Exchange Party prior to enforcing its rights against Lotus Guarantor. To the fullest extent permitted by law, Lotus Guarantor hereby waives notice of acceptance of this guaranty and notice of any liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment, suit or taking of other action by Clear Channel against, or any other notice to, any party liable thereon, including Exchange Party.

Dated as of: May 15, 2008

[SIGNATURE PAGE FOLLOWS]

12848322

SIGNATURE PAGE TO ASSET EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

EXCHANGE PARTY:

TEXAS LOTUS CORP.

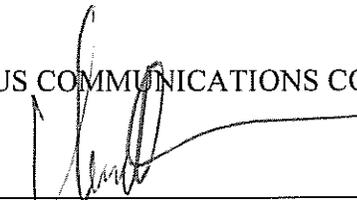
By: _____


Name: Howard A. Kalmenson
Title: President

LOTUS GUARANTOR:

LOTUS COMMUNICATIONS CORPORATION

By: _____


Name: Howard A. Kalmenson
Title: President

CLEAR CHANNEL:

CLEAR CHANNEL BROADCASTING, INC.
CC LICENSES, LLC
CITICASTERS CO.
CITICASTERS LICENSES, L.P.

By: _____

Name:
Title:

SIGNATURE PAGE TO ASSET EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

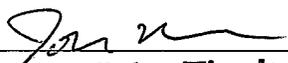
EXCHANGE PARTY: TEXAS LOTUS CORP.

By: _____
Name:
Title:

LOTUS GUARANTOR: LOTUS COMMUNICATIONS CORPORATION

By: _____
Name:
Title:

CLEAR CHANNEL: CLEAR CHANNEL BROADCASTING, INC.
CC LICENSES, LLC
CITICASTERS CO.
CITICASTERS LICENSES, L.P.

By:  _____
Name: **John Tippit**
Title: **Senior Vice President**