

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of May 12, 2005, among Sainte Partners II, L.P., a California limited partnership ("Seller"), Clear Channel Broadcasting, Inc., a Nevada corporation ("CCB"), and Clear Channel Broadcasting Licenses, Inc., a Nevada corporation ("CCBL") (CCB and CCBL, each a "Buyer" and collectively, "Buyers").

Recitals

A. Seller owns and operates the following television broadcast station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KMUV-LP, Monterey, California

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, (i) Seller desires to assign to CCBL, and CCBL desires to acquire from Seller, the FCC Licenses and (ii) Seller desires to convey to CCB, and CCB desires to acquire from Seller, the other tangible and intangible assets and properties used or held for use in the operation of the Station.

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: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall assign, transfer, convey and deliver to Buyers, and Buyers shall acquire from Seller, all right, title and interest of Seller in and to all assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use in the operation of the Station, but excluding the Excluded Assets as hereafter defined (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations which are issued to Seller by the FCC or any other governmental authority with respect to the Station (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's equipment, electrical devices, antennae, cables, vehicles, furniture, fixtures, towers, office materials and supplies, hardware, tools, spare parts and other tangible personal property of every kind and description which are used or held for use in the operation of the Station, including without limitation those listed on *Schedule 1.1(b)*, except any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with past practices of Seller, together with all replacements

thereof and additions thereto between the date hereof and Closing (the "Tangible Personal Property");

(c) all of Seller's real property used or held for use in the operation of the Station (including any of Seller's appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1(c)* (the "Real Property");

(d) all agreements for the sale of advertising time on the Station entered into in the ordinary course of business, and all other contracts, agreements, and leases entered into in the ordinary course of the Station's business that are listed on *Schedule 1.1(d)*, including without limitation all Real Property Leases (defined below), together with all contracts, agreements, and leases made between the date hereof and Closing in the ordinary course of the Station's business and in compliance with Section 4.1(f) below (the "Station Contracts");

(e) all of Seller's rights in and to the Station's call letters and Seller's rights in and to the trademarks, trade names, domain names, service marks, franchises, copyrights, computer software, programs and programming material, jingles, slogans, logos, and other intangible property which are used or held for use in the operation of the Station, including without limitation those listed on *Schedule 1.1(e)*, and all goodwill associated therewith (the "Intangible Property"); and

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

The Station Assets shall be transferred to Buyers free and clear of liens, claims and encumbrances ("Liens") except for (i) Assumed Obligations (defined below), (ii) liens for taxes not yet due and payable for which Buyers receives a credit pursuant to Section 1.6, and (iii) with respect to the Real Property, such easements, rights of way, building and use restrictions and other similar 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 Station (collectively, "Permitted Liens").

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets along with all rights, title and interest therein (the "Excluded Assets"):

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, asset or money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business of Seller between the date of this Agreement and Closing;

(c) all Station Contracts that are terminated or expire prior to Closing in the ordinary course of business of Seller;

(d) Seller's name, corporate minute books, charter documents, corporate stock record books and such other books and records as pertain to the organization, existence or share capitalization of Seller, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;

(e) contracts of insurance, and all insurance proceeds or claims made thereunder;

(f) all pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller; and

(g) all accounts receivable of the Station existing as of the Closing Date (the "Receivables").

1.3. Assumption of Obligations. Subject to the terms and conditions hereof, on the Closing Date (defined below), CCB shall assume the obligations of Seller arising and relating to the period after Closing under the Station Contracts (the "Assumed Obligations"). Buyers do not assume or agree to discharge or perform, and will not be deemed by reason of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, and Seller shall remain liable for, all liabilities, obligations or commitments of Seller arising from the business or operation of the Station before Closing, including without limitation all obligations under Seller's employee benefit plans (the "Retained Liabilities"), other than the Assumed Obligations.

1.4. Purchase Price. In consideration for the sale of the Station Assets to Buyers, at Closing (defined below) Buyers shall pay Seller, by wire transfer of immediately available funds, the sum of Five Million and Four Hundred Thousand Dollars (\$5,400,000), subject to adjustment pursuant to Section 1.6 (the "Purchase Price").

1.5. Deposit. On the date of this Agreement, Buyers shall deposit an amount equal to Five Hundred Forty Thousand Dollars (\$540,000) (the "Deposit") with Bank of America (the "Escrow Agent") pursuant to the Escrow Agreement (the "Escrow Agreement") of even date herewith among Buyers, Seller and the Escrow Agent. At Closing, the Deposit (together with all interest accrued thereon) shall be returned to Buyers. If this Agreement is terminated by Seller pursuant to Section 10.1 (d) or (e), the Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyers. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyers to make the Deposit on the date hereof constitutes a material default as to which no cure period shall apply entitling Seller to immediately terminate this Agreement.

1.6. Prorations and Adjustments. Except as otherwise provided herein, all deposits, reserves and prepaid and deferred income and expenses arising from the conduct of the business and operation of the Station shall be prorated in accordance with generally accepted accounting principles as of 11:59 p.m. on the date immediately preceding the Closing Date. Such prorations shall include, without limitation, all *ad valorem* real estate and other property taxes (but excluding taxes arising by reason of the transfer of the Station Assets as contemplated hereby which shall be paid as set forth in Section 10.4), business and license fees, music and other license fees (including any retroactive adjustments thereof), utility expenses, amounts due or to become due under contracts, rents, lease payments and similar prepaid and deferred items. Real estate taxes shall be apportioned on the basis of taxes assessed for the preceding year, with a reapportionment, if any, as soon as the new tax rate and valuation can be ascertained. Except as otherwise provided herein, the prorations and adjustments contemplated by this Section 1.6, to the extent practicable, shall be made on the Closing Date. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within ninety (90) calendar days of the Closing Date. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided herein and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyers.

1.7. Allocation. At Closing, or in connection with the final adjustment after Closing under Section 1.6, Seller and Buyers shall allocate the value of the assets comprising the Station Assets in accordance with their respective fair market values. The parties shall file their respective tax returns consistent with such allocation. The allocation will be based upon an appraisal conducted by a mutually acceptable professional. The cost of the appraisal shall be paid one-half by Seller and one-half by Buyers. If applicable pursuant to Section 10.6, then for tax purposes, Buyers and Seller shall report the conveyances hereunder consistently with the appraisal (and exchange group schedules prepared consistent therewith), including without limitation filing when due IRS Form 8824 or 8594 consistent therewith. Neither party shall have any liability or obligation to the other for the failure of all or part of the transactions contemplated by this Agreement to qualify as a like-kind exchange under Section 1031 with respect to the other party.

1.8. Closing. The consummation of the sale and purchase of the Station Assets under this Agreement (the "Closing") shall take place on a mutually agreeable date within five (5) business days after the date of the FCC Consent (defined below). If a condition to a party's obligation to close pursuant to Article 6 or 7 below is not satisfied (or waived by such party) on or before such date, then such party may by written notice delay Closing until five business days after it is satisfied (or waived by such party) (subject to Section 10.1). The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9. FCC.

(a) Not less than five (5) business days and not more than ten (10) business days after the date of this Agreement, CCBL and Seller shall file an application with the FCC requesting the FCC's written consent to the assignment of the FCC Licenses from Seller to CCBL pursuant to this Agreement (the "FCC Application"). The FCC's written consent to the

FCC Application (by initial order) without material adverse conditions is referred to herein as the "FCC Consent."

(b) Each party shall diligently prosecute the FCC Application and promptly provide the other with a copy of any pleading, order or other document served on it relating to such applications, shall furnish all information required by the FCC, and shall be represented at all meetings or hearings scheduled to consider such applications.

(c) In the event that Closing occurs hereunder prior to a Final FCC Consent, then each party's obligations under this Section 1.9 shall survive the Closing. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

1.10. Receivables. Buyers shall have no obligation to collect the Receivables of Seller.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyers:

2.1. Organization. Seller 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 Station Assets are located. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Seller pursuant hereto (collectively, the "Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2. Authorization. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective 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. Neither the execution and delivery by Seller of this Agreement and the Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Seller or any

law, judgment, order, or decree to which Seller is subject or, except as set forth on *Schedule 1.1(d)*, require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent.

2.4. FCC Licenses. Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*. The 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 any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Seller with respect to the Station. With respect to the Station, Seller is in compliance in all material respects with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC.

2.5. Taxes. Seller has, in respect of the Station's business, filed all foreign, federal, 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 pursuant to such returns or pursuant to any assessments which have become payable.

2.6. Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. All items of Tangible Personal Property are in good operating condition and adequate repair (ordinary wear and tear excepted). Seller maintains insurance policies (or other arrangements) with respect to the Station and the Station Assets consistent with its practices for other stations, and will maintain such policies until Closing.

2.7. Real Property. *Schedule 1.1(c)* contains a description of all Real Property included in the Station Assets. Seller has fee simple title to the owned Real Property ("Owned Real Property") free and clear of Liens other than Permitted Liens. *Schedule 1.1(c)* includes a description of each lease of Real Property or similar agreement included in the Station Assets (the "Real Property Leases"). The Owned Real Property includes, and the Real Property Leases provide, access to the Station's facilities. To Seller's knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority.

2.8. Contracts. Each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Seller and, to Seller'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). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

2.9. Intangible Property. *Schedule 1.1(e)* contains a description of the material Intangible Property included in the Station Assets. Except as set forth on *Schedule 1.1(e)*, Seller

has received no notice of any claim that its use of the Intangible Property infringes upon any third party rights. Except as set forth on *Schedule 1.1(e)*, Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.10. Employees. Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Station's business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining.

2.11. Compliance with Law. Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the operation of the Station. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station that will subject Buyers to liability or which questions the legality or propriety of the transactions contemplated by this Agreement. To Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Station (except those affecting the industry generally).

2.12. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyers jointly and severally make the following representations and warranties to Seller:

3.1. Organization. Each Buyer 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 Station Assets are located. Each Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by such Buyer pursuant hereto (collectively, the "Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Buyers has been duly authorized and approved by all necessary action of each Buyer and do not require any further authorization or consent of Buyers. This Agreement is, and each Ancillary Agreement when executed and delivered by Buyers and the other parties thereto will be, a legal, valid and binding agreement of each Buyer enforceable in accordance with its respective 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. Neither the execution and delivery by Buyers of this Agreement and the Ancillary Agreements or the consummation by Buyers of any of the transactions contemplated hereby or thereby nor compliance by Buyers with or fulfillment by Buyers of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Buyers or any law, judgment, order, or decree to which Buyers are subject or, require the approval, consent, authorization or act of, or the making by Buyers of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent.

3.4. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyers or any party acting on Buyers' behalf.

3.5. Qualification. CCBL is qualified under the Communications Act and the existing rules, regulations and policies of the FCC to hold the FCC Licenses.

ARTICLE 4: SELLER COVENANTS

4.1. Station Operations. Seller covenants and agrees with respect to the Station that, between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyers, Seller shall:

(a) operate the 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) maintain the FCC Licenses in full force and effect and shall timely file and prosecute any necessary applications for renewal of the FCC Licenses;

(c) upon reasonable notice, give Buyers reasonable access during normal business hours to the Station Assets, and furnish Buyers with information relating to the Station Assets that Buyers may reasonably request; provided that such rights of Buyers shall be exercised at Buyers' sole expense and shall not be exercised in such a manner as to interfere unreasonably with the business of the Station;

(d) the risk of loss of or damage to any of the Station Assets, and the risk of any interruption in the Station's normal broadcast transmission, shall remain with Seller at all times until 12:01 a.m. local time on the Closing Date, and prior to Closing Seller shall repair and replace any lost or damaged Station Assets and restore any interrupted transmission;

(e) not sell, lease or dispose of any of the Station Assets, or permit to exist any Liens upon the Station Assets, except for Permitted Liens; and

(f) not renew, amend or terminate any Station Contract, or enter into any new contract with respect to the Station, in any manner that will be binding upon Buyers or the Station after Closing, except for renewals or replacements in the ordinary course of business on terms no less favorable than the existing Station Contracts.

ARTICLE 5: JOINT COVENANTS

Buyers and Seller hereby covenant and agree that between the date hereof and Closing:

5.1. Confidentiality.

(a) Subject to the requirements of applicable law, Buyers and Seller shall each keep confidential all nonpublic information obtained by it with respect to the other parties hereto in connection with this Agreement and the negotiations preceding this Agreement ("Confidential Information"); provided that, the parties hereto may furnish such Confidential Information to its employees, agents and representatives who need to know such Confidential Information (including its financial, tax and legal advisers, its banks and other lenders) (collectively, "Representatives"); provided however, the disclosing party shall be responsible for all actions or omissions of such Representatives with regard to Representatives' breach of this Section 5.1. For purposes of this Section 5.1, the existence of the transactions contemplated by this Agreement is not nonpublic information. Each party hereto shall, and shall cause each of such party's Representatives to, use the Confidential Information solely in connection with the transactions contemplated by this Agreement, and not for any competitive purpose or advantage detrimental to the other party hereto or any of its affiliates. If the transactions contemplated hereby are not consummated for any reason, each party shall (i) return to such other party hereto, without retaining a copy thereof, any schedules, documents or other written information (and any derivative work product) obtained from such other party in connection with this Agreement and the transactions contemplated hereby, and (ii) provide, upon request, a written confirmation that all Confidential Information (and derivative work product) has been returned to the other party, and that the Confidential Information was used solely in connection with the transactions contemplated by this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, no party shall be required to keep confidential or return any Confidential Information which: (a) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party; (b) is or becomes publicly known through no fault of the receiving party or its agents; (c) is required to be disclosed pursuant to an order or request of a judicial or governmental authority (provided the disclosing party is given reasonable prior notice of the order or request and the purpose of the disclosure); or (d) is developed by the receiving party independently of the disclosure by the disclosing party. Notwithstanding anything to the contrary in this Agreement, Seller and its affiliates may, in accordance with their respective legal obligations (including but not limited to filings permitted or required by the applicable securities laws or any securities market) make such filings and public statements and announcements as necessary or appropriate in connection with this Agreement and the transactions contemplated hereby, and may provide information to the FCC with respect to the transactions contemplated hereby as reasonably necessary to obtain the FCC Consent.

5.2. Cooperation. Each party (i) shall use commercially reasonable efforts to obtain any governmental or third party consents necessary to accomplish the transactions contemplated by this Agreement, and to satisfy the conditions to Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

5.3. Control of Station. Buyers shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with FCC rules, control, supervision and direction of Station operations prior to Closing shall remain the responsibility of Seller.

5.4. Consents to Assignment. The parties shall use commercially reasonable efforts to obtain any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party) and to obtain any customary estoppel certificates requested by either party. To the extent that any such 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 hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable contract, with the conveying party making available to the acquiring party the benefits thereof and the acquiring party performing the obligations thereunder on the conveying party's behalf.

5.5. Public Announcements. Between the date hereof and the Closing Date, the parties shall consult and cooperate with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such public statement without the consent of the other party, which consent shall not be unreasonably withheld, provided, however, that a party may, without the consent of the other party, issue such press release or make such public statements as may be required by law or any listing agreement with a national securities exchange to which either Seller or Buyers are a party.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

6.1. Representations, Warranties and Covenants. Each of the representations and warranties of Buyers contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement. Buyers shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Seller shall have received a certificate dated as of the Closing Date from Buyers executed by an authorized officer of Buyers, to the effect that the conditions set forth in this Section have been satisfied.

6.2. FCC Consent. The FCC Consent shall have been granted.

6.3. Deliveries. Buyers shall have made or simultaneously make the deliveries set forth in Section 8.2.

6.4. Legal Proceedings. No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or

proceeding by any governmental authority shall have been instituted or threatened in writing (and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligations of Buyers hereunder are, at their option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

7.1. Representations, Warranties and Covenants. Each of the representations and warranties of Seller contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects, except to the extent changes are permitted or contemplated pursuant to this Agreement. Seller shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Buyers shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller to the effect that the conditions set forth in this Section have been satisfied.

7.2. FCC Consent. The FCC Consent shall have been granted.

7.3. Deliveries. Seller shall have made or simultaneously make the deliveries set forth in Section 8.1.

7.4. Network Affiliation Agreement. CCB and Telemundo shall have fully executed an enforceable network affiliation agreement for the Station on terms satisfactory to CCB with such agreement to commence upon Closing.

7.5. Carriage Rights. CCB shall have obtained basic tier cable carriage rights for the Station on all cable systems located within the Station's DMA.

7.6. Legal Proceedings. No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or proceeding by any governmental authority shall have been instituted or threatened in writing (and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

ARTICLE 8: CLOSING DELIVERIES

8.1. Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyers:

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

(ii) the certificate described in Section 7.1; and

(iii) such bills of sale, assignments, special warranty deeds, documents of title and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyers, free and clear of Liens, except for Permitted Liens.

8.2. Buyer Documents. At Closing, Buyers shall deliver or cause to be delivered to Seller:

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

(ii) the certificate described in Section 6.1; and

(iii) such documents and instruments of assumption as may be necessary to assume the Assumed Obligations.

ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect, except those under this Article 9 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved, and except Section 2.5 (taxes) and the second sentences of Sections 2.6 and 2.7 (title), which shall survive until expiration of the applicable statute of limitations.

9.2. Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyers from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyers arising out of or resulting from: (i) any breach of the representations and warranties of Seller in this Agreement; (ii) any failure by Seller to comply with the covenants and agreements of Seller under this Agreement; or (iii) the Retained Liabilities; provided, however, that (i) Seller shall have no liability to Buyers for a breach of representations and warranties hereunder until, and only to the extent that, Buyers' aggregate Damages exceed the basket amount set forth as *Exhibit A* attached hereto and (ii) the maximum liability of Seller for a breach of representations and warranties hereunder shall be the cap amount set forth on *Exhibit A* attached hereto.

(b) From and after Closing, Buyers shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from: (i) any breach of the representations and warranties of Buyers in this Agreement; (ii) any failure by Buyers to comply with the covenants and agreements of Buyers under this Agreement; or (iii) the Assumed Obligations; provided, however, that the maximum liability of Buyers for a breach of representations and warranties hereunder shall be the cap amount set forth on *Exhibit A* attached hereto.

9.3. Procedures. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following additional terms and conditions:

(a) The indemnifying party shall have the right to undertake, by counsel of its own choosing, the defense or opposition to such Claim. If the indemnifying party does not elect to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of such Claim at any time prior to settlement, compromise or final determination thereof).

(b) Anything herein to the contrary notwithstanding: (i) 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; and (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 or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

(c) All claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their

attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties. No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

ARTICLE 10: MISCELLANEOUS PROVISIONS

10.1. Termination. This Agreement may be terminated at any time prior to Closing: (a) by the mutual consent of Buyers and Seller; (b) by any party hereto if the FCC has denied or designated for hearing the approvals contemplated by this Agreement; (c) by Buyers, if the Closing has not taken place by the date twelve (12) months after the date of this Agreement; (d) by Seller, if on the Closing Date Buyers have failed to satisfy the conditions set forth in Section 6.1 or 6.3; (e) by Seller, if Buyers have failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after it receives notice from Seller of such breach; (f) by Buyers, if on the Closing Date Seller has failed to satisfy the conditions set forth in Section 7.1, 7.3, 7.4 or 7.5; or (g) by Buyers, if Seller has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after it receives notice from Buyers of such breach. A termination pursuant to this Section 10.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement.

10.2. Specific Performance. In the event of a breach or threatened breach by either party of any representation, warranty, covenant or agreement under this Agreement, at the non-breaching party's election, in addition to any other remedy available to it, the non-breaching party shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the breaching party to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

10.3. FCC Consent Reversal. If the Closing occurs prior to a FCC Consent, and prior to becoming Final such FCC consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the transactions contemplated hereby shall be rescinded. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, the parties shall each execute such documents and make such payments as are necessary to give effect to such rescission.

10.4. 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, except that (i) all taxes (and any other governmental fees and charges) applicable to the transfer of the Station Assets to Buyers hereunder at Closing (including without limitation any real estate transfer taxes), shall be paid by Seller, and (ii) all FCC filing fees in connection with the FCC Application shall be paid one-half by Buyers and one-half by Seller.

10.5. 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 be reasonably necessary to complete the sale of assets contemplated by this Agreement and otherwise consummate the transactions contemplated hereby.

10.6. 1031 Exchange.

(a) To facilitate a like-kind exchange under Section 1031 of the Internal Revenue Code, Seller may assign its rights under this Agreement (in whole or in part) to a "qualified intermediary" under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Seller of its obligations under this Agreement). If Seller gives notice of such assignment, Buyers shall provide Seller with a written acknowledgment of such notice prior to Closing and pay the Purchase Price (or such portion thereof as is designated in writing by the qualified intermediary) as directed by the qualified intermediary at Closing and otherwise reasonably cooperate therewith provided there is no delay of the FCC Consent or Closing and there is no unreimbursed expense to Buyers.

(b) To facilitate a like-kind exchange under Section 1031 of the Internal Revenue Code, Buyers may assign its rights under this Agreement (in whole or in part) to a "qualified intermediary" under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Buyers of their obligations under this Agreement). If Buyers gives notice of such assignment, Seller shall provide Buyers with a written acknowledgment of such notice prior to Closing and convey the Station Assets (or such portion thereof as is designated in writing by the qualified intermediary) as directed by the qualified intermediary at Closing and otherwise reasonably cooperate therewith provided there is no delay of the FCC Consent or Closing and there is no unreimbursed expense to Seller.

ARTICLE 11: GENERAL PROVISIONS

11.1. Assignment. Except as provided by Section 10.6, neither party may assign this Agreement without the prior written consent of the other party hereto. No assignment shall relieve a party of its obligations or liability under this Agreement. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and any permitted assigns of the parties hereto.

11.2. Amendments. No amendment, waiver of compliance with any provision or condition 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 any waiver, amendment, change, extension or discharge is sought.

11.3. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

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

11.5. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, including by facsimile, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when delivered by facsimile transmission, and shall be addressed as set forth on *Exhibit A* attached hereto (or to such other address as any party may request by written notice).

11.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

11.7. Severability. If one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, then, so long as it does not deprive a party 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. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

SAINTE PARTNERS II, L.P.

By: 

Name: Chester Smith

Title: ~~General Partner~~ President of the General Partner

BUYER:

CLEAR CHANNEL BROADCASTING, INC.

By: _____

Name: _____

Title: _____

BUYER:

CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: _____

Name: _____

Title: _____

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER: SAINT PARTNERS II, L.P.

By: _____
Name: Chester Smith
Title: General Partner

BUYER: CLEAR CHANNEL BROADCASTING, INC.

By: W G Moll
Name: William G. Moll
Title: President & CEO

BUYER: CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: W G Moll
Name: William G. Moll
Title: President & CEO

Exhibit A

Basket Amount:

Cap Amount:

Notices to Buyers:

Clear Channel Broadcasting, Inc.
200 East Basse Road
San Antonio, TX 78209
Attn.: Chief Legal Officer
Facsimile: (210) 832-3428

Notices to Seller:

Sainte Partners II, L.P.
~~1012/11th Street, Suite 200~~ 1130 14th Street
Modesto, California 95354
Attention: Chester Smith
Facsimile: (209) 523-0839

Schedule 1.1(a)
FCC Licenses

Station: KMUV-LP, Channel 23, Monterey, California (Facility ID #59362)

Licensee: Sainte Partners II, L.P.

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KMUV-LP	Main	12/01/2006

Schedule 1.1(c)
Real Property

None.

Schedule 1.1(d)
Station Contracts

Lease Agreement, dated September 26, 2001, between American Tower, L.P. a Delaware limited partnership, and Sainte Partners II, L.P., a California limited partnership.